

Personnel at Mandatum Life

Mandatum Life is a financial company providing wealth management, rewarding and personal risk insurance services. Mandatum Life has more than 500 employees and the company operates in Finland and the Baltics. Mandatum

Life believes that only satisfied employees give rise to satisfied customers. That is why investing in personnel practices not only reflects the company's values but also makes good business sense.

Number of Employees (FTE) Mandatum Life, 31 December 2017 and 31 December 2016

| | 31 Dec 2017 | 31 Dec 2016 |
|--------------|-------------|-------------|
| Finland | 427 | 443 |
| Lithuania | 37 | 23 |
| Estonia | 31 | 38 |
| Latvia | 26 | 38 |
| Total | 521 | 542 |

Long-Term Objective

Employee satisfaction is one of Mandatum Life's long-term strategic business targets. At Mandatum Life it is believed that a positive employee experience leads to a good customer experience. The objective is to build a work culture based on trust, where having the right people in the right places results in the highest quality of service for the company's customers.

Mandatum Life measures its employee satisfaction every year through the Great Place to Work Finland survey. The goal is for 90 per cent of Mandatum Life's personnel to feel that they

are employed in a very good workplace. The company's focus on well-being at work has paid off. In 2017, the target was exceeded for the third year in a row and was 94 per cent (92). In addition, Mandatum Life's efforts to be a truly good workplace are bearing fruit: according to the survey carried out in 2017, 91 per cent of the company's personnel would recommend Mandatum Life as a workplace.

Mandatum Life has been selected as one of the best workplaces in Finland for eight consecutive years.

Competence Offers a Competitive Edge

Mandatum Life is proactive in identifying and fostering the growing potential that lies within the company and in ensuring that it is an attractive workplace for new talent. This requires a culture with a low hierarchy, confidence building and employee engagement. Up to 96 per cent of Mandatum Life's personnel feel that they are given a lot of responsibility in their work.

Competition for the best talent is heating up, and work culture and development opportunities play an increasingly important role in recruiting. Valuing expertise and developing competence are core elements of Mandatum Life's future success. In 2017, competence development at Mandatum Life continued based on the 70-20-10 model. According to the model, 70 per cent of learning takes place at the workplace through interesting and challenging assignments, 20 per cent through feedback and learning from other members of the work community and 10 per cent through training programs.

The goal is for every Mandatum Life employee to be able to develop their personal competence at work. Learning at work is encouraged by opportunities to take part in development projects and working groups that cross unit boundaries. The idea is to use internal job rotation to fill temporary open positions, such as maternity leave vacancies. Opportunities are offered to employees studying alongside their work to complete study-related thesis in their own field.

Learning through feedback is supported by, among other things, a mentoring program, which was implemented for the sixth time in 2017. A 360-degree evaluation is carried out every two years to support leadership development. Based on the survey carried out in autumn 2017, supervisory work at Mandatum Life is at a very high level compared to other Finnish expert organizations. Based on the feedback, the strengths of the supervisory work are enthusiasm, customer focus, taking responsibility, leading by example, approachability and ease of cooperation. Identified development areas included, among other things, controlled

implementation of new procedures, efficiency of resources and work organization and time management challenges. On a scale of 1–7, the weakest scores were 5.5 and the top scores were 6.5 on average. Of the personnel, 96 per cent responded to the survey.

Investments in training programs continued in 2017 especially in the field of business competence development. In collaboration with Hanken & SSE, the company launched the Mandatum Life Business School training program built on high-quality speeches by international experts, small group workshops and a group project. The Business Impact

Challenge organized in 2017 focused on developing business projects in small groups with the aim of creating added value for the customer. The projects were built around current themes from Mandatum Life's business: development of group pension insurance, key employee insurance and development of web and mobile services.

During 2017, the company developed study programs to be completed in an online learning environment. The entire personnel completed an online course on preventing money laundering in the business of investment service companies and in insurance services and on knowing the customer.

Investing in Good Leadership

Mandatum Life develops leadership for the long run by focusing on supervisory work and by regularly measuring the development of management and well-being. The starting point is that those who hold a managerial position are among the company's key personnel and that every Mandatum Life employee is entitled to have a good manager.

All new Mandatum Life managers participate in the introduction training for managers as they take on their new role. In addition, in their first year of working for the company, all managers participate in the Mandatum Life Management School – a coaching program that aims to examine the role and tools of managers, as well as interaction in situations involving managerial work. The coaching provides a foundation for analyzing and developing one's

own supervisory work and for managing the team's activities. The goal is to maintain a consistent leadership culture at Mandatum Life. The program was arranged for the seventh time in 2017, and more than 95 per cent of the company's managers have taken part in it.

All Mandatum Life managers also receive feedback on their interaction skills through 360-degree evaluations every two years. Feedback is given by the employees who work under the manager, by colleagues and by the manager's manager. The Great Place to Work Finland study is also an important measure of a manager's success, as it provides not only company-specific results, but also team-level results. Team satisfaction is one of the criteria in determining the bonus for each manager.

Rewarding by Example

Mandatum Life supplements the employees' pension security based on its financial result annually. Additionally, the employees have the opportunity to fund part of their personal performance bonuses, thus enjoying the benefits of professional wealth management services. The Personnel Fund was introduced in 2014. In 2017, close to 90 per cent of Mandatum Life's entire personnel took advantage of the fund.

Mandatum Life favors an effective and agile reward system, which also means being prepared to make changes. The company continuously learns from the feedback of its personnel in order to find the best employee reward

practices. In addition to monetary rewards, Mandatum Life has also developed practices related to quick rewards and thank-you gifts. The company has, for example, awarded its most positive employees.

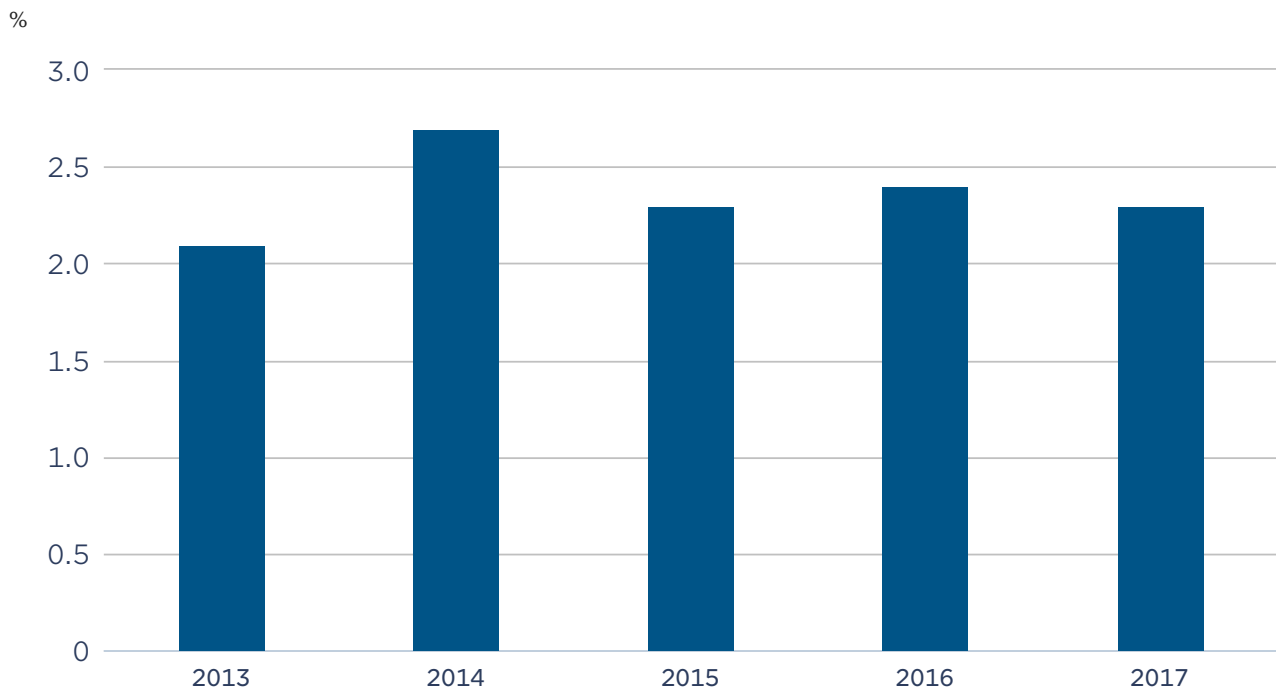
In ensuring the effectiveness of the reward system, responsibility and fairness are emphasized. Mandatum Life focuses on communicating the reward criteria to all of the employees so that they know what they are paid for and why. The most important consideration is that the rewards are perceived as fair. An effective reward scheme calls for clear communication.

Developing Well-Being and Equality

At Mandatum Life, the main focus of occupational health are preventive well-being-at-work measures. The absences due to illness have been declining since 2011 and are currently at a

very low level in the company. The absence due to illness rate was 2.3 per cent (2.4) in 2017.

Absence Due to Illness Mandatum Life, 2013-2017

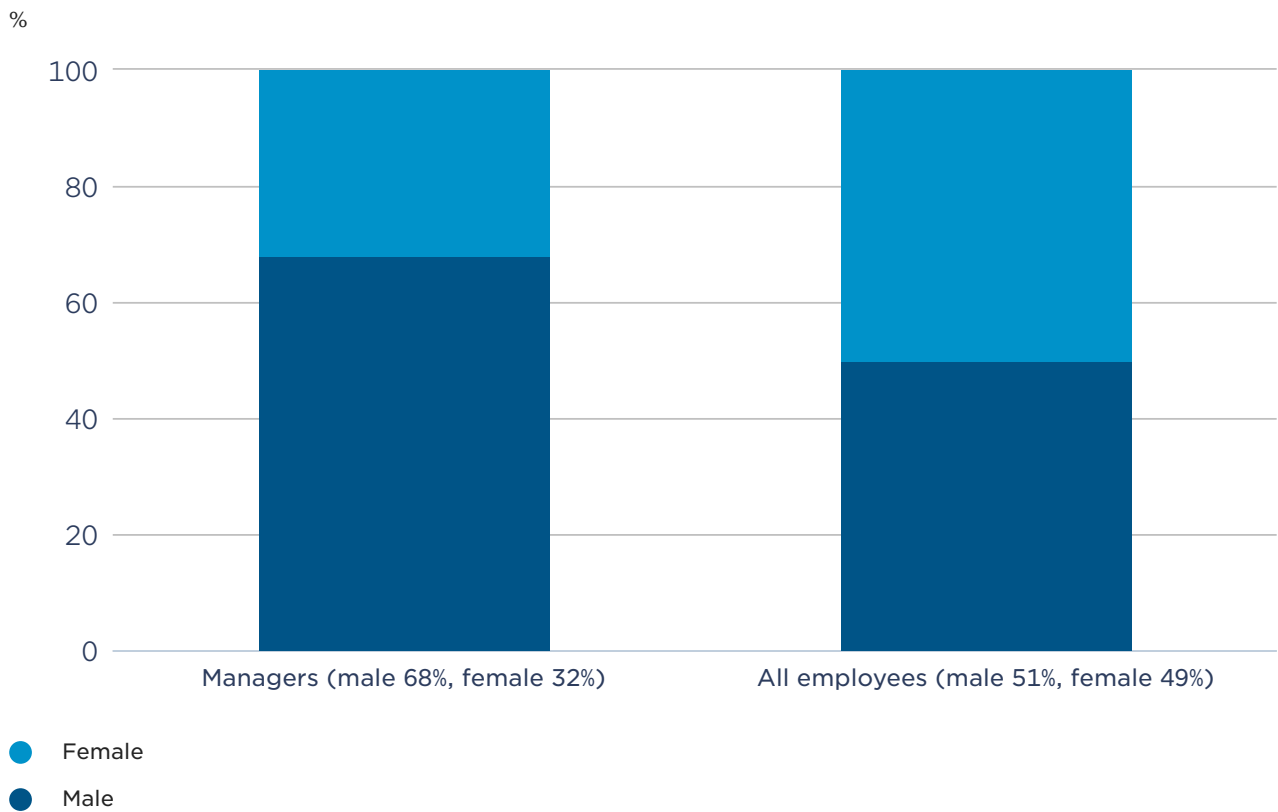


Statistics are based on Mandatum Life's internal reporting standards and may deviate from locally published statistics. Until 2014 the figures do not include Innova or Kaleva. Since 2015 figures include Innova.

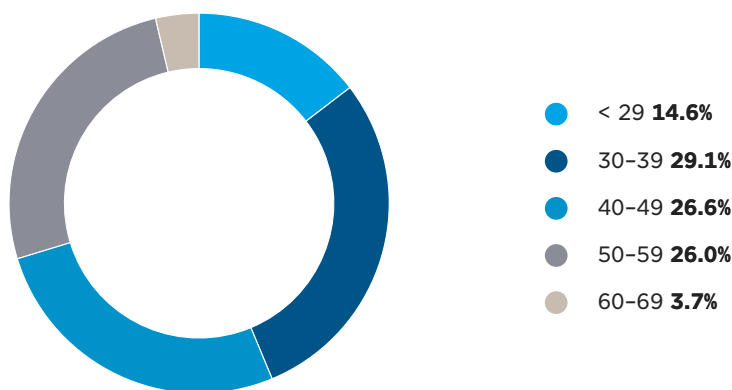
In the results of the Great Place to Work Finland study, which measures well-being at work, Mandatum Life's Finnish operations received an overall rating of 85 per cent in 2017. The result remained the same as in the previous year. The following claims reached a particularly high score: "People here are willing to go the extra mile to ensure that the work gets done", at 95 per cent (91) and "I am proud of what we achieve", at 92 per cent (88). The response rate for the survey was 86 per cent (91).

Mandatum Life strives to promote equality between all employee groups. In terms of gender distribution, equality among the employees is at an excellent level, with men representing 51 per cent and women 49 per cent of the personnel. In senior management, men have a larger representation, with a third of the operative management group members being women.

Gender Distribution Mandatum Life, 2017



Age Distribution Mandatum Life (Finland), 2017



Employee Pilots on Effective Reward Communications

In spring 2017, Mandatum Life launched an effective marketing campaign around personnel motivation and rewards. At the same time, the company invested extensively in digital services by launching the ML Money mobile app for Personnel Fund members and supplementary pension recipients.

Mandatum Life decided to pilot new reward communications first through its own personnel who have access to the same reward services as the company's corporate customers. The employees gave feedback not only on the communications related to rewards but also on the mobile app functionality. The communication was carried out by email, through the new mobile app and through the company's launch and internal communications channels. A Business School working group participated in designing the employee pilots.

During the internal reward campaign, the ability to inspire enthusiasm was a particular focus area. In order for a reward to have the desired effect, it must be reflected in the employees' daily work. The feedback raised important experiences that were used to improve the app's functions, the related communications and, above all, the customer experience.

