

CapMan's Sustainable Investment Policy

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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 properties, infrastructure assets, forests, and companies held in funds managed by CapMan. CapMan also makes significant contributions to those funds. Through our funds' investments, we improve real estate and infrastructure assets, manage forests sustainably, build successful companies and provide wealth management solutions (assets and investments). Our approach includes promoting innovation and facilitating new approaches to solve challenges, as well as identifying, addressing and managing key environmental, social and governance (ESG) issues. CapMan is often the first institutional owner and as such we play an important part in establishing sustainability processes and objectives for our assets and investments. Through actively managing our assets and investments CapMan influences and shapes communities. Our successful assets and 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 conducting responsible asset and investment management across our assets and investments. Our values reflect our core beliefs for driving value creation:

- Active Ownership
- Dedication
- High Ethics

CapMan strives to establish best practices for all of its assets and investments. 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 assets 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 assets and investments, tenants, clients and communities for us to consider 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 assets and 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 real estate, infrastructure, natural capital, real asset debt, private equity and private debt assets and investments, as well as 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 assets and investments. 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 operations that safeguard nature and the planetary boundaries.
- We create diverse, equitable and inclusive businesses that provide meaningful work.
- We respect and promote human rights throughout the value chain.
- We are 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 assets and investments as described below. Due to the different nature of investing in real estate projects, Real Estate specific Sustainability Standards are described separately. CapMan considers a number of environmental, social and governance topics in its assets and investments, depending on materiality and degree of influence. Furthermore, CapMan Wealth 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 (GHG) emissions and the related climate impacts;
- Assessing the preparedness for, and establishing both near-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 regards the following topics to be relevant for a real estate fund, asset, and project:

- Calculating, monitoring, and reducing Scope 1, 2, and 3 GHG emissions and the related climate impacts. These actions can include:
 - Aligning to the near-term and net zero targets validated by the Science Based Targets initiative (SBTi), following the Buildings Criteria;
 - Increasing the share of renewable 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;
- Considering biodiversity and nature-related dependencies, impacts, risks and opportunities, and safeguarding planetary boundaries;
- 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.

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 assets 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;
- Establishing robust social policies that address material topics;
- 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 regardless of employment status, to decent working conditions;
- Tenant engagement and awareness, on social and environmental matters;
- Tenant satisfaction and well-being;
- Supply chain management in relation to human rights, which includes protection of vulnerable stakeholders such as migrant workers from forced labour and other exploitative working conditions, respect for the workers' occupational health and safety;
- Positive impacts on local communities, improved accessibility 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;

- 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 across the asset classes 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. Sustainability risk is the risk that environmental (including climate and nature), 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 be associated with the drivers on nature loss, such as land/sea use change, climate change, resource use, pollution, and invasive species. 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 assets and investments and creates an action plan for the most material aspects.

3.2. 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, and a clause about non-discrimination is added in the appendix (“green lease”) of the lease contract.
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, GHG emissions, CRREM 1.5DC trajectory alignment, EU Taxonomy, biodiversity, water consumption, green building certifications, accessibility, indoor air quality and other social characteristics. 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 business plan is integrated in the overall business plan, which is created by the case and sustainability team and approved by the Investment Committee for each investment based on the results of the ESG, Technical, Legal, and Environmental Due Diligence. The purpose of the sustainability business plan is to mitigate and address potential sustainability issues, risks and benefits in a timely manner and set clear sustainability targets and actions with budgets.

Ownership and Value Creation

1. For CapMan Real Estate, active ownership is the basis for the value creation phase of the investment.
2. During the ownership phase, CapMan Real Estate implements, monitors, and updates the sustainability business plan and identifies further value creation initiatives.
3. CapMan Real Estate also identifies possible new sustainability investment goals and overall objectives and monitors the investment's performance in relation to CapMan Real Estate's Sustainability Standards and GRESB Real Estate Assessment.
4. Implementation is also guided by: CapMan Real Estate Design and Construction Manual, CapMan Real Estate Tenant Fit-Out and Refurbishment Manual and CapMan Real Estate Sustainable Procurement Policy.
5. CapMan Real Estate 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 asset value at exit, while illustrating the results of the implemented sustainability actions.

CapMan Real Estate describes sustainability improvements completed during our ownership and highlights areas for further development for the new owner.

3.3. INTEGRATION OF SUSTAINABILITY IN CAPMAN INFRA AND PRIVATE EQUITY

MAJORITY INVESTMENTS

CapMan Infra and Private Equity integrate 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 Infra and Private Equity'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 risks, potentially with the support from external consultants. The Due Diligence process follows CapMan's proprietary Due Diligence framework, applying CapMan's ESG Due Diligence and Value Creation tool.
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 Infra and Private Equity proceed 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 Due Diligence 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 Infra and Private Equity, active ownership is the basis for the value creation phase of the investment.
2. During the value creation phase, CapMan Infra and Private Equity implement value creation initiatives that also have a value building impact from a sustainability perspective.
3. CapMan Infra and Private Equity roll out portfolio level sustainability initiatives based on the fit with its investment specific goals and are informed by the company-specific Due Diligence and value creation analysis, and relevant sustainability assessments.

4. CapMan Infra and Private Equity continuously monitor the investments' performance in relation to CapMan's Sustainability Standards, investment specific targets, and emerging risks.
5. CapMan Infra and Private Equity also collect 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 enhancing the attractiveness of the business or asset at exit.
2. CapMan Infra and Private Equity describe sustainability improvements completed during our ownership and highlight areas for further development for the new owner.

MINORITY INVESTMENTS

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

3.4. INTEGRATION OF SUSTAINABILITY IN CAPMAN NATURAL CAPITAL

The CapMan Natural Capital investment philosophy is based on the principles of sustainable investment management with an objective to protect, conserve and enhance Natural Capital. In the case of sustainable forest investments, this means growing the wood stock, the carbon stock and increasing biodiversity. Sustainability principles

and objectives, and forestry-specific environmental and social policies and guidelines are integrated in the investment cycle from screening of potential investments to asset management with a special focus paid to on-site implementation – and enhancing value at exit.

Sourcing and Screening

1. In the sourcing and screening phase, an initial and high-level sustainability screening is conducted.
2. If the screening concludes that the considered asset cannot adhere to the international sustainability standards based on the Forest Stewardship Council (FSC®) and/or Programme for the Endorsement of Forest Certification (PEFC®), the asset will be excluded from the investment process.

Due Diligence Process

1. A systematic assessment of investment opportunities based on the Natural Capital approach is carried out that evaluates potential social and environmental risks as well as value enhancement opportunities in the pre-due diligence and full due diligence processes.
2. The due diligence systematically considers the identified risks, such as climate-change and nature-related physical, transition and financial risks, as well as any social risks, and identify investment opportunities related to climate and nature.
3. The purpose of the sustainability asset management plans is to mitigate and address potential sustainability issues, risks and opportunities in a timely manner and set clear sustainability targets and action plans with budgets.

Before Signing and Closing of Investment

1. Findings from the screening and the Due Diligence are included in the investment committee decision materials and discussed in the Investment Committee meetings.

Ownership and Value Creation

1. Sustainability is an objective during ownership and CapMan Natural Capital aims to identify ways of improving positive outcomes for natural capital while actively seeking to enhance returns. The asset management applies the following Natural Capital fundamentals: maintaining, and if possible, increasing forest cover and growing timber stock volume; maintaining and even enhancing biodiversity; removing and stocking of atmospheric carbon in forest stand; and production of sustainable timber to replace fossils-based materials.
2. The forest investments and related renewable energy projects are managed in such a manner to contribute to the goals of the Paris Agreement and improve transparency of carbon reporting.
3. CapMan Natural Capital is committed to have 100% of its forest assets certified in the context of sustainable forestry, which also entails conserving identified high-conservation value forests. Independent verification of sustainability of forest management is applied across the entire Natural Capital portfolio. CapMan Natural Capital adheres to international sustainability standards based on the Forest Stewardship Council (FSC®) and/or Programme for the Endorsement of Forest Certification (PEFC®).
4. During the ownership phase, CapMan Natural Capital implements, monitors and updates asset- specific value creation plans, and identifies further value creation initiatives or new businesses based on the Natural Capital concept, circular economy and increasing demand for sustainable products and services, such as wood construction with significant potential for developing urban carbon stores and using forests as a land infrastructure for wind and solar power development. The general target is to enhance all Natural Capital assets and values on the property.
5. CapMan Natural Capital, as a forestland manager, establishes and maintains up-to-date inventory and records of all identified and

measurable natural capital assets and values on its land and forest properties.

6. 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 maximising value at exit.
2. CapMan Natural Capital describes sustainability improvements completed during its ownership and highlights areas for further development for the new owner.

3.5. INTEGRATION OF SUSTAINABILITY IN CAPMAN REAL ASSET DEBT

CapMan Real Asset Debt considers 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, management as well as reporting.

The sourcing and screening of potential investments includes an ESG Pre-Check, in which the financing request is screened against ESG criteria to determine the exact focus of the financing.

The ESG Pre-Check assesses the borrower, sponsor, and asset against environmental, social, and governance criteria to identify potential ESG related risks, red flags and opportunities before proceeding with full due diligence. With that CapMan Real Asset Debt seeks to determine the key ESG focus areas for the requested transaction.

Sustainability considerations form a central part in the preparation of the term sheet, credit analysis, due diligence and overall risk

assessment for each investment opportunity. For all new real estate financing, ESG, technical, legal and tax due diligence assessments are typically conducted by a third party to help identify related risks and mitigation actions, as well as to identify related value creation opportunities. Identified sustainability risks and positive findings, including incentives linked to achieving predefined targets, are included in materials provided to the Investment Committee for decision and form part of the discussions during its meetings.

Monitoring and addressing adverse impacts are the focus of sustainability efforts. To ensure that such measures are binding, they may form part of the loan agreements, with non-compliance by the borrower triggering a penalty or default.

CapMan Real Asset Debt describes sustainability improvements completed during its ownership and highlights areas for further development for the new owner.

As CapMan Real Asset Debt's influence is limited, appropriate clauses are included in loan agreements to ensure borrower adherence.

3.6. INTEGRATION OF SUSTAINABILITY IN CAPMAN WEALTH

CapMan Wealth 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 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 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, sustainability risk scores and ratings, controversial sector involvements, UN SDG contributions, human rights risks, and UN Global Compact (UNGC) Principles and any 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 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 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 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 can assess the most suitable instruments for customers.

PRIVATE MARKET INVESTMENTS

The Sustainability standards are integrated into CapMan Wealth private market investment process. CapMan Wealth 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 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 strives 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 strives to communicate actively with investors and other stakeholders on all sustainability activities.

3.7. INTEGRATION OF SUSTAINABILITY IN CAPMAN CREDIT

CapMan Credit considers 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.

3.8. 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 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 FOR 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 supports and aims to respect and promote internationally recognised human rights, including those set out in the International Bill of Human Rights and the ILO Core Conventions. This commitment guides our approach across our operations, assets and investments, and business partners. We work to reflect this commitment in our policies, procedures, engagement practices and decision-making, and we encourage assets and investments, and business partners to adopt similar standards that are appropriate to their context and level of maturity.

CapMan seeks to integrate human rights considerations into investment decision-making and ownership practices in line with the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. This includes taking reasonable steps to identify and address potential and actual adverse impacts, and engaging stakeholders where relevant and practicable.

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 assets and investment, and ultimately our stakeholders transition towards a net zero society through positioning our assets and investments on a path towards net-zero GHG emissions. To achieve this, we have had our near-term science based targets validated by the 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, that include but are not limited to nature, climate or human rights 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 of the development and implementation of CapMan's group-level sustainability strategy, setting the more detailed short-term sustainability targets, and developing the sustainability operations within CapMan. The Head of Sustainability is also responsible for the training of CapMan personnel on sustainability related matters.

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 primarily centralised to a wholly owned subsidiary CapMan AIFM Ltd. CapMan AIFM approves Funds' key sustainability disclosures and monitors compliance with sustainability regulations applicable to fund management operations.

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 the investments 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 Infrastructure 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.

CapMan further encourages a continuous dialogue with limited partners related to sustainability impacts. In case of a 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
- CapMan Supplier 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".
CapMan Sustainable Investment Policy	19 Dec 2024	CapMan Plc's Management Group	Update of content
CapMan Sustainable Investment Policy	18 Dec 2025	CapMan Plc's Management Group	Update of content