

Sustainability

**We build a
sustainable
future**

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We drive transition
towards well governed,
environmentally and
socially sustainable
businesses and assets

Sustainability at the core of our vision and strategy

Sustainability vision and strategy

CapMan’s vision is to become the most responsible Nordic private asset company. To get there, we are basing our sustainability strategy in science, focusing on material topics and incorporating a holistic approach which includes communities and the environment. We aim to reduce negative impacts, stay within the planetary boundaries and positively affect the people living on this planet while creating strong financial returns. In order to achieve this aim, we work systematically to develop pragmatic, measurable frameworks to transition assets and companies towards resource efficient, circular and nature-positive operating models while promoting inclusive, happy workplaces and understanding how we ensure respect for human rights throughout the value chain. This is how we at CapMan keep building value for the enrichment of society towards 2040 and beyond.

CapMan’s sustainability standards

As an active owner with significant reach in the Nordic society, CapMan is ideally positioned to drive positive transitions in real estate, infrastructure assets and companies. We have established long-term goals in the environmental, social and governance areas that underpin our actions.

CAPMAN’S SUSTAINABILITY STANDARDS

1.

We drive climate action based in science.
2.

We promote nature-positive operations that safeguard the planetary boundaries.
3.

We create strong and equitable businesses and provide meaningful work.
4.

We respect human rights of all people, including our employees, those working for and with our investments and in local communities.
5.


We are diverse, transparent, and accountable for our actions.

CapMan’s vision is to become the most responsible private asset company in the Nordics





Sustainability target roadmap

CapMan is dedicated to driving the development towards a sustainable future. Through our funds under management, we take action for the climate and are mindful of our planetary boundaries. Our funds under management create strong and equitable businesses and provide meaningful work. Respect for human rights is integral to our interactions across the value chain and we operate according to the highest governance standards.

In order to contribute to a robust and diverse economy and thriving environment we have established short-term (1–2 years), mid-term (<10 years), and long-term (>10 years) targets for CapMan Group as well as our investment areas. We continue to develop our approach and transition towards our long-term goals and report on the progress of some targets later in the year as information from the investment areas becomes available. Some targets have been included in the management team's long-term performance share plan. CapMan's baseline for its targets is typically 2021.



STANDARD	ACHIEVED 2023	SHORT-TERM	MID-TERM	LONG-TERM
CLIMATE ACTION We drive climate action based in science 	CapMan			
	<ul style="list-style-type: none"> CapMan's science-based targets were validated and their progress is monitored on an annual basis^{*)} Set a net-zero emissions target for 2040 Tracked Scope 1, 2 and key Scope 3 GHG emissions 	<ul style="list-style-type: none"> Progressing towards mid-term science-based target and net zero target 	<ul style="list-style-type: none"> Increase the use of renewable energy to 100% by 2030 Reduce absolute Scope 1 and 2 GHG emissions 51% by 2032 Reduce GHG emissions from business travel by 25% per full time employee from 2023 and by 2032 	<ul style="list-style-type: none"> Net-zero emissions throughout operations achieved by 2040
	In funds			
	<ul style="list-style-type: none"> 16% of eligible portfolio companies have set science-based targets Real estate portfolio emission intensity decreased 18.7% for commercial and 11.9% for residential real estate from 2021 	<ul style="list-style-type: none"> At least 25% of eligible Infra and Private Equity portfolio companies have set science-based targets 	<ul style="list-style-type: none"> 54.5% of eligible portfolio companies have set SBTi validated targets by 2027 and 100% by 2032 Reduce residential RE portfolio emission intensity 50% and commercial (service) buildings emissions by 72% by 2032 Energy intensity from real estate have decreased 26% by 2032 from 2021 (excl. mandates) 	<ul style="list-style-type: none"> Net-zero emissions by 2035 for real estate operational carbon and by 2040 for embodied carbon and other investment strategies

^{*)} Included in the long-term Performance Share Plan for the Management Group



STANDARD	ACHIEVED 2023	SHORT-TERM	MID-TERM	LONG-TERM
NATURE POSITIVE We promote nature-positive operations that safeguard the planetary boundaries 	CapMan			
	<ul style="list-style-type: none"> • Rolled out WWF Green Office programme 	<ul style="list-style-type: none"> • Certify CapMan offices according to the WWF Green Office Standard 	<ul style="list-style-type: none"> • Maintain WWF Green Office designation 	<ul style="list-style-type: none"> • CapMan's operations to stay within planetary boundaries
MEANINGFUL WORK We provide meaningful work 	In funds			
	<ul style="list-style-type: none"> • Initiated a project to develop nature-positive approach and tools for real estate and portfolio companies 	<ul style="list-style-type: none"> • Develop a nature-positive approach and tools and pilot them for selected real estate projects and portfolio companies 	<ul style="list-style-type: none"> • Nature-positive transition plan developed for real estate and portfolio companies as part of a nature positivity framework • Real Estate waste material utilisation rate 70% for assets with data availability by 2032 • Demolition and construction waste recycling rate minimum 80% by 2032 • 4% water intensity reduction in commercial properties by 2026 	<ul style="list-style-type: none"> • Transition investments towards staying within planetary boundaries
MEANINGFUL WORK We provide meaningful work 	CapMan			
	<ul style="list-style-type: none"> • Employee satisfaction 51 eNPS 	<ul style="list-style-type: none"> • Employee satisfaction eNPS above 50^{*)} 	<ul style="list-style-type: none"> • Keeping employee satisfaction eNPS yearly above 50 	<ul style="list-style-type: none"> • Maintain high job satisfaction
MEANINGFUL WORK We provide meaningful work 	In funds			
	<ul style="list-style-type: none"> • Overall tenant satisfaction in real estate funds 3.5 (3.6 in 2022), on a scale of 1 to 5, with 5 representing the highest level of satisfaction 	<ul style="list-style-type: none"> • Portfolio company employee satisfaction above 3.5 out of 5 or eNPS above 25 • Tenant NPS above 0, overall satisfaction above 4.0 	<ul style="list-style-type: none"> • Keeping company employee satisfaction yearly above 3.5 out of 5 or eNPS above 25 • Keeping tenant NPS yearly above 0, overall satisfaction above 4.0 	<ul style="list-style-type: none"> • Maintain high portfolio company job satisfaction and tenant satisfaction

^{*)} Included in the long-term Performance Share Plan for the Management Group

eNPS: Employee Net Promoter Score **SBTi:** Science Based Targets initiative **DEI:** Diversity, Equity, Inclusion

STANDARD	ACHIEVED 2023	SHORT-TERM	MID-TERM	LONG-TERM
DIVERSITY, EQUITY & INCLUSION (DEI) AT THE WORKPLACE We create strong and equitable businesses 	CapMan			
	<ul style="list-style-type: none"> Management Group appointments 40% women Partner appointments 33% women Recruitment in total 33% women Inclusion index 81 	<ul style="list-style-type: none"> Management Group appointments: max 70% of any gender (if more than one appointment) *) Investment team appointments: max 70% of any gender *) All recruits: max 60% of any gender *) Keep inclusion index above 70 	<ul style="list-style-type: none"> Management Group appointments: max 70% of any gender (if more than one appointment) Investment team appointments: max 70% of any gender All recruits: max 60% of any gender Keep inclusion index yearly above 70 	<ul style="list-style-type: none"> Management Group appointments: max 60% of any gender (if more than one appointment) Partner appointments: Female partners to reach 20% overall by 2033 All recruits: max 60% of any gender Increased diversity and inclusion
	In funds			
	<ul style="list-style-type: none"> Implemented DEI policies for 87% of all majority owned portfolio companies with more than 75 employees The accessibility of the properties was assessed via annual property audits, and improvement potential was identified 	<ul style="list-style-type: none"> DEI policy implemented at all majority owned portfolio companies with more than 75 employees 	<ul style="list-style-type: none"> Target to be decided 	<ul style="list-style-type: none"> Diversity and inclusion increased within portfolio companies
RESPECT FOR HUMAN RIGHTS We respect human rights of all people, including our employees, those working for and with our investments and in local communities 	CapMan			
	<ul style="list-style-type: none"> Human rights salient impacts in operations identified together with external experts CapMan Supplier Code of Conduct adopted 	<ul style="list-style-type: none"> Align with the UN Guiding Principles on Business and Human Rights across activities Strengthen the management of human rights risks in CapMan's corporate functions and investment activities 	<ul style="list-style-type: none"> Track implementation and communicate results on human rights while continuously improving human rights governance 	<ul style="list-style-type: none"> Promotion of human rights throughout value chain ensured, tracked and communicated
	In funds			
	<ul style="list-style-type: none"> Key human rights salient impacts identified for all investment teams by an external investigation 	<ul style="list-style-type: none"> Start aligning processes for human rights with the UN Guiding Principles on Business and Human Rights across investments, asset management and property management 	<ul style="list-style-type: none"> Track implementation and communicate results on human rights while continuously improving human rights governance 0 fatalities Reducing accidents at construction sites Fair working conditions throughout the value chain following the implementation of a Supplier Code of Conduct 	<ul style="list-style-type: none"> Promotion of human rights throughout value chain ensured, tracked and communicated

*) Included in the long-term Performance Share Plan for the Management Group

STANDARD	ACHIEVED 2023	SHORT-TERM	MID-TERM	LONG-TERM
DIVERSITY, EQUITY & INCLUSION IN DECISION MAKING We are diverse 	CapMan			
	<ul style="list-style-type: none"> 33% of Board members are women 	<ul style="list-style-type: none"> Emphasise board diversity (board elected by AGM) 		
	In funds			
	<ul style="list-style-type: none"> Accessibility related improvements were assessed throughout the real estate assets as part of property audits 	<ul style="list-style-type: none"> Appoint max. 70% of any gender to portfolio company boards & management teams 	<ul style="list-style-type: none"> Appoint max. 70% of any gender to portfolio company boards & management teams 	<ul style="list-style-type: none"> Max 60% of any gender in portfolio company Boards and Management Groups
ACCOUNTABILITY & TRANSPARENCY We are transparent and accountable for our action 	CapMan			
	<ul style="list-style-type: none"> Sustainability goals incorporated into the variable remuneration of the Management Group 37 sustainability-related training sessions conducted 	<ul style="list-style-type: none"> Sustainability targets incorporated into the variable remuneration for eligible employees *) Increase sustainability governance trainings Sustainability reporting in line with key sustainability initiatives such as TCFD, TNFD, UNGC and PRI 	<ul style="list-style-type: none"> Sustainability reporting beyond regulatory requirements in line with key sustainability initiatives Engagement on sustainability topics with relevant stakeholders conducted and reported on Keep strengthening Sustainability competence across CapMan with Sustainability Academy sessions and systematic sustainability governance training for all employees 	<ul style="list-style-type: none"> Sustainability targets included in the CapMan Group employee bonus Maintain high sustainability competence across CapMan Group Engage with relevant stakeholders to develop sustainability best practice, including reporting, in private markets
	In funds			
	<ul style="list-style-type: none"> Sustainability onboarding & holding period guidelines developed 37.6% of all properties (sqm) are certified 18.0% of all properties are EU Taxonomy aligned 	<ul style="list-style-type: none"> Sustainability onboarding & holding period guidelines implemented in all new acquisitions 	<ul style="list-style-type: none"> 75% of all real estate assets certified by sqm and during the holding period by 2032 Share of EU Taxonomy aligned properties is increased 	<ul style="list-style-type: none"> Target to be decided

*) Included in the long-term Performance Share Plan for the Management Group

Materiality of sustainability topics

In order to focus on the topics where CapMan can have the biggest impact, CapMan builds its sustainability strategy around a double materiality framework. CapMan continuously assesses its business areas, engages with stakeholders and monitors global industry and policy developments to identify material sustainability topics to follow-up, analyse and, if relevant, disclose. Material sustainability topics are factors that have a significant direct or indirect economic, environmental or social impact on CapMan, its stakeholders and broader society. CapMan looks at both its effect on the world as well as the impact of external sustainability issues on its activities. CapMan is developing its materiality assessment in order to meet the requirements for double materiality assessment under the new Corporate Sustainability Reporting Directive (CSRD). CapMan's reporting obligations start as of 2025.

Central stakeholders

CapMan anchors its materiality assessment to both internal and external stakeholders. Internal stakeholders include employees and management, and external stakeholders include, among others, shareholders, fund Limited Partners, portfolio company management and employees, real estate tenants and users, advisors and partners, suppliers, local community representatives, and the general public. The most significant topics related to sustainability are identified through information gathering, industry analysis, surveys and stakeholder interviews and risk mapping.

CapMan evaluates its effects on the world as well as the impact of external sustainability issues

CapMan's latest materiality assessment was conducted in 2022 based on stakeholder interviews and surveys. Included stakeholders were the largest Limited Partners and shareholders (interviews and surveys), board members (interviews), management group (interviews) and employees (surveys). In addition, the materiality assessment included a review of industry standards, regulation, best-practices, and the assessment of CapMan's role in the value chain and overall society. Stakeholder groups were assigned weights depending on their relative contribution to the activities performed by CapMan Group. Following a quantitative analysis of the topics considered material by stakeholders surveyed, internal workshops were held to determine the final weighting of material topics.

INTERNATIONAL INITIATIVES AND COMMITMENTS

CapMan has committed to the Science Based Targets initiative (**SBTi**) and set a short-term greenhouse gas emission reduction target and a net-zero commitment by 2040. CapMan has participated in developing a carbon neutrality road map as part of Initiative Climat International (**iCI**). CapMan is also an early adopter of the Task Force for Nature-related Financial Disclosures (**TNFD**).

CapMan respects, protects and promotes internationally proclaimed human rights in its operations. CapMan upholds the Universal Declaration of Human Rights (**UDHR**), UN Guiding Principles on Business and Human Rights (**UNGP**), International Labour Organisation's (**ILO**) Declaration on Fundamental Principles and Rights at work, as well the Organisation for Economic Co-operation and Development's (**OECD**) Guidelines for Multinational Enterprises.

Through its participation in UN Global Compact (**UNGC**), CapMan is committed to UNGC's principles and promotes its fundamental values related to human rights, labour principles, the environment, and anti-corruption. CapMan has also been a signatory to the Principles of Responsible Investments (**PRI**) since 2012. CapMan is also a member of the ILPA ESG Data Convergence Initiative. The entire organisation is guided by these international standards to assess its operations, including engagement with portfolio companies, investors and other stakeholders. CapMan is a member of **Finsif** and **Swesif**, network organisations that promote sustainable investment in Finland and Sweden, respectively. CapMan promotes sustainable practices in the Nordic private equity industry through industry associations **FVCA** and **SVCA** and **INREV**, which promotes the interests of European real estate investors.

CapMan Real Estate is a member of **Green Building Council** Finland and Denmark (Rådet for Bæredygtigt Byggeri) and is part of developing the industry and society.

Material sustainability topics for CapMan Group

The material topics serve as the basis for CapMan’s sustainability strategy, including sustainability processes and priorities. Management of materiality topics is described in the sections of this report related to the environment, society, and governance.

Based on impact, scope, likelihood and the relative weight of stakeholders, seven topics were identified as the most material for CapMan. The promotion and realisation of diversity and equity in the operations are considered the most material topic, followed by governance in investment practices, board diversity and business ethics and integrity. Energy use, emissions and the impact of travel habits on climate change are the most material environmental topics for CapMan. The resulting materiality map forms CapMan’s priorities for managing sustainability topics. CapMan sets annual and long-term targets that monitor progress related to these material topics.

CapMan is in the process of updating the assessment during 2024 to reflect the double materiality principle of CSRD.

The materiality assessment focuses on the activities of CapMan Group and applies weighting based on the most material impacts of the Group’s overall activities. CapMan will extend this assessment by including a broader assessment of its impacts across the value chain, including the activities of CapMan’s real estate, infrastructure and private equity funds under management.

MATERIAL TOPIC		MATERIAL SUBTOPIC
ENVIRONMENT		
Climate action based in science	Climate Change	Travel habits
Nature-positive operations		Energy use, energy efficiency
SOCIAL		
Strong and equitable businesses and meaningful work	Diversity and equity	Employee diversity and equity Non-discrimination
Respect for human rights	Attractive workplace	Employee wellbeing Talent development and retention Performance based remuneration
GOVERNANCE		
Diverse, transparency and accountability	Good governance in investment practices	Active ownership
	Board diversity	Board diversity
	Business ethics and integrity	Compliance with laws and regulations Ethical business practices that are based on CapMan’s values
	Tax responsibility	Tax revenue and tax transparency

CENTRAL RISK MANAGEMENT AND VALUE CREATION TOOLS FOR FUND INVESTMENTS

- *Sustainable Investment Policy*
- *Restriction list*
- *Onboarding and Holding period guidelines*
- *ESG due diligence and value creation tool*
- *Sustainability policy library for portfolio companies*
- *Supplier Code of Conduct guidance*

Taking sustainability and climate action throughout the investment lifecycles

Fund investors are increasingly interested in private assets funds that proactively manage sustainability matters. CapMan meets this demand by combining sustainability value creation and financial returns in its funds across investment strategies.

Prior to acquisitions, CapMan assesses potential real estate, infrastructure assets or portfolio companies for sustainability risks and opportunities and includes sustainability transformation plans to the value creation agenda. CapMan has a proprietary sustainability value creation and due diligence tool for its private equity and infrastructure companies that is used to identify how to mitigate risks and preserve and create value through sustainability related actions. For real estate investments, CapMan conducts transition and physical climate risk assessments for all new acquisitions and selected standing investments, following CRREM and EU Taxonomy technical criteria, including climate mitigation and adaptation plans.

CapMan has set mid-term science-based targets to reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 51% by 2032 and to reach net zero by 2040. CapMan also targets that 54.5% of its portfolio companies have set their

own science-based targets by 2027 and 100% by 2032.

Additionally, CapMan has established targets to reduce GHG emission intensity by 72% in its commercial real estate and by 50% in residential real estate by 2032 and an ambitious net-zero plan for operational carbon by 2035 and embodied carbon by 2040 in its real estate portfolios. CapMan Real Estate is part of the Science Based Targets Buildings pilot test, thereby leading the way in establishing frameworks for measuring and reducing the climate impact of buildings.

Impact of climate risks

CapMan Group has assessed the impact of climate-related matters and whether climate-related risks could be expected to result in material adjustments in the Group's financial statements. Physical climate risks such as risks arising due to extreme weather, and transition climate risks such as risks arising due to regulatory or technological changes could impact CapMan's financial performance due to impacts on the valuations of the fund investment assets on its balance sheet. A high exposure to climate-related risks could also impact CapMan's ability to raise new funds, which in turn would lead to lower management fees. CapMan seeks to mitigate this risk

Sustainability transformation as part of the value creation agenda



by setting GHG emission reduction targets and by supporting its portfolio companies, infrastructure assets and real estate to set individual GHG emission reduction targets.

The operations of CapMan Plc are not heavily reliant on physical assets, and hence CapMan's exposure to physical climate risks is low. The potential climate-related risks are mainly linked to risks in the underlying assets in the private assets funds that CapMan Plc has invested in. The majority of these funds are managed by CapMan, and hence by CapMan's investment professionals.

CapMan's net-zero commitment, in combination with the valuation process for its funds, can therefore be seen taking sufficiently into account climate-related matters impacting the fair value of the underlying portfolio companies, real estate and other holdings owned by CapMan's own funds. Fair value of external fund investments is based on external fund managers' valuations and no climate-related adjustments are made by CapMan. However, CapMan assesses that the industries, in which the portfolio companies of the external fund investments operate, are not materially subject to climate-related risks with regards to their fair valuation.

CapMan is exposed to transition risks arising from new environmental and sustainability-related regulatory requirements in the financial sector. Failure to comply could lead to costs as well as reputational damages.

Sustainability factors, including those related to climate change, are incorporated into CapMan's asset-specific due diligence and value creation processes. Both internal and external expertise, as well as a value creation tool developed for the purpose, are utilised to identify these factors.

SUSTAINABILITY MANAGEMENT AND GOVERNANCE

- *Sustainability matters, including climate issues and risks, are part of the general governance of CapMan Plc.*
- *The overall management of sustainability matters falls under the purview of CapMan's **Board of Directors** through the **Audit and Risk Committee**. Any significant findings and deviations from international commitments are addressed by the Board of Directors.*
- *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.*
- *The **Head of Sustainability** (part of the Management Group) has overall responsibility for developing and implementing the group-level sustainability strategy.*
- ***Heads of investment teams** (part of the Management Group) are responsible for the assessment of sustainability matters as part of the investment and value creation process.*
- ***Investment and asset management teams** and the **sustainability team** are responsible for the integration of sustainability assessments, including climate assessments. Investment and asset management teams implement sustainability actions and assess sustainability risks and opportunities in real estate, infrastructure assets and portfolio companies.*
- *The **Risk & Valuations** team is responsible for carrying out internal control. **People Operations** is responsible for enforcing the fair treatment of employees.*

Classification of CapMan's funds based on sustainability impacts

The Sustainable Finance Disclosure Regulation (SFDR) has provided additional requirements on CapMan AIFM Ltd as the manager of alternative investment funds (AIFs) as well as AIFs regarding the disclosure of sustainability risks and adverse impacts of investment decisions. CapMan assesses the classification of each fund established and open for new commitments after 10 March 2021 according to SFDR and adheres to the following:

- *The funds follow CapMan's Sustainable Investments Policy (all funds regardless of classification under the SFDR must follow this policy).*
- *The funds act transparently and report Principal Adverse Impact (PAI) indicators to their investors.*
- *Sustainability risks and principal adverse sustainability impacts are taken into account for all funds.*

CapMan AIFM Ltd includes sustainability risks in the decision-making process in accordance with SFDR Article 3. 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 wellbeing, 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.

CapMan discloses its approach to sustainability risks and adverse sustainability impacts in its Sustainable Investment Policy.

Funds that promote environmental and/or social characteristics (Article 8)

CapMan assesses whether a fund includes environmental or social considerations in its strategy and if it also promotes environmental and/or social characteristics throughout its investments.

Environmental or social considerations can relate to any topics with an environmental or social dimension that are considered in the decision-making process for the fund and that can be applied in a systematic fashion across the fund. Topics can include, for example diversity of management teams, monitoring of energy efficiency, GHG emissions, environmental certifications, applied sector restrictions, or public adherence to the UN Global Compact or other codes.

The environmental and/or social characteristic(s) must be defined and measurable. There must be a goal linked to the characteristics that are in line with CapMan policy and targets where applicable. If investee companies or assets are already aligned with the goal, then the focus is on maintenance. If investee companies or assets are not aligned with the goal, an action plan is set and implemented. The analysis of environmental and/or social characteristic(s) and potential exclusion criteria are included in the investment process, including the due diligence process.

A fund that promotes environmental and/or social characteristics may also make investments that are aligned with the EU Taxonomy. In that case, it will disclose the share of the eligibility and alignment.



Enabling the green transition

CapMan funds that are classified as Article 8:

- CapMan Residential
- CapMan Nordic Property Income (non-UCITS)
- CapMan Hotels II
- CapMan Nordic Infrastructure II
- CapMan Growth Equity III (established in 2024)
- CapMan Social Real Estate (established in 2024)
- CWS Sustainable Future (non-UCITS)

	2023	2022
Share of funds raised after 10 March 2021 that are Art 8 (%)	84%	85%

The majority of new funds are classified as Article 8

Taxonomy alignment

The below table presents the Taxonomy eligibility and alignment of funds as of 31 December 2023. CapMan continues to strengthen processes to account for minimum social safeguards.

The EU Taxonomy Regulation provides that an economic activity can only qualify as environmentally sustainable if, in addition to meeting the other requirements of Article 3 (3), it is carried out in compliance with the minimum safeguards laid down in Article 18. As per Article 18, meeting the minimum safeguards means: 1) implementing international standards of responsible business conduct. The key international standards on corporate human rights are currently the OECD Guidelines on Multinational Enterprises and the UNGPs; and 2) adhering to the principle

of ‘do no significant harm’ of the SFDR. CapMan continues to strengthen its business practices and processes to fully embed these standards. Please find more information in the section on social disclosures in the chapter regarding human rights in our value chain.

	Taxonomy eligibility			Taxonomy alignment		
	Turnover	CapEx	OpEx	Turnover	CapEx	OpEx
CapMan Hotels II	100%	100%	100%	0%	0%	0%
CapMan Residential	100%	100%	100%	20%	0%	22%
CapMan Nordic Property Income	100%	100%	100%	7%	0%	8%
BVK-CapMan Nordic Residential Mandate	100%	100%	100%	37%	22%	37%
CapMan Nordic Real Estate I	100%	100%	100%	96%	0%	90%
CapMan Nordic Real Estate II	100%	100%	100%	18%	1%	15%
CapMan Nordic Real Estate III	100%	100%	100%	6%	22%	6%
Kokoelmakeskus	100%	100%	100%	0%	0%	0%
CapMan Nordic Infrastructure II	100%	100%	100%	0%	0%	0%

Impact through international frameworks



PRI – PRINCIPLES FOR RESPONSIBLE INVESTMENT

CapMan has signed the Principles for Responsible Investing in 2012 and reports on the fulfilment of those principles in its investment activities. The latest report published in 2023 provided the following assessments:

- *Policy, Governance and Strategy* ★★★★★
- *Real Estate 4/5 stars* ★★★★★
- *Infrastructure 4/5 stars* ★★★★★
- *Private Equity 4/5 stars* ★★★★★

Read the full report on CapMan’s website at → capman.com/sustainability



GRESB – GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

CapMan reports on the sustainability performance of its real estate and infrastructure funds according to the GRESB framework. According to the framework, funds are assessed and ranked against their peers. For 2023, the assessment covered the following funds:

- *CapMan Nordic Infrastructure I* ★★★★★
- *CapMan Nordic Infrastructure II (management)* ★★★★★
- *CapMan Nordic Property Income* ★★★★★
- *CapMan Hotels II* ★★★★★
- *CapMan Nordic Real Estate II* ★★★★★
- *CapMan Nordic Real Estate III* ★★★★★
- *CapMan Residential* ★★★★★



ICI – INITIATIVE CLIMAT INTERNATIONAL

Initiative Climat International (iCI) is a global community of private markets firms and investors that seek to better understand and manage the risks associated with climate change. CapMan has participated in developing a carbon neutrality road map together with other private market firms. The Private Markets Decarbonization Roadmap (PMDR) offers the private markets industry a joint approach to disclose the development of their GHG emissions. It is based on existing frameworks that curb climate change.



UN GLOBAL COMPACT

The UN Global Compact is the world’s largest corporate sustainability initiative. It is a call for companies to implement universal sustainability principles and to take steps to support UN goals for the benefit of the future of our earth. Companies and organisations that have signed the commitment follow principles related to human rights, labour, environment and anti-corruption in all countries where they operate. It provides a sustainability framework renowned all over the world. CapMan is a participant of UN Global Compact.

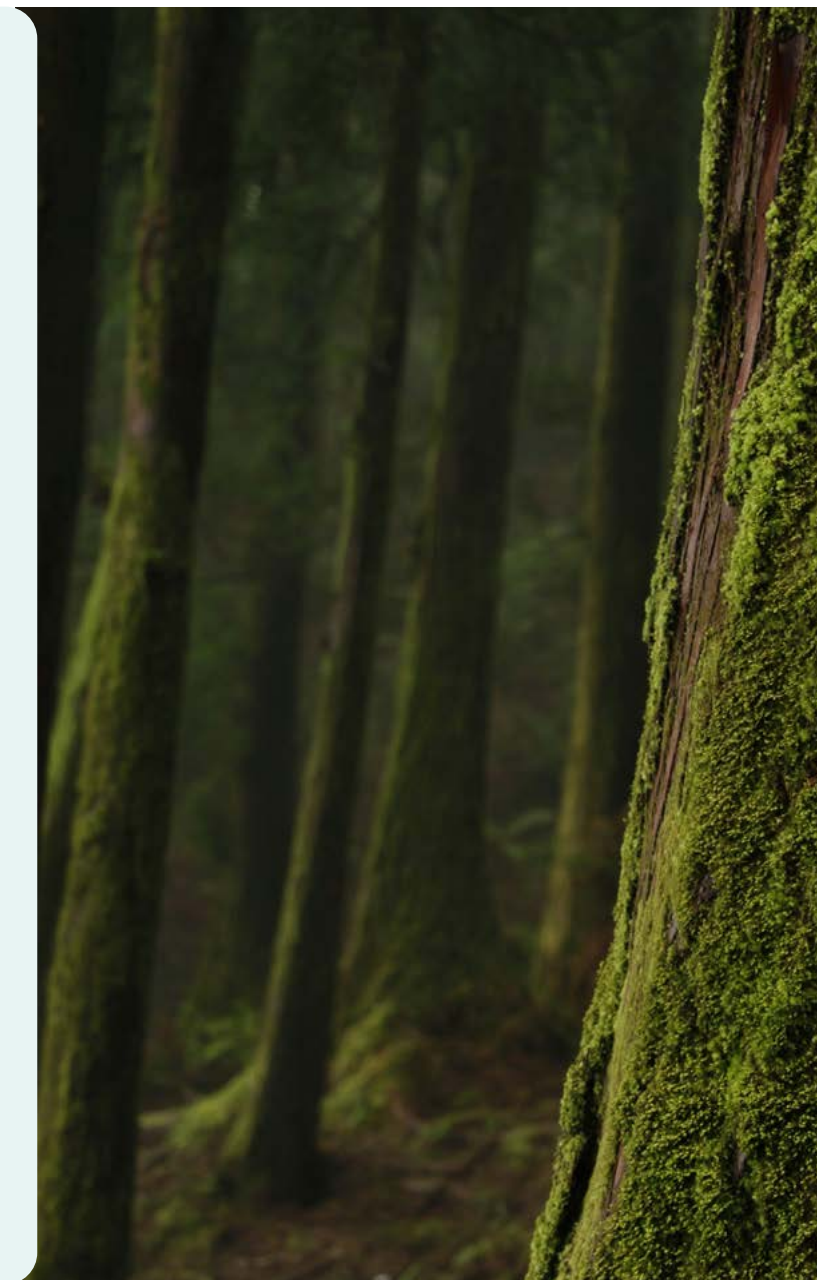
Environmental disclosures

Given the urgency of the climate crisis, it is crucial that decisions made at CapMan as well as in the real estate, infrastructure assets and portfolio companies of the funds that we manage are made in a climate conscious manner. Climate mitigation efforts are particularly important for funds investing in carbon intensive strategies such as real estate and infrastructure. CapMan adapts to climate change by introducing physical climate risk assessments and adaptation plans in funds established after 2021. We plan to expand the scope of transition risks further during 2024. Overall, CapMan mitigates its climate-related transition risks by assessing the carbon footprint of its activities and has set GHG emission reduction targets in line with the Science Based Targets initiative (SBTi), and by conducting CRREM assessments and action plans for real estate assets held by the funds it manages. CapMan targets to be fully net zero by 2040.

SCIENCE BASED TARGETS INITIATIVE



The Science Based Targets initiative (SBTi) was established as a partnership between WWF, UN Global Compact, the Carbon Disclosure Project (CDP) and the World Resource Institute (WRI). SBTi drives ambitious climate action in the private sector and strives to curb the worst outcomes of climate change. Under the initiative, companies can set targets in order to reduce their own GHG emissions in line with climate science and global agreements. To achieve the 1.5 degree celcius maximum increase as set by the Paris Agreement, GHG emissions have to be reduced by half by 2030. CapMan has established mid- and long-term GHG emission reduction targets in line with SBTi and seeks to achieve net-zero emissions by 2040 the latest.

CapMan targets to be net zero by 2040





Management of material environmental topics

	ACTUAL AND POTENTIAL IMPACTS	INVOLVEMENT IN THE IMPACTS	POLICIES OR COMMITMENTS	ACTIONS TAKEN	TRACKING EFFECTIVENESS	ENGAGEMENT
Energy efficiency: ENERGY 	CapMan utilises energy for the electricity consumption and heating of its office premises. Depending on the energy sources used, the activities contribute to emissions and consequently climate change.	CapMan's own energy consumption is limited. The majority of the impacts come from the energy use of the real estate, infrastructure assets and portfolio companies of its funds under management.	As part of its commitment to the SBTi, CapMan has set targets for increasing the share of renewable energy in the direct electricity consumption of its operations. Energy intensity reduction targets have been set for real estate.	CapMan monitors its energy use and the sources of energy in its own operations as well as its investments, which have adopted energy efficiency initiatives and targets.	CapMan monitors energy consumption, energy intensity and the use of renewable energy both in its own activities as well as in its portfolio and tracks development against targets.	CapMan collects feedback from both internal and external stakeholders, including employees, Board of Directors and Limited Partners (LPs), regarding its energy consumption and sources used.
Emission reductions: CLIMATE 	CapMan's activities contribute to GHG emissions indirectly through the electricity consumption and heating of its offices as well as through upstream and downstream activities, such as business travel, commuting and investments. By reducing emissions, CapMan seeks to align its activities with a 1.5°C pathway.	Emissions by investments, that is assets and portfolio companies of funds under management, are by far the largest contributor to emissions in CapMan's value chain. CapMan's employees are frequently required to travel in order to execute the value creation plans of the investment strategies.	As part of its commitment to the SBTi, CapMan has set targets to reduce Scope 1, 2 and 3 (category 15) GHG emissions. CapMan targets to be fully net zero by 2040. CapMan has also committed to sustainable travel practices with targets for emission reductions from business travel.	CapMan monitors its Scope 1, 2 and 3 emissions. As part of Scope 3 emissions, CapMan monitors the GHG emissions of its real estate, infrastructure assets and portfolio companies. CapMan encourages transition towards less climate intensive practices. CapMan actively invests in the production of renewable energy.	CapMan monitors GHG emissions and emission intensity both in its own activities as well as in its portfolio. Through the commitment to the SBTi, CapMan has committed that its portfolio companies set individual SBTs and that its properties reduce Scope 2 emissions aligned with 1.5°C scenario specified by the Paris Agreement.	CapMan collects feedback from internal and external stakeholders, including employees, board and LPs, regarding the management of emissions, including travel and commuting habits. Limiting and/or reducing emissions in order to combat climate change is a central target for many stakeholders, including LPs.

Metrics and targets

Yearly reviews to assess progress towards climate objectives

CapMan accounts for direct Scope 1 emissions from its own operations, indirect Scope 2 emissions from its own activities as well as Scope 3 emissions from purchased goods and services, business travel, employee commuting and the share of emissions from the investments that it manages. CapMan has no Scope 1 emissions. Emissions from investments for 2023 are being assessed and will be available later during 2024.

Progress towards science-based targets

CapMan has set a target to reduce absolute Scope 1 and 2 GHG emissions 51% by 2032 from a 2021 base year. CapMan commits to increase annual sourcing of renewable electricity to 100% by 2030.

In 2023, absolute Scope 1 and 2 emissions were 64 tCO₂e, an increase of 18% from 2021.

Although not explicitly part of CapMan's GHG emissions reduction targets under the Science Based Targets initiative, CapMan monitors Scope 3 emissions from commuting and business travel as the company can through a travel policy and practices directly impact the development of these emissions.

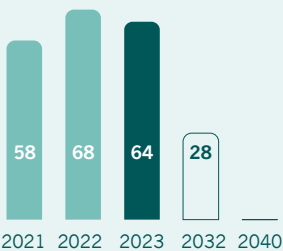
The majority of CapMan's Scope 3 emissions are generated through our investments. CapMan's targets for reducing Scope 3 under the SBTi guidelines for private assets companies are as follows:

Real Estate

CapMan commits to reduce its real estate portfolio GHG emissions from residential buildings within its direct investment portfolio 50% per square meter by 2032 from a 2021 base year. CapMan commits to reduce its real estate portfolio GHG emissions from commercial (service) buildings within its direct investment portfolio 72% per square meter by 2032 from a 2021 base year. The targets follow a sector decarbonisation approach.

In 2023, Real Estate GHG intensity (kgCO₂e/m²) decreased by 18.7% for commercial real estate and 11.9% for residential real estate.

Scope 1–2 GHG emissions, tCO₂e

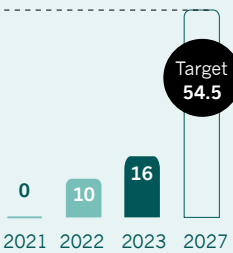


Scope 1–2 GHG emissions 2023, tCO₂e

64

Based on Science-based Targets for mid-term emission reductions and net zero commitment.

Share of portfolio companies that have set science-based targets, %

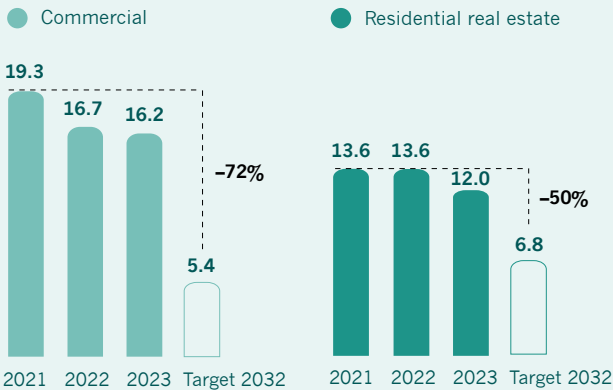


Share of portfolio companies that have set science-based Targets, %

16

Eligible companies that have set science-based targets as a share of AUM, excluding investments made within 24 months.

Emission intensity of real estate, kgCO₂e/m²



Private Equity and Infrastructure

CapMan commits to 54.5% of its eligible private equity investments by assets under management setting SBTi validated targets by 2027, and 100% by 2032. The targets follow a portfolio coverage approach.

In 2023, the share of eligible AUM for which science-based targets had been set was 16%.

Companies that have set SBTs	2021	2022	2023	2027 target	2032 target
Committed to setting SBTs (total #)	0	1			
SBTs validated (total #)	0	2	4		
Eligible companies (#)	0	10	14		
Share of eligible AUM for which SBTs have been set	0%	10%	16%	55%	100%

Real estate portfolio GHG intensity (kg CO ₂ e/m ²)	2021	2022	2023	2032 target
Commercial real estate	19.3	16.7	16.2	5.4
Residential real estate	13.6	13.6	12.0	6.8

CapMan Group environmental metrics

The following information pertains to CapMan Group.

Energy consumption

Information on CapMan's energy consumption is available for energy from electricity and heat consumed by CapMan's operations at all seven office locations and from electricity, heat and cooling for CapMan's Stockholm location. The information is activity based for CapMan's Helsinki, Jyväskylä, Stockholm and Copenhagen offices. Consumption is estimated based on location and office area information at the London, Luxembourg and Oslo locations, where CapMan employs less than 10 people per location.

Total energy consumption	2023	2022
Total energy consumption, MWh	457.3	457.2
Total electricity, MWh	108.6	131.5
Total heating, MWh	337.7	314.1
Total cooling, MWh	11.0	11.6
Share of renewable electricity, %	14%	0%
Share of fossil free electricity, %	66%	52%
Share of renewable heating, %	n/a	n/a

Energy sources and emission factors:

	2023	2022
Purchased electricity:		
Market-based emission factor, kg CO ₂ /kWh	0.292	0.065
Renewables, %	14%	0%
Non-renewables, %	86%	100%
Location-based emission factor, kg CO ₂ /kWh	0.115	0.375
Heating:		
Market-based emission factor, kg CO ₂ /kWh	0.120	0.177
Renewables, %	n/a	n/a
Non-renewables, %	n/a	n/a
Location-based emission factor, kg CO ₂ /kWh	0.087	0.189

Energy intensity

Energy intensity ratios include energy consumption from electricity, heating and cooling within the CapMan organisation.

Energy intensity	2023	2022
Total energy intensity, MWh/FTE	2.5	2.5
Total energy intensity, MWh/turnover mEUR	7.7	6.8

Emissions

CapMan Group discloses its greenhouse gas emissions as CO₂ equivalents (CO₂e) in line with the GHG Protocol.

CapMan Group total GHG emissions	2023	2022
Gross direct emissions (tCO ₂ e) – Scope 1	0	0
Gross market-based indirect energy (tCO ₂ e) – Scope 2	32	60
Gross location-based indirect energy (tCO ₂ e) – Scope 2	33	8
Gross other indirect emissions (tCO ₂ e) – Scope 3, of which	443,778	197,799
Business travel	2,659	156
Employee commuting	34	48
Purchased goods and services	1,683	1,732
Fuel and energy activities	12	
Investments	439,391	195,863
Total emissions (tCO ₂ e)	443,842	197,867
Emission intensity: tCO ₂ e/Revenue EURm	7,477	2,931
Emission intensity: tCO ₂ e/FTE	2,425	1,070

Scope 1:

Scope 1 GHG emissions are emissions which come directly from 1) stationary combustion, 2) mobile combustion, 3) fugitive emissions, and 4) process emissions from a company and its controlled entities. CapMan has no Scope 1 emissions.

Scope 2:

Scope 2 GHG emissions are emissions which come indirectly from the generation of purchased electricity, heating and cooling.

The market-based method is used to calculate emissions from the company’s office locations in Helsinki, Stockholm, Jyväskylä and Copenhagen. For emissions from offices with less than 10 employees (Oslo, London and Luxembourg) the location-based method is used. Emission factors from AIB and DEFRA were used to calculate emissions from purchased electricity and heating.

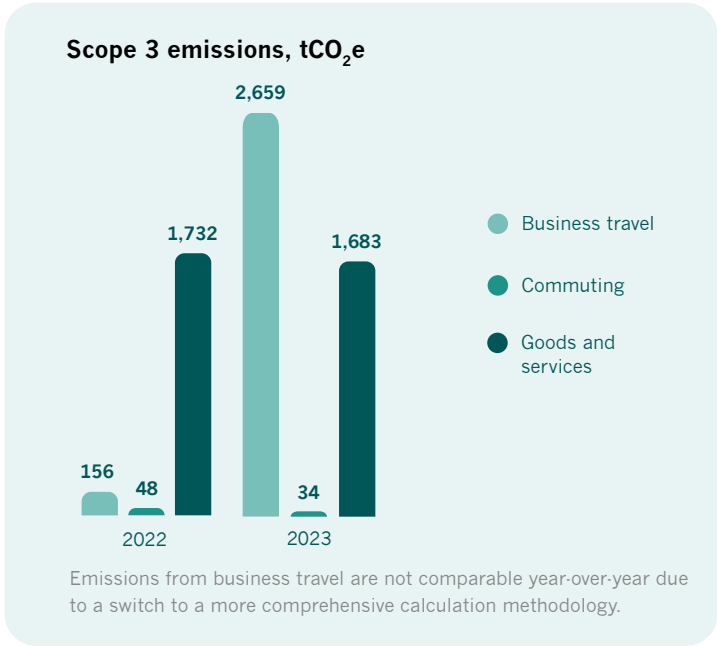
Scope 3:

Scope 3 GHG emissions are all indirect emissions – not included in Scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions. In other words, emissions that are linked to the company’s operations. According to GHG protocol, Scope 3 emissions are separated into 15 categories, of which categories 1–14 relate to the company’s operations and category 15 relates to its investments.

The use of differing methodologies in calculating category 15 within Scope 3 results in emission intensity figures that are not comparable.

Methodology:

CapMan utilises Position Green, a third-party carbon accounting platform, to calculate most of its Scope 3 emissions. Emissions from category 1 (purchased goods and services) are spend based and calculated with emissions factors provided by Exiobase based on established industry and product categorisations, such as NACE, GICS, UNSPSC, or similar. Emissions from category 6 (business travel) are



activity based and utilise Thrust Carbon, a travel-specific methodology with improved accuracy. For this reason, emissions from business travel are not comparable with emissions reported for 2022, which included a distance-based method with emission factors from DEFRA. Emissions from category 7 (employee commuting) are activity based and utilise a distance-based method with emissions factors provided by NTM and DEFRA. Category 15 (investments) includes CapMan’s share of emissions of assets and portfolio companies of funds under CapMan’s management. For this report, emissions from the portfolio companies have been estimated (based on turnover and emission factor) and asset data is provided by real estate asset managers and property

management companies. CapMan does not have, or has very marginal, emissions in Scope 3 categories 4, 5, 8, 9, 10, 11, 12, 13 and 14, which is why these are not accounted for separately.

Category 6 – Travel and Category 7 – Commuting

Emissions from business travel increased as travel picked up in 2023 following ongoing fundraising projects and partially due to the lifting of travel restrictions following the pandemic. Assessment of emissions from travel has improved due to increased availability of emission data and improved calculation methodology. As a consequence, emissions for 2023 are not comparable with previous years. According to CapMan's travel policy, business trips are planned based on climate conscious choices in addition to keeping costs and time spent travelling at a reasonable level. Emissions from commuting decreased as more employees elected to commute by walking, bike, public transport and electric vehicles instead of driving petrol cars.

Category 15 – Investments:

By far the largest GHG emissions impact comes from our investments. In 2023, our portfolio comprised 46 companies and infrastructure assets and 220 properties.

CapMan accounts for its share of GHG emissions (Scope 1–3) from investments based on fund ownership. To assess the impact of real estate investments, CapMan conducts an internal assessment of Scope 1–3 emissions of properties with the help of a third-party consultant. Emissions from real estate investments included both actual and estimated emissions. Market-based emissions factors were used when actual consumption information was available. For estimated consumption, location-based emissions factors were used.

Real estate investments have the largest impact on CapMan's GHG emissions in Scope 3 – category 15.

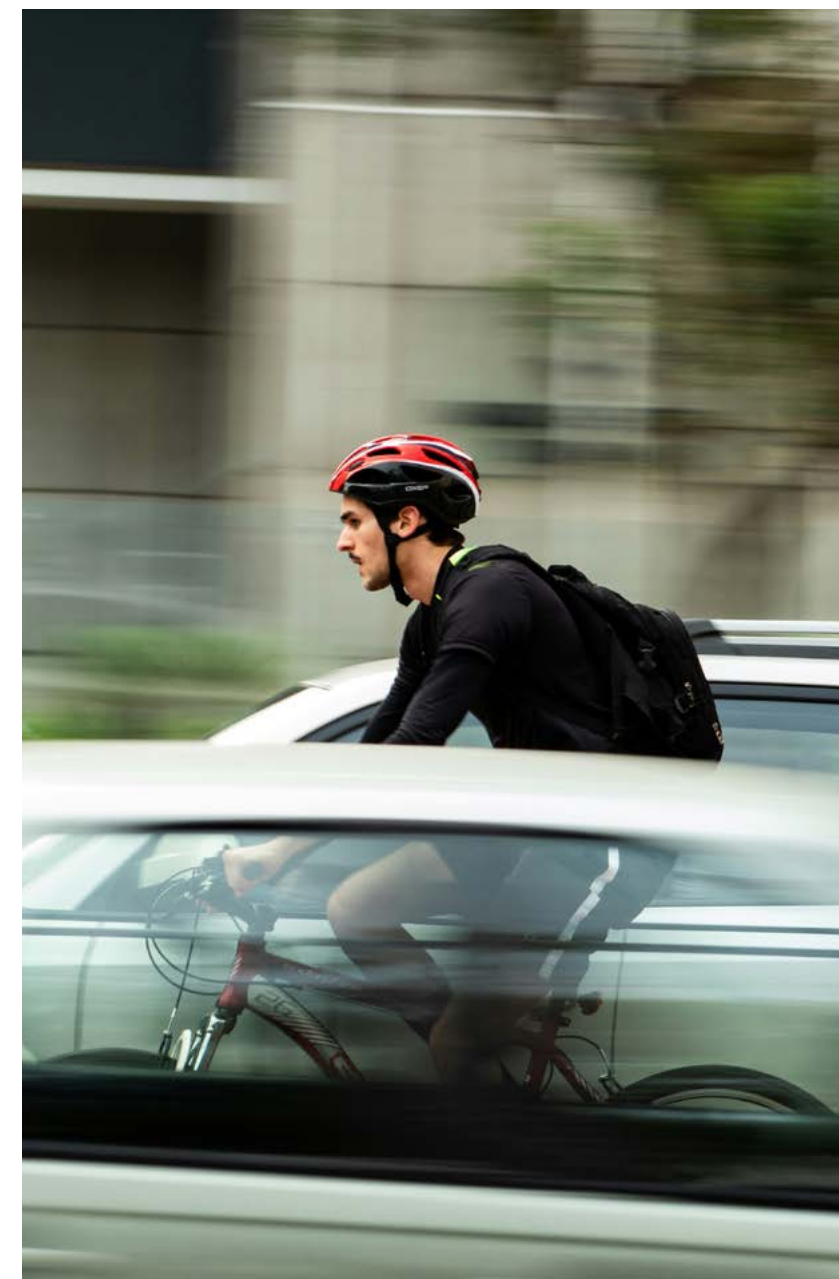
As CapMan's portfolio companies and infrastructure assets report their GHG emissions later in the year, their impact on CapMan's Scope 3 category 15 GHG emissions has been estimated based on turnover and sector-specific emission factors from Exiobase.

Due to the broad range of operations and sectors that CapMan's funds invest in, portfolio companies and infrastructure assets have a mixed climate footprint. The largest footprint comes from companies in the transportation and energy sectors that have high Scope 1 GHG emissions from mobile and stationary combustion, as well as resource-intensive construction materials companies that have high Scope 3 emissions from upstream purchased goods and services, such as raw materials.

For 2022, emissions from 39 portfolio companies and infrastructure assets were based on Scope 1–3 emissions reported by portfolio companies. Therefore, Scope 3 category 15 figures are not comparable. CapMan will update its Scope 3 category 15 – investments as information from portfolio companies becomes available later in the spring of 2024.

Restatements:

The share of renewable electricity for 2022 has been restated as Energy Attribution Certificates were not available for that period. Energy intensity figures for 2022 were also restated to be expressed as MWh instead of kWh. For real estate, the coverage and quality of the reported data, including estimates, improved for 2022 and 2023. Renewable energy for selected properties were taken into account retrospectively



ACTION PLAN FOR ENVIRONMENTAL TOPICS

Accomplished in 2023

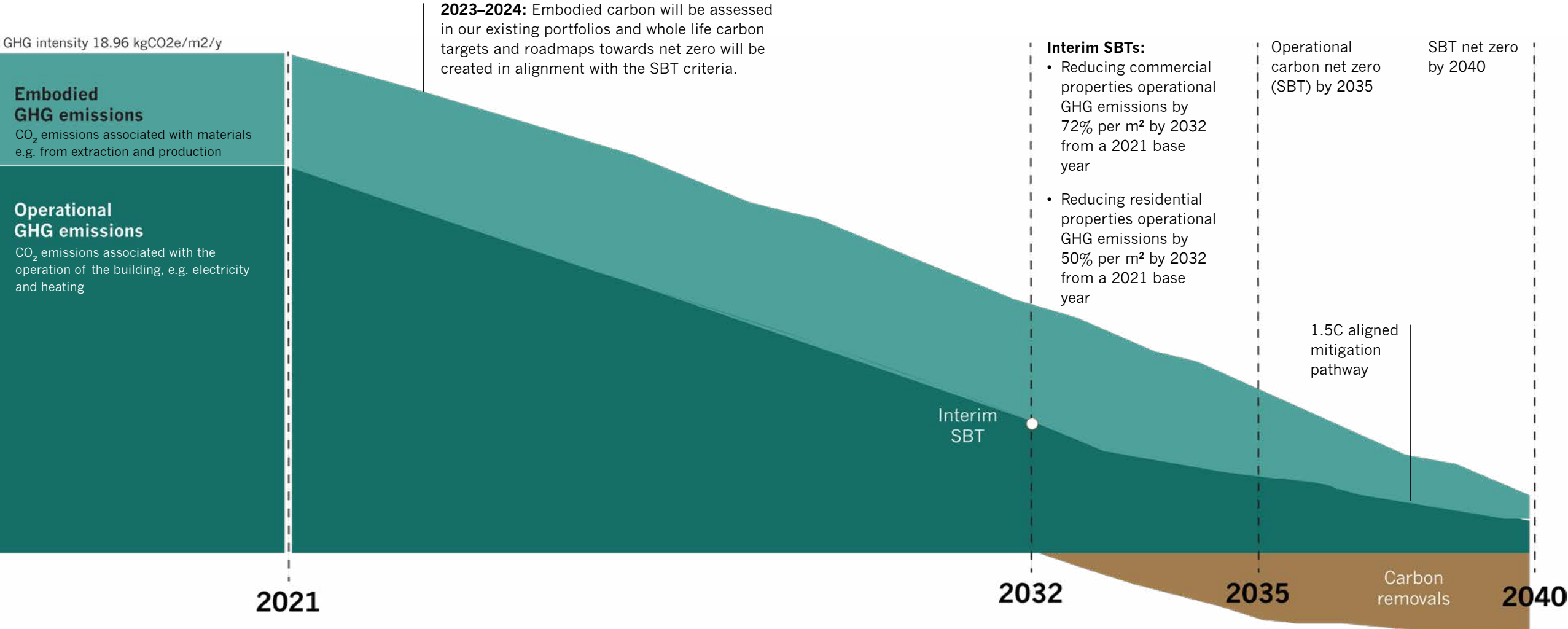
- Progress towards science-based targets:
 - Scope 1–2 emissions +18% since 2021.
 - Scope 3 emissions:
 - Real Estate: Emission intensity (kgCO₂/m²) -18.7% for commercial real estate and -11.9% for residential real estate from 2021.
 - PE & Infra: 16% of portfolio companies as per eligible private equity AUM have set Science Based Targets for GHG emission reduction.
- Initiated a project to assess nature dependencies, impacts, risks and opportunities at real estate, infrastructure assets and portfolio companies where environmental aspects are material (based on double materiality).
- Initiated the WWF Green Office environment management system for CapMan with a target to become certified in 2024.

Next steps

- Validate long-term net-zero targets with the SBTi.
 - The real estate portfolio is targeting in-use operational net-zero emissions by 2035, and upfront and in-use embodied net-zero emissions by 2040.
 - Net-zero target year of 2040 for private equity investments.
 - Net-zero target year of 2040 for infrastructure investments.
- Continue to proceed on the 1.5 °C trajectory for emission reductions towards net zero by 2040.
- Introduce a nature-positive framework to guide sustainable transitions in assets and portfolio companies.
- CapMan's offices to be certified by WWF Green Office.

Focus on net-zero validation and the establishment of a nature-positive framework

Transition path example from Real Estate: Operational carbon net zero by 2035 and embodied carbon net zero by 2040



Employee and social disclosures

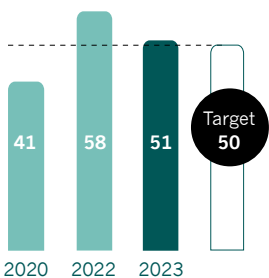
CapMan forms an important part of the society through the businesses and properties in which we invest. As we build real estate, infrastructure assets and companies to be proud of, that employees enjoy working at, and that customers want to frequent and promote, they become more valuable – not only for us but for society. Our activities start and stop with people. Human capital forms the core of CapMan’s success through the decisions that we make in our assets and portfolio companies and in the services we provide.

CapManians are satisfied with their employer

CapMan measures employee satisfaction and wellbeing at frequent intervals. As a measurement, eNPS signals the willingness of CapManians to recommend their employer and is as such a good proxy for employee satisfaction. Workplace inclusion was measured for the first time, and it was at a high level.

Employee satisfaction

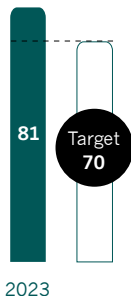
Employee satisfaction, eNPS



Employee satisfaction
2023, eNPS

51

Inclusion




Inclusion
2023



81

CAPMAN DRIVES DIVERSITY OF THE PRIVATE ASSETS INDUSTRY THROUGH THE LEVEL 20 NETWORK

CapMan’s CEO Pia Käll is the founder of the Nordic chapter of the Level 20 network and chair of the Finnish Level 20 committee. Level 20 is a not-for-profit organisation focused on increasing the diversity in the private equity industry with the goal that the percentage of women in senior leadership in European private equity would reach at least 20. The mission is to inspire women to join and succeed in private equity and to work with industry leaders to make the changes necessary for diversity and inclusion to flourish. The organisation works towards its mission through mentoring, events and networking, lobbying and research.

Management of material social topics

	ACTUAL AND POTENTIAL IMPACTS	INVOLVEMENT IN THE IMPACTS	POLICIES OR COMMITMENTS	ACTIONS TAKEN	TRACKING EFFECTIVENESS	ENGAGEMENT
<div>Talent development and retention, employee wellbeing:</div> <div>TRAINING AND EDUCATION</div> <div></div>	<p>The development of the competencies and professional skills of all employees is a fundamental part of CapMan's corporate culture. Providing employees with opportunities for learning and an understanding of stakeholder needs are required for continued competitiveness. Actively pursuing professional development ensures that knowledge and skills stay relevant and up to date. Additionally, competence development generally improves employee motivation, which can benefit employee engagement.</p>	<p>Training and education are significant both through CapMan's own operations as well as through the portfolio companies in which its funds under management invest.</p>	<p>CapMan describes its approach to training and education in its People Policies. CapMan offers opportunities for professional development by providing different types of training on a case-by-case basis. The aim for all individual training or team training is to reward, motivate and actively encourage the employees to develop skills and ways of working as well as to develop CapMan as a company.</p>	<p>CapMan has developed and expanded its available training modules and offers additional opportunities to participate remotely or through a recorded training session.</p>	<p>All new employees undergo predefined training modules to learn about the organisation and processes. CapMan tracks the participation in mandatory corporate training. Competence development is tracked through the employee satisfaction survey and reflected in the eNPS score, which is used to measure the meaningfulness of work. eNPS is used as a general KPI to measure the effectiveness of CapMan's social actions related to an attractive, diverse and inclusive workplace.</p>	<p>CapMan collects feedback from employees and managers through surveys and development discussions, which form the basis for its approach to competence development.</p>

	ACTUAL AND POTENTIAL IMPACTS	INVOLVEMENT IN THE IMPACTS	POLICIES OR COMMITMENTS	ACTIONS TAKEN	TRACKING EFFECTIVENESS	ENGAGEMENT
Employee diversity and equity, board diversity: DIVERSITY AND EQUAL OPPORTUNITY 	CapMan's organisation and activities should reflect its stakeholders and markets in which the company operates. CapMan believes that companies that take into account diversity, equity, and inclusion also tend to be more innovative and profitable, which in turn has positive effects on the societies in which the companies operate.	Diversity, equity and inclusion is significant both through CapMan's own operations as well as through the portfolio companies in which its funds under management invest.	All employees must be treated fairly and equally. CapMan has committed to set mid- and long-term percentage targets by end of 2023 on gender diversity, including targets for appointments for Management Group and Partner level, and targets for new recruits throughout the CapMan organisation. DEI is integrated into CapMan's People Policy.	Diversity and inclusion is measured by age, location and gender distribution. Due to the small number of employees at certain locations, a complete breakdown across employee groups is not provided.	CapMan has set up goals to improve diversity across the organisation, including the Management Group, and to improve the reported sense of inclusion, which is monitored through its employee satisfaction survey and wellbeing survey. eNPS is used as a general KPI to measure the effectiveness of CapMan's social actions related to an attractive workplace. Inclusion is measured separately through the wellbeing survey.	CapMan utilises an internal diversity, equity and inclusion (DEI) working group to establish guidelines and recommendations for managing DEI-related topics throughout the organisation. The working group includes representation from CapMan's Board of Directors and holds workshops with the management team semi-annually.
Respect for human rights: NON-DISCRIMINATION 	Combating discrimination is important to safeguard human rights especially of vulnerable or under-represented groups. Adherence to non-discrimination policies also helps retain talent, ensures that individuals are not missing out on development opportunities, or the company on income generation opportunities.	Combating discrimination is significant both through CapMan's own operations as well as through the portfolio companies in which its funds under management invest.	Discrimination on the grounds of age, disability, ethnic origin, family commitments, gender, gender identity, political attitude, employees' representative activities, religion, sensitive medical conditions, sexual orientation, social background, or other personal characteristics is prohibited.	CapMan makes a commitment to uphold human rights in its operations, investment activities and supplier relationships.	CapMan tracks transgressions through its whistleblowing channel and reports them to the Board of Directors.	CapMan promotes the use of its whistleblowing channel to encourage internal and external stakeholders to report any incidents of discrimination.

HUMAN RIGHTS IN OUR VALUE CHAIN

Assessment of human rights and areas for improvement

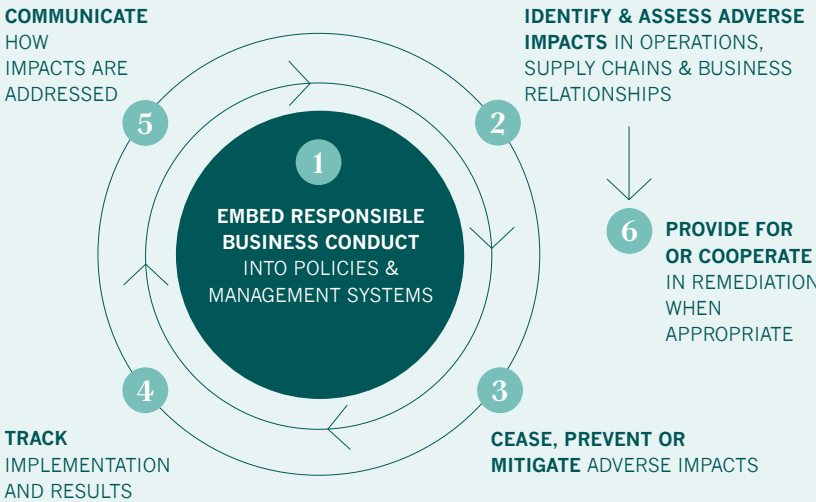
In 2023, CapMan conducted an assessment of salient human rights risks and impacts and an evaluation of policies, governance and management processes of CapMan Group in the roles of corporation, investor and advisor, as well as the value chain. The assessment was benchmarked to authoritative international standards. The standards include among others, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD MNEs), which in turn influence existing and upcoming EU regulation (please see the figure on the six steps of the OECD Due Diligence).

While the outputs of the assessment are being finalized, the results will highlight the salient human rights risks and impacts across CapMan’s roles of corporation, investor and advisor as well as the value chain. In addition, the assessment has identified existing strengths across CapMan Group, and finally, a set of recommendations for strengthening the current human rights governance, risk management and policies and procedures on continuously identifying and assessing any adverse impacts, as well as CapMan’s grievance and mitigations mechanisms which are communicated and reported on.

More information on the results and implementation roadmap across the Group will be shared in upcoming sustainability-specific disclosures.

DEI WORKING GROUP

In 2023 CapMan established an internal working group that focuses on discussing and highlighting pertinent Diversity, Equity & Inclusion (DEI) issues across the organization. Composed of various members across teams, functions, seniorities and geographic locations, the DEI working group provides practical guidelines and recommendations to management in biannual workshops. The DEI working group is sponsored by the Audit and Risk Committee Chair of CapMan’s Board of Directors. The goal is to continuously increase diversity, equity and inclusion across CapMan, especially on a decision-making level, including Management Group, investment professionals and Partners.



Source: OECD (2018), Due Diligence Guidance for Responsible Business Conduct, OECD Publishing



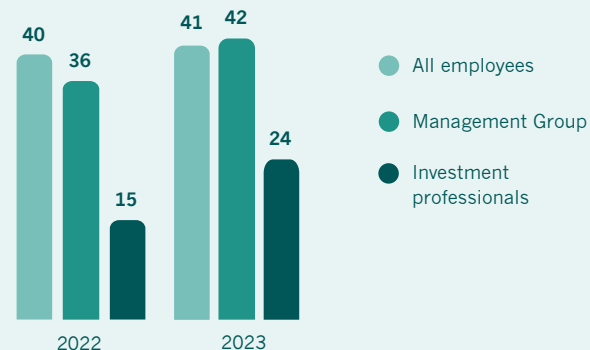
Employee metrics

People at CapMan

Total headcount increased in the period to 206 (202 on 31 December 2022). The increase was due to an expansion of investment strategies and services, offset by the disposal of JAY Solutions. FTEs were on average 183 (186 for 2022). The fluctuations in the number of employees between different categories during 2023 or between reporting periods was due to the disposal of JAY Solutions and the recategorisation of employees. The disposal of JAY Solutions is reflected in involuntary turnover.

The vast majority of CapMan's workforce is permanently employed. Workers who are not employees are generally special advisors active in CapMan's local and global networks. They perform various tasks that are either project-related or advisory in nature and work under consultant contracts instead of employment contracts, mainly due to their geographic location or the nature of the work that they perform.

Share of women, %



	2023	2022	2023	2022	2023	2022	2023	2022
Headcount of employees per gender	Female	Female	Male	Male	Not disclosed	Not disclosed	Total	Total
Employees	84	80	122	122	n/a	n/a	206	202
Permanent employees	74	73	116	118	n/a	n/a	190	191
Temporary employees	10	7	6	4	n/a	n/a	16	11
Non-guaranteed hours employees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Full-time employees	76	74	118	115	n/a	n/a	194	189
Part-time employees	n/a	6	n/a	7	12	n/a	12	13
New employees	17	n/a	34	n/a	n/a	n/a	51	n/a
Employees that have left	13	n/a	34	n/a	n/a	n/a	47	n/a
Annual total turnover							23%	n/a
Voluntary turnover							4%	n/a
Involuntary turnover							19%	n/a

	2023	2022	2023	2022	2023	2022	2023	2022
Headcount of employees per region	Finland	Finland	Sweden	Sweden	Other	Other	Total	Total
Employees	149	153	33	25	24	24	206	202
Permanent employees	135	143	31	25	24	23	190	191
Temporary employees	14	6	n/a	n/a	n/a	n/a	16	11
Non-guaranteed hours employees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Full-time employees	140	143	32	25	22	21	194	189
Part-time employees	9	10	n/a	n/a	n/a	n/a	12	13
New employees	38	n/a	n/a	n/a	13	n/a	51	n/a

Employment status	2023	2022
Not employees	6	5
Total	206	202

Collective bargaining agreements

CapMan follows applicable employment law in all countries, including working conditions and terms of employment. CapMan seeks to provide more competitive conditions than collective bargaining agreements within the finance sector. CapMan supports employees' right to organise.

Collective bargaining	2023	2022
Percentage of total employees covered by collective bargaining agreements	0%	0%

Non-discrimination

CapMan has zero tolerance for harassment and bullying both at the office and at personnel and customer events. All employees must be familiar with this policy and recognize every person's right to be treated with dignity and respect. All employees are aware of how to report suspected discrimination, bullying or harassment according to CapMan's Fairness Procedure and Whistleblower channel. CapMan will always investigate any complaint of discrimination, bullying or harassment sensitively and without prejudice. All complaints are taken seriously and must be made in good faith.

There were no incidents of discrimination reported in 2023.

Training and performance management

Average hours of training during the reporting period	2023	2022
Women	13.75	7,5
Men	13.75	7,5
Service professionals	13.75	7,5
Investment professionals	13.75	7,5

Performance review, % of employees	2023	2022
Women	100%	100%
Men	100%	100%
Service professionals	100%	100%
Investment professionals	100%	100%

Diversity of governance bodies and employees

Board of Directors	2023	2022
Women	33%	33%
Men	67%	67%
Under 30	0	0
30–50	0	0
Over 50	100%	100%

Management Group	2023	2022
Women	42%	36%
Men	58%	64%
Under 30	0%	0
30–50	92%	82%
Over 50	8%	18%

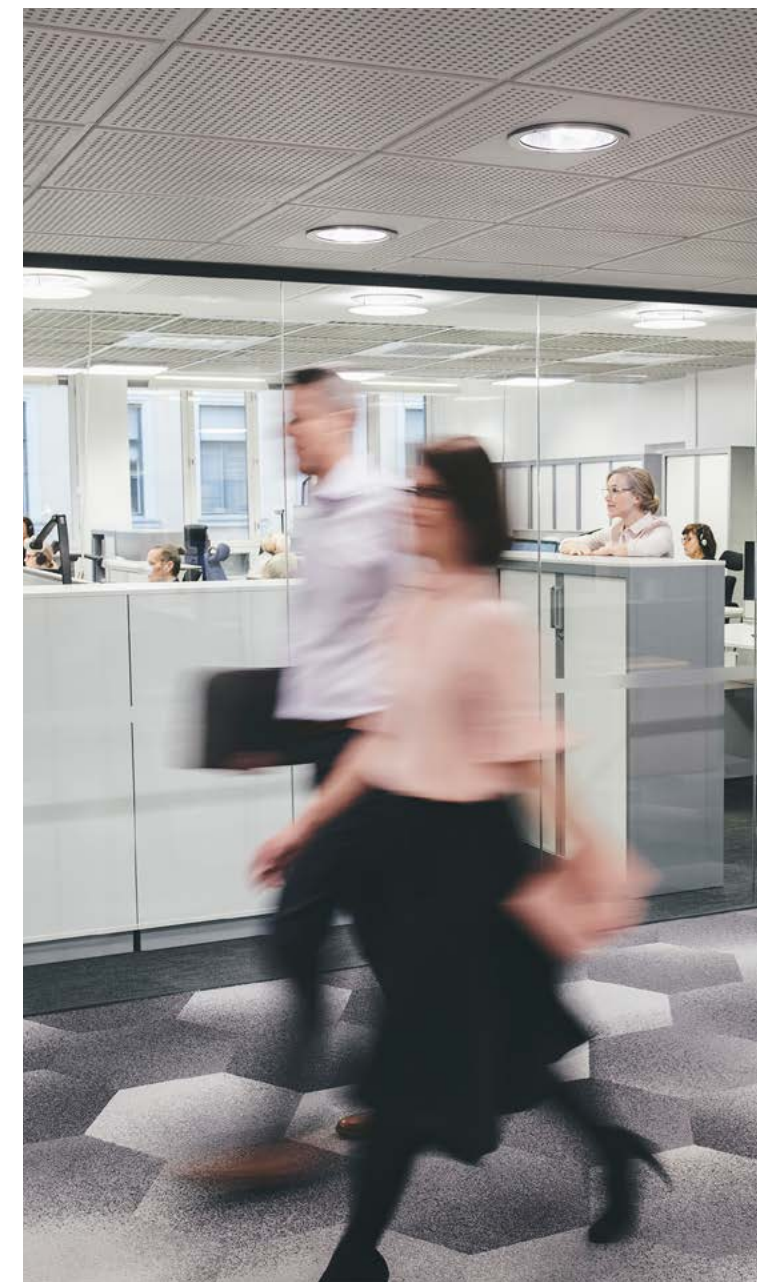


Employees	2023	2022
Women	41%	40%
Investment professionals, women	24%	15%
Service professionals, women	63%	n/a
Men	59%	60%
Investment professionals, men	76%	85%
Service professionals, men	37%	n/a
Under 30	21%	n/a
30–50	67%	n/a
Over 50	12%	n/a

Ratio of basic salary and remuneration of women to men	2023	2022
All employees	0.64	n/a
Investment professionals	0.80	n/a
Service professionals	0.73	n/a
Finland		
Investment professional	0.86	0.64
Service professional	0.83	0.83
Sweden		
Investment professionals	0.70	n/a
Service professionals	n/a	n/a

Information for other locations except Finland and Sweden are not provided due to categories being below five employees. Definition for significant location of operations is a country with more than 4 persons per country, gender and employee category. Not all metrics were available for the comparison year. Difference in remuneration between women and men can be attributable to differences in seniority. Basic salary and remuneration consists of monthly base salary, fringe benefits and variable incentives.

Employee parental leave by gender, 2023	Women	Men
Total number of employees that were entitled to parental leave	84	122
Total number of employees that took parental leave	11	11
Total number of employees that returned to work in the reporting period after parental leave	6	10
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return	2	6
Return to work and retention rates after parental leave	100%	91%



SOCIAL RESPONSIBILITY THROUGH CAPMAN FOR GOOD AND TUKIKUMMIT FOUNDATIONS

CapMan implements its social responsibility also through the two foundations it administers. The CapMan for Good foundation shares the know-how and energy of CapMan's employees and networks to society through, among other things, mentoring. The Tukikummit foundation, on the other hand, wants to ensure that every young person has the opportunity to enjoy hobbies and to be part of a social context. By distributing grants to cover costs for hobbies, supporting studies, shared family experiences, travel expenses and providing monetary support for single-parent families, the foundation supports young people who are at risk of becoming marginalised due to their financial situation.

As the cost-of-living increases, the importance of not-for-profit organisations as social actors is emphasised. Without support, many families have to compromise on their children's hobby opportunities, or give them up altogether, which increases the risk of alienation for a young person looking for direction. During 2023, CapMan's procurement service CaPS and its networks raised 215,000 euros for work to prevent marginalisation. In total, CaPS has raised approx. EUR 1.4 million for the Tukikummit foundation since 2014. The grants have reached more than 15,000 children and young people in Finland.

ACTION PLAN FOR SOCIAL TOPICS

Accomplished in 2023

- Maintained high employee satisfaction above eNPS 50.
 - Employee wellbeing surveyed and at a high level.
 - Inclusion surveyed and index at 81 points.
- Established a DEI policy and an internal DEI working group.
- Human Rights value chain salient risk assessment & analysis conducted on how to close potential gaps for CapMan and our investment and service teams.
- Set mid- and long-term targets on gender diversity at CapMan, including targets for appointments for Management Group and Partner level.
- Conducted annual property audits for the majority of the portfolio that among others, assessed the accessibility of properties.

Next steps


- Improve transparency regarding remuneration.
- Follow up on inclusion annually.
- Implementations of the findings from the human rights assessment.



Sustainable governance disclosures

Sustainability is an integral part of CapMan’s corporate governance. CapMan works to improve the accountability of sustainability work and to report transparently to stakeholders. CapMan works to leverage the high standards of professional conduct also in the real estate, infrastructure assets and portfolio companies of its funds under management.

Management of material governance topics

	ACTUAL AND POTENTIAL IMPACTS	INVOLVEMENT IN THE IMPACTS	POLICIES OR COMMITMENTS	ACTIONS TAKEN	TRACKING EFFECTIVENESS	ENGAGEMENT
<div>Active ownership, compliance with laws and regulations, ethical business practices that are based on CapMan’s values:</div> <div>ANTI-CORRUPTION</div> <div></div>	<p>CapMan can be exposed to corruption and bribery through its investments, customer relationships and supply chains, which may negatively impact the realisation of human rights especially for disadvantaged groups of people. In contrast, efficient anti-corruption measures, including processes to manage conflicts of interest, help strengthen the rule of law and the functioning of institutions and processes. If CapMan fails to adequately combat corruption in its operations, CapMan can face reputational risks, legal risks, business risks, and potential costs.</p>	<p>Taking sufficient measures against corruption is significant both through CapMan’s own operations as well as through the funds that it manages.</p>	<p>CapMan has zero tolerance for corruption and expects the same commitment from its employees, investors, customers, suppliers, and other business partners. As a policy, Group employees do not offer or receive gifts, hospitality and other such benefits if they create or may create improper influence. CapMan has internal policies in place to guide decision-makers in terms of conflicts of interest. The processes are described in detail in CapMan’s anti-bribery and anti-corruption policy. Risk management criteria to assess anti-corruption behaviour take into account the location and nature of operations. Operations based in the Nordic countries lower the risk of corruption.</p>	<p>The risks are mitigated, for example, by implementing a code of conduct, training personnel on the identification of corruption risks and different manners of corruption in CapMan’s business context, screening of investments and customers against international norms and standards, ensuring appropriate systems and controls to identify, disclose, and manage conflicts of interest, and by recognising anti-corruption measures in the supplier code of conduct. Further, KYC processes can help identify corruption risks.</p>	<p>Code of conduct training is mandatory for all employees. Training procedures, practices and platforms are regularly reviewed. There is specific training for employees who have a key role in overseeing anti-corruption training. CapMan tracks the participation in trainings as well as confirmed incidents.</p>	<p>CapMan provides regular updates to the Board of Directors and Management Group. Discussions with and reporting requests by large investors have influenced the formulation of the policies, procedures, and targets.</p>

	ACTUAL AND POTENTIAL IMPACTS	INVOLVEMENT IN THE IMPACTS	POLICIES OR COMMITMENTS	ACTIONS TAKEN	TRACKING EFFECTIVENESS	ENGAGEMENT
<div>Active ownership, compliance with laws and regulations, ethical business practices that are based on CapMan's values:</div> <div>ANTI-COMPETITIVE BEHAVIOUR</div> <div></div> <div>TAX RESPONSIBILITY</div> <div></div>	<p>Fair dealing and fair competition help foster a healthy business environment, including workers' rights, supplier relationships and innovations. As a consequence, CapMan does not engage in anti-competitive practices. The company's activities are organised in a manner that is compliant with applicable anti-trust and competition laws.</p>	<p>The approach to anti-competitive behaviour is significant both through CapMan's own operations as well as through the funds that it manages.</p>	<p>Anti-competitive behaviour is covered in CapMan's Code of Conduct and trainings related to CapMan's Code of Conduct are provided to all new employees and frequently to all employees.</p>	<p>The topic is included in the investment process with training for employees that are considered particularly exposed to this topic.</p>	<p>Investments undergo a review by the case team and in significant cases local competition authorities in order to ensure that they do not promote anti-competitive behaviours. CapMan regularly reviews its processes for managing anti-competitive behaviour.</p>	<p>CapMan conducts regular reviews by the Board of Directors and Management Group and discussions with and reporting requests to large investors have influenced the formulation of the policies, procedures and targets.</p>
	<p>Meeting tax obligations is part of CapMan's corporate responsibility and aligned with CapMan's strategy. By paying and collecting taxes, companies contribute to the societies in which they operate. Private asset funds, such that CapMan manages, have an important role in the Nordics by attracting international capital into the region and thereby supporting growth, development and employment.</p>	<p>The approach to taxation is significant both through CapMan's own operations as well as through the funds that it manages. The fund structures used by CapMan attract international investors to invest in the Nordic countries.</p>	<p>CapMan complies with applicable tax laws, tax treaties and relevant international guidance. CapMan's fiduciary duty towards our shareholders extends to managing our tax affairs in a responsible way.</p>	<p>CapMan pays taxes in the countries in which its actual business operations take place. Practices aimed at tax avoidance are prohibited.</p> <p>CapMan follows transparent communications practices towards its shareholders, investors in its funds, and the public. We comply with laws and regulations in all our operations.</p>	<p>CapMan has zero tolerance for tax avoidance or tax evasion. CapMan regularly reviews fund structures and agreements through a tax perspective in order to ensure that tax practices are complied with.</p>	<p>CapMan strives to communicate transparently with all external and internal stakeholders on tax issues and deal with tax authorities in a timely and professional way.</p> <p>Internal and external stakeholders can use the whistleblowing channel to report on concerns related to taxation.</p>



<div>Active ownership, compliance with laws and regulations, ethical business practices that are based on CapMan's values:</div> <div>CUSTOMER PRIVACY</div> <div></div>	ACTUAL AND POTENTIAL IMPACTS	INVOLVEMENT IN THE IMPACTS	POLICIES OR COMMITMENTS	ACTIONS TAKEN	TRACKING EFFECTIVENESS	ENGAGEMENT
	Protecting customers', investors', and other stakeholders' personal data is of utmost importance. CapMan operates in the asset management sector, which is a highly regulated industry and characterised by a large amount of personal data processing. CapMan can face reputational risks, legal risks, business risks, and potential costs if it fails to comply with data privacy regulations and guidelines.	Data security is significant both through CapMan's own operations as well as through the assets and portfolio companies in which its funds under management invest.	CapMan undertakes to keep collected and processed personal data safe and to inform the data subjects of all data usage purposes as well as the data subject's rights. The policies are described in detail in CapMan's privacy notices tailored for different data subjects.	CapMan monitors any data breaches and organises internal training sessions and information campaigns regarding cyber security, GDPR and data protection.	CapMan monitors data breaches and leaks. The target is zero data privacy transgressions.	CapMan updates its policies and processes regularly following regulatory developments, feedback from its internal and external stakeholders and any significant events.

Sustainability risks

Sustainability risk refers to environmental, social or governance events or conditions that, if they occur, could cause a material negative financial impact or reputational harm, or negatively impact the environment or the people involved in CapMan’s operations or portfolio companies, and/or other stakeholders.

CapMan’s own direct sustainability risk is limited, and mainly related to its own operations such as the use of renewable energy, employees’ travel habits, being an attractive, diverse, and equitable workplace, and maintaining high business ethics and integrity by complying with laws and regulations and acting in a responsible manner in line with CapMan’s values.

The most significant sustainability risk for CapMan is, however, indirect through the investment activities in the Real Estate, Infrastructure and Private Equity funds managed by CapMan, and through the investments made from CapMan’s own balance sheet. To manage investment-related sustainability risk, CapMan works to ensure that each of its investment strategies operates in a sustainable way and makes investments that are in themselves sustainable, can be transitioned towards more sustainable practices and are not at risk of becoming obsolete or stranded. Moreover, it is important to ensure that the investment process always follows CapMan’s Sustainable Investment Policy, that relevant pre-investment checks are completed properly and that ESG Due Diligence guidelines are followed for each investment. CapMan has implemented a restriction list to restrict or exclude certain investment activities or industries from the investment scope. CapMan guides its portfolio companies’

sustainability work through Active Ownership. All our eligible Private Equity and Infrastructure assets will establish SBT validated emission reduction targets by 2032, and we have set a target to achieve emission reductions in our real estate portfolio compared to 2021.

CapMan is also committed to multiple sustainability reporting initiatives and internal guidelines and processes in place, for example Codes of Conduct both for CapMan and our suppliers and internal Sustainability and Diversity, Equity and Inclusion working groups as well as a Sustainability Academy to educate CapMan’s employees and other stakeholders about sustainability issues, to make its sustainability actions more transparent and to mitigate sustainability risks. CapMan educates its portfolio companies’ management and personnel about ESG matters and has onboarding process where ESG related processes and principles are implemented on Portfolio Company level.

[Read more: capman.com/shareholders/governance/risk-management/](https://capman.com/shareholders/governance/risk-management/)

Gender distribution, Board and senior executives	2023	2023	2022	2022
	Total	of whom women, %	Total	of whom women, %
Board of Directors	6	33%	6	33%
Management Group	12	42%	11	36%

Improved transparency through education





**2023 AGM votes for/
against**

2023 AGM votes for/ against	For	Against	No vote
Proposed Board members	95%	5%	0%

Governance disclosures

**Role and knowledge of the Board of Directors in
sustainability matters**

CapMan’s governance structure and the composition of the Board of Directors is described in detail in the Corporate Governance Statement as part of this Annual Report. The Board of Directors has been part of assessing material sustainability topics but is not responsible for reviewing and approving this information yet. The Board of Directors is responsible for assessing sustainability risks as part of overseeing risk management for the company. The sustainability governance and reporting framework is evolving with the Corporate Sustainability Reporting Directive.

CapMan’s Board of Directors have approved the company’s sustainability programme and its central topics have been discussed at board meetings. The Board focuses specifically on topics related to climate change and DEI. In 2023, the Audit and Risk Committee has participated in external sustainability training and events. In addition, members of the Board of Directors have participated in CapMan’s internal sustainability training through the Sustainability Academy.

The Board evaluates its work, including sustainability matters, annually. The evaluation is generally conducted as an internal self-evaluation. Where deemed appropriate, external consultants may be used in the evaluation.

Conflicts of interest

The Board members are requested to disqualify themselves from decision-making in matters in which they are not allowed to participate in accordance with applicable laws. Board members’ occupation, other significant board positions, positions of trust, their shareholdings in CapMan and independence assessments are disclosed on the company’s website. CapMan’s largest shareholders are also disclosed on the website and updated monthly. The Notes to the Financial Statements include information on related parties and related-party transactions.

Overall, CapMan ensures that appropriate systems and controls are in place to identify, disclose, prevent and manage any conflicts of interest that may arise. CapMan has internal policies in place to guide decisionmakers in terms of conflicts of interest. Business decisions must always be made in the best interests of CapMan and avoid any conflicts of interest. In case conflicts of interest arise, it is recommended that the decision-maker recuses oneself from decision-making.

Remuneration

The remuneration of CapMan’s Board of Directors and CEO is described in the Remuneration Policy available on the company’s website under capman.com/shareholders/governance/remuneration/. The variable remuneration of the CEO and Management Group includes a performance share plan with a sustainability-linked component.

The process to determine remuneration is described in detail in the Remuneration Policy for governing bodies and on the company’s website.

Annual total compensation	2023	2022
EUR		
CEO, annual income	129,639 and 351,486	453,125
CEO, share rewards	1,468,916 and 121,302	2,343,150
Board member	42,545	49,794
Personnel, average income	180,060	171,204
Personnel, average share rewards	15,246	27,685
Investment personnel, Finland, median income	115,756	120,000
Service personnel, Finland, median income	69,980	63,300
Investment personnel, Sweden, median income	112,078	84,756
Service personnel, Sweden, median income	66,711	81,996

Annual total compensation ratio	2023	2022
CEO, total annual income	2,071,343	2,796,275
Increase, %	-26%	643%
Personnel, average total income	195,306	196,047
Increase, %	0%	6%
Share of CEO income, %	9%	7%
Highest paid individual to the median annual total compensation	16.74	

The median income figures for 2022 do not include variable income and are therefore not comparable.

The company's Annual General Meeting for 2023 resolved the remuneration policy, 2022 Remuneration Report and the remuneration for the Board of Directors for 2023.

Votes to approve remuneration

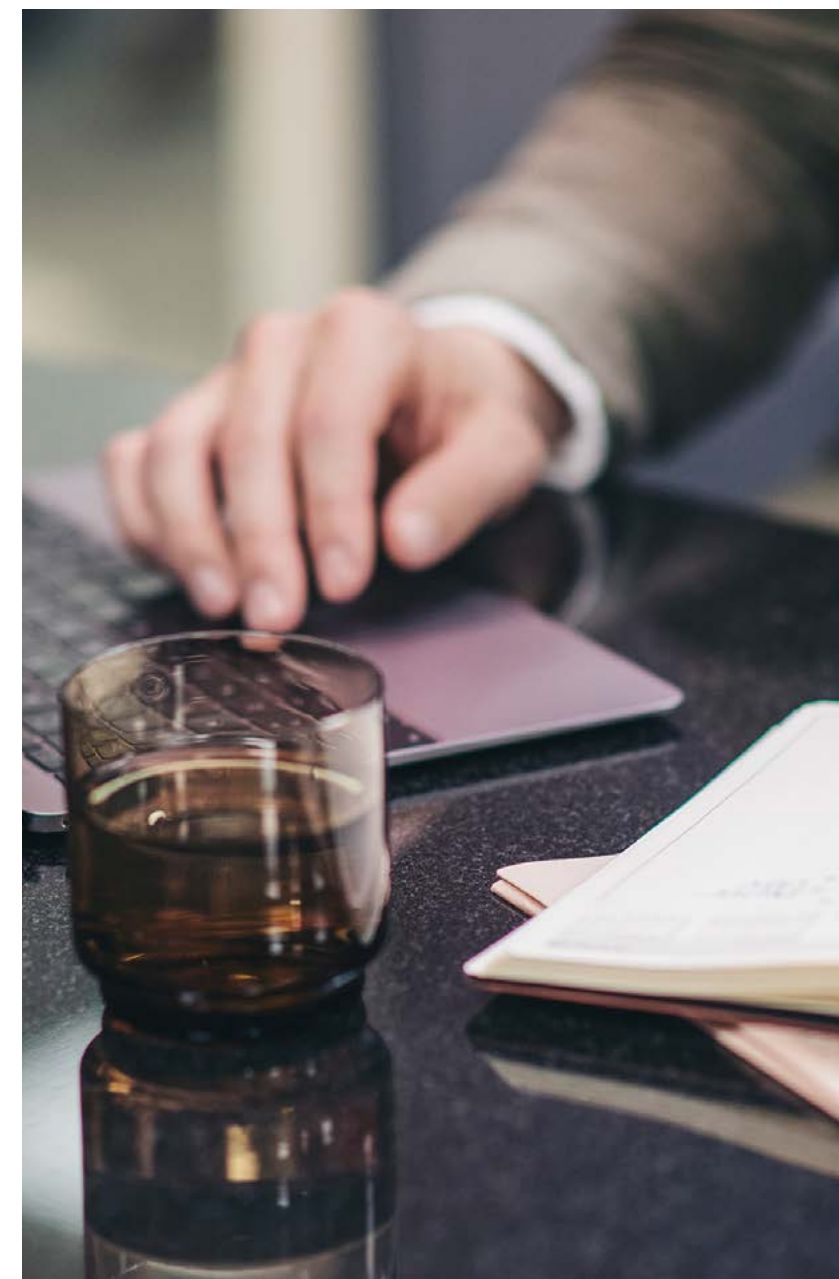
2023 AGM votes for/against	For	Against	Abstain
Remuneration policy	82%	11%	7%
Remuneration report	89%	11%	0%
Board remuneration	100%	0%	0%

Compliance with laws and regulations, other principles

No significant instances of non-compliance with laws and regulations or no fines or other sanctions were incurred during the reporting period.

Fair dealing and fair competition

Anti-competitive behaviour is covered in CapMan's Code of Conduct and trainings related to the Code of Conduct are provided to all employees. Due to the updates made to Finnish Competition law effective as of January 2023, parts of the investment process that relate to anti-competitive behaviour were reviewed and internal processes were slightly amended. Anti-competitive training to the investment professionals was held in January 2023.



During 2023, there were no legal actions pending or completed regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which CapMan has been involved.

Whistleblowing channel

CapMan has a whistleblowing channel for personnel which offers a possibility to alert CapMan about suspicions of misconduct in confidence and/or anonymously. The channel is available on the company's intranet. During 2023, one whistleblowing report was received. The report was processed in accordance with the company's whistleblowing process.

In February 2023, CapMan also introduced an external whistleblowing channel on the company's website for all stakeholders. Both internal and external channels help CapMan to promote responsible business practices. Reporting through the channels is secured and reports may be submitted anonymously.

Processes to remediate negative impacts

CapMan seeks to minimize negative impacts from its operations and has implemented continuous processes to monitor and manage operational incidents and risks. Issues are actively managed and there are controls in place to mitigate risk for the most critical functions. CapMan works together with reputable insurance brokers to ensure reasonable insurance coverage for potential liability that might result from any material conventional operative incidents. Internal and external stakeholders can report negative impacts of the business, any grievances and raise concerns about CapMan's business conduct through the whistleblowing channel.

Anti-corruption and bribery

CapMan does not accept corruption or bribery in any form. Although CapMan acknowledges that a certain level of courtesy is customary in business relationships, the offer or reception of gifts, hospitality and other such benefits is prohibited if they create or may create improper influence. CapMan pays increased caution when hospitality is offered to public officials. Risk management criteria to assess anti-corruption behaviour take into account the location and nature of operations.

Processes related to anti-corruption and bribery are described in detail in CapMan's Anti-Corruption and Bribery policy.

Risk assessments

Risk assessments are process-based and as such, the company does not conduct risk assessments that specifically relate to corruption. Risks related to corruption have not been identified as a significant risk category in the company's annual general risk assessment. Risks related to corruption are managed through personnel training and open internal reporting channels.

Training

CapMan provides anti-corruption and bribery training to its personnel regularly. This training is also a part of the general compliance training, which is mandatory for all new employees, including members of the Management Group. Information about training is shared in CapMan's internal information channels and communicated to all employees across regions and business functions.

Anti-corruption is also part of CapMan's Code of Conduct. CapMan offers training on anti-corruption matters to all employees as part of its Code of Conduct trainings, that all employees are required to participate in periodically. The Compliance function also organises Compliance roadshows that cover anti-corruption.

The entire organisation (including members of the Board of Directors) were trained on the updated Code of Conduct in 2023. The training also included new employees.

Training	2023	2023	2022	2022
	Communi- cation	Training	Communi- cation	Training
Board:	6/6, 100%	0/0, 0%	6/6, 100%	0/0, 0%
Finland	5/6, 83%	0/0, 0%		
Employees:				
Finland	133/183, 73%	149/206, 72%	32/41, 78%	32/41, 78%
Sweden	28/183, 15%	33/206, 16%	5/41, 12%	5/41, 12%
Other Nordic	12/183, 7%	12/183, 7%	3/41, 7%	3/41, 7%
Other	10/183, 5%	10/183, 5%	1/41, 3%	1/41, 3%

There were no confirmed cases of corruption or breach of business ethics in 2023 and no employees were dismissed or disciplined for corruption.

Anti-Money Laundering

CapMan also implements Anti-Money Laundering (AML) policies and procedures designed to prevent and detect money laundering and related activities. The activities involve KYC (know your customer) procedures on fund investors and portfolio companies. These topics are covered by regular trainings. CapMan reviews its AML strategies, goals and objectives regularly. CapMan is committed to combating financial crime and to implementing appropriate controls to mitigate the risk that investments made by alternative investment funds (AIFs) managed by the CapMan AIFM Oy as well as investors investing into the AIFs are in breach of the AML laws, namely for the purposes of money laundering, terrorism financing, bribery and fraud events.

Tax management

CapMan's *new tax strategy and policy* was approved in 2023. CapMan's tax practices are guided by the following principles:

1. CapMan complies with applicable tax laws, rules, and regulations in the countries it operates and CapMan pays and collects direct and indirect taxes in the countries where its operations occur.
2. CapMan facilitates fund structures that are attractive for a wide investor base aiming at a fair and neutral tax treatment of all fund investors. CapMan does not provide any tax guidance or advice to its investors or clients.
3. CapMan does not approve aggressive tax planning. Therefore, artificial arrangements and practices aimed at tax avoidance are prohibited. Any corporate and/or transaction structuring by CapMan is undertaken to ensure appropriate economic and commercial substance required by applicable laws and regulations.
4. Decisions relating to tax matters are driven by business needs, and CapMan considers stakeholder opinion, reputational risk, commercial, financial, legal and regulatory factors alongside tax legislation in making decisions relating to tax matters.
5. CapMan ensures that all decisions regarding CapMan's tax affairs are taken by well informed and trained professionals at the appropriate governance level, supported with documentation that evidences the judgments involved.
6. CapMan does not engage in uncooperative jurisdictions identified by OECD or non-cooperative jurisdictions identified by the EU or FATF "grey list" or "black list" or list of "borderline countries".
7. CapMan considers tax matters with a risk-based approach and as a principle, CapMan uses only structures where the contemplated tax outcome is considered as more likely than not to be upheld in a legal dispute on a full disclosure basis.

8. CapMan's transfer pricing practices are based on the arm's-length principle. CapMan's intercompany transactions are conducted and priced in line with the same principle.
9. CapMan strives to communicate honestly and transparently with all external and internal stakeholders on tax issues. CapMan maintains constructive, collaborative, and professional relationships with tax authorities. Uncertain tax matters, including potential tax audits and disputes are managed actively and professionally, using external expertise to the extent necessary.
10. CapMan encourages portfolio companies of the funds to align their tax practices with the approach and principles set out herein.

CapMan strives to maintain a transparent business climate

CapMan Group taxes are mainly managed by the Group Finance function and fall within the CFO’s responsibility. Fund related taxes are mainly managed by various Platform functions, including tax specialists, reporting to the COO and fall within the COO’s responsibility.

CapMan considers tax governance and compliance as an important part of its oversight and broader risk management systems. Tax risk management is executed as a part of CapMan’s risk management process. Tax management principles are embedded in the organisation through internal guidance, knowledge sharing, and regular training.

CapMan’s internal processes to manage tax risks are described in more detail in separate guidelines, which are assessed and developed continuously.

CapMan works together with industry advocacy groups, such as the Finnish Venture Capital Association (FVCA) in order to raise awareness and influence decisionmakers on topics related to tax.

CapMan’s whistleblowing channel can be used by internal and external stakeholders to raise concerns about business conduct, negligence and misconduct related to tax. See section on Whistleblowing for more information.

Tax disclosures are audited as part of the company’s financial statements by the company’s auditors. The audit report is part of this Annual Report.

Customer Privacy

No complaints received from outside parties or regulatory bodies.

Privacy	2023	2022
Total number of substantiated complaints received concerning breaches of customer privacy:		
complaints received from outside parties	0	0
complaints received from regulatory bodies	0	0
Total number of identified leaks, thefts, or losses of customer data.	3	1

ACTION PLAN FOR GOVERNANCE TOPICS

Accomplished in 2023

- The tax policy was updated.
- The Supplier Code of Conduct was established and has been implemented in new contracts.
- Throughout the year, 37 sustainability-related training sessions were conducted for specific target audiences, such as the entire CapMan staff including investment teams, and portfolio companies. Topics covered ranged from ESG KPI Calculations to Net Zero workshops and ESG due diligence paired with value creation tools.

Next steps

- Continue improving sustainability reporting and prepare for upcoming regulation on disclosures of sustainability topics.

Driving
governance
forward



GRI content index

About this report

CapMan Plc has reported in accordance with the GRI Standards for the period 1 January–31 December 2023. This report uses GRI 1: Foundation 2021. None of the published GRI Sector Standards apply to CapMan. This report includes information related to the GRI Universal Standards from a material point of view for CapMan. The comparison between material topics and GRI topics is described in the Materiality of sustainability topics section of this report and the comparison to GRI Standards is provided in the GRI Content Index.

The report also includes disclosures on Global Compact. The GRI Content Index describes what GRI indicators are used to demonstrate the execution of human rights, workers’ rights, environmental principles and anti-corruption principles. The report also discloses information about climate-related risks and opportunities according to IFRS S2 (formerly TCFD).

This sustainability report covers all CapMan Group companies, which are presented in the Notes to the Financial Statements. CapMan’s Management Group has approved the methodologies and information provided for this report. The information has not been externally assured.

Standard & topic	Location	Comment	UNGC principle	TCFD
GRI 2: General Disclosures 2021				
2-1 Organisational details	130	LEI 743700498L5THNQWVL66		
2-2 Entities included in the organisation’s sustainability reporting	64–65,130			
2-3 Reporting period, frequency and contact point	130			
2-4 Restatements of information	110			
2-5 External assurance	130			
2-6 Activities, value chain and other business relationships	6–7, 46			
2-7 Employees	117			
2-8 Workers who are not employees	118			
2-9 Governance structure and composition	101, 125			
2-10 Nomination and selection of the highest governance body	14	Nomination of the BoD is conducted by the Shareholders’ Nomination Board and is described in more detail on https://capman.com/shareholders/governance/nomination-board/		
2-11 Chair of the highest governance body	15			
2-12 Role of the highest governance body in overseeing the management of impacts	101, 125			

Standard & topic	Location	Comment	UNGC principle	TCFD
2-13 Delegation of responsibility for managing impacts	101			
2-14 Role of the highest governance body in sustainability reporting	125			
2-15 Conflicts of interest	125			
2-16 Communication of critical concerns	127			
2-17 Collective knowledge of the highest governance body	125			
2-18 Evaluation of the performance of the highest governance body	125			
2-19 Remuneration policies	15, 28, 125	Remuneration policy: https://capman.com/shareholders/governance/remuneration/		
2-20 Process to determine remuneration	125			
2-21 Annual total compensation ratio	126			
2-22 Statement on sustainable development strategy	9-12			
2-23 Policy commitments	104		7	
2-24 Embedding policy commitments	98		4-6, 7	
2-25 Processes to remediate negative impacts	127			
2-26 Mechanisms for seeking advice and raising concerns	127			
2-27 Compliance with laws and regulations	126			
2-28 Membership associations	98			
2-29 Approach to stakeholder engagement	98			
2-30 Collective bargaining agreements	118		3	
GRI 3: Material Topics 2021				
3-1 Process to determine material topics	98-99			
3-2 List of material topics	99			
GRI 205: Anti-corruption 2016				
3-3 Management of material topics	99, 121			
205-1 Operations assessed for risks related to corruption	127			
205-2 Communication and training about anti-corruption policies and procedures	128		10	
205-3 Confirmed incidents of corruption and actions taken	128		10	

Standard & topic	Location	Comment	UNGC principle	TCFD
GRI 206: Anti-competitive Behavior 2016				
3-3 Management of material topics	99, 122			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	122, 126			
GRI 207: Tax 2019				
3-3 Management of material topics	99, 122		1–2, 10	
207-1 Approach to tax	122, 128		10	
207-2 Tax governance, control, and risk management	122, 128		10	
207-3 Stakeholder engagement and management of concerns related to tax	122, 128		10	
207-4 Country-by-country reporting		CapMan reports information on taxes in its annual financial statements based on business segments and not by country.		
GRI 302: Energy 2016				
3-3 Management of material topics	99, 106			
302-1 Energy consumption within the organisation	108			
302-2 Energy consumption outside of the organisation	109	CapMan reports this later in spring 2024 as information from portfolio companies becomes available.		
302-3 Energy intensity	108			
302-4 Reduction of energy consumption	108			
GRI 305: Emissions 2016				
3-3 Management of material topics	99		7–9	101 (Governance), 94&100 (Strategy), 100&101 (Risk Management)
305-1 Direct (Scope 1) GHG emissions	109		8	109 (Metrics)
305-2 Energy indirect (Scope 2) GHG emissions	109		8	109 (Metrics)
305-3 Other indirect (Scope 3) GHG emissions	109		8	109 (Metrics)
305-4 GHG Emissions intensity	109		8	109 (Metrics)

Standard & topic	Location	Comment	UNGC principle	TCFD
305-5 Reduction of GHG emissions	109		8	109 (Metrics)
GRI 404: Training and Education 2016				
3-3 Management of material topics	99, 114			
404-1 Average hours of training per year per employee	118			
404-2 Programs for upgrading employee skills and transition assistance programs	114		6	
404-3 Percentage of employees receiving regular performance and career development reviews	118		6	
GRI 405: Diversity and Equal Opportunity 2016				
3-3 Management of material topics	99, 115		6	
405-1 Diversity of governance bodies and employees	118		6	
405-2 Ratio of basic salary and remuneration of women to men	119			
GRI 406: Non-discrimination 2016				
3-3 Management of material topics	99, 115		1–2, 6	
406-1 Incidents of discrimination and corrective actions taken	118		6	
GRI 418: Customer Privacy 2016				
3-3 Management of material topic	99, 123			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	129			