

Personnel at Mandatum Life

Mandatum Life's business involves improving its customers' financial security, growing its customers' wealth, supporting the success of Finnish companies and providing protection against entrepreneurs' and companies' personal risks. Mandatum Life is a financial

services provider with more than 500 employees in Finland and the Baltic countries. The satisfaction and well-being of employees and the development of their competence are investments that reflect the company's values and make good business sense.

Mandatum Life's Objective in the Long Run

Employee satisfaction is one of Mandatum Life's strategic targets. The objective is to build a work culture where having the right people in the right places results in the highest quality of service for the company's customers. Mandatum Life believes that a positive employee experience leads to a good customer experience.

The company measures its employee satisfaction

every year through the Great Place to Work Finland survey. The goal is that 90 per cent of Mandatum Life's personnel feel they are employed in a very good workplace. The company's focus on well-being at work has paid off. In 2016, the target was exceeded for the second time in a row and was 92 per cent (92).

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

Developing Competence

Placing value on and fostering expertise has been recognized as a prerequisite for future success. The competition for top talent is heating up, which is why Mandatum Life is proactive in identifying and fostering the growing potential that lies within the company and in ensuring that the company is a challenging and interesting workplace for new talent. An important part of developing competence is to create a work culture and operating environment that promotes expertise and creativity for the long term. This requires a culture with a low hierarchy, confidence-building, engagement and encouraging new ideas. As much as 90 per cent of Mandatum Life's personnel consider management easy to approach, and 93 per cent believe management has faith in the employees' ability to perform their work well without the need for monitoring.

Mandatum Life believes in the 70-20-10 model of learning and development. According to the model, 70 per cent of learning takes place at the workplace through interesting and challenging assignments. 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. Temporary open positions, e.g. parental leave vacancies, may be filled through internal job rotation.

Feedback and learning from other members of the work community forms the basis for 20 per cent of learning. This area of learning is supported by, for instance, the company's internal mentoring program, which was arranged in 2016 for the fifth time. The program is open to all Mandatum Life employees, and the mentors are typically members of the company's management team.

Ten per cent of competence development stems from training programs. In 2016, Mandatum Life focused particularly on developing business competence. In collaboration with Hanken & SSE, the company launched the Mandatum Life Business School under the theme of Turning Expertise into Business. The program was aimed at specialists and supervisors who hold a leadership role. Its objective was to develop competence in the insurance & finance business, in the latest trends and in changes in customer behavior, and to give the participants tools for network management.

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.

In their first year of working for the company, all new 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 build and maintain a consistent leadership culture at Mandatum Life. The program was arranged for the sixth time in 2016, and more than 95 per cent of the company's 75 managers have taken part in it. The program includes a manager profile assessment, which

helps the manager to develop in his/her work. In addition, leadership in the company was developed during 2016 using various evaluation tools.

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

Rewarding by Example

Among Mandatum Life's goals is to offer its customers quality employee reward solutions. We also want to offer our personnel the same services. As the company places great importance on the future and preparing for retirement, performance bonuses are paid into the personnel's Sesam group pension insurance annually in accordance with the company's realized financial result.

The employees are additionally given the opportunity to fund part of their personal performance bonuses. The Personnel Fund was introduced in 2014. In 2016, close to 90 per cent of Mandatum Life's entire personnel took advantage of the fund.

Mandatum Life strives for an effective and agile

reward system for its personnel. That 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. Tried and tested practices are also made available to customers. Likewise, the company learns from its customers' successful reward schemes.

Well-functioning and effective employee rewards are a success factor for Finnish companies. It is a matter that Mandatum Life is passionate about. A successful company knows what to pay its employees and why. The most important consideration is that the rewards are perceived as fair. An effective reward scheme calls for clear communication.

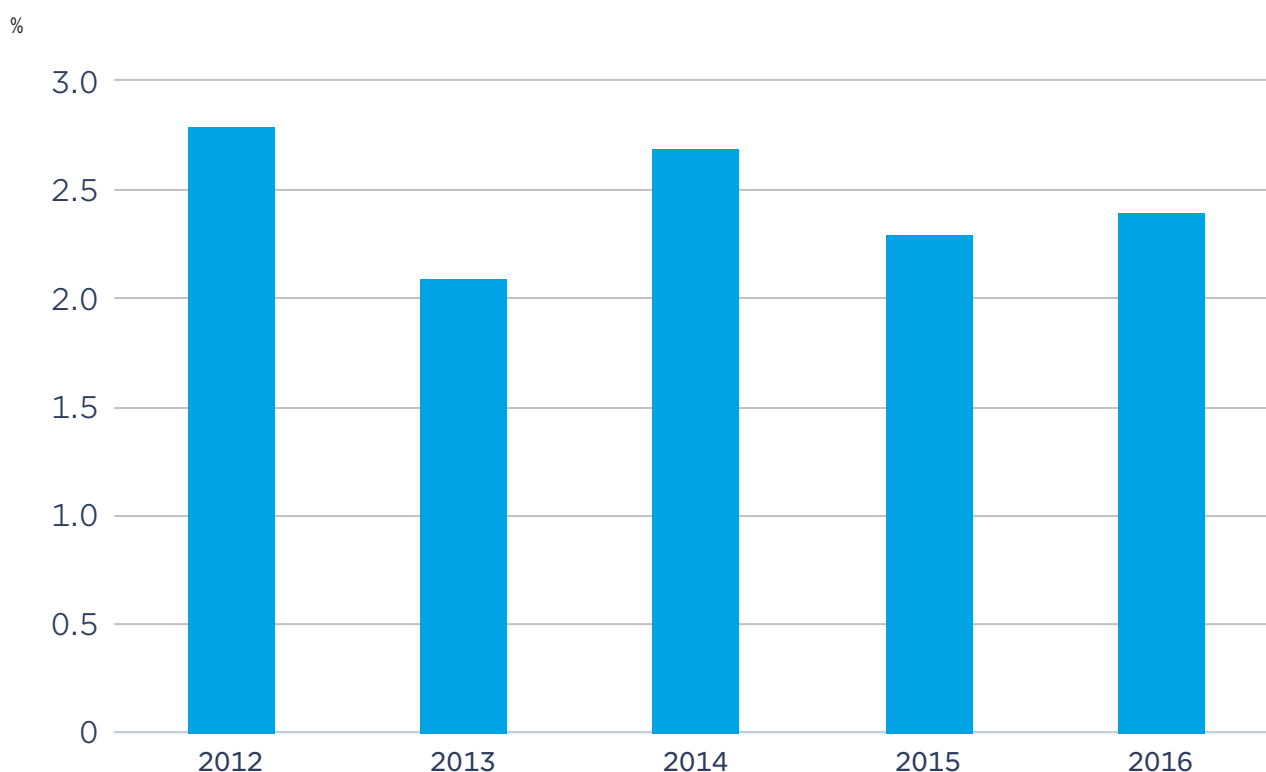
Developing Well-Being and Equality

At Mandatum Life, the main focus of occupational health is preventive well-being-at-work measures. The sick-leave rate has declined since 2011 and is at a very

low level in the company. The sick-leave rate in 2016 was 2.4 per cent (2.3).

Sick-leave Rate

Mandatum Life, 2012–2016



Sick-leave 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 but not Kaleva.

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 2016. The result improved by one percentage point compared to the previous year. A particular improvement was seen in the claims *Management delivers on its promises* 88 per cent (84) and *New employees feel welcomed into the organization* 93 per cent (89). The response rate for the survey was 91 per

cent (90).

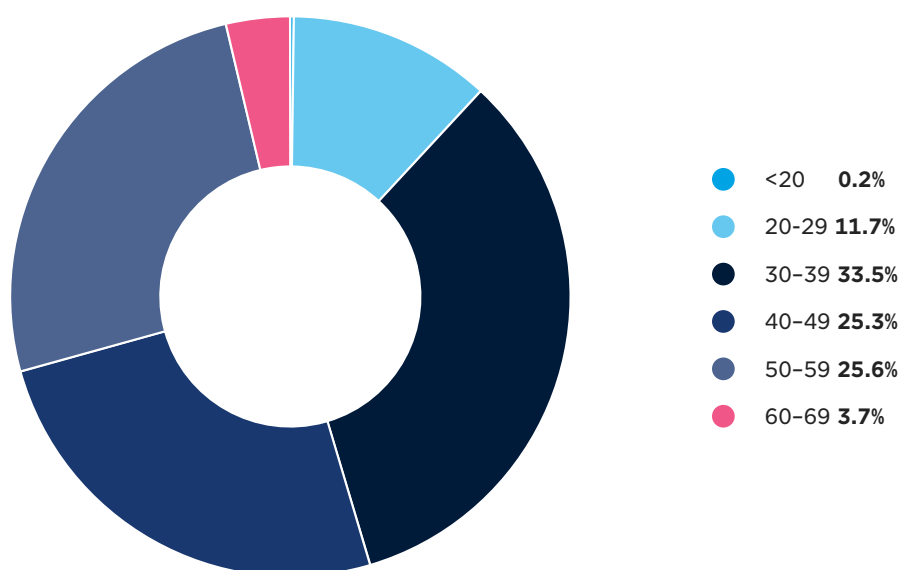
Mandatum Life strives to promote gender equality and equality between all employee groups. In terms of gender distribution, equality among the employees is at a very good level, with men (51 per cent) and women (49 per cent) being almost equally represented among personnel. Women are also represented in the company's management team.

Personnel by Country (FTE)

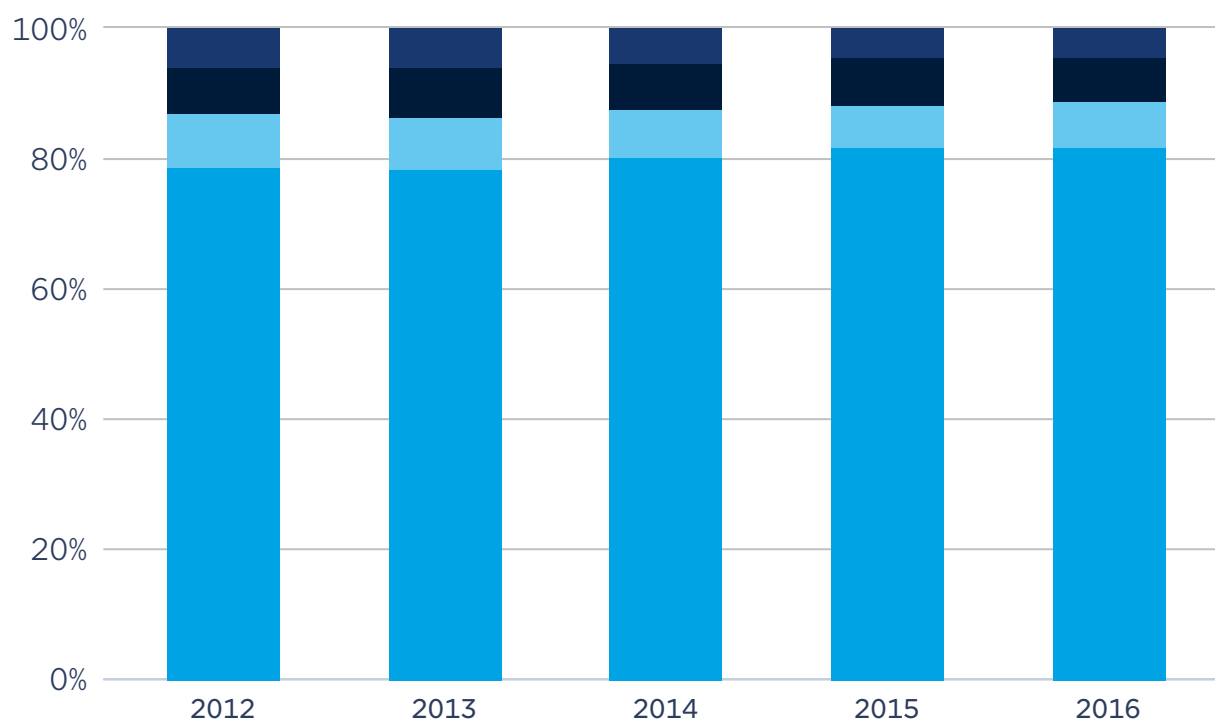
Mandatum Life, 2015–2016

	31 Dec 2016	31 Dec 2015
Finland	443	431
Estonia	38	35
Lithuania	38	38
Latvia	23	23
Total	542	527

Age Structure of Personnel in Finland Mandatum Life, 2016



Annual Distribution of Personnel by Country (FTE Average) Mandatum Life, 2012-2016



● Finland ● Estonia ● Lithuania ● Latvia

Case: Refinery to Help Personnel Brainstorm New Ideas

In spring 2016, Mandatum Life adopted a tool to make it easier and more efficient to come up with ideas. The introduction of the tool was business-based: the goal is to increase Mandatum Life's ability to innovate and to cultivate ideas into business.

In the Refinery, the employees can create their own profile and thereafter share an idea or inspiration or present a problem to be solved by the work community. During the brainstorming stage, key words that are linked to the company's long-term targets are used. Thus, for every idea, the building of a business perspective is encouraged already at the brainstorming stage. In the Refinery, ideas are discussed and commented on with the goal of developing them into viable solutions. After they are collectively worked on, the ideas proceed to the experts that are responsible for the matter or to individuals who are interested in promoting the matter.

Between May and the end of 2016, 45 ideas and 9 inspirations were created, 8 challenges were presented to be solved, and the number of people using the tool increased by more than 200 during the period. The best Refinery ideas were awarded with tickets to the Nordic Business Forum.