

# MANDATUM



**SUSTAINABILITY REPORT**  
2022

# CONTENTS

<b>Introduction</b>	<b>3</b>
This is Mandatum	3
Message from the CEO	4
Sustainability highlights 2022	5
<b>Sustainability at Mandatum</b>	<b>9</b>
Sustainability goals and indicators	11
Sustainability management and responsibilities	13
<b>Money as a driver of change</b>	<b>14</b>
Responsible investment	15
Sustainable finance	24
<b>It all comes down to people</b>	<b>27</b>
Mandatum's products and services	28
Responsible rewards and compensation	30
<b>Leading by example</b>	<b>34</b>
Responsibility for personnel	36
Own operations	40
Collaborative projects	43



## ABOUT THIS SUSTAINABILITY REPORT

Mandatum Group reports on its corporate responsibility as part of Sampo Group. The objective of Sampo Group's Sustainability Report is to increase transparency and provide information on the business operations of Sampo Group companies and on Sampo's performance in environmental, social and governance issues.

This Sustainability Report is intended to complement Sampo Group's report. This report describes corporate responsibility at Mandatum overall and provides more detailed information on the practical corporate responsibility measures carried out in the Group in 2022.

Sampo Group's Sustainability Report will be published at Sampo Group's website at [www.sampo.com/sustainability/sustainability-reports/](http://www.sampo.com/sustainability/sustainability-reports/)

# THIS IS MANDATUM

Mandatum is a solvent and respected financial services provider whose mission is to create significant added value for customers and stakeholders by combining special expertise in money and life.

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

Mandatum Group consists of two business areas: life insurance and asset management. Mandatum Life Insurance Company Limited (Mandatum Life) offers services in wealth management, rewards and compensation, pension plans and personal insurance to private and corporate customers. Mandatum Asset Management Limited (MAM) is an investment firm that manages Mandatum Life's assets and offers discretionary wealth management, consultative wealth management and investment products to the most demanding investors. Mandatum Group's parent company Mandatum Holding Ltd is a wholly owned subsidiary of Sampo plc.

## Business areas

### Asset Management and Wealth Management

Extensive asset management and wealth management services for private and corporate customers, as well as institutional investors.

### Services for Preparing for Risks

Financial security for private customers and companies alike through comprehensive services, such as personal risk insurance, to help prepare for life's risks.

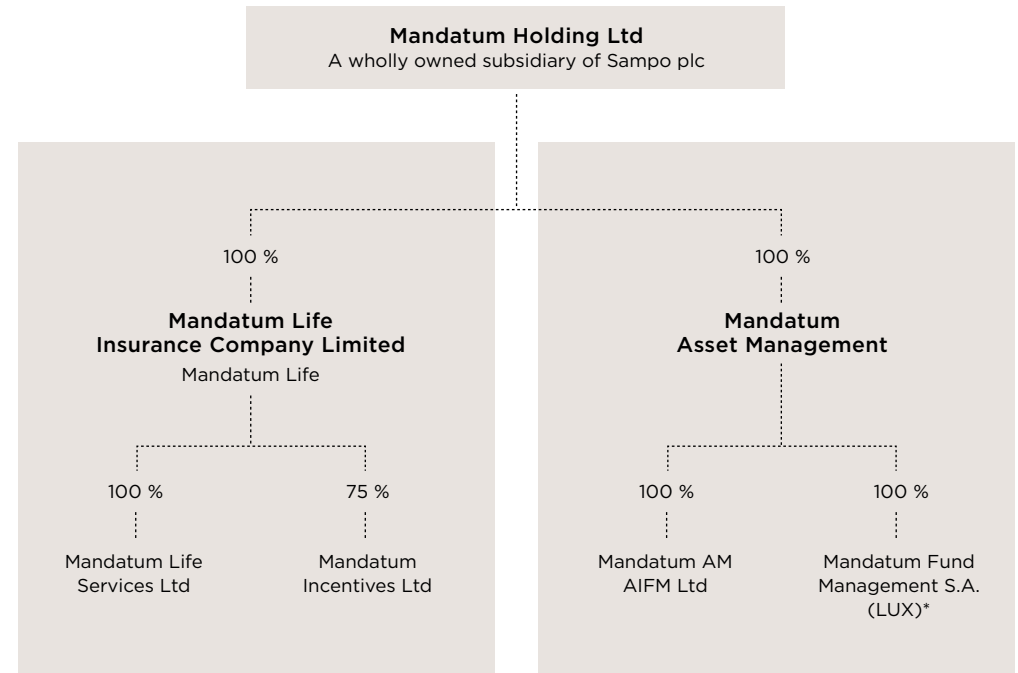
### Services for Corporate Customers

For companies and entrepreneurs, services for preparing for risks and prospering, pension solutions and the most extensive offering of reward and compensation services in the market.

### Investing and Saving

Investment and saving services, such as digital wealth management and the Trader securities trading service.

## MANDATUM GROUP'S STRUCTURE 31 DECEMBER 2022



\*The company was transferred from Mandatum Life Insurance Company Limited to the ownership of Mandatum Asset Management in spring 2022.

Mandatum Life Insurance Company Limited completed the sale of its Baltic life insurance operations to the Lithuanian wealth management group Invalda INVL on 1 July 2022.

# MESSAGE FROM THE CEO

Mandatum is a wealth management group whose mission is to create significant added value for its stakeholders. To our customers and owners, we are more than the sum of our parts.

A strong solvency position puts Mandatum in an excellent position to operate also in an uncertain market environment and to create continuous value for the surrounding society. In 2022, many indicators that are essential for our corporate responsibility, such as our personnel's well-being at work, customer satisfaction, the UN Principles for Responsible Investment's assessment and the investment carbon footprint, remained on a good level or improved.

We require sustainability of our investees. Taking climate change into account and efficiently managing climate risks in our investment operations was one of the focal points of our investment operations also last year. We launched new products aligned with Articles 8 and 9 of the EU's Sustainable Financial Disclosure Regulation (SFDR). For example, the new Senior Secured Loan fund that we launched in partnership with Universal Investment is, as far as we know, one of the first leveraged loan funds aligned with the requirements of

Article 9 in Europe. Alternatives and corporate bonds offered our customers a wide choice in a changed market and interest rate environment.

Through our business, we strive to improve the financial security of our customers and promote a good working life. The sale of risk insurance especially to corporate clients was successful in 2022. As an example, Mandatum concluded its largest-ever risk insurance deal for the entire Finnish personnel of a major company.

A growing demand for reward and compensation services, especially the development of ESG metrics related to responsible rewards, has been driven by increasing regulation and investors' requirements. We helped our customers reward and engage their personnel encouragingly, fairly and responsibly. Strong growth continued also in personnel funds, with a record 52 new funds being established in Mandatum in 2022. This represents 83% of all new personnel funds established in Finland last year.

Customers' trust in our expertise remained high, despite the fact that the war has undermined the feeling of security and transformed the economic environment, causing a great deal of concern. A significant factor behind our high customer satisfaction was our thriving corporate culture. One of



our important goals, employee satisfaction, remained strong. This was reflected in the Future Workplaces certificate we received based on the Signi personnel survey. Organisations earn the certificate if their corporate culture is managed with an exceptionally high level of employee insight.

We did an excellent job taking care of the continuity of our operations also in 2022. It creates the foundation for the sustainable and responsible management of customers' insurance-related liabilities and investments and pensions for decades. Risk management in our sector requires continuous development, and to that effect, we launched a Group-wide Governance, Risk & Compliance project (GRC) last year.

Mandatum continuously works on sustainability, enabling the creation of added value for our clients and owners also in the future.

**Petri Niemisvirta**  
CEO of Mandatum Group





## MANDATUM EARNS FUTURE WORKPLACES CERTIFICATE

Excellent employee satisfaction brought Mandatum the Future Workplaces certificate, based on Siqni's employee survey, for its proven highly rated employee experience.

*FUTURE  
WORKPLACES  
'22*



## **MAM ESTABLISHES A SENIOR SECURED LOAN FUND CLASSIFIED AS AN SFDR ARTICLE 9 FUND**

In September 2022, Mandatum Asset Management launched a new Senior Secured Loan fund in partnership with Universal Investment. The SFDR Article 9 fund targets a positive net impact on society. The net impact is measured in terms of society, the environment, health and knowledge and competence.





## MANDATUM'S REAL ESTATE PORTFOLIOS AGAIN RANK AMONG THE BEST IN THE GRESB SUSTAINABILITY ASSESSMENT

Mandatum's direct real estate investments again earned four out of five stars in the Global Real Estate Sustainability Benchmark (GRESB) assessment. That is the third best result in Mandatum's peer group in Europe, with Mandatum's results surpassing its peer group average in every category. The special common fund Mandatum AM Finland Properties II received three stars in the assessment and ranked third best in its peer group in Northern Europe.

Mandatum's direct real estate investments and the special common fund Finland Properties II both received the Green Star designation for their sustainability work. The Green Star designation is granted to real estate investors that receive high scores in both leadership and sustainability measures.



## IMPORTANCE OF SUSTAINABLE REWARDS AND COMPENSATION GROWING

Demand for ESG metrics related to responsible rewards and compensation is growing significantly due to increasing regulation and to the fact that potential investors and owners require from companies more comprehensive consideration of ESG aspects, relevant metrics and transparent reporting on them.

Linking sustainability goals to rewards and compensation gives new momentum to the company's sustainability thinking and actions. Responsible HR practices give companies a competitive edge. In 2022, Mandatum helped its client companies establish a record number (52) of personnel funds to improve their reward and compensation systems covering the entire personnel.



# 1

SUSTAINABILITY  
AT MANDATUM



# SUSTAINABILITY AT MANDATUM

Sustainability is at the core of Mandatum's business. Our sustainability encompasses three key themes. These 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 of its investees and believes that, in the long run, companies that operate responsibly will yield better results as investees, due to their more favourable growth prospects and more predictable cost development.

## 2. It all comes down to people

Through its business operations, Mandatum strives to improve the financial security of its customers and promote responsible HR practices. Well-managed business strengthens competitiveness and creates well-being in society. When coupled with good leadership and effective rewards, the entire personnel's motivation and enthusiasm have a quantifiable impact.

## 3. Leading by example

Taking responsibility for our personnel and sustainable ways of operating ensures successful business. Personnel's well-being is one of Mandatum's strategic goals. Financial responsibility means ensuring the continuity, profitability, earnings power and solvency of operations in all market situations. Ensuring continuity creates the foundation for the sustainable and responsible management of customers' insurance-related liabilities and customers' investments and pensions for decades. That is why risk management is also a key component of Mandatum's financial responsibility.



## WE SUPPORT THE UN'S SUSTAINABLE DEVELOPMENT GOALS

The UN's Agenda2030 and its 17 main goals are focused on sustainable development, taking into account the environment, economy and people in a comprehensive manner.

Mandatum is committed to promoting the UN's Sustainable Development Goals (SDG), three of which are especially important with regard to our operations and impacts.

- 3** Good Health and Well-being
- 8** Decent Work and Economic Growth
- 13** Climate Action





# Sustainability goals

## MONEY AS A DRIVER OF CHANGE

Link to the UN's SDGs:

- » Commitment to the UN's Principles for Responsible Investment
- » Reducing the carbon footprint of investments
- » Integrating sustainability aspects in the investment process
- » Monitoring investments
- » Assessment of sustainability impacts



## IT ALL COMES DOWN TO PEOPLE

- » Improving financial security
- » Improving the competitiveness of companies
- » Improving working life
- » Fair and responsible rewards
- » Saving and investing
- » Security for the entrepreneur
- » Supplementing pension cover
- » Supplementing social security



## LEADING BY EXAMPLE

- » Personnel's health and well-being
- » Good leadership and supervisory work
- » Personnel's equality and non-discrimination
- » Professional development and growing intellectual capital
- » Creating financial well-being in society
- » Combatting grey economy
- » Privacy and data protection
- » Good governance
- » Paying taxes
- » Minimising own environmental impacts





# Sustainability indicators

## MONEY AS A DRIVER OF CHANGE

### Commitment to the UN's Principles for Responsible Investment

- Integrating sustainability aspects in the investment process and monitoring investments, for example, according to the Global Compact principles
- » UN's Principles for Responsible Investment's (PRI) assessment
- Assessment and efficient management of sustainability impacts in investment operations and reducing the carbon footprint of investments
- » Carbon footprint of investments

## IT ALL COMES DOWN TO PEOPLE

### Supporting the well-being of customers and their personnel

- » The number of our customers' employees impacted by our solutions
- » Customer satisfaction (NPS), outcome and goal

### Mandatum helps its' customers reward their personnel fairly and responsibly

- » Satisfaction of personnel fund boards and reward consultation customers
- » Development of the number of Pay Scale studies, equality assessments and reward pulses

## LEADING BY EXAMPLE

### Employment

- » Number of employees, training opportunities

### Responsible leadership practices and equality

- At most 60% representation of one gender at management levels
- » % shares at different levels of management (Board, Executive Management Group, senior management)
- » 360-degree evaluations for supervisors

### Occupational health and well-being

- » Goal 2022: obtain the Siqni Future Workplaces certificate
- » eNPS: A globally comparable promoter index (employees are prepared to recommend the workplace to friends and acquaintances)
- » Flame Index, which reflects how the most significant factors for the employees are realised
- » Absences due to illness (%); Turnover %; Accidents

### Personnel funds and comprehensive insurance cover for Mandatum's personnel

- » Outcome (proportion of employees covered by insurance and personnel funds)

### Professional development

- » Training and mentoring programmes

### Growing intellectual capital

- » Job rotation

### Creating financial well-being in society

- » Solvency
- » Taxes

### Security of data processing

- » Information security training, information security incidents, requests and statements concerning individuals' rights based on the GDPR
- » ISAE 3000 type 1 report, ISO 27001

### Minimising own environmental impacts

- » Development trend, carbon footprint

### Collaborative projects

- » Effectiveness

### Responsible procurement

- » Compliance with the procurement policy

# SUSTAINABILITY MANAGEMENT AND RESPONSIBILITIES

We comply with valid legislation, norms and ethically sound practices in all of our operations. These principles, Mandatum's values and strategy guide us in our decisions and everything we do. In addition to these, sustainability work is steered by the following policies:

- Sampo Group's Code of Conduct.
- Supplementary policies. For corporate responsibility, one of the key policies is the Responsible Investment Policy, which is approved by Mandatum Asset Management's and Mandatum Life's Boards of Directors. MAM's and Mandatum Life's Executive Management Groups are responsible for implementing the policy in each Group company. Other significant policies in terms of corporate responsibility include: the Mandatum Way, Compliance Policy, Internal Audit Policy, Risk Management Policy, Remuneration Policy, Data Protection Policy, Information Security Policy, Procurement Policy, Outsourcing Policy, principles on preventing money laundering and terrorist financing, engagement principles and Communications Policy.

- The work is additionally supported by other guidelines.

Overall responsibility for managing Mandatum Group's corporate responsibility lies with the Group CEO. In 2021, Mandatum established a corporate responsibility forum, which assembles at least every quarter. The forum is headed by the Group's vice president in charge of corporate responsibility (Senior Vice President, Marketing and Communications) and the key representatives of different functions are represented in the forum. In 2022, the corporate responsibility forum convened seven times to address and promote corporate responsibility topics. The main issues related to corporate responsibility are taken before the Business Management Groups. Donations are decided by the Group's Board of Directors.

Mandatum's Group Communications is responsible for developing, coordinating and communicating on sustainability work. It is also in charge of corporate responsibility reporting and its cascading throughout the organisation.

Sampo Group's sustainability work is also reflected in Mandatum's sustainability work. Sampo Group's corporate responsibility organisation and reporting structure are described in more detail on [Sampo's website](#).

Responsible investment responsibilities and division of tasks at Mandatum are described in the [Responsible Investment Policy](#) (as detailed in the table below).

Unit/body	Responsibilities and tasks
MAM's and Mandatum Life's Boards of Directors	Approve the Responsible Investment Policy and outline the responsible investment operating methods.
MAM's and Mandatum Life's Executive Management Groups	Monitor the implementation of responsible investment practices and are responsible for compliance with the Responsible Investment Policy.
Portfolio Management Unit	Each portfolio manager and analyst includes a sustainability analysis in their investment analysis and monitors their investment objects also from a CSR perspective. If any discrepancies are observed, the portfolio manager/analyst consults with the ESG committee to ensure a consistent operating method. The responsible portfolio manager for each investment basket, fund or responsibility area ensures compliance with the Responsible Investment Policy within their area of responsibility.
ESG committee	Expert body responsible for coordinating responsible investment, developing tools and cascading operating methods throughout the organisation. Prepares the responsible investment approach and supports the portfolio managers in issues related to responsible investment. Reports on the implementation of responsible investment to MAM's and Mandatum Life's Executive Management Groups. Under the lead of the Senior ESG Manager, is responsible for developing Mandatum's ESG approach.

# 2

MONEY AS A  
DRIVER OF CHANGE





# MONEY AS A DRIVER OF CHANGE

Investors have an influential role in solving societal challenges and mitigating climate change. Sustainable development is difficult, if not impossible, without financial resources.

## Responsible investment

Mandatum believes that, in the long run, companies that operate responsibly will yield better results as investees, due to their more favourable growth prospects and more predictable cost development. The investment assets flowing into more responsible companies put these companies in a better position to succeed and push other companies to improve their ways of operating.

Integration of responsibility and sustainability aspects in Mandatum's investment process is continuous. Mandatum has committed to the UN's Principles for Responsible Investment and monitors its investments on the basis of the UN Global Compact principles, among other things. In accordance with the EU's action plan on sustainable finance, the company seeks to comprehensively assess and manage sustainability impacts in investment operations.

Taking climate change into account and reducing investments' carbon footprint is one of the focal points of Mandatum's investment operations. Mandatum has signed the UN's Montréal Pledge and discloses the carbon footprint of investments annually. The company works together with WWF Finland to promote responsible investment and to mitigate climate change.

Key indicators to measure the sustainability of investment operations are the UN's Principles for Responsible Investment's assessment and the carbon footprint of investments.

## Material matters, goals and indicators

### Commitment to the UN's Principles for Responsible Investment

- Integrating sustainability aspects in the investment process and monitoring investments, for example, according to the Global Compact principles

#### **Development in 2022:**

The international investor initiative Principles for Responsible Investment (PRI) annually assesses its members' investment operations. The assessment tells organisations how they have progressed in integrating responsible investment, as well as areas where their investment operations are in need of improvement. Mandatum performed better than average in the majority of the assessed areas.

[Read more on page 20](#)

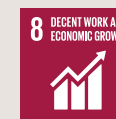
- Assessment and efficient management of sustainability impacts in investment operations and reducing the carbon footprint of investments

#### **Development in 2022:**

The carbon footprint of unit-linked assets managed by Mandatum is measured annually. The latest result is for 2021, when the average carbon intensity of investments was 117 tCO<sub>2</sub>e/MEUR (around 49% below the market average). The comparable carbon intensity of Mandatum's unit-linked insurance client assets has decreased by roughly 50 per cent since 2017.

[Read more on page 21](#)

Link to the UN's SDGs:



## Responsible investment reporting

Mandatum Asset Management Ltd (MAM) manages approximately EUR 16.1 billion in assets, which are made up of Mandatum Life's, Sampo's, Kaleva's and If's investment assets, Mandatum Life's unit-linked assets and client assets within MAMs discretionary mandates. The figure does not include assets directly managed by If.

The corporate responsibility reports of Mandatum and Sampo for 2022 complement one another. Sampo Group's report discusses Sampo Group's investments based on the following groupings: Sampo Group (If, Mandatum and Sampo plc), Topdanmark and Hastings. This Corporate Responsibility Report does not discuss Sampo plc's, If's, Topdanmark's or Hasting's investments.

Sampo's report does not cover the unit-linked business or other assets under MAM's management that are discussed in Mandatum's report. For example, in the areas of carbon footprint and alignment with the EU Taxonomy, the reports can be interpreted as complementing one another. However, the information is congruent in many cases as the Responsible Investment Policy lays out the responsible investment operating principles and guidelines of both MAM and Mandatum Life.

Sampo Group's Sustainability Report for 2022 will be published in May 2023 on [Sampo's website](#).

## The Investment Policy describes the responsible investment principles

Mandatum operates in the best interest of its clients and seeks the best possible return on its investments at an acceptable risk.

Mandatum's personnel are bound by the Responsible Investment Policy. The policy is intended as a guide for portfolio managers and for those participating in investment operations to take sustainability risks and factors into account in their day-to-day activities.

The policy describes the minimum level for measures taken to tackle sustainability risks and adverse sustainability impacts. More stringent principles and engagement procedures can be applied to certain products or portfolios.

## Commitment to responsible investment

Mandatum is committed to acting in compliance with Sampo Group's approach to sustainable development and promoting sustainability aspects when developing the company's busi-

ness. A core part of this is committing to different international principles and supporting initiatives, and partnerships with organisations and foundations.

Sampo Group has signed the **UN Global Compact** initiative. Based on the Global Compact's ten principles, the Group companies must act in a manner that ensures compliance, at least, with the basic requirements on human rights, labour rights, the environment and corruption. These principles have also been included in the investment processes.

Sampo Group and Mandatum are signatories to the **UN's Principles for Responsible Investment (UN PRI)**. Taking climate change into account and efficiently managing climate risk is one of the focal points of Mandatum's investment activities. As a company belonging to Sampo Group, Mandatum supports the **Paris Agreement** and **Climate Action 100+** initiative.

As a member of the **Portfolio Decarbonization Coalition** investor network, Mandatum's objective is to minimise investments' emissions globally by actively managing the climate risks of investment activities and offering opportunities to invest in companies with a smaller carbon footprint. Upon joining the network we were its first Finnish member. Through the **UN's**

**Montréal Pledge**, Mandatum annually publishes the results of its investment emissions measurements.

Mandatum strives to promote sustainable development and the adoption of the UN PRI Principles in the investment sector, also through partnerships with organisations and foundations, including **Finland's Sustainable Investment Forum (Finsif)**, **Finance Finland** and **GRESB**.

Mandatum is a member of the **Finnish Venture Capital Association** and participated in its activities in 2022 through various working groups (e.g. regulation, sustainable finance and ESG) as an ordinary or deputy member. The association is the industry body and public policy advocate for the venture capital and private equity investors in Finland, which maintains the industry's Code of Conduct, provides recommendations and organises training to develop the industry.

## Implementation of responsible investment

MAM has included sustainability analysis in its investment processes and regularly monitors its portfolios' investees also from a sustainability perspective. Sustainability is assessed based on several criteria, taking into account the

special characteristics of each asset class. They are also incorporated in the due diligence process that precedes investment decisions.

When analysing the risks of an investee, MAM takes sustainability factors into account as part of the big picture, and uses both negative and positive screening methods in its investment process. Investments can also be made with an emphasis on certain sustainability themes, for instance, climate change

and climate risk. The operating methods used in various asset classes are outlined in the adjacent table.

### Sensitive sectors

MAM has defined sensitive business areas that are monitored using both external service providers and through company analysis. Sensitive sectors mean violations of international norms and standards and sectors sensitive from an ESG perspective. Investments

are monitored and their sustainability risks are assessed based on these sensitive sectors.

Sectors identified as sensitive include the manufacture or production of the following products or services, as well as the subcontracting, logistics or distribution of the manufacture or production of those products: adult entertainment, tobacco, gambling, military equipment and controversial weapons. In addition, sensitive sectors include coal mining, the distribution of coal and coal mining subcontracting, the exploration, extraction and processing of fossil oil, as well as the production of coal- and fossil oil-based energy. In addition to sector-specific monitoring, the company excludes investees that must be legally excluded (e.g. targets to be excluded based on national/ international legislation, bans, agreements or trade embargos).

Implementation of responsible investment and active ownership are described more closely in the [Responsible Investment Policy](#) approved in December 2022. The latest update included, among other things, stricter limits on revenue from coal and oil.

### Climate strategy

Climate change is one of Mandatum's

key focal areas. The importance of mitigating climate change and biodiversity loss is ever present through not only currently available data and stakeholder's interests, but also through regulation. The company abides by the double materiality principle in its climate strategy. Double materiality takes into account both the impacts of climate risks on the investee company and the company's impacts on sustainability factors.

Mandatum aims to be a part of the solution to the climate crisis by thoroughly analysing investment opportunities with a set of climate-focused criteria. In addition to sector-based negative screening, Mandatum focuses on finding companies that, for example, provide technological innovations to mitigate climate risk. The ambition is to reduce exposure to the fossil fuel industry while simultaneously investing in companies that provide energy from renewable resources or that have credible plans to transition from fossil fuels to a more sustainable business model.

As part of the evaluation of transition companies, Mandatum assesses, among other things, the companies' energy mix and proportion of renewables, plans to grow the renewable energy business, and emissions reductions targets. The goal is to phase out coal (i.e.

	Direct equity investments	Direct bond and loan investments	Alternative investments	Fund investments
Sustainability analysis integrated into investment analysis	✓	✓	✓	✓
Negative screening methods	✓	✓	✓	✓
Positive screening methods	✓	✓	✓	✓
Sustainability themes	✓	✓		✓
Direct dialogue	✓	✓	✓	
Engagement	✓	✓	✓	✓

Summary of responsible investment implementation by asset class



Sector/product category	Key risk factors	Share of revenue		Description
		Direct business	Indirect business	
<b>Zero tolerance</b>				
Controversial weapons	Reputation risks, regulation 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>				
Coal	Reputation risks, technology risks, transition risks, regulation 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*.
Tobacco	Reputation risks, regulation 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.
Adult entertainment	Reputation risks, risks related to employee rights, 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.
Gambling	Reputation 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.
Military equipment	Reputation risks, regulation risks	50 %	50 %	Investments are not made in companies that derive more than 50% of revenue from manufacturing, subcontracting or distribution of military equipment.
Oil	Reputation risks, technology risks, transition risks, regulation 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.

companies that derive more than 5% of their revenue from coal) from the investment portfolio by 2030 and oil (i.e. companies that derive more than 5% of their revenue from oil) by 2040.

## Active ownership and corporate responsibility in owner practices

As a rule, in compliance with its owner practices, MAM strives to engage with companies in which it has invested, but it can decide not to engage with a company in order to avoid conflicts of interest, for example. Matters to be considered before initiating an engagement process could include, for instance, the materiality of the sustainability issue, the size of the investment, the measures already carried out by the investee company and its geographical location. In all of its engagement processes, the company takes into account especially factors related to climate change and other sustainability risks and factors, and tries to ensure that the investee companies have incorporated sustainability factors into their business strategies. Read more about engagement, such as joint engagement, voting and meetings in the [Responsible Investment Policy](#) and [Engagement Principles](#).



# CASES

Good scores in an assessment of responsible investment principles

[Page 20](#)

Carbon footprint of Mandatum’s investments shrunk again in 2021 – Carbon intensity has decreased by half since 2017

[Page 21](#)

Mandatum’s real estate portfolios again rank among the best in the GRESB sustainability assessment

[Pages 22-23](#)

Sustainability is a key factor in the Mandatum Growth Equity II fund aligned with SFDR Article 8

[Page 23](#)



## CASE: GOOD SCORES IN AN ASSESSMENT OF RESPONSIBLE INVESTMENT PRINCIPLES

The PRI is an international investor initiative that annually assesses how its members' investment operations compare year-on-year and with peers in various categories. The assessment tells organisations how they have progressed in integrating responsible investment, as well as areas where their investment operations are in need of improvement.

In 2022, the PRI disclosed the results of the latest assessment, which concerned the year 2020. This means that the assessment results are based on Mandatum Life's investment operations in 2020.

Overall, Mandatum achieved good scores in the assessment, with four or five stars in the majority of the assessed areas. Based on the assessment, Mandatum was particularly successful in integrating the sustainability aspect into the investment processes for direct equity investments, direct corporate bonds and fund-type fixed income investments.

Based on the assessment, the areas most in need of improvement were engagement and voting practices. The results provide valuable feedback for

developing MAM's engagement principles and owner practices. The key factor behind the score for engagement was that Mandatum does not generally vote in shareholder meetings.

*"In our experience, the most natural way to engage with companies is to discuss matters directly with their executive management. The discussions focus, for instance, on a company's governance, relative position and operating methods compared to other companies in the same business sector, and on the direction and pace of development of its business processes. We also pay attention to the scope and quality of companies' CSR reporting,"* says Senior Portfolio Manager **Topias Kukkasniemi** of Mandatum Asset Management.

*"In our discussions, we additionally take note of how prepared the company is to rectify possible shortcomings. If an investee company is not willing to invest in the responsibility of its business, the investment may be divested as a last resort."*

Mandatum signed the UN Principles for Responsible Investment in 2011 and has accordingly committed to, among

other things, incorporating ESG factors in its investment processes, to being an active owner and to promoting the principles of responsible investment.

### Summary scorecard

Investment & Stewardship Policy	★★★★
Direct - Listed Equity - Active fundamental - Incorporation	★★★★★
Direct - Listed Equity - Passive - Incorporation	★★★★
Direct - Listed Equity - Active fundamental - Voting	★
Direct - Listed Equity - Passive - Voting	★
Direct - Fixed Income - Corporate	★★★★★
Indirect - Listed Equity - Active	★★★
Indirect - Listed Equity - Passive	★★★★
Indirect - Fixed Income - Active	★★★★★
Indirect - Fixed Income - Passive	★★★★
Indirect - Real Estate	★★★★

Read more:

[PRI Assessment Report](#)

[PRI Transparency Report](#)





## CASE: CARBON FOOTPRINT OF MANDATUM'S INVESTMENTS SHRUNK AGAIN IN 2021 - CARBON INTENSITY HAS DECREASED BY HALF SINCE 2017

The average carbon intensity of Mandatum's investments in 2021 was 117 tCO<sub>2</sub>e/MEUR. The result is significantly (-49%) below the average level in the markets.

The comparable carbon intensity of Mandatum's unit-linked insurance client assets has decreased by roughly 50 per cent since 2017. The reduction in emissions can largely be explained by active portfolio management measures.

Taking climate change into account and reducing the carbon footprint of investments are focal points of Mandatum's investment operations, with the carbon footprint of investments being a key indicator of responsible investment.

**"We are very pleased that we have succeeded in cutting the carbon intensity of our investments in half since 2017. We will continue our long-term work to manage the climate risks of investments and reduce the impacts of climate change."**

Topias Kukkasniemi

*"Climate change affects the operations of all companies in one way or another. Likewise, companies have an impact on climate change through their operations. That is why we measure both the financial impacts of climate risks on investee companies and the carbon footprint of the investment portfolio. This gives us a comprehensive picture of the climate-related risks and impacts of our investments,"* says Senior Portfolio Manager Topias Kukkasniemi of Mandatum Asset Management.



### IMPACT ON SUSTAINABLE DEVELOPMENT:

By continuing current concentrations and on-going emissions of greenhouse gases, the increase in global temperature will likely exceed 1.5°C by the end of this century (compared to 1850-1900). If nothing is done to tackle emissions and the loss of biodiversity, extreme weather phenomena, rising sea levels and other natural disasters will grow more common and become increasingly erratic.

Mandatum's objective is to reduce investments' emissions by actively managing the climate risks of investment activities and offering opportunities to invest in companies with a smaller carbon footprint. Mandatum has defined climate action as one of its key focal areas.

## Results in brief

The average carbon intensity\* of investments was 117 tCO<sub>2</sub>e/MEUR, which is 49 per cent less than the market indices.

Equity investments were -41 per cent (101 tCO<sub>2</sub>e/MEUR) and fixed income investments -51 per cent (126 tCO<sub>2</sub>e/MEUR) in relation to the market indices.

The comparable change in the carbon intensity of the investment assets managed by Mandatum Asset Management compared to 2020 was -6 per cent.

The investments' total emissions\*\* were 1,427,592 tCO<sub>2</sub>e. The total emissions are not comparable with the figure reported for 2020, as the figure includes new assets due to the formation of Mandatum Asset Management.

The results for 2022 will be published in 2023.

\*Average carbon intensity expresses emissions in relation to the company's revenue. The reported figure is a weighted average of the investments' carbon intensity. The emissions include scope 1 and scope 2 emissions, i.e. emissions from the company's operations and purchased energy.

\*\*An investment portfolio's total emissions are calculated by allocating companies' emissions to the investment portfolio based on the share of ownership in equity investments and the share of owned debt or the enterprise value in fixed-income investments. The emissions include scope 1 and scope 2 emissions, i.e. emissions from the company's operations and purchased energy.

## How the emissions from investments were measured

Measurements have been carried out by Mandatum since 2017.

The carbon footprint of investments was calculated in co-operation with ISS ESG. The calculation covered the assets managed by Mandatum Asset Management with respect to its own investment baskets, own funds, full-mandate client portfolios and allocation solutions as per the situation on 31 December 2021.

The carbon footprint of the investees is based primarily on self-reported greenhouse gas emissions data (sources include, e.g., Corporate Sustainability Reports, Carbon Disclosure Project, and other company communication). Where no data is available, the emissions have been estimated using ISS ESG's sector-specific models.

## > CASE: MANDATUM'S REAL ESTATE PORTFOLIOS AGAIN RANK AMONG THE BEST IN THE GRESB SUSTAINABILITY ASSESSMENT

2022 was the third year that Mandatum took part in the Global Real Estate Sustainability Benchmark (GRESB) sustainability assessment, which measures the sustainability of real estate funds on the level of the entire real estate portfolio.

Mandatum's direct real estate investments again earned four out of five stars. That is the third best result in Mandatum's peer group in Europe, with Mandatum's results surpassing its peer group average in every category. The special common fund Mandatum AM Finland Properties II, an alternative fund managed by Mandatum AM AIFM Ltd, received three stars in the assessment and ranked third best in its peer group in Northern Europe.

Mandatum's direct real estate investments and the special common fund Finland Properties II both received the Green Star designation for their sustainability work. The Green Star designation is granted to real estate investors that receive high scores in both leadership and sustainability measures.

*"Our excellent results bear testimony to the fact that we are working with*

*an ever-sharper focus on sustainability, which is an integral part of our real estate investment strategy. Through sustainability measures, such as energy investment projects, we can also improve properties' cash flow and market value,"* says **Emilia Riikonen**, Head of Real Estate Investments.

In real estate investments, sustainability is a broad area that encompasses various aspects, including improving energy efficiency, measuring the carbon footprint and greenhouse gas emissions of properties, optimising water usage and waste disposal, as well as social responsibility, such as community influence, environmental considerations and renewable energy.

MAM has a total of more than a billion euros in real estate assets under management, including both open and closed strategies in the Finnish market as well as investments in funds managed by external partners elsewhere in Europe.

Sustainability and the promotion of sustainability reporting are also a strong focus in the international real

estate investments that are under MAM's management. The company's requirements for its external real estate fund managers include systematic sustainability reporting, such as GRESB reporting, and MAM was GRESB's first Finnish investor member. The implementation and development of sustainability are actively monitored for each property and through an extensive annual sustainability survey sent to external managers.

Mandatum AM Finland Properties II will be carbon neutral by 2030

## MANDATUM AM FINLAND PROPERTIES II WILL BE CARBON NEUTRAL BY 2030

The special common fund Finland Properties II invests in Finnish properties in Finland's 15 largest cities, mainly outside the capital region. The majority of the properties are business properties. The fund is committed to achieving carbon neutrality by 2030 at the latest.

The investments in the fund consist of existing real estate stock with varying technical characteristics that require active and local real estate asset management, expertise and resources. Achieving carbon neutrality requires extensive measures, such as:

- The fund only purchases renewable electricity.
- Investments are made selectively, and properties are renovated through energy efficiency investments, which may include, for example, HVAC automation, solar panel installations, geothermal projects or installing LED lighting.
- The properties' energy consumption is monitored actively and deviations are addressed. Active measures are also carried out in an effort to optimise consumption. Tenants are given instructions and obligated to operate responsibly in the properties.
- The properties' waste management is developed and the fund's recycling rate is maximised.

In 2022, the fund launched an energy saving programme to step up efforts to find energy saving areas and measures in the properties without compromising indoor air quality and safety.

## CASE: SUSTAINABILITY IS A KEY FACTOR IN THE MANDATUM GROWTH EQUITY II FUND ALIGNED WITH SFDR ARTICLE 8

Mandatum Growth Equity II primarily invests in Finnish growth companies with a turnover in the range of EUR 10-100 million. The fund serves as a growth platform for established and ambitious companies, and sustainability is seen as a key factor in building their growth.

MAM is an active minority owner in its investee companies and aims to actively develop the investee companies and to enable their growth and internationalisation.

The sustainability aspect is part of the investment process starting from the analysis of the investees.

In the first phase, MAM conducts an extensive study of the sector and identifies the sector's potential risks and future prospects. This work relies on, among other things, the SASB framework for identifying sector-specific ESG risks and value creation opportunities. Based on the analysis, MAM helps the investee companies define their sustainability targets and supports and monitors their performance against the targets. The defined sustainability fac-

tors are promoted together with management as part of other factors that are strategically important for growth.

The goal is to embed sustainability practices into the company's operations as an integral part of their growth story. MAM Growth Equity II promotes, among other characteristics, environmental and social characteristics on both the investee company and fund level, taking into account the UN's Sustainable Development Goals.



### IMPACT ON SUSTAINABLE DEVELOPMENT:

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

## Sustainable finance

Mandatum monitors the European Union's regulatory projects in sustainable finance and, in particular, takes the framework concerning sustainable development (EU Taxonomy Regulation) and the Sustainable Finance Disclosure Regulation (SFDR) into account in its investment operations.

The new regulation provides a framework for what is eligible as sustainable investment in the future. The regulation is based on the fact that, according to the Commission's calculations, in order to reach the climate and energy goals of the Paris Agreement by 2030, EUR 260 billion more capital is required for investments supporting the goals each year. The private sector plays a major role in filling up the investment gap as public funding cannot do it alone.

Going forward, there will be an EU-level definition of what kind of economic activity is eligible as environmentally sustainable and supportive of the Paris Agreement goals. The package, known as the Taxonomy Regulation, includes the EU's environmental goals and a comprehensive set of technical criteria for assessing the sustainability of business areas.

Investments promoted as sustainable and investments including certain sus-

tainable characteristics are subject to stricter disclosure obligations, and formal information must be supplied on their sustainable characteristics. The first disclosure obligations concerning sustainability in the financial sector took effect on 10 March 2021, and they were supplemented with regulatory technical standards (RTS), which became effective in the beginning of 2023. Financial market participants are required to disclose their operating principles for taking into account sustainability risks and adverse sustainability impacts, and classify the financial products they offer into different categories based on their sustainability to fulfil the disclosure obligations.

The financial products marketed in the EU are classified based on whether the product promotes sustainability factors or whether it has a sustainable investment objective.

The most ambitious product category in terms of sustainability is the SFDR's Article 9. Financial products aligned with the article must have a quantifiable sustainability objective, which must be reported on annually to investors.

Also products aligned with Article 8 must have a clear strategy that ac-



### CASE: THE DARK GREEN SENIOR SECURED LOAN FUND TARGETS A POSITIVE NET IMPACT ON SOCIETY

MAM launched a new Senior Secured Loan fund in partnership with Universal Investment in 2022. The fund, targeted at European professional investors, invests in the European and Nordic loan market.

The fund meets the sustainability criteria and disclosure obligations set for financial products marketed in the EU. SFDR Article 9 financial products must have a quantifiable sustainability objective, which must be reported on annually to investors. The new fund targets a positive

net impact on society, and the impact is measured in terms of society, the environment, health and knowledge and competence. In addition, each of the fund's investments must have a positive net impact on the social dimensions (society, health, knowledge and competence).

Funds that meet the requirements of Article 9 are rare in Europe: as far as we know, the fund is one of the first leveraged loan funds aligned with Article 9.

counts for sustainability factors, the implementation of which must be reported on annually.

#### Classification of financial products in three groups:

1. Sustainable investments that contribute to the achievement of goals related to the environment and/or society

(‘dark green’ Article 9 investments)

2. Investments that promote sustainability factors alongside their other characteristics (‘light green’ Article 8 investments)

3. Other investments (Article 6 investments).



## EU Taxonomy

According to the basic principle of the EU Taxonomy, economic activity must significantly promote at least one of the EU's climate and environmental objectives in order for the activities to qualify as environmentally sustainable. At the same time, the economic activity must not significantly harm any of these objectives, and in addition it must meet the minimum social safeguards. In order to define what substantial contribution and significant harm mean, the Taxonomy's delegated acts create and maintain clear

criteria (technical screening criteria) for activities.

The EU's Taxonomy Regulation (2020/852) entered into force in July 2020. The regulatory framework is being complemented further, and by the end of 2022, only two of the environmental objectives – climate change mitigation and climate change adaptation – had been complemented with technical screening criteria.

The EU Taxonomy will be implemented gradually, which is why insurance

companies must report on their taxonomy eligibility (i.e. report on whether the economic activity is covered by taxonomy regulation) for the reporting years 2021 and 2022. Reporting on taxonomy alignment (i.e. whether the economic activity meets the technical criteria for i) substantial contribution, ii) the principle of 'do no significant harm', and iii) compliance with minimum social safeguards) is required as of the reporting year 2023. Mandatum will thus report on the taxonomy alignment of its investments for the first time in 2024.

## Mandatory disclosures

According to EU's Taxonomy Regulation, major financial sector and other companies subject to the Non-Financial Reporting Directive (NFRD), must report on the extent of their activities that are aligned with the taxonomy criteria. The part of insurance companies' activities that is related to other than life insurance business is subject to taxonomy reporting. Mandatum Life is a life insurance company, so it reports taxonomy-related key figures only on its investments.

## Methodology

The taxonomy analysis of Mandatum Group's investments was conducted using an external service provider's data. The service provider identified the companies with economic activities subject to the taxonomy and provided the data based on the best available information. The service provider's indicators on taxonomy eligibility were based on the reporting on taxonomy eligibility directly available from the company.

All the underlying investments were analysed, except for government bonds, which must be excluded from the taxonomy analysis based on the Taxonomy Regulation requirements. In the taxonomy eligibility analysis, derivatives and non-NFRD companies were



Basic principles of the EU Taxonomy Regulation

excluded from the indicator in the calculation, which is in line with the reporting requirements. Here, non-NFRD companies means companies that are not subject to the reporting requirements of the Taxonomy Regulation.

In order to improve the consistency of reporting on taxonomy eligibility and taxonomy alignment and to ensure the consistency of reporting throughout the holdings, it has been proposed that financial institution disclosures should be based on information reported

by the underlying financial or other company or by the counterparty itself. Mandatum's share of investments that are taxonomy eligible is 4.4 per cent for the 2022 reporting year.

According to the analysis, 73.4 per cent of Mandatum's with-profit portfolio investments and 77.1 per cent of Mandatum's unit-linked portfolio investments were companies that are not obligated to publish a taxonomy report on 31 December 2022. According to the taxonomy reporting requirements, the

companies in question are not included in the taxonomy eligibility analysis.

In addition to this, 0.5 per cent of Mandatum's with-profit portfolio investments and 0.2 per cent of Mandatum's unit-linked portfolio investments were derivatives, which should also be excluded from the taxonomy eligibility analysis. Investments made in states, central banks and multinational issuers must also be excluded from taxonomy eligibility calculations, according to the Taxonomy Regulation. Of Mandatum's with-profit portfolio, 0.0 per cent and of the unit-linked portfolio, 5.7 per cent were investments made in states on 31 December 2022.

to the product materials. Outside consultants were used to assist in classifying investees into categories based on the new regulation.

The assessment and development of financial products is continuous. The regulation will be developed further and the adverse sustainability impacts of investment decisions will be assessed and disclosed in more detail than before.

Mandatum ensures that the investment personnel always have access to up-to-date information related to responsible investment legislation, as well as other guidelines and sufficient tools to take sustainability factors into account. Those participating in investment activities and responsible for customer relationships are provided with training related to responsible investment and sustainable finance legislation annually. In addition, persons specialising in responsible investment have been selected from among Mandatum's wealth managers. The availability of up-to-date information, training and support help wealth managers in ESG issues arising from sales work.

**More detailed information on investees** Mandatum publishes on its website the sustainability information required by legislation on Article 8 investments.

	Share (%) of covered assets*	Share (%) of all assets**
Taxonomy eligible activities	4.4%	4.3%
Non-taxonomy eligible activities	95.6%	95.7%
<b>Of which: unit-linked assets</b>		
Unit-linked assets (life insurance policies)	66.3%	67.6%
Taxonomy eligible activities (unit-linked assets)	2.6%	2.4%
Derivatives (unit-linked assets)		0.2%
Non-NFRD undertakings (unit-linked assets)		77.1%
Investments in states, central banks and multinational issuers (unit-linked assets)		5.7%
<b>Of which: with-profit assets</b>		
With-profit assets	33.7%	32.4%
Taxonomy eligible activities (with-profit assets)	8.1%	8.1%
Derivatives (with-profit assets)		0.5%
Non-NFRD undertakings (with-profit assets)		73.4%
Investments in states, central banks and multinational issuers (with-profit assets)		0.0%

\*investment assets excluding investments in states

\*\*investment assets including investments in states

## What has Mandatum done to promote sustainability?

On its website, Mandatum has published operating principles related to sustainability risks and an account of how it takes adverse impacts on sustainability factors into account in its investments. Regulation has also been accounted for in Mandatum's Responsible Investment Policy, which was approved in December 2022.

Information on how sustainability risks are accounted for in investment decisions and the likely impacts on income of sustainability risks has been added

# 3

IT ALL COMES DOWN  
TO PEOPLE



# IT ALL COMES DOWN TO PEOPLE

Through its business operations, Mandatum strives to promote a good working life and improve the financial security of Finns. Our services help our client companies improve their competitiveness responsibly and ensure that entrepreneurs and employees receive enough income when they retire or face financial challenges.

## Mandatum's products and services

### Ensuring financial security

Mandatum offers its customers and their families services to increase their financial well-being and to improve their income level during retirement. The product offering includes supplementary pension insurance and different forms of saving that increase wealth. Mandatum's various investment services allow all customers to save and invest, regardless of their investment assets.

Mandatum's personal risk insurance services provide financial security in case of a serious illness, disability or death. Furthermore, Mandatum's services for entrepreneurs secure the continuity of their business and supplement the statutory cover of the entrepreneurs and their families. Entrepreneurs are responsible for their pension cover and their companies' risk management, so

preparing for unexpected changes is even more important for them.

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 arrange individuals' financial security, and the employer receives, in turn, a more engaged employee and a better employer image.

Planning ahead is essential for taking care of employees' well-being and work ability. Mandatum offers entrepreneurs, private customers and corporate customers active advice on timely and appropriate measures. These include one-on-one conversations, ensuring the easy availability of material information and sharing practical lessons. In 2022, we organised a total of 41 webinars,

of which 10 were open to everyone. The webinars addressed, among other things, current investment topics and preparing for risks through insurance.

In 2022, Mandatum Life paid EUR 395 million (382) in pensions to approximately 56,000 pensioners.

[Read more about Mandatum's reward and compensation services on page 30](#)

### Examples of our service offering and its impacts

#### Supplementing pension cover

Mandatum's aim is to increase Finns' awareness and their possibilities to ensure that their income is sufficient during retirement. Investing or taking out pension insurance is a way to supplement one's pension cover. Pension cover that is supplemented by the em-

ployer through group pension insurance guarantees a better income level during retirement and reduces the need for employees to prepare themselves.

#### Supplementing statutory social insurance cover

A growing number of Finns are concerned about their income in the face of financial adversity. Mandatum's personal risk insurance increases customers' and their families' financial security in the event of serious illness, disability or death.

#### Providing security to entrepreneurs fosters entrepreneurship

Mandatum's services for entrepreneurs secure the continuity of their business and supplement the statutory cover of the entrepreneurs and their families.



# Mandatum's operations have a significant positive net impact

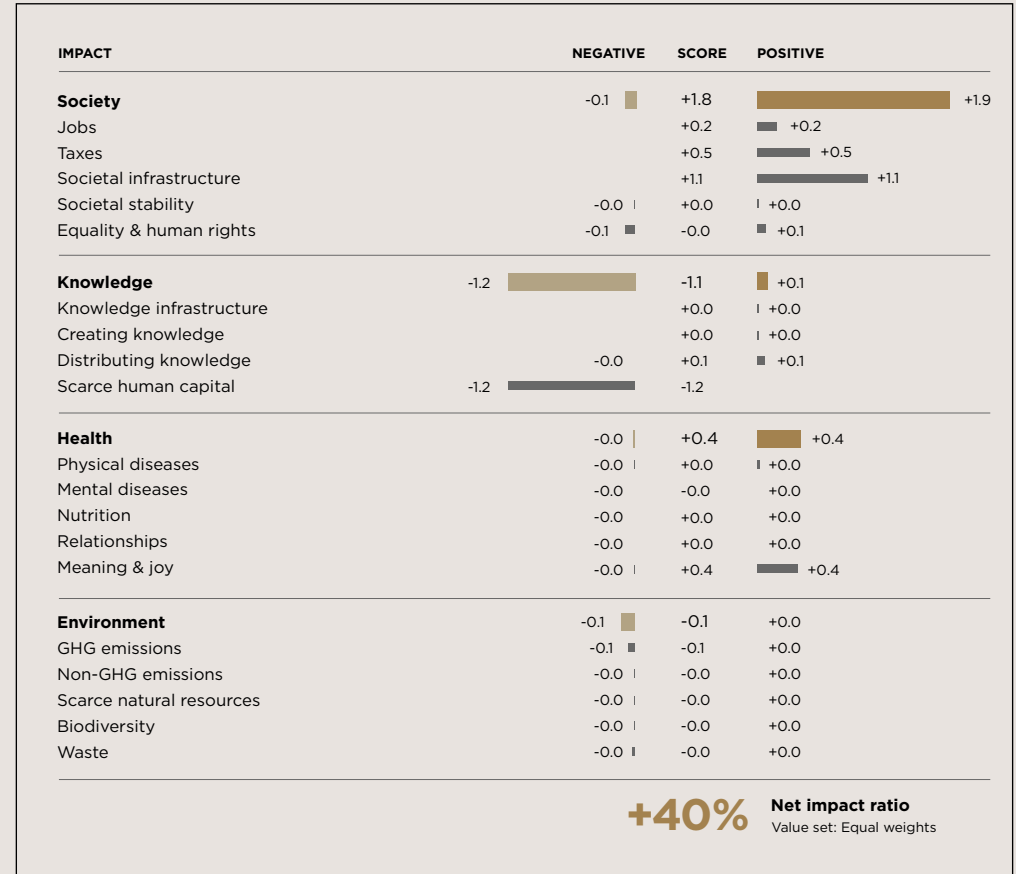
**Mandatum Group measured the net impacts of its operations in 2022. According to the measurement, both Mandatum Group and Mandatum's investments have a positive net impact.**

Mandatum was one of the first companies in its sector to measure its entire value chain. The project that was completed in autumn 2022 measured, in addition to the impacts of Mandatum's products and services, the impacts of investments underlying unit-linked products and with-profit balance sheet investments.

Net impact means the net sum of the positive and negative impacts of a company's business operations. To measure its net impact, Mandatum

used the AI-based model created by Upright Project. The model measures a company's positive and negative impacts on society, knowledge, health and the environment, and relativises them. At +40%, Mandatum Group's net impact was substantially positive. The net impact of Mandatum's investments was +24%, which is better than, for example, the global equity markets' average level (+12%).

The results provide a new perspective for analysing Mandatum's total impacts. Mandatum's results highlighted positive impacts on society and health. The largest negative impact came from the environmental impacts of investments which, nevertheless, were slightly lower than the global market's.



## Summary of Mandatum Group's impact profile

**Society:** Mandatum has a substantial positive impact on society. In addition to the payment of taxes and employment, Mandatum's services have a considerable positive impact. The investment, insurance, and reward and compensation products and services are part of the social infrastructure that enables the functioning of modern society and economy.

**Knowledge:** Mandatum employs a highly educated workforce, which comes with the opportunity cost of scarce human capital, because the diverse skills of the workforce are used by Mandatum and its clients. In Upright's model, this causes a negative impact.

**Health:** The financial security achieved through Mandatum's products and services has a positive impact on the health category. They can provide financial security far into the future, which can be seen in the model as an increase in meaning and joy.

**Environment:** Mandatum's own operations cause inevitable emissions due to, for example, the energy use of the premises, which results in a minor negative impact on the environment. The negative environmental impacts arising from Mandatum's own operations are considerably smaller compared to companies on average.

# Responsible rewards and compensation

We help our customers reward their personnel encouragingly, fairly and responsibly with the largest offering of reward and compensation services on the market. Well-managed business creates well-being in society and strengthens competitiveness.

## Examples of our service offering and its impacts

### Responsible rewards and compensation and financial preparedness through personnel funds

Personnel funds offer employees the opportunity to save and invest. For employers, it is a reward and management tool that can be used to align the company's and the employee's interests and reward both for successes. Mandatum offers companies tools for good leadership and reward schemes, as well as a means of monitoring and assessing the employees' impact on the company's financial success and work satisfaction. In 2022, Mandatum helped its client companies establish a record number (52) of personnel funds to improve their reward and compensation systems covering the entire personnel. This is 83% of

all new personnel funds established in Finland last year.

### Fair and equal rewards and compensation

Fair pay is often considered to be one of the pillars of working life. An equal pay level also benefits every organisation, as the experience of fairness is tied to performance, according to studies.

Mandatum conducts pay comparisons that can be used to analyse rewards and compensation within the company and in relation to other companies. Pay comparisons offer reliable market pay data for different-level jobs.

The Equality Act requires that employers employing at least 30 employees annually create a gender equality plan concerning pay and other employment terms and conditions, and conduct a pay survey every three years on pay gaps between women and men. The gender equality plan and survey must be communicated appropriately to personnel.

Mandatum also carries out pay surveys as required by the law, which look into how men and women are situated in different jobs within an organisation

and whether there are differences in pay between the genders.

### Supportive rewards and compensation

Advisory services for variable compensation and rewards are used to build reward models in which personnel are rewarded based on shared performance. Reward models like this include annual bonus schemes and long-term (share-based) reward schemes.

## We help our customers reward their personnel encouragingly, fairly and responsibly

Mandatum's experts help different types of companies plan and develop their reward and compensation structures: from mapping out the current situation to planning a complete package and developing, cascading and communicating the remuneration and reward schemes. Mandatum provides customers with consulting in remuneration and reward schemes for all employees and key personnel. The offering of reward and compensation services also includes Pay Scale basic salary schemes and market pay comparisons, and personnel funds and group pension insurance as supplementary rewards.

Equity-based reward schemes have traditionally been targeted at executives of listed companies, but today, both listed and unlisted companies are increasingly using long-term incentives to motivate and retain also other key persons and the entire personnel.

From the company's perspective, it is important that the overall reward and compensation system is clear and well-structured, and that the variable pay components are based on performance indicators that steer work towards the shared goals while at the same time supporting the company's strategy implementation and value growth responsibly in the long term.

Demand for ESG metrics related to responsible rewards is growing, driven by increasing regulation and investors' requirements. In 2022, the majority of major Finnish listed companies had embedded various sustainability indicators into the goals of the short- or long-term variable pay schemes for management and key personnel.

Mandatum provides its customers with consultation on responsible rewards and compensation. In 2022, Mandatum Incentives helped several

Finnish companies define responsibility indicators for their long-term incentive plans starting in 2023. Today, responsibility issues come up in practically every company when discussing the targets of rewards and compensation for management and other personnel.

### Indicators

Mandatum monitors and measures the realisation of sustainability in terms of this theme in three ways. The first is customer satisfaction (Net Promoter Score), in which our target level for 2022 was 65–70. Secondly, we measure the satisfaction of personnel fund boards and reward consultation customers. The third indicator is the development of the number of Pay Scale studies, equality assessments and reward pulses.

## Material matters, goals and indicators

### Supporting the well-being of customers 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 2022

Customer satisfaction (NPS) was 65.6 in 2022 (2021: 71.9; 2020: 72.5)

**The goal 65–70 was reached.** The figures are not comparable. Over the past three years, Mandatum has developed the measurement of customer satisfaction in a more ambitious direction by also measuring overall customer satisfaction.

### Helping our customers reward their personnel fairly and responsibly

- Satisfaction of personnel fund boards and reward consultation customers

#### Development in 2022

The NPS for funds' boards was 69.8 in 2022 (2021: 67.6; 2020: 47.4)

The NPS for consultation customers was 79.3 in 2022 (2021: 80.8; 2020: 52.3)

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

#### Development in 2022

The number of Pay Scale market pay comparison reports grew 37% (2021: 9%)

The number of pay surveys related to the gender equality plan grew 43% (2021: 133%)

The number of reward pulses grew 67% (2021: 50%)

Link to the UN's SDGs





## CASE: PROJECT ON WORK OF EQUAL VALUE CARRIED OUT BY MANDATUM COMPLETED

The results of the Project on work of equal value, which was financed by the Ministry of Social Affairs and Health and carried out in 2021–2022, were published in December. The research and development project examined pay systems, the assessment of work requirements and the realisation of the principle of equal pay for work of equal value from a legal perspective in collective agreements and pilot organisations.

Mandatum's Reward and Compensation Services were responsible for implementing the project together with their partners Haaga-Helia University of Applied Sciences and Työelämän sopimus- ja lakipalvelut Sopla Ky, a company providing contract and legal services. The final report of the project recommended measures for individual workplaces. The report looked into the matter also from the perspective of legislation and collective agreements.

*“An individual company can actively promote equal pay by, for example, focusing on high-quality equality plans and related pay surveys or building their own company-specific pay system. Pay systems typically consider both the requirements of the job and the person's performance,” says **Sini Jämsén**, Lead Consultant, Reward and Compensation at Mandatum.*



### IMPACT ON SUSTAINABLE DEVELOPMENT:

Mandatum is helping to look into equal pay and the implementation of equal work. The project enables the same labour rights for all employees.

## MEASURES RECOMMENDED BY THE PROJECT FOR INDIVIDUAL WORKPLACES

- Put in place organisation-wide pay systems at the workplace level.
- Focus on high-quality equality plans and related pay surveys.
- Increase employees' awareness of pay systems and pay criteria.

Read the project's final report [here](#) (in Finnish).



## > CASE: REWARD SURVEY 2022 SHEDS LIGHT ON REWARDS AND COMPENSATION IN FINNISH COMPANIES

In 2022, Mandatum commissioned a reward survey that aimed to identify both the supplementary reward models in use in Finnish companies and personnel's and management's views on how motivating and effective these models are. The previous survey was conducted in early 2020.

The latest survey results showed that monetary compensation is still the most important motivating factor. Employees find reward schemes clearly more motivating than company executives estimate. One new finding is that successful companies also reward their employees more. In industries where competition for employees is tough, a winning reward model that is perceived as fair can offer a decisive competitive edge.

Taking part in the survey were 325 business executives and 1,000 personnel representatives from the fields of industry, technology, services, trade and construction.

*"The responses show that companies are very actively developing their reward schemes right now. Various forms of compensation and rewards, such as*

*personnel funds, have become a major trend in recent years,"* says the Director of Mandatum's Reward Services, **Kiisa Hulkko-Nyman**.

The survey results show that corporate social responsibility is gaining in importance.

*"Corporate social responsibility is nowadays more prominent in the criteria for compensation and rewards. Sustainability indicators have become increasingly common in management's rewards,"* Hulkko-Nyman points out.

Of the companies that responded to the survey, 43% had linked a sustainability indicator to personnel's variable pay, and 40% to management's variable pay. The most commonly used indicators were related to employee well-being or commitment, customer satisfaction and occupational safety.



### IMPACT ON SUSTAINABLE DEVELOPMENT:

Mandatum helps companies reward their personnel encouragingly, fairly and responsibly. Mandatum finds and shares information on responsible rewards and compensation with the media, customers and potential customers.

When companies incorporate ESG indicators into their rewards and compensation, it has significant impacts on the companies' operations and subsequently on society. Management reward targets impact companies' financial goals, the environment and occupational health and safety, among other things. The more companies commit to, for example, reducing their carbon footprint, the greater the total impact on the environment.

# 4

LEADING BY EXAMPLE



# Events in 2022

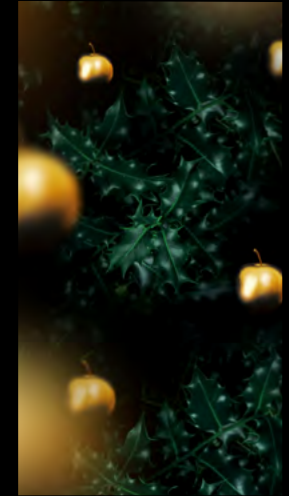
Regular breakfast service was started in autumn 2022. Two days a week, Mandatum employees have the opportunity to meet colleagues over a tasty breakfast.



A group of Mandatum employees spent a day cleaning the shores of Helsinki and Espoo as part of corporate social responsibility work. Mandatum employees have the opportunity to spend eight work hours a year doing charity work of their choice.



Mandatum organised a donation campaign to raise funds for humanitarian aid in Ukraine through UNICEF and the Finnish Red Cross. The total donation amounted to EUR 133,740, as Mandatum matched the donations made by personnel.



Safety Week was organised for the first time. Different themes related to safety and security were addressed during the week to improve Mandatum employees' awareness and preparedness and foster the occupational safety culture. The themes included, for example, information security and the safety of premises.



The company bicycle benefit was introduced. The company bicycle partner compensates for the emissions caused by the manufacture and use of each bicycle.



Mandatum and Kaleva donated EUR 15,000 for Ukraine through UNICEF at Christmas. The Christmas donation is the companies' multi-year tradition.



# Responsibility for personnel

Taking responsibility for personnel and sustainable ways of operating ensures successful business. Personnel's well-being is one of Mandatum's strategic goals. Mandatum's HR policy is based on the belief that taking care of personnel ensures customer satisfaction and puts the company in an even better position to achieve success.

## Our key goals include

- Growing intellectual capital
- Responsible leadership practices and equality
- Employment
- Professional development

Mandatum also pays particular attention to the benefits linked to work-ability management and employee well-being. Mandatum offers its personnel comprehensive insurance cover and the opportunity to fund

their bonuses in a personnel fund. Responsibility for personnel also means providing security for employees and their families in case of financial risks.

Our equality goal is to have at least 60% representation of one gender at the different management levels. The company has comprehensive training and mentoring programmes, and job rotation is a way to support professional development. We regularly conduct 360-degree evaluations for supervisors.

Mandatum has participated for a long time in the Great Place to Work Finland survey with excellent results. In 2022, the Siqni personnel survey was conducted for the first time at Mandatum. Its goal is to take the development of Mandatum's employee experience to the next, more employee-centered phase.

Other key responsibility indicators include absences due to illness, employee turnover and accidents.

## Material matters, goals and indicators

### Employment

- Number of employees: 663 (638 in 2021)
- Our goal is to employ young people and students. We had altogether 31 (18) summer workers and trainees. In addition, we employed several hourly workers, some of whom worked full time or almost full time during the summer.

### Professional development

- The in-house mentoring programme was also in use in 2022. It began in October 2022 and will end in June 2023. Six pairs, i.e. 12 employees participated in the mentoring programme.

### Responsible leadership practices and equality

Goal: At most 60% representation of one gender at management levels

- In 2022, Mandatum had at least 36 per cent representation of each gender at different management levels (32% in 2021). Women accounted for 46 per cent of the directors reporting to the CEO. The proportion of women on the Board of Directors was 22 per cent and 22 per cent in the Executive Management Group.
- In 2022, 360-degree evaluations were conducted for supervisors and project managers. The evaluations are carried out every two to three years.

### Occupational health and well-being

- The Siqni index score based on a personnel survey was 83 (on a scale of 1-100), which entitles Mandatum to the Future Workplaces certificate.
- In 2022, the eNPS was 55.
- Absences due to illness: 2.0% (2021: 1.1%)
- Turnover: 10.6% (2021: 10.6%)  
Accidents: 7 (2021: 3)

### Growing intellectual capital

- During 2022, nine (12) people were in job rotation, some of whom have meanwhile transitioned to a permanent new roleposition. In addition, people have applied for open positions and transferred to new positions within the company.

### Personnel funds and comprehensive insurance cover for the whole personnel

- All our employees are covered by accident insurance. All employees covered by the bonus system (sales bonus or performance bonus) are covered by the personnel fund, i.e. our entire regular personnel, excluding persons working in internal control functions.

### Link to the UN's SDGs:



## Personnel satisfaction

Mandatum has made it onto the list of Finland's best workplaces for eleven consecutive years in the Great Place to Work Institute's survey. In 2020 and 2021, Mandatum was selected as the best workplace in Finland in the large organisations category. Through the Great Place to Work survey, Mandatum has charted personnel's work satisfaction and well-being. These surveys have provided us with valuable insight into what the workplace's strengths and improvement areas are.

In 2022, Mandatum made advances in developing the employee experience by introducing the Siqni personnel survey, which looks into the factors that are meaningful for the personnel and how they are achieved at the workplace. The goal was to delve even deeper into what factors are the most meaningful in the lives of Mandatum's employees.

Mandatum's Siqni index score was 83 (on a scale of 1-100), which entitles Mandatum to the Future Workplaces certificate. Organisations earn the certificate if their corporate culture is managed with an exceptionally high level of employee insight. The Siqni index consists of the workplace's net promoter score (eNPS) and the Flame Index, which reflects how the most significant factors according to the

employee's experience are realised at the workplace. According to the survey, Mandatum's eNPS was 55.

In the Siqni survey, each employee selects, from the claims related to good workplaces, five that are the most important to them, and gives them a score and open-ended feedback. According to the 2022 survey, Mandatum employees feel that, of the aspects that they consider to be the most significant, the following ones were realised best in the workplace:

- Skilled colleagues
- A fair and capable supervisor
- The freedom to work independent of time and place
- Strong team spirit in the workplace
- Meaningful work tasks

Mandatum's corporate culture is based on a strong sense of community and mutual support, which we believe are important factors behind our high employee satisfaction. The Siqni survey will be conducted also in 2023 to deepen employee insight.

## Work well-being

Mandatum's goal is to keep personnel's well-being and work ability at a high level throughout their career. The main focus of mental and physical occupa-

## EXAMPLES OF MANDATUM'S RESULTS

**83**

**Siqni index**

(on a scale of 1-100)

**80**

**Flame index**

realisation of the most important aspects for employees in daily work (on a scale of 1-100)

**55**

**eNPS**

(on a scale of -100-100)

**89%**

**Reponse rate**

(2021: 95% Great Place to Work survey)

tional health is on preventive measures.

In 2022, Mandatum started providing its personnel with Mental Health First Aid 1 training. The training offers research data on mental health and factors affecting it. The participants learn how to reinforce their mental well-being through exercises. The training approaches mental health as part of overall health; as a resource, as mental well-being and as a person's ability to cope in daily life. The course is voluntary and free of charge for the participants, and it can be completed during working hours.

A smooth and good day-to-day working life has long been an important value for Mandatum. In an effort to make working both in the office and from home as convenient as possible, we continued to actively develop hybrid work. To enhance the sense of community, we organised personnel parties, various internal campaigns and initiatives and regular info sessions both virtually and at the office.

## Leadership at Mandatum

Mandatum regularly surveys leadership at the workplace. In 2022, a 360-degree evaluation was conducted for supervisors and project managers to gain insight into Mandatum employees' expectations of leadership and pro-

vide supervisors and project managers an opportunity to receive personal feedback. The previous 360-degree evaluation was conducted in 2019.

The 360-degree evaluation measured six key leadership areas: self-management, co-operation skills, strategic management, renewal management and development of operations, performance management and people leadership. The results achieved in 2022 are at an excellent level throughout Mandatum. Our long-term focus on supervisory work is reflected in our desire to build and continuously reinforce the positive aspects of leadership. Supervisors and project managers care for, listen to and show an interest in their team members. They are enthusiastic about their work and bear responsibility for their team. Mandatum favours small teams to give supervisors enough time to support the success of their team.

Mandatum Management School supervisor coaching is organised annually for new supervisors. The Management School's objective is to provide supervisors with a foundation for analysing and developing their supervisory work and role as a leader. The members of the coaching group engage in active dialogue, get to know their colleagues and create a shared view of supervi-

sory work at Mandatum. The coaching continued also in 2022.

## Developing hybrid work

The Covid-19 pandemic continued in early 2022, and Mandatum favoured remote work. In March, the company adopted a hybrid work model, in other words multi-location work. Hybrid work was actively developed further to maintain effective co-operation among employees, successful information sharing and work well-being. The objective was to provide clear guidelines and common ground rules to enable each employee to focus their efforts and energy on their core task.

In the hybrid model, each employee can decide for themselves where they wish to work for 50% of their working hours. There is no upper limit. Each unit or team decides when they will be at the office.

In early 2022, Mandatum launched the Our Way of Work project, whose aim was to create a common model and way of operating during the hybrid period for Mandatum using technology. The project resulted in Mandatum Space, a common workspace for Mandatum employees that offers guidance, tips and info spots on using programmes, tools and ways of operating. It was launched

for the whole personnel in autumn 2022, and the project continues in 2023.

## Employee benefits adjusted

The purpose of employee benefits is to help personnel cope at work and foster their motivation and innovation and the company's competitiveness. The purpose of the benefits offered to support individuals is to support the entire personnel in leading a full life.

In 2022, the comprehensive range of employee benefits was supplemented with new diverse benefits. The new employee benefits support personnel in commuting, for example. The new company bicycle benefit offers employees the use of a bicycle or an e-bike and the benefit is tax-free up to EUR 1,200 a year.

The meal benefit was increased to the maximum limit permitted by the tax authority. Each employee can also choose whether they wish to take their meal benefit in the form of ePassi or as an extra payment in addition to their pay. The value of the exercise, culture, well-being and commute benefit offered by Mandatum was also increased.

In order to develop hybrid work and enable encounters between colleagues, Mandatum started serving

a healthy and nutritious breakfast to personnel twice a week. Yoga classes continued to be held in the Bulevardi office two to three times a week. The classes could also be attended remotely or by watching a recording.

### More security for everyone

The personnel is covered by health insurance, which complements an

already comprehensive occupational health care service. The health insurance is valid during working hours and leisure time 24 hours a day. The insurance covers treatment costs for leisure accidents and illnesses. In addition, a significant proportion of personnel has disability and life insurance.

The employees' pension security is supplemented with group pension

insurance covering the entire personnel, in addition to which the majority of Mandatum's employees are also members of the bonus system (personnel fund). This Sampo Group's bonus system encourages long-term saving by paying an additional 20-per cent bonus to employees who decide to fund their bonuses on the funded portion.



### IMPACTS ON SUSTAINABLE DEVELOPMENT:

Mandatum supports its personnel's health and well-being.

Mandatum is a major employer and taxpayer that bears responsibility for its personnel and rewards and treats everyone equally. The company invests in its personnel's professional development, growing intellectual capital and responsible leadership practices.

## ➤ CASE: VOLUNTARY WORK FOR CHILDREN AND FAMILIES IN NEED

Mandatum employees were given the opportunity to spend eight hours of their working time doing voluntary work in 2022. This could involve offering professional expertise to someone in need of it or providing some other kind of support in an area important to the employee.

Facility Manager **Heidi Jämsä** worked one day at Hope's office in Helsinki in the summer. Her tasks consisted of stocking shelves with donated items,

arranging the shelves, serving customers and accepting donations.

*"I even lulled a baby to sleep while the mother collected the items she needed from the shelves. In addition, I brought several boxes of dishes and cutlery that were no longer needed after the renovation of Mandatum's premises," says Jämsä with a smile.*

Heidi's experience of voluntary work performed as a part of the company's

corporate responsibility work was highly positive.

*"It was a truly fantastic experience. It felt really nice to help low-income families. During the day, many families visited the warehouse and went home carrying several bags," Jämsä says.*





## Own operations

Sustainability work at Mandatum is continuous. The entire personnel do their part in implementing Mandatum's sustainability through their everyday actions. Sampo Group's Code of Conduct and Mandatum's policies establish the minimum level for sustainability action.

### Financial responsibility and risk management

At Mandatum, financial responsibility means ensuring the continuity, profitability, earnings power and solvency of operations in all market situations. Ensuring continuity creates the foundation for the sustainable and responsible management of customers' insurance-related liabilities and customers' investments and pensions for decades. That is why risk management is also a key component of Mandatum's financial responsibility.

The most important goals of the risk management process are to ensure the sufficiency of capital in relation to business risks and to curb variations in financial performance in the long run. Financial responsibility also means proactively responding to different situations, such as changes

taking place within and outside of the organisation.

In summer 2022, Mandatum launched a year-long Group-level Governance, Risk & Compliance project (GRC), which aims to reinforce the company's risk management and clarify decision-making processes to create a clear framework and common operating principles in response to the new corporate structure, growing number of personnel, increasing regulatory requirements and the evolving global situation. The primary objective is to build preparedness and safeguard the continuity of operations.

The GRC project also includes charting Mandatum's Group-level ESG governance and describing the processes and responsibilities that are material to Mandatum's corporate responsibility.

### "Mandatum creates substantial financial well-being in society"

Mandatum is a major employer and taxpayer in society. The Group employed 663 people in 2022 and was Finland's 12th largest taxpayer in 2021.

### One of Finland's largest taxpayers in the financial sector

Mandatum paid EUR 18.9 million in corporate tax in 2022. For years, Mandatum has been one of Finland's largest taxpayers. Mandatum was the single largest corporate tax payer in the financial sector in 2017-2021, with a total of EUR 301.9 million paid in corporate tax during this period (source: *Kauppalähti*).

### Security of data processing

As a reliable financial sector company, Mandatum aims to ensure that the services we offer our customers are secure. It is paramount to Mandatum to have sufficient levels of information security and cyber security that are proportionate to the nature of our business and the information we process, and to ensure that they correspond to the level generally expected by the financial sector's various stakeholders. Processing of personal data is part of Mandatum's core business. Every customer discloses their personal data to Mandatum when using our services. Information security and cyber security are seen as an integral part of developing high-quality services, the digitalisation of services and a positive customer experience.

Mandatum employs administrative and technical measures to ensure that the Group's information security and cyber

security have been appropriately arranged. Information security and cyber security are systematically developed in accordance with the information security strategy approved by the organisation's management, taking into account the ever-changing threat landscape. Mandatum's information and cyber security management is based on the information security policy approved by the company's Board of Directors. The policy outlines the roles, responsibilities, goals and more detailed guidelines for implementing information security and cyber security. In addition to the Information Security Policy, the processing of data is steered by the Data Protection Policy and Information Management Policy. These are supplemented by different information security and personal data processing principles and other guidelines.

Personnel's information security competence is maintained and developed by

organising regular training and improving capabilities to identify information security threats in daily work. Mandatum also ensures that its subcontractors are selected with care and that the subcontractors know their responsibilities and obligations when they work for Mandatum. Key technical protection measures include firewalls, strong encryption technologies, 24/7 surveillance and reaction, task-based access rights and access control in the premises.

Mandatum performs self-monitoring in the field of information security to improve information security, but the

information security level is also assessed regularly by independent parties. Mandatum has been granted the ISO/IEC 27001:2013 information security certification, the maintenance of which requires active measures to implement and develop various processes. During 2022, the development measures were especially targeted at preparing for continuity errors.

Mandatum complies in its operations with the European Union's General Data Protection Regulation, the Finnish Data Protection Act, the Information Security Code, the Insurance Companies Act, the

Act on Investment Services, the Act on the Protection of Privacy in Working Life and other applicable legislation. The operations are bound by, for example, insurance secrecy (Insurance Companies Act, Chapter 30, Article 1), which forbids the company from disclosing to third parties information concerning the financial situation, state of health (sensitive information), personal circumstances and business and professional secrets of the insurance company, its customer or another party. In addition to the insurance secrecy, Mandatum is bound by other regulations to practice a high level of confidentiality and secrecy

in processing personal data.

Significant information security incidents are reported to the Finnish Financial Supervisory Authority, both annually and as the need arises. Mandatum did not have any significant information security or cyber security incidents in 2022.

**In practice, information security and data protection mean the following measures, for example:**

- The information security level is assessed continuously and process-

## Material matters, goals and indicators

### Creating financial well-being in society

- Solvency ratio: 266% (12/2021: 192%)
- Mandatum paid EUR 18.9 million in corporate tax in 2022.

### Collaborative projects

- The impact of the collaborative projects can be concretised, for example, through the co-operation with the Tukikummit foundation. Close to 4,000 children had benefited from a donated accident insurance policy by the end of 2022.

### Security of data processing

- ISAE 3000 type 1 report, ISO 27001
- Data protection online training completion rate: 99.4%
- Information security online training completion rate: 99.4%
- Requests and statements concerning individuals' rights based on the GDPR: 14
- Personal data protection incidents: 35
- Other information security incidents: 0

### Responsible procurement

- Compliance with the procurement policy.

### Minimising own environmental impacts

- The GHG emissions from Mandatum's own operations in 2022 were 848.6 tonnes (2021: 508.7, 2020: 976.6). The emissions increased 67 per cent. The figures are not comparable, since the emissions in 2022 were increased by the fact that the calculation was extended to also cover personnel's commutes and remote work. In addition, business travel increased compared to 2021.

### Link to the UN's SDGs



es and systems are tested regularly. The information security level of partners and service providers is audited on a risk basis. Regular information security audits are carried out on systems by independent service providers specialising in information security.

- Use of the systems and networks and the threats related to them are monitored actively. Abnormal events are addressed without delay and, if needed, an incident management process that has been determined beforehand is started.
- Mandatum has tools and services that help identify threats related to systems and services already at the development phase.
- Customers' personal data can only be processed by persons who need to process the data in order to perform their tasks. Log entries on viewing or other processing of personal data remain in the systems. In addition to policies and guidelines, personnel's competence is ensured through mandatory online courses that must be completed regularly, and through targeted training. Each customer is entitled to receive confirmation from the company on whether their personal data is

processed. If a customer's personal data is processed, they have the right to receive a copy of the data and to inspect the data.

- The Privacy Notice provides more detailed information about the processing of personal data, and specifically, what personal data Mandatum processes, how the data is used and what rights people have regarding the processing of their data. Read more on the topic [here](#).

## Environmental impacts of Mandatum's own operations

Mandatum has measured the GHG emissions from its own operations since 2019. The data collected on the emissions has been expanded each year to obtain an even more comprehensive picture. In 2022, the data included for the first time personnel's commutes and remote work. Commutes were charted using a survey which received 227 responses. Based on this, an estimate of the total emissions from commutes and remote work was calculated.

In 2022, Mandatum's GHG emissions were 848.6 (508.7) tonnes. The emissions calculation included, among other things, electricity and heating, company cars, business travel, paper

consumption, IT equipment, and purchased goods and services. The majority of the total emissions resulted from business travel, personnel's commutes and remote work, purchased goods and services, and heating.

Mandatum is committed to reducing GHG emissions from its own operations and seeking out more sustainable ways of working. An example of the actions aimed at reducing the GHG emissions from Mandatum's own operations is improving the energy efficiency of offices, use of spaces and recycling. In 2022, Mandatum lowered the temperature in the Bulevardi office by one degree to save energy.

Together with Sampo plc, Mandatum compensates the GHG emissions resulting from its operations by supporting Gold Standard certified projects. The projects enable global collaboration to finance projects that reduce GHG emissions in emerging countries.

The emissions from the companies' own operations for 2022 were compensated by supporting the Prony Wind Power project in New Caledonia. The Prony and Kafeate wind farms produce renewable energy for the island state with some of the world's largest lagoons rich in organisms. The compensation project helps the island

state to transition from the use of fossil fuels to renewable energy. The project also creates jobs and supports the area's sustainable development in line with the UN's Sustainable Development Goals. Mandatum sees the compensation of its own emissions as a supplementary means in the fight against climate change.



### IMPACT ON SUSTAINABLE DEVELOPMENT:

Mandatum has defined climate as one of its key focal areas.

With respect to Mandatum's carbon footprint, the greatest impact comes through investments, but the company also strives to reduce the GHG emissions from its own operations and seeks more sustainable ways of operating.

# COLLABORATIVE PROJECTS

Mandatum supports many noteworthy projects and exceptional people in various fields and donates to charities. The company also collaborates with educational institutions and takes part in various fairs and seminars.

## Tukikummit

Mandatum works together with the Tukikummit foundation to prevent the marginalisation of children and adolescents and donates accident insurance to the children of families in the most difficult situation. During the collaboration, close to 4,000 children or adolescents have been provided with accident insurance through Tukikummit. The collaboration began in 2014. The safety network created over the years has a value equal to a sum insured of tens of millions of euros.

## WWF Finland

Mandatum works together with WWF Finland to promote responsible investing and to mitigate climate change. The collaboration, which started in 2017, results in concrete operating models and guidelines on how investors can lower the carbon dioxide emissions of their investments in practice. In 2022, Mandatum published together with WWF Finland an article about how biodiversi-

ty is considered in business and investment. Mandatum was also the main partner of WWF Finland's 50th anniversary seminar and highlighted the role of companies in battling climate change and nature loss. Active dialogue continued throughout the year.

## UNICEF and Finnish Red Cross

In spring 2022, Mandatum organised a donation campaign to raise funds for humanitarian aid in Ukraine through UNICEF and the Finnish Red Cross Disaster Relief Fund. In addition to a base donation of EUR 100,000, Mandatum matched all donations made by Mandatum employees. The sum raised amounted to a total of EUR 133,740. The donations made by Mandatum employees contributed to humanitarian aid through various organisations.

At Christmas, Mandatum donated the money reserved for the personnel's and customers' Christmas presents to

help Ukraine through UNICEF, together with Kaleva. The donated sum was altogether EUR 15,000. The Christmas donation is the companies' multi-year tradition. UNICEF is helping children and families in Ukraine by delivering emergency supplies and enabling access to, for example, health services, clean water and critical support services. UNICEF relies entirely on charitable donations to fund its work.





**MANDATUM**

Bulevardi 56, 00120 Helsinki, Finland  
Business ID 3191242-4

**MANDATUM.FI/EN**