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## TNFD disclosure

As a Nordic private assets company and an Early Adopter of the Taskforce on Nature-related Financial Disclosures (TNFD), CapMan continues to develop its approach to identifying, assessing, and managing nature-related dependencies, impacts, risks, and opportunities. This report describes how CapMan applied the TNFD recommendations during 2025 across governance, strategy, risk and impact management, and metrics and targets.

CapMan has continued integrating nature-related considerations into investment and asset management processes across Real Estate, Infra, Natural Capital, Real Asset Debt, and Private Equity, using the TNFD Locate, Evaluate, Assess and Prepare (LEAP) framework as the main reference point. The report focuses on areas where nature-related dependencies, impacts, risks, and opportunities are most relevant to CapMan's asset classes and investment strategies. CapMan's own operations have limited direct exposure to nature-related risks compared with its investments, but they remain covered through Group-level sustainability governance and operational environmental management.

We believe that aligning with the TNFD remains essential for informed investment decisions, effective risk management, and long-term value creation in a world increasingly shaped by environmental constraints. By incorporating a science-based approach and testing practical frameworks and tools across real estate, infrastructure, natural capital, the debt strategies, and private equity investments, CapMan aims to ensure its assets remain resilient.



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# Basis of preparation

CapMan applies the same time horizons as in its sustainability reporting: short-term refers to the current financial year, medium-term to up to five years, and long-term to more than five years. These horizons are used to assess how nature-related dependencies, impacts, risks, and opportunities may affect CapMan's business model, investment strategies, asset management priorities, and reporting over time. Short-term actions mainly relate to screening, due diligence, and data collection. Medium-term actions relate to asset management plans, value creation, certification, transition planning, and the overall investment strategy. Long-term considerations are particularly relevant for real estate, Natural Capital, forestry, physical ecosystem change, land-use regulation, and climate-nature interactions.

# Governance

We have embedded oversight of nature-related risks and opportunities as part of our overall sustainability governance structure. CapMan Plc's Board of Directors is responsible for ensuring that sustainability is appropriately organised across the Group. The Board approves CapMan's long-term, Group-level sustainability objectives and priorities, and has oversight of material Group level sustainability risks. The Audit and Risk Committee monitors sustainability risks, reporting processes, and KPIs. The Management Group serves as CapMan's sustainability steering group and is responsible for overseeing implementation of the Board-approved strategy. It agrees on high-level action plans for execution across investment teams. Each investment team is responsible for fund and asset specific sustainability strategies, developed together with the sustainability team. The investment teams are also accountable for integrating CapMan's sustainability investment policies into its operations. The Head of Sustainability, as a member of the Management Group, leads the development and implementation of CapMan's Group-level sustainability strategy.

Nature-related governance is also supported by internal guidelines, which provide our asset classes with tools to identify and assess nature-related dependencies, impacts, risks, and opportunities, as well as actions to mitigate impacts and risks, and realise opportunities.

In 2025, CapMan published its Human Rights Commitment, building on earlier work to identify salient human rights risks across asset classes and investments. The commitment recognises that CapMan's investment decisions and business activities can affect people directly and indirectly, and confirms that respect for human rights is integral to how CapMan invests, manages assets and investments, and conducts its own operations. The commitment applies to CapMan Plc, employees, all of the asset classes and private equity portfolio companies, other investments and suppliers, and is aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In relation to nature-related assessments, CapMan considers potential impacts on workers, local communities, suppliers, and other affected stakeholders, particularly where investments involve land use, natural resources, forestry, infrastructure or material supply-chain exposure.

# Strategy

## WHY NATURE MATTERS TO OUR BUSINESS

Nature loss poses a material risk to long-term value creation. Our investments depend on ecosystem services such as climate stability, erosion control, renewable natural materials, and flood protection. At the same time, they also have the potential to impact natural systems through biodiversity impacts, land use change, greenhouse gas (GHG) emissions, and resource extraction.

These dependencies and impacts are especially relevant to our Real Assets investments, including Real Estate, Infra, and Natural Capital. In our Private Equity investments, they might be material for certain portfolio companies. CapMan's own operations are not heavily reliant on physical assets, resulting in low exposure to nature risks, which are monitored by internal teams. With the addition of Real Asset Debt in 2025, CapMan's new asset class, we are assessing how we can manage and mitigate our nature impacts from a debt perspective.

## STRATEGIC RESPONSE

To better understand CapMan's interactions with nature, we conducted a Group-wide nature project to help us assess the materiality of nature dependencies, impacts, risks, and opportunities across the largest asset classes. This project is informed by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the Science Based Targets for Nature (SBTN), the TNFD's LEAP approach, and the concept of Planetary Boundaries. It establishes a framework to support the integration of nature into our investment strategies, governance, and reporting. The project resulted in:

- A Corporate Sustainability Reporting Directive (CSRD) compliant double materiality assessment of nature dependencies, impacts, risks, and opportunities for the Real Estate, Infra, and Private Equity asset classes.
- A Nature Assessment Tool that identifies industry-based nature dependencies and impacts for the Real Estate, Infra, and Private Equity asset classes. The Tool integrates background data from the SBTN Tool and the Exploring Natural Capital Opportunities, Risks, and Exposure (ENCORE) Tool to gauge the materiality of nature-related dependencies and impacts.
- Nature Transition Guidebooks for the Real Estate, Infra, and Private Equity assets that provide practical, step-by-step instructions on how the assets can set their respective transition, ambition, and metrics towards nature positivity.

After the establishment of the Natural Capital Investment team in early 2024, we also expanded the project to include the natural capital specifics into CapMan's nature approach. This work continued throughout 2025 conducting the same workstreams as for the Real Estate, Infra, and Private Equity asset classes. In addition, specifically for Natural Capital, was expanded to include state of nature metrics and improvement actions alongside

identifying measures to minimise negative impacts. The project also assessed the feasibility of upgrading one of the current forest funds to an SFDR Article 9 fund, aligning it to EU Taxonomy's forest management economic activity and the climate mitigation objective.

## **NATURE IMPROVEMENT FRAMEWORK**

As part of CapMan's understanding and mitigating our risks to nature loss, we have adopted a three-tiered Nature Improvement Framework to guide each asset class in determining the specific recommendations to achieve varying levels of ambition for each nature pressure. The Nature Improvement Framework defines three ambition levels:

- Minimising direct and indirect impacts (e.g. avoiding habitat conversion, reducing emissions)
- Offsetting or fully mitigating remaining impacts (e.g. through restoration, conservation agreements)
- Creating net benefits for ecosystems and biodiversity.

The Nature Improvement Framework also outlines more detailed recommendations for CapMan's asset classes, with nature pressures further broken down into relevant subcategories:

- For Real Estate, the recommendations are divided based on three property statuses: standing investments, major renovation, and new construction.
- For Infra, the recommendations are divided based on the industries that the Investment Team has traditionally been involved in, for example solar energy provision, telecommunication and wireless services, road transportation, and marine transportation.
- For Private Equity the recommendations are industry-agnostic.
- The approach is being developed and adapted for the Natural Capital assets.

These ambition levels are built on guidance from the TNFD and the SBTN and are compatible with existing and expected SBTN methodologies. In areas where current methodologies are still under development, we have applied international best practices relevant to each asset class, for example the Science Based Targets initiative (SBTi) Buildings Guidance and the "Do No Significant Harm" criteria from the EU Taxonomy.

Furthermore, the ambition levels are embedded in Nature Transition Plan Guidebooks for each asset class. The resulting plans link the different ambition levels with operational actions, monitoring, and long-term sustainability value creation. The goal is to enable investment teams to assess how much nature-related ambition is feasible and investable in each case. The plans can also provide a basis for engagement priorities, especially in Real Assets and Private Equity.

## NATURE PRESSURES CONSIDERED IN OUR STRATEGY

We assess our impacts and dependencies in relation to key nature pressures, which represent the direct ways in which our investment activities affect ecosystems and biodiversity. These categories align with the SBTN and TNFD methodologies.

The table below presents examples of where our investment activities can affect the nature pressures:

Nature pressure	Real Estate	Infra	Natural Capital	Private Equity
<b>Land-use/sea-use change</b>	Greenfield projects	Land-based energy and road infrastructure	High dependent on practices and conversion risks	Generally indirect, through supply chains and site footprint
<b>Climate change</b>	Physical risks to buildings	Physical risks and service disruption	Fire, pests, drought, storm and productivity risks	Sector-specific
<b>Pollution</b>	Construction runoff, waste, materials	Water, soil or air pollution depending on asset type	Forestry inputs, sedimentation, soil and water effects	Sector-specific
<b>Resource exploitation</b>	Construction materials and water	Water, biomass, materials and energy inputs	Timber harvesting and soil productivity	Raw material and commodity exposure
<b>Invasive species / biological disturbance</b>	Landscaping and site management	Site disturbance and wildlife corridors	Forest health and biodiversity management	Usually limited unless land-based or biological sourcing

The table does not imply that all assets within an asset class have the same exposure. The relevance of each pressure depends on asset location, sector, activity, supply chain, management practices and investment strategy. CapMan therefore applies a proportionate approach, with more detailed assessment, such as for land-based assets, biodiversity-sensitive locations, forest and natural capital assets, real estate development activities, infrastructure assets with land or water interfaces, and portfolio companies or borrowers with material supply-chain exposure.

## IMPLEMENTATION HIGHLIGHTS

In 2025, CapMan Real Estate continued to implement sustainability property audits, including the identification and removal of invasive species across the portfolio. CapMan Real Estate also participated in the Nordic Circularity Piloting Programme in connection with the major renovation of a high-rise office building in Oslo (Sørkedalsveien 6). As part of the pilot, several circular measures were implemented on site, including extending the lifecycle of existing elevators instead of replacing them, and using recycled materials in the façade and in ventilation duct systems. In parallel, CapMan Real Estate continued its efforts to reduce energy consumption and GHG emissions, as well as to implement adaptation measures to mitigate climate-related risks at the property level. Looking ahead, CapMan Real Estate is currently developing its new sustainability strategy for 2027–2030, which will further integrate nature-related considerations. The strategy is expected to be finalised in 2027.

In 2025, CapMan Infra built upon the Nature Improvement Framework and pilot projects' results and prepared high-level sector specific roadmaps covering additional CapMan Infra relevant sectors. CapMan Infra further formalised its nature approach by defining nature related goals for its upcoming fund, CapMan Nordic Infrastructure III. Going forward, in line with CapMan's Nature Improvement Framework, CapMan Infra will seek to set CapMan Nordic Infrastructure III portfolio companies on a path towards restoring, and where possible, improving nature. This includes creating portfolio company specific roadmaps on how to advance towards improving nature over the medium/long term. Climate risk and vulnerability assessments (physical and transition) have been conducted in the Infra portfolio. In addition, the proprietary due diligence and value creation tool was updated to include nature dependencies and risks as well as human rights risks.

As part of the forest investment approach, CapMan Natural Capital ensures that the managed forests are certified in accordance with the Forest Stewardship Council (FSC®) and/or the Programme for the Endorsement of Forest Certification. Most of the forests are double certified. In 2025, CapMan Natural Capital had the first closing of CapMan Dasos European Forest Fund IV, a Sustainable Finance Disclosure Regulation (SFDR) Article 9 fund. This fund has sustainable investment as its objective, seeking to: a) align with the EU Taxonomy on the climate change mitigation objective, and b) to improve biodiversity and ecosystem condition through active natural capital and forestry management. The fund will be setting carbon and nature baselines within two years of the forest asset acquisition, with targets to improve the state of nature. Furthermore, as part of the International Sustainable Forest Coalition, in 2025 CapMan Natural Capital became part of a natural capital accounting project, supported by the TNFD. The project aims to develop harmonized ways of accounting for seven ecosystem services that forests provide and disclose aggregated natural capital accounts from all participants, setting a practical example of how nature can be put on the balance sheet. During late 2025, the seven priority ecosystem services for the forestry sector were agreed on: sustainable timber and fibre supply, water quantity, carbon, habitat and biodiversity, water quality, air quality, and recreational and cultural activities. In 2026 the metrics for these services will be tested and harmonised, and the relevant natural capital accounts established.

The Real Asset Debt investment area, which during 2025 was only investing in real estate debt, focused specifically on developing a climate change approach.

For Private Equity, the proprietary due diligence and value creation tool was updated to include nature dependencies and risks as well as human rights risk. This tool is used during the pre-acquisition phase. As part of their strategies, our private equity funds focus on decreasing GHG emissions. Further, to provide a structure in identify material aspects per portfolio company a Double Materiality Assessment (DMA) tool was integrated into the investment lifecycle. In this way, CapMan's investments can determine if nature, apart from climate change, is material to their business model.

## **PILOT PROJECTS**

CapMan has carried out pilot projects related to the nature project, to test how nature-related dependencies, impacts, risks and opportunities can be assessed in practice across selected Real Estate, Infra and Private Equity investments. The pilots tested the use of asset- and sector-level information, including location, activity type, potential ecosystem dependencies, nature pressures and available operational data. The main purpose was to assess whether the Nature Assessment Tool and LEAP-based process can support investment teams in identifying material nature-related

issues and translating findings into asset management or engagement priorities. The pilots confirmed that the most decision-useful outputs are asset-class specific: location and land-use considerations for Infra, construction material and origin considerations for development projects in Real Estate, and sector and supply-chain screening for Private Equity. CapMan will continue refining the pilot approach by improving asset-level data, documenting findings more consistently and linking results to asset management actions.

## **CAPMAN GROUP OPERATIONS**

Despite the limited dependencies and impacts on nature, our four largest offices have been certified with the WWF Green Office Programme. This certification serves as a model for reducing our carbon footprint and the use of natural resources.

## **ALIGNMENT WITH THE CLIMATE ROADMAP**

CapMan recognises the close connection between climate and nature. Climate change is one of the main drivers of nature loss, while ecosystem conditions can affect climate resilience, carbon storage, water regulation, soil stability and asset-level physical risks. CapMan's overall 2032 near-term climate targets, and Real Estate's 2035 net-zero targets for operational emissions and 2040 net-zero targets for upfront embodied emissions, have been validated by the SBTi. In 2026, CapMan initiated a Group-wide net-zero project to determine when its investments and operations can reach net zero and to set appropriate targets in accordance with the SBTi Financial Institutions Net-Zero Standard.

In December 2025, CapMan established its inaugural Climate and Nature Transition Plan, covering CapMan Plc's own operations and eligible investments. The plan provides a joint and practical roadmap for transitioning operations, assets and investments towards net-zero GHG emissions and halting nature loss. CapMan will use the plan to further integrate climate and nature considerations into investment processes, asset management, annual progress reporting, and future TNFD disclosures.

## **ALIGNMENT WITH GLOBAL BIODIVERSITY GOALS**

CapMan's strategic response to nature-related opportunities also includes investment strategies that directly target nature improvement, for example the establishment of the latest natural capital fund: CapMan Dasos European Forest Fund IV. The fund supports the direction of the Kunming-Montreal Global Biodiversity Framework by allocating capital to forest management models that seek to combine productive land use with conservation, biodiversity enhancement, and carbon benefits.

# Risk and Impact Management

Sustainability matters are addressed early in CapMan's pre-investment process, and sustainability value protection and creation levers are included in business plans where relevant. Progress is monitored through annual asset-level data gathering, asset-level board meetings, quarterly and annual fund reporting to LPs, CapMan's annual and sustainability reporting, TNFD disclosures, Principles for Responsible Investment (PRI) and United Nations Global Compact (UNGC) reporting. Nature-related risks and opportunities are therefore managed through existing investment, asset management, reporting and risk management processes, with the level of assessment tailored to the asset class, investment strategy and materiality of nature-related dependencies and impacts.

## INTEGRATING NATURE

CapMan's way of integrating nature considerations in risk management can be described through a LEAP inspired approach:

Locate: As part of due diligence, among other, assets are assessed for physical proximity to biodiversity-sensitive areas and ecosystem services, where material. For example, this includes natural capital assets, real estate and infrastructure developments near wetlands or biodiversity-sensitive areas, and supply chains linked to land use or deforestation.

Evaluate: Analysing material dependencies and impacts. For example, real estate developments depend on natural materials, while infrastructure development unless well planned can disrupt habitats and fragment ecosystems. Forestry operations depend on soil health and water retention, while Private Equity holdings may drive land use change indirectly via sourcing.

Assess: We consider four categories:

- Physical risks (e.g. flooding or erosion linked to habitat degradation),
- Transition risks (e.g. changes in regulation on land use, water access, deforestation),
- Legal and reputational risks (e.g. non-compliance or NGO-led campaigns),
- Opportunities (e.g. premium pricing, nature-based revenue streams, resilience of companies).

We prioritise risks and opportunities based on their likelihood and potential financial impact and integrate them into existing sustainability risk screening and asset management. This is done differently in the various Investment teams.

Prepare: Where nature is material, each Investment team decides on which actions to take. An example is to develop a Nature Transition Plan based on Group guidance. These plans align ambition levels with specific actions, such as implementing biodiversity net gain principles in real estate projects, reducing ecosystem pressures in forestry operations, or setting deforestation-free supply chain targets in private equity.

## **INTEGRATION INTO GROUP RISK MANAGEMENT**

Nature-related risks are included in CapMan's overall risk management framework and risk assessment. Where nature-related assessments identify potential effects on workers, local communities, suppliers or other affected stakeholders, the findings are considered through CapMan's human rights due diligence approach for the largest asset classes and escalated through existing investment, asset management and sustainability governance processes.

# Metrics and Targets

## WHAT WE MEASURE TODAY

Across CapMan:

- SFDR Principal Adverse Impact (PAIs) indicators, including share of investments in biodiversity-sensitive areas (PAI #7) across CapMan's eligible funds, and the optional PAI indicator for real estate on biodiversity in certain funds,
- Scope 1, 2 and 3 GHG emissions and reductions.

For Real Estate:

- Tracking against the set science-based targets,
- EU Taxonomy eligibility and alignment,
- Green building certification rates, for example LEED, BREEAM or DGNB,
- Energy and water consumption,
- Waste generation and recycling rates,
- Identified invasive species on site across standing investments.

Additionally, we have tested measuring on-site and off-site nature impacts in Real Estate by using the Biodiversity Net Gain (on-site) and Nature Lifecycle Assessment (LCA) (off-site, construction stage) for selected assets. The unit for the nature LCA is biodiversity equivalent (BDe/1kg).

For Infra and Private Equity investments:

- Tracking against the set science-based targets,
- Decarbonisation strategies and GHG reduction targets, including science-based targets,
- Energy production and consumption, including renewable share,
- Water consumption and waste generation, including emissions to water and hazardous waste,
- Processes for dealing with climate-related risks and opportunities,
- Policies regarding energy, water, waste, biodiversity, or an overall environmental policy, including if they have appropriate management systems for the policies in place,
- Presence of biodiversity impacts.

For Natural Capital investments:

- Certification rates in forestry, for example percent of FSC and/or PEFC certified areas,
- Certified wood harvested,
- Carbon sequestration,
- Set-aside areas,
- Deadwood (standing and lying),
- Tree species,
- Renewable energy capacity (installed and pipeline)
- Protected land, etc.

## **DATA GAPS AND NEXT STEPS**

CapMan's nature-related data remains uneven across asset classes. Natural Capital has the most developed land, certification and conservation indicators, while Real Estate has operational resource-use, certification and selected biodiversity-related indicators. Infra, Real Asset Debt, and Private Equity require a more sector- and asset-specific approach because nature-related issues vary significantly by activity, location, business model and value chain. CapMan will therefore focus on improving asset-specific approaches and where needed, data coverage for material nature-related dependencies, impacts, risks, and opportunities.