

Corporate Responsibility at Mandatum Life

Mandatum Life's corporate responsibility is based on the cornerstones of its business operations: increasing and securing the financial welfare of its customers and safeguarding against financial risks. In Mandatum Life's view, sustainable business attracts customers, long-term investors and motivated employees.

Financial responsibility – which means ensuring the continuity, profitability, earnings power and solvency of the operations in all market situations – is a prerequisite for

business and the basis of Mandatum Life's responsibility work. It lays the foundation for the management of customers' insurance-related liabilities and customers' investments and pensions.

Mandatum Life has identified three main themes for its corporate responsibility: responsible investing, promoting responsible personnel practices in work life, and implementing them in the company's own work community.

Responsible Investing

In 2017, Mandatum Life focused on promoting responsible investing and the sustainability of its own investment activities. During the year, both investment objects, investing in the most responsible companies in their sector and those aimed at managing climate change risks, were included in all of the full-mandate investment solutions managed by Mandatum Life.

Mandatum Life launched cooperation with WWF Finland to mitigate climate change, involving, among other things, guidance to investors on how they can replace carbon-intensive investment products with other, more climate-resilient options. The backdrop to this is the need to adjust

the investment sector's operations to the level required by the 1.5–2-degree temperature goal agreed on in the Paris climate agreement.

Mandatum Life has joined the international Portfolio Decarbonization Coalition in an effort to reduce the carbon footprint of investments worldwide. As part of the Montreal Pledge, the company annually measures and discloses the carbon intensity of the investments it manages. At 66 per cent compared to the benchmark indices, the carbon intensity of Mandatum Life's investments is clearly below that of the rest of the market.

Responsible Personnel Practices in Working Life

Mandatum Life strives to promote good reward practices through its business. Mandatum Life supports companies' and employees' financial security by providing personal insurance, growing wealth, securing entrepreneurship and supplementing pension cover.

Mandatum Life encourages employers to secure their personnel's pension and insurance cover and at the same time takes care of their employees' work ability. In 2017, Mandatum Life paid out a total of EUR 402 million in pensions to 66,000 pensioners and the number of other indemnities paid was in total 50,000.

Employees' ability to work and well-being require companies to start planning at an early stage. Through effective and responsible rewarding, Mandatum Life helps its client companies develop their management practices, which has a positive impact on inspiring employees and increasing the productivity of their careers. Mandatum Life manages roughly 70 personnel funds used for rewarding the entire personnel, and they cover a total of approximately 35,000 employees, or members. In 2017, 13 personnel funds were established, and the number of members grew by more than 2,000 persons.

Employee Well-Being

The well-being of personnel is one of Mandatum Life's strategic targets. Motivated and enthusiastic employees have a significant impact on customer satisfaction and the company's ability to succeed. Responsibility for personnel also means providing security for employees and their families in case of financial risks, supplementing pension cover through group pension insurance and encouraging

long-term savings through the Bonus Fund.

Efforts to improve the well-being of personnel and good leadership paid off in 2017. According to the Great Place to Work Finland study, up to 94 per cent of employees, who participated in the study, find Mandatum Life to be a very good place to work. The results of the 360-degree survey

pertaining to the quality of leadership indicated that leadership is also at an excellent level. Of the personnel, 96 per cent responded to the survey, which provides managers

with feedback on their interaction and leadership skills from their own manager, peer group and subordinates.

Future Outlook

Continuing to reduce the carbon intensity of its investments and helping investors reduce the carbon footprint of their investments while taking into account their investment objectives are at the heart of Mandatum Life's corporate responsibility goals. In early 2018, the Mandatum Life published an investor guide related to the topic together with WWF Finland.

continue its efforts to be one of Finland's best workplaces and to help its client companies achieve greater success. In the beginning of 2018, Mandatum Life also joined the FIBS Diversity Charter and engages in promoting equal leadership and equal opportunities in the work community, and in communicating about goals and achievements pertaining to equality.

In responsible personnel practices, Mandatum Life will