

This Sustainable Investment Policy describes CapMan’s approach towards the integration of sustainability factors with investment and business practices. This policy reflects the decision-making and ownership practices applied by funds managed by CapMan as well as in CapMan’s other private equity, real estate and infrastructure investments and wealth services practices. The parent company CapMan Plc is also committed to the framework described in this policy.

CapMan published its first Responsible Investment Statement in 2012. It was developed into a Sustainable Investment Policy in 2019. The policy has been reviewed by CapMan’s Management Group [and CapMan AIFM Ltd Board]. The policy has been updated on 8 March 2021.

CapMan’s Sustainable Investment Policy

Contents

1. Introduction	2
2. CapMan’s Sustainable Investment Standards.....	2
2.1 Environmental	3
2.2 Social	3
2.3 Governance	3
3. The integration of sustainability risks.....	4
4. CapMan’s Sustainable Investment Framework	4
4.1 CapMan’s values.....	4
4.2 Principles of Responsible Investment	5
4.3 UN Sustainable Development Goals	5
5. Sustainable Investment Governance.....	6
5.1 Remuneration.....	6
5.2 Disclosure and reporting.....	6
5.3 Non-Compliance with the policy	6



1. Introduction

At CapMan, our mission is to build value for the enrichment of society. We believe that it is central for the long-term success of our clients, portfolio companies, asset users and communities to consider sustainability factors, including **environmental, social and governance (ESG)** factors, in our funds' decision-making processes, ownership activities as well as advisory practices.

CapMan plays an important role in society by efficiently managing institutional capital invested in its funds. This capital is raised from investors, such as public and private pension funds, funds of funds, life insurance companies and foundations, 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. This process includes promoting innovation and facilitating new solutions to challenges, as well as addressing key environmental, social and governance issues. Through active management of 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.

Due to our operating and governance model, CapMan is well-positioned to consider sustainability factors in our investment processes and advisory and drive change throughout our and our clients' portfolios. Specifically, CapMan:

1. Has a mid to long-term investment horizon;
2. Aligns interests between CapMan and clients/portfolio company employees and management/tenants/end users and other stakeholders; and
3. Has an active ownership approach to value creation as a majority or significant owner with a mandate to influence.

CapMan also considers sustainability impacts of its service activities.

2. CapMan's Sustainable Investment Standards

CapMan focuses on fostering sustainable practices in its activities and the activities of its funds under management. The standards are aligned with the UN Sustainable Development Goals and relevant for CapMan's investment and service operations.

2.1 Environmental

Environmental: Consider policies and activities that improve resource, including energy, efficiency

CapMan considers especially the following issues when relevant for a specific operation, portfolio company, real estate project or infrastructure investment:

- Greenhouse gas emissions and impact on climate
- Effective use of energy resources, and effort to reduce energy amounts
- Waste, pollution, and risk for environmental hazard
- Overall environmental footprint of operations

2.2 Social

Social: Consider diversity, fair labour conditions and social engagement

CapMan considers diversity, fair labour conditions and stakeholder engagement in its own operations as well as in its portfolio companies, real estate projects and infrastructure investments, including:

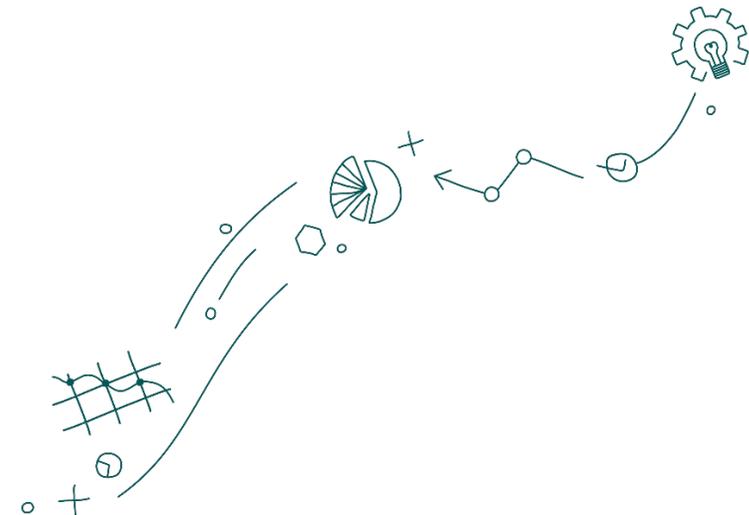
- Health and safety, including workplace safety, appropriate and continuous risk assessments and improvements as necessary
- Working conditions, including labour standards
- Employee, partner, tenant and social relations and engagement
- Diversity among key decision makers and zero tolerance for discrimination

2.3 Governance

Governance: Promote fair business and governance practices

CapMan promotes fair business and governance practices in its own operations as well as in its portfolio companies, real estate projects, infrastructure investments, fund management and procurement activities, including:

- Anti-bribery policy
- Anti-money laundry
- Proper treatment of stakeholders
- Diversity
- Efficient but fair tax strategy
- Certified management systems, where feasible



3. The integration of sustainability risks

Sustainability risk means an environmental, social 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 investment activities that CapMan undertakes through our funds under management, on a mandate basis and on behalf of our wealth services clients may have adverse environmental and social impacts and CapMan seeks to identify and mitigate such impacts through screening, due diligence, risk management, stakeholder engagement and active value creation of the investment.

Sustainability risks are integrated in the investment decision-making process as follows:

- Potential sustainability risks are identified and their likelihood of occurrence and severity if realised is evaluated.
- A course of action is identified for eradicating or mitigating the sustainability risk or, if the risk is deemed too severe, a decision is made to not move ahead with the investment.
- Sustainability risks associated with an investment are presented to the relevant decision-making body, which makes the formal investment decision.

4. CapMan's Sustainable Investment Framework

4.1 CapMan's values

As an active and significant owner, we are committed to promoting responsible business practices in our portfolio companies and to conducting sustainable asset management of our real estate investments.

CapMan is a role model for its portfolio companies and consequently sustainability plays a key role also in CapMan's own business operations. Our commitment to sustainability is reflected in our values:

- Active Ownership
- Dedication
- High Ethics

Our investments, value creation efforts, exit processes and other business operations are conducted in accordance with our values.

Active Ownership

Both value creation and asset management in our investments are based on active ownership, which focuses on long-term development. This includes monitoring and managing a wide range of financial and non-financial issues related to the performance of the companies and assets.

Dedication

We have an entrepreneurial drive. We are hungry but humble and encourage continuous development and learning. We take a long-term objective and correct our course on the way to get there, if necessary.

High Ethics

Our operations are conducted with integrity and in a transparent manner. We are a reliable partner and responsible owner respecting all our stakeholders. We always consider the long-term impacts of our actions.



4.2 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 environmental, social and corporate governance (ESG) issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG 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.

4.3 UN Sustainable Development Goals

CapMan works to align investment activity with the UN Sustainable Development Goals. 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.

5. Sustainable Investment 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. Funds managed by CapMan report on the funds' performance, including ESG issues, to the funds' limited partners on a regular schedule.

CapMan Plc's Board of Directors are responsible for CapMan Plc's sustainable investment practices. Fund advisory boards are responsible for the sustainable investment practices of funds following the requirements of limited partners. While not able to directly influence decision making in a fund, CapMan Plc has significant influence as a major fund investor.

CapMan's ESG steering group comprises CapMan's Management Group. ESG issues are further managed by a working group consisting of representatives of CapMan's investment and service teams.

5.1 Remuneration

Sustainability risks are considered in the remuneration of key personnel that make investment decisions or provide investment advice. CapMan can withhold and in certain cases force repayment of short-term performance-based compensation in case of a material violation of the sustainability policy has occurred or a material sustainability risk has realised.

5.2 Disclosure and reporting

CapMan monitors financial and non-financial performance of its investments. Sustainability impacts form part of this regular monitoring process to an increasing extent.

CapMan reports on the progress of responsible investment implementation annually to PRI. The annual Transparency Reports can be found on the PRI website www.unpri.org.

CapMan monitors portfolio companies following the investment and reports sustainability impacts regularly to limited partners throughout the investment's life cycle. CapMan further encourages a continuous dialogue with limited partners related to sustainability impacts. In case of an ESG-related incident, limited partners are informed.

The portfolio reports to wealth services clients include sustainability impacts.

CapMan discloses the integration of sustainability risks and adverse sustainability impacts of its investment decisions pre-contractually as well as periodically to investors.

5.3 Non-Compliance with the policy

Non-Compliance with or deviations from the policy shall be addressed by the case responsible, fund advisory board and/or CapMan Plc's Management Group.