

CapMan's Sustainable Investment Policy

Contents

1. Introduction	1	3.5 Integration of Sustainability in CapMan Wealth Services	10
1.1 Background and vision	1	3.6 Integration of Sustainability in CapMan's Balance Sheet Investments	11
1.2 Purpose	2		
1.3 Scope	2	4. CapMan's Sustainability Commitments	12
2. CapMan's Sustainability Standards	2	4.1 Principles of Responsible Investment	12
2.1 Environmental	3	4.2 UN Global Compact	12
2.2 Social	4	4.3 UN Guiding Principles on Business and Human Rights	12
2.3 Governance	4	4.4 UN Sustainable Development Goals	13
3. Integration of Sustainability	5	4.5 Science-Based Targets initiative	13
3.1 Overall principles for Sustainability integration	5	5. CapMan's Sustainability Governance	13
Restrictions	5	5.1 Roles and responsibilities	13
Sustainability impacts and risks	6	5.2 Disclosure and reporting	14
3.2 Integration of Sustainability in CapMan Private Equity and Infrastructure	6	5.3 Non-Compliance with the policy	15
3.3 Integration of Sustainability in CapMan Credit	8	5.4 Policy review	15
3.4 Integration of Sustainability in CapMan Real Estate	8	6. Document Reference list	15
		7. Version history	15

1. Introduction

1.1 Background and vision

CapMan plays an important role in society by efficiently managing institutional capital invested in its funds and mandates. This capital is raised from investors, such as public and private pension funds, funds of funds, life insurance companies, foundations, family offices and high-net-worth individuals, and is used for acquiring and developing the companies, properties and infrastructure assets held in funds managed by CapMan. CapMan also makes significant contributions to those funds. Through our funds' investments, we build successful companies and improve real estate and infrastructure assets. Our approach includes promoting innovation and facilitating new solutions to challenges, as well as identifying, addressing and managing key environmental, social and governance issues. CapMan is often the first institutional owner and as such we play an important part in establishing sustainability processes and objectives for our portfolio companies and assets. Through actively managing our investments CapMan influences and shapes communities. Our successful investments provide superior returns to our fund investors and shareholders, thereby helping them to meet the expectations of their own constituencies.

Our vision is to become the most responsible Nordic private assets company. This means that we consider sustainability factors in our investment decisions and asset management, as well as act responsibly as an asset manager, employer and business partner.

CapMan's Values

As an active and significant owner, we are committed to promoting responsible business practices in our portfolio companies and to conducting responsible asset management of our real estate investments and other investments. Our values reflect our core beliefs for driving value creation:

- Active Ownership
- Dedication
- High Ethics

CapMan strives to establish best practices for its portfolio companies. In parallel, CapMan's own business operations are also assessed based on a sustainability dimension, with the goal to avoid doing harm and to achieve sustainable outcomes for people and the planet. CapMan's Code of Conduct elaborates on CapMan's core values and establishes the basic principles regulating our decision-making and actions in the business environment, as well as the responsibilities of CapMan employees in implementing these principles. CapMan expects its portfolio companies and investments to apply a similar set of standards for their operations and is committed to working with them to improve sustainable environmental and social outcomes.

1.2 Purpose

We believe that it is central to the long-term success of our clients, portfolio companies, tenants and communities for us to consider environmental, social and governance (ESG) factors in our funds' decision-making processes, ownership activities, as well as advisory practices. The purpose of this Sustainable Investment Policy is to describe CapMan's approach and commitment towards the integration of sustainability within CapMan's investments.

1.3 Scope

This policy reflects the decision-making and ownership practices applied by funds managed by CapMan AIFM Ltd, as well as in CapMan's other private equity, real estate and infrastructure investments, private debt and wealth services practices. The parent company CapMan Plc is also committed to the principles described in this policy in relation to its balance sheet investments.

2. CapMan's Sustainability Standards

As a Nordic active and significant owner, CapMan is ideally positioned to drive the change towards well governed, environmentally and socially sustainable businesses and assets. Our goals in the environmental, social and governance areas have been framed within the standards below, which also underpin our actions:

- We drive climate action based in science.
- We promote nature positive operations that safeguard the planetary boundaries.
- We create strong and equitable businesses and provide meaningful work.
- We respect human rights of all people, including our employees, those working for and with our portfolio companies and real estate, and in local communities.
- We are diverse, transparent and accountable for our actions.

The Sustainability Standards CapMan adheres to are aligned with our long-term goals and are to be considered for our investments as described below. Due to the different nature of investments in real estate projects, Real Estate specific Sustainability Standards are described separately. CapMan considers a number of environmental, social and governance topics in its portfolio companies and infrastructure investments where the topics are material in relation to the investment. Furthermore, CapMan Wealth Services considers the same topics in dialogues with fund managers based on client preferences on sustainability issues. While data is collected on a wide variety of sustainability topics, risk mitigation processes are implemented for material topics.

2.1 Environmental

The environmental topics considered include but are not limited to:

- Calculating, monitoring, and reducing Scope 1, 2, and 3 greenhouse gas emissions and the related climate impacts;
- Assessing the preparedness for, and establishing both short-term 1.5-degree aligned Science-Based Targets and net-zero commitments;
- Improving climate-related risk management (physical and transition risks), and opportunities;
- Promoting efficient energy use throughout all operations, as well as increasing renewable energy procurement;
- Minimising waste generation, limiting and eliminating polluting activities, and minimising risks for environmental hazards;
- Considering biodiversity and nature-related dependencies, impacts, risks and opportunities, and safeguarding planetary boundaries;
- Expanding and integrating circular business practices and limiting material usage;
- Reducing the overall environmental footprint of operations, and within the value chain;
- Establishing robust environmental policies that address material areas;
- Preventing and mitigating the occurrence of breaches of international standards and conventions concerning the environment and where relevant establishing access to remedies.

CapMan considers the following topics to be relevant for a real estate fund, asset, and project:

- Calculating, monitoring, and reducing Scope 1, 2, and 3 greenhouse gas emissions and the related climate impacts. These actions can include:
 - Adhering to the short-term 1.5-degree aligned Science-Based Targets and a net-zero commitment;
 - Increasing the share of carbon neutral energy;
 - Reducing energy intensity;
 - Replacing high emission intensity refrigerants with applicable low-carbon alternatives;
 - Installing on-site renewable energy solutions to feasible assets.
- Improving climate-related risk management (physical and transition risks), and opportunities;
- Pursuing green building certifications for new construction, major renovation projects and standing investments;
- Increasing the alignment to the EU Taxonomy for all applicable assets;
- Incorporating green leases in new lease contracts;
- Reducing water use intensity;
- Increasing options for waste recycling and improving the waste recycling rate;
- Promoting the circular design and limiting material usage;
- Considering biodiversity and nature-related dependencies, impacts, risks and opportunities, and safeguarding planetary boundaries;

2.2 Social

The social topics considered include but are not limited to:

- Respect for labour rights and the fundamental principles and rights at work which include prohibition against forced and child labour, health and safety, freedom from discrimination, right to organize and freedom of association and the right to collective bargaining;
- Respect for internationally recognized human rights including the right to privacy, right to an adequate standard of living, protection of vulnerable individuals and groups;
- Respect and support for human rights which includes not being complicit in human rights infringements committed by others and respect for international humanitarian law;
- Employee engagement and employee satisfaction, promotion of work-life balance and mental health safeguards;
- Promoting growth in our portfolio companies and investments, leading to job creation;
- Diversity, equity and inclusion in the workplace (DE&I) based on the right to freedom from discrimination;
- Respect for local communities living in or around investment project sites, and their right to be informed and consulted about projects that can potentially affect their lives or livelihoods;
- Preventing and mitigating the occurrence of breaches of international standards and conventions concerning human rights.

CapMan considers the following social topics to be relevant for real estate funds, assets, and projects:

- Rights of stakeholders including tenants and those in and around local communities;
- Rights of workers in our projects;
- Tenant engagement and awareness, on social and environmental matters;
- Tenant satisfaction and well-being;
- Supply chain management in relation to human rights, and the respect for the workers' occupational health and safety;
- Positive impacts on local communities, and other social aspects.

2.3 Governance

The governance topics include but are not limited to:

- Improving the gender diversity in boards and management teams;
- Integrating sustainability objectives in executive remuneration;
- Establishing sustainability-related risks oversight and management by board of directors and/or management teams;
- Maintaining sound business ethics and good governance practices, including but not limited via:
 - Code of Conduct for own operations and a Supplier Code of Conduct;

- Zero tolerance for bribery and corruption and ensure fair competition, which includes to have appropriate policies and processes in place;
- Appropriate policies and processes in place related to data privacy, cyber security and whistleblowing;
- Transparency and continuous improvement over sustainability-related risks;
- Fair tax strategy.
- Supply chain management, especially and in relation to sustainability-related risks and human right impacts;
- Management system certifications to relevant ISO standards or equivalent;
- Promoting solutions that support reaching the UN Sustainable Development Goals (UN SDG);
- Preventing and mitigating the occurrence of breaches of international standards and conventions concerning good governance.

CapMan considers the following topics to be relevant for a real estate fund, asset, and project:

- Sustainability risk assessment as part of annual property audits;
- Promoting the UN SDGs as an integrated part of fund level sustainability objectives;
- Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment participation with relevant real estate funds;
- Supply chain management, especially in relation to sustainability-related risks and human rights impacts, including Supplier Code of Conduct;
- Zero tolerance for bribery and corruption;
- Following CapMan policies and processes in place related to data privacy, cyber security and whistleblowing.

3. Integration of Sustainability

CapMan integrates the Sustainability Standards throughout the investment processes as described below.

3.1 Overall principles for Sustainability integration

Restrictions

CapMan applies certain restrictions at an investment strategy level. In addition, CapMan has a Restriction list applicable to all CapMan Private Equity, Infrastructure, CapMan Balance Sheet, and Real Estate investments. CapMan does not invest in any investment opportunity that falls within any of the restriction areas criteria.

Sustainability impacts and risks

Sustainability impact is an actual or potential impact on people or the environment, whether positive or negative, that is caused by or connected with an enterprise's business activities that has been identified through its impact materiality assessment. Sustainability risk means an environmental, social (including human rights) or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The potential sustainability risks to which any investment is exposed may cause a negative impact on the value of investments.

Environmental impacts and risks can relate to, among others, climate-related risks (physical and transition), biodiversity or pollution. Social impacts and risks can relate to for instance safety and well-being, human rights in the supply chain, and employee or tenant satisfaction. Governance impacts and risks can relate to for example inadequate management of sustainability, management incentives, corruption, bribery, cybersecurity, or data privacy.

Before any investment decisions are made, and as part of its overall investment analysis, CapMan will identify the material sustainability risks associated with the proposed investment. Investment decisions will then be made by referencing the relevant investment policies and objectives, including an action plan for mitigating any sustainability risks at asset level. During the holding period, CapMan considers the adverse impacts and risks of its investments and creates an action plan for the most material aspects.

3.2 Integration of Sustainability in CapMan Private Equity and Infrastructure

Majority investments

CapMan Private Equity and Infrastructure integrates sustainability in all aspects of the investment process: from sourcing and screening of potential investments to due diligence and the decision to proceed with the investment, throughout the holding period, and during the investment exit.

Sourcing and Screening

1. In this phase, the investment team conducts a restricted sector screening based on the Fund Level restricted sectors, as well as CapMan's Restriction list.
2. In addition, an initial sustainability risk assessment of the target is performed to identify any red flags or substantial sustainability-related risks.

Due Diligence Process

1. The ESG Due Diligence is conducted with internal resources sufficient and appropriate to identify, assess and manage sustainability and risks potentially with the support from external consultants. The Due Diligence process follows CapMan's proprietary Due Diligence framework.
2. The ESG Due Diligence is preceded by a materiality analysis to identify sustainability topics that are relevant to assess, given the industry and company specifics of a potential investee company. The materiality analysis contains an explicit focus on environmental and social risks and flags in particular any potential for severe impacts.
3. Each identified material topic and/or severe impact is assessed, providing an understanding of the level of maturity each investment opportunity has, and the key sustainability-related impacts, risks and opportunities that need to be managed during the holding period.
4. The maturity assessment further provides an understanding of potential actions to be taken, given that CapMan proceeds with the investment, to preserve and create value from a sustainability perspective.
5. A sustainability value creation plan is created based on the findings from the ESG Due Diligence.
6. For investment opportunities in relevant funds, an analysis is conducted on Principal Adverse Impacts. Where relevant, an analysis is also conducted to ensure that fund specific social and/or environmental characteristics are promoted. This supplements and builds on the ESG due diligence efforts undertaken so far in the DD process. Appropriate resources are dedicated to ensure follow up.

Before Signing and Closing of Investment

1. Findings from the Restriction list analysis, the sustainability risk assessment and the ESG Due Diligence (including value creation plan) are included in the investment committee decision materials and discussed in the Investment Committee meetings.
2. An initial value creation plan and metrics to monitor sustainability performance are identified.

Ownership and Value Creation

1. For CapMan, active ownership is the basis for the value creation phase of the investment.
2. During the value creation phase, CapMan implements value creation initiatives that also have a value building impact from a sustainability perspective.
3. CapMan rolls out portfolio level sustainability initiatives based on the fit with its investment specific goals and the outcome of the company-specific Due Diligence analysis.
4. CapMan continuously monitors the investments' performance in relation to CapMan's Sustainability Standards and investment specific targets.
5. CapMan also collects and discloses data on Principal Adverse Impacts and any other impacts that it has identified to be relevant in this context.

Exit

1. Ownership change is part of a continuum for a business or asset. All value creation and asset management activities throughout the lifecycle of the investments are targeted at managing and decreasing impact and risk and improving value for the purpose of improving the attractiveness of the business or asset at exit.
2. CapMan describes sustainability improvements completed during our ownership and highlight areas for further development for the new owner.

Minority investments

For minority investments within CapMan Private Equity and Infrastructure, the process for integrating sustainability aspects may differ in relation to the Ownership and Value Creation phase due to CapMan's position and limited leverage. Nevertheless, CapMan will do its utmost within the scope of its leverage to ensure that adverse impacts are managed and monitored.

3.3 Integration of Sustainability in CapMan Credit

CapMan Credit integrates sustainability in all aspects of its investment process: from sourcing and screening of potential investments; through credit analysis, due diligence and investment decisions; to monitoring and management. The sourcing and screening of potential investments include:

1. A negative screening step in the form of CapMan Credit's restriction list.
2. A positive screening step whereby sponsors and owners which integrate sustainability in its operations are favoured.

Sustainability considerations form a central part of the credit analysis, due diligence and overall risk assessment for each investment opportunity. Identified specific sustainability risks and favourable findings are included in the investment committee decision materials and discussed in the Investment Committee meetings. Throughout the monitoring and management of investments there is a strong focus on encouraging and supporting business owners and companies with value creation initiatives to include sustainability perspectives. Monitoring and addressing adverse impacts are the focus of sustainability efforts.

3.4 Integration of Sustainability in CapMan Real Estate

CapMan Real Estate integrates sustainability into all stages of its investment management process: from screening of potential investments to asset management and maintenance of properties.

Sourcing and Screening

1. In the sourcing and screening phase, an initial and high-level sustainability screening is conducted, as well as a restriction criteria analysis in relation to CapMan Real Estate's restriction list, which includes restrictions for tenants involved in operations in any of the restriction areas featured.

Due Diligence and Negotiations

1. After a property investment opportunity has been introduced and the decision is made to explore the opportunity further, a budget is established with sufficient resources to conduct broad due diligence of the property management of the prospective acquisition and its existing tenancies. Legal, technical, environmental, ESG, and financial due diligence are conducted.
2. Tenants of the properties considered to be acquired are initially screened against a Restriction list approved by CapMan management of prohibited property uses and business activities, which includes restricted activities and salient human rights impacts relevant to that tenant sector. If a restricted use is found, then the lease for that tenant is held back. If no restricted use is found, and the decision is made to proceed with the property acquisition, terms and conditions are negotiated or added to the proposed contract to require adherence to all international standards and conventions, including the Universal Declaration of Human Rights and ILO covenants, prohibit specific restricted activities, and obligate the tenant to follow all the UN Guiding Principles on Business & Human Rights, OECD Guidelines, EU directives and other national legislation on environmental, social and human rights.
3. ESG, Technical, Legal, and Environmental Due Diligence assessments are then conducted by a third-party for all new property acquisitions to identify related risks and mitigation actions, as well as to identify related value creation opportunities.
4. The ESG Due diligence includes screening in relation to relevant sustainability topics such as energy efficiency, greenhouse gas emissions, water consumption, accessibility, indoor air quality and green building certifications. The Environmental Due Diligence includes screening of various environmental risks such as physical climate risks, contaminated land, and hazardous building materials. The Technical Due Diligence focuses on the technical condition and related risks of the building such as building and fire safety.
5. An asset specific sustainability plan is integral part of the asset management plan, which is created by the case and ESG team and approved by the Investment Committee for each investment based on the results of the Sustainability, Technical, Legal, and Environmental Due Diligence. The purpose of the sustainability asset management plans is to mitigate and address potential sustainability issues, risks and benefits in a timely manner and set clear sustainability targets and action plans with budgets.

Ownership and Value Creation

1. For CapMan, active ownership is the basis for the value creation phase of the investment.
2. During the ownership phase, CapMan implements, monitors, and updates the sustainability asset management plan and identifies further value creation initiatives.

3. CapMan also identifies possible new sustainability investment goals and overall objectives and monitors the investment's performance in relation to CapMan's Sustainability Standards and GRESB Real Estate Assessment.
4. CapMan also collects and discloses data on Principal Adverse Impacts.

Exit

1. Ownership change is part of a continuum for the asset. All value creation and asset management activities through the lifecycle of the investments are targeted at managing and reducing risks as well as maximizing value at exit.
2. CapMan describes sustainability improvements completed during our ownership and highlights areas for further development for the new owner.

3.5 Integration of Sustainability in CapMan Wealth Services

CapMan Wealth Services bases all investment solutions on an independent manager selection process that includes detailed sustainability analyses.

Public market investments

Sourcing and screening of investment instruments

1. The sourcing and screening phase is always an independent process with the aim of finding the most suitable instruments. CapMan Wealth Services always requires information and documentation regarding the customers' sustainability preferences, alongside with their risk preferences and time horizons when providing investment services.

Quantitative sustainability screening and analysis

1. CapMan Wealth Services conducts detailed sustainability analyses for the most suitable investment alternatives, which includes data review based on instrument's underlying holdings using leading sustainability data providers.
2. The detailed sustainability analysis focuses on current and historical carbon metrics, fossil fuel involvements, ESG risk scores and ratings, controversial sector involvements, UN SDG contributions, human rights risks, and UN Global Compact (UNGC) Principles and violations.
3. Fund classifications under the EU's Sustainable Finance Disclosure Regulation (SFDR) are taken into consideration with strong preference for funds classified in relation to articles 8 and 9.

Qualitative sustainability screening and analysis

1. CapMan Wealth Services' qualitative sustainability analysis focuses on how sustainability is integrated across the strategy and processes, sustainability policies and targets, sustainability restrictions and limits, group level sustainability commitments, as well as engagement practises and sustainability reporting.

2. Sustainability performance checks are regularly conducted.

Selection stage

1. CapMan Wealth Services always prefers the investment product with a stronger sustainability profile in cases where two investment products are otherwise equal from other relevant angles of the selection process.

Monitoring stage

1. CapMan Wealth Services monitors the selected investment products with position level sustainability data, focusing on carbon metrics and controversial sector involvement.
2. Based on the sustainability data monitoring, sustainability reporting from the selected investment products and a general understanding of the sustainability profile for selected investment products, CapMan Wealth Services can assess the most suitable instruments for customers.

Private market investments

The Sustainability standards are integrated into CapMan Wealth Services private market investment process. CapMan Wealth Services engages either through investment advisers or directly with private market sponsors to promote improved sustainability performance and adoption of sustainability policies and reporting. CapMan Wealth Services avoids funds, whose companies are directly involved in the manufacturing or distribution of products that are prohibited under laws of applicable jurisdictions, or which are likely to be prohibited under laws of applicable jurisdictions within the foreseeable future. CapMan Wealth Services strive to work with investment advisers, or directly with private market sponsors, that in turn work with industry peers and general partners to implement the sustainability policy and promote sustainability in general. CapMan Wealth Services strive to communicate actively with investors and other stakeholders on all sustainability activities.

3.6 Integration of Sustainability in CapMan's Balance Sheet Investments

1. CapMan's Sustainability Standards are applied in sourcing and screening, the ESG Due Diligence, and the decision-making process of new direct balance sheet investments.
2. CapMan also applies its Restriction list to its new direct balance sheet investments.
3. CapMan monitors the performance of its direct balance sheet investments in relation to CapMan's Sustainability Standards where applicable. For direct minority investments, CapMan's process for monitoring and integration of sustainability may differ due to CapMan's position and limited leverage.
4. For investments involving third-party investment managers, CapMan has limited ability to ensure the underlying investments' compliance with CapMan's Sustainability Standards and CapMan's Restriction list, or the third-party's own policies, particularly when making

commitments to funds that seek to make their investments in the future, or to fund-of-fund vehicles. However, when making such commitments or investments, CapMan undertakes a qualitative sustainability analysis and considers the direct counterparty's sustainability policies and their conceptual alignment with CapMan's policy. CapMan also seeks to engage with the managers of the funds that CapMan has invested in to support their respective sustainability agendas in line with CapMan's sustainability commitments.

4. CapMan's Sustainability Commitments

4.1 Principles of Responsible Investment

CapMan became a signatory of the Principles for Responsible Investment (PRI) in 2012. The guiding code is summarised as the following six principles:

1. We will incorporate sustainability issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate sustainability issues into our ownership policies and practices.
3. We will seek appropriate disclosure on sustainability issues by the entities in which we invest.
4. We will promote acceptance and implementation of the principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the principles.
6. We will each report on our activities and progress towards implementing the principles.

CapMan strives to meet all Principles comprehensively in our investment activities and report on our activities to PRI on a yearly basis.

4.2 UN Global Compact

CapMan supports the Ten Principles of the UNGC on Human rights, labour, environment and anti-corruption. We are committed to making the UNGC and its Principles part of the strategy, culture and day-to-day operations of our company and to describe our efforts in the annual submission of a Communication of Progress (COP).

4.3 UN Guiding Principles on Business and Human Rights

CapMan works to align investment activities with the United Nations Guiding Principles on Business and Human Rights (UNGP). This includes incorporating due diligence into the life cycle of our investments in accordance with investor good practice, and striving towards respecting human rights in all of our value chains.

4.4 UN Sustainable Development Goals

CapMan works to align investment activity with the UN SDGs. Alignment is primarily implemented on a fund level, where funds select specific SDGs that are most relevant for its strategy. Moreover, additional SDGs can be selected for specific investments.

4.5 Science-Based Targets initiative

The transition to a decarbonized society is one of the most important decisions of the future. We want to help our companies, assets and ultimately our stakeholders transition towards a carbon neutral society through positioning our portfolio companies and assets on a path towards net-zero GHG emissions. To achieve this, we have committed to the Science-Based Targets initiative (SBTi) in order to align with the 1.5-degree pathway.

5. CapMan's Sustainability Governance

CapMan Plc is publicly listed on Nasdaq Helsinki Ltd. As a public company, we follow transparent communications practices towards our shareholders and other stakeholders. CapMan Plc's corporate governance model follows the Finnish Corporate Governance Code for listed companies.

5.1 Roles and responsibilities

CapMan Plc's Board of Directors (BoD) is responsible for the proper organization of CapMan's operations and is therefore also responsible for ensuring that CapMan has the appropriate sustainability organisation. CapMan Plc's BoD approves long-term strategic group-level sustainability objectives and priorities, has oversight of key sustainability risks and approves the Group-wide remuneration policy including how it links with sustainability criteria. The BoD has delegated some of its duties to the Audit and Risk Committee, which more closely monitors and addresses sustainability matters such as sustainability reporting, KPI monitoring and risk management. The Remuneration Committee assists the Board in remuneration matters.

The Management Group acts as **CapMan's Sustainability steering group**. It agrees on the high-level action plan for the execution of the Board-approved long term strategic sustainability objectives and priorities. Investment teams are represented in the Management Group and are therefore committed to the sustainability action plans agreed within the group. **Investment teams** are responsible for implementing the sustainability investment policies in their own operations, for formulating and implementing fund-level sustainability strategies and integrating the CapMan sustainability approach and standards in their investments. Each investment team has a dedicated sustainability person who participates in group-wide sustainability work.

The **Head of Sustainability**, as part of the Management team, has overall responsibility over CapMan's group-level sustainability approach, setting the more detailed short-term sustainability targets, sustainability reporting, sustainability risk management, compliance and CapMan sustainability operations. In addition, CapMan's Head of Sustainability is responsible for the development and implementation of group-level sustainability strategy and CapMan sustainability approach, with the support of the sustainability working group. The Head of Sustainability formulates the group-level sustainability targets and is also responsible for the training of CapMan personnel on sustainability related matters. Finally, the Head of IR & Sustainability reporting is responsible for CapMan Group level sustainability reporting.

Sustainability issues are further managed by the **Sustainability working group** consisting of representatives of CapMan's investment teams and support functions.

CapMan's regulated fund management operations are centralised to a wholly owned subsidiary CapMan AIFM Ltd. CapMan AIFM approves Funds' key sustainability disclosures and monitors compliance with sustainability regulations. CapMan AIFM's risk management and compliance functions have an important role in the monitoring work.

5.2 Disclosure and reporting

CapMan monitors the financial and non-financial performance of its own operations and of its investments. Systematic assessment of sustainability impacts is an integral part of the performance evaluation.

CapMan monitors portfolio companies and assets during the investment period and reports sustainability impacts regularly to limited partners throughout the investment's life cycle. Funds managed by CapMan report on the funds' performance, including performance on sustainability issues, to the funds' limited partners periodically at least annually and according to applicable regulation.

CapMan annually discloses sustainability impacts and performance against sustainability KPIs, as part of its continuously developing public sustainability reporting process. The disclosures consider both CapMan Group and the majority of its fund investments.

CapMan and its funds further report in accordance with several global initiatives. CapMan reports on its progress in implementing responsible investment principles annually to PRI. The Transparency Reports can be found on the PRI website. CapMan further reports on the performance against select sustainability KPIs to the Institutional Limited Partners Association (ILPA) together with other industry leaders. Some of CapMan's Real Estate and Infra funds report to GRESB.

CapMan's discloses information addressed by the SFDR and the EU Taxonomy Regulation in relevant pre-contractual documentation and periodic reporting to investors as well as on its website.

CapMan further encourages a continuous dialogue with limited partners related to sustainability impacts. In case of an sustainability-related incident, limited partners are informed.

5.3 Non-Compliance with the policy

Non-Compliance with or deviations from the policy shall be addressed by CapMan Plc’s Management Group.

5.4 Policy review

The contents of this policy are subject to annual review.

6. Document Reference list

- CapMan Private Equity, Infrastructure, own Balance Sheet Investments, and Real Estate Restriction list
- CapMan Code of Conduct

7. Version history

Document name	Effective date	Approved by	Comment
CapMan ESG Investment Policy	21 Dec 2022	CapMan Plc’s Management Group	Update of content, and name change, of previously existing policy “CapMan Sustainable Investment Policy”.
CapMan Sustainable Investment Policy	22 Dec 2023	CapMan Plc’s Management Group	Update of content, and name change, of previously existing policy “CapMan ESG Investment Policy”.