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*CapMan*

# Climate and Nature Transition Plan

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## INTRODUCTION

CapMan's Climate and Nature Transition Plan has been established, adapted and aligned to the Taskforce on Nature Related Financial Disclosures' (TNFD) Guidance on Nature in Transition Plans\*, published in November 2025.

This Climate and Nature Transition Plan applies to CapMan Plc (operations) and CapMan's assets and investments.

## NINE STEPS ALIGNED TO TNFD GUIDANCE

1. Establish baseline
2. Set ambition, scope and targets
3. Governance and Accountability
4. Decarbonise and restore nature in operations
5. Embed climate and nature in investment lifecycle (by asset class)
6. Stakeholder engagement
7. Metrics and disclosure
8. Social Equity
9. Review and improve

\*Source: <https://tnfd.global/publication/guidance-on-nature-in-transition-plans/>

# Climate and Nature Transition Plan

## 1. Integrated baseline: climate and nature

Actions	2025	Status
Calculate GHG emissions for scopes 1 and 2, and material scope 3 categories for operations; financed emissions for each asset class (scope 3 category 15).	Completed	Conducted annually.
Conduct a baseline assessment of nature dependencies and impacts, where material.	Completed	In CapMan's Double Materiality Assessment, climate (subset of nature) was found to be material for Plc through CapMan's investment activities. Material nature dependencies, impacts and risks have been assessed for Real Estate, Infra, Natural Capital and Private Equity. Proprietary Nature Dependency and Impact tool developed which can be used for Infra and Private Equity.
Assess physical risks (climate and ecosystem degradation) and transition risks (policy, technology, market, legal, reputational...) across both climate and nature, where material.	In progress	In CapMan's Double Materiality Assessment, climate was found to be material for Plc through CapMan's investment activities. Climate physical (asset location specific) and transition risk assessments have been conducted for Real Estate and Infra.
Identify opportunities (nature-based solutions, low-carbon and nature-positive assets, resilience-enhancing investments).	In progress	As part of asset specific transition plans, opportunities are assessed at asset level. Climate-related opportunities have been assessed for Infra as part of GRESB submissions.
Prioritise by materiality: sectors/asset types that are both high-emitting and nature-intensive.	Completed	Identified and prioritised across CapMan real assets (Real Estate, Infra Natural Capital).

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## 2. Joint ambition on climate and nature, scope of assets (phasing), and targets (Paris and Global Biodiversity Framework)

Actions	2025	Status
Define the year when CapMan's portfolio will be aligned with 1.5°C and has contributed to halting and reversing nature loss, maintaining or enhancing natural capital and ecosystem resilience.	In progress	The Science Based Targets initiative (SBTi) has validated CapMan's near term Science Based Targets, which includes scope 3 category 15 Investments in accordance with the Private Equity Guidance. CapMan has a 2040 net zero commitment. Real Estate has net zero targets. Nature framework developed for Real Estate, Infra, Natural Capital and Private Equity.
Define the scope of Climate and Nature Transition Plan: Phasing is allowed: material real assets prioritised (Real Estate, Infra and Natural Capital).	Completed	As part of the Climate and Nature Transition Plan, CapMan will be focusing on the most material asset classes where methodologies and data are available, such as Real Estate, Infra and Natural Capital, and phase-in the remaining portfolio over time.
Set science-based GHG reduction targets on Plc and asset class level.	In progress	The SBTi has validated CapMan's near term Science Based Targets, which includes scope 3 category 15 Investments in accordance with the Private Equity Guidance. CapMan has a 2040 net zero commitment. Real Estate has net zero targets.
Set science-based targets for nature on Plc and asset class level.	TBD	Nature framework developed for Real Estate, Infra, Natural Capital and Private Equity. Ambition level TBD.
Conduct scenario analysis using at least two climate (e.g. 1.5°C and 3°C) and nature (positive GBF aligned) and a negative (BAU)) state. Ensure findings feed back into strategy. Integrate the risk assessments from the asset classes.	In progress	Not material for Plc. Real Estate and Infra have conducted physical (location based) and transition risk analyses under several climate scenarios.
Identify climate–nature synergies and trade-offs. Identify how nature actions support net zero (e.g. peatland and forest restoration for carbon and biodiversity) and how climate actions might stress nature (e.g. biomass, hydropower, solar/wind siting).	To be established	To be established as a process, focusing on asset classes where this is material, detailing investment specific trade offs.

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## 3. Governance and Accountability Structures

Actions	2025	Status
Establish board oversight for the climate and nature transition plan, with regular progress reviews.	In progress	Board oversight of sustainability is disclosed in the Sustainable Investment Policy.
Establish management ownership. Head of Sustainability owns delivery, Investment Team heads are accountable for execution in their portfolios. Investment committee integrates climate-nature criteria into decisions.	In progress	Management of sustainability is disclosed in the Sustainable Investment Policy.
Link (partly) variable remuneration for senior executives to delivering transition milestones (e.g. financed-emission reductions, share of assets with nature action plans).	In progress	Remuneration currently linked to broader sustainability goals, such as Science Based near-term targets, as part of bonuses and CapMan Performance Share Plan.
Ensure that core policies (Sustainable Investment Policy, Risk Policy, Restriction lists) explicitly cover both climate and nature.	In progress	Climate is explicitly mentioned, nature is being phased in as practices develop across CapMan.
Integrate climate and nature into risk management. Update risk taxonomy to include climate and nature (sustainability risk) alongside credit, market, and operational risk.	In progress	In progress.

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## 4. Decarbonise and restore nature in own operations

Actions	2025	Status
Reduce operational GHG emissions via energy efficiency, renewable energy procurement, low-carbon IT, and a travel policy prioritising rail/virtual meetings. Use only high-quality carbon credits for residual emissions, prioritising projects with clear biodiversity and social co-benefits.	In progress	Renewable energy certificates for CapMan's five (out of eight) largest offices and CapMan wide carbon removal for business related flights ongoing. WWF Green Office certification for CapMan's four largest offices, covering climate and resource efficiency.
Implement green procurement policies that cover both climate and nature (e.g. renewable electricity and FSC/PEFC-certified wood, zero-deforestation food where relevant).	In progress	WWF Green Office certification covers climate and resource efficiency.
Structure staff training on climate and nature.	In progress	Sustainability Academy sessions on climate and nature conducted. Asset class specific training is ongoing for investment teams.

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## 5. Embed climate and nature into the investment lifecycle (by asset class)

Actions	2025	Status
Establish pre-acquisition screening: sector/location screens for climate and nature red flags.	Completed	Included in the pre-screen process for Real Estate, Infra, Natural Capital and Private Equity. Partly also covered by the Restriction list.
Due Diligence processes: basic requirements (Investment to: not cause ecosystem conversion or degradation; not lock in high carbon emissions; not violate protected areas or high-risk water basins, pass a basic LEAP-style dependency and impact screen; demonstrate that a transition plan is feasible within 24 to 36 months after acquisition).	In progress	Nature considerations are part of Real Estate and Natural Capital Due Diligence. Proprietary Due Diligence and Value Creation Tool established for Infra and Private Equity captures climate and certain nature aspects. Nature Dependency and Impact tool developed for Infra and Private Equity captures dependencies and impacts and can be used to derive risks and opportunities.
Decision and structuring: conditions, covenants and pricing reflecting climate-nature risks and transition alignment.	TBD	TBD
Holding period: Implementation of property type-specific/asset-specific transition plan. Minimum data to include: Baseline GHG emissions; Baseline nature impact (land use, water, pollution, biodiversity sensitivity); Material climate and nature risks identified; Management commitment to implement required measures to mitigate; Clear quantitative KPIs.	In progress	Nature transition plan templates for property types and industries/assets drafted as part of Nature Framework, covering Real Estate, Infra, Natural Capital and Private Equity. Implementation and ambition level TBD.
Exit: state preference for buyers that will maintain/improve climate-nature performance.	In progress	Sustainability is part of exit story.
Set minimum expectations for each asset class for what counts as: a. transition aligned (already on a credible climate and nature pathway), b. transition enabling (enables others to transition), and c. not aligned.	To be established	Thresholds TBD.

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## 6. Stakeholder engagement and policy alignment on climate and nature

Actions	2025	Status
Stakeholder engagement on both climate risks (heat, flood, energy access) and nature impacts (land use, water, biodiversity); respect for human rights and Free and Prior Informed Consent where relevant.	In progress	Engagement and stakeholder approach established for Infra. Plc level and other asset class specific approaches to be developed.
Portfolio companies and borrowers: establish clear expectations on integrated climate-nature performance; active ownership to push for credible transition plans, disclosures and improvements.	In progress	Climate expectations established for real assets and portfolio companies. Nature TBD.
Industry initiatives: participation in climate alliances (e.g. initiative Climat International) and nature initiatives (e.g. Finance for Biodiversity Pledge, TNFD Forum), with a focus on integrated planning.	Completed	Membership in iCI. Early TNFD adopters. Natural Capital is a signatory to Finance for Biodiversity Pledge.
Public policy: explicit supportive stance on policies that enable 1.5°C and net nature-positive outcomes (e.g. carbon pricing, deforestation-free supply chains, strong biodiversity/nature protection).	TBD	TBD



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## 7. Metrics and integrated disclosure (TCFD/ISSB + TNFD)

Actions	2025	Status
Climate metrics: GHG Scopes 1–3, financed emissions by asset class, share of AUM Paris-aligned, CapEx/OpEx aligned with transition.	Completed	Plc level disclosures are complete, Paris aligned AUM and CapEx/OpEx aligned disclosures are available for assets that are EU Taxonomy aligned.
Nature indicators with material metrics beyond minimum regulations on impacts and dependencies (e.g. habitat condition, water use, pressure indicators).	In progress	Not material for Plc. In progress for asset class specific KPIs as part of Nature Framework for real assets. Principle Adverse Impact indicators information annually disclosed.
Disclose operational (e.g. portfolio thresholds, % assets aligned) and financial planning metrics for asset classes (capital allocation e.g. transition finance volumes, nature positive CapEx share).	TBD	Not material for Plc. TBD for asset classes.
Public disclosure: TCFD/ISSB and TNFD aligned reporting, with emphasis on: how the integrated plan is governed, how strategy and financial planning incorporate both climate and nature, how risks are identified and managed, and metrics and targets track the progress of the plan.	In progress	TCFD is incorporated in Annual Reporting. TNFD disclosures separately available on CapMan's website. TNFD aligned disclosures to be incorporated in Investments Sustainability Report/Annual Report, along with tracking the progress of the Climate and Nature Transition Plan.

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## 8. Integrate social equity

Actions	2025	Status
Just transition to be included to ensure climate and nature actions consider social impacts (e.g. impacts on employees, communities, or customers).	TBD	Human rights Due Diligence roadmap established. Full consideration of social impacts TBD.

## 9. Phase improvements over time and review annually

Actions	2025	Status
Annual tracking and improvement of the Climate and Nature Transition Plan.	In progress	Climate and Nature Transition Plan established, improvements TBD.