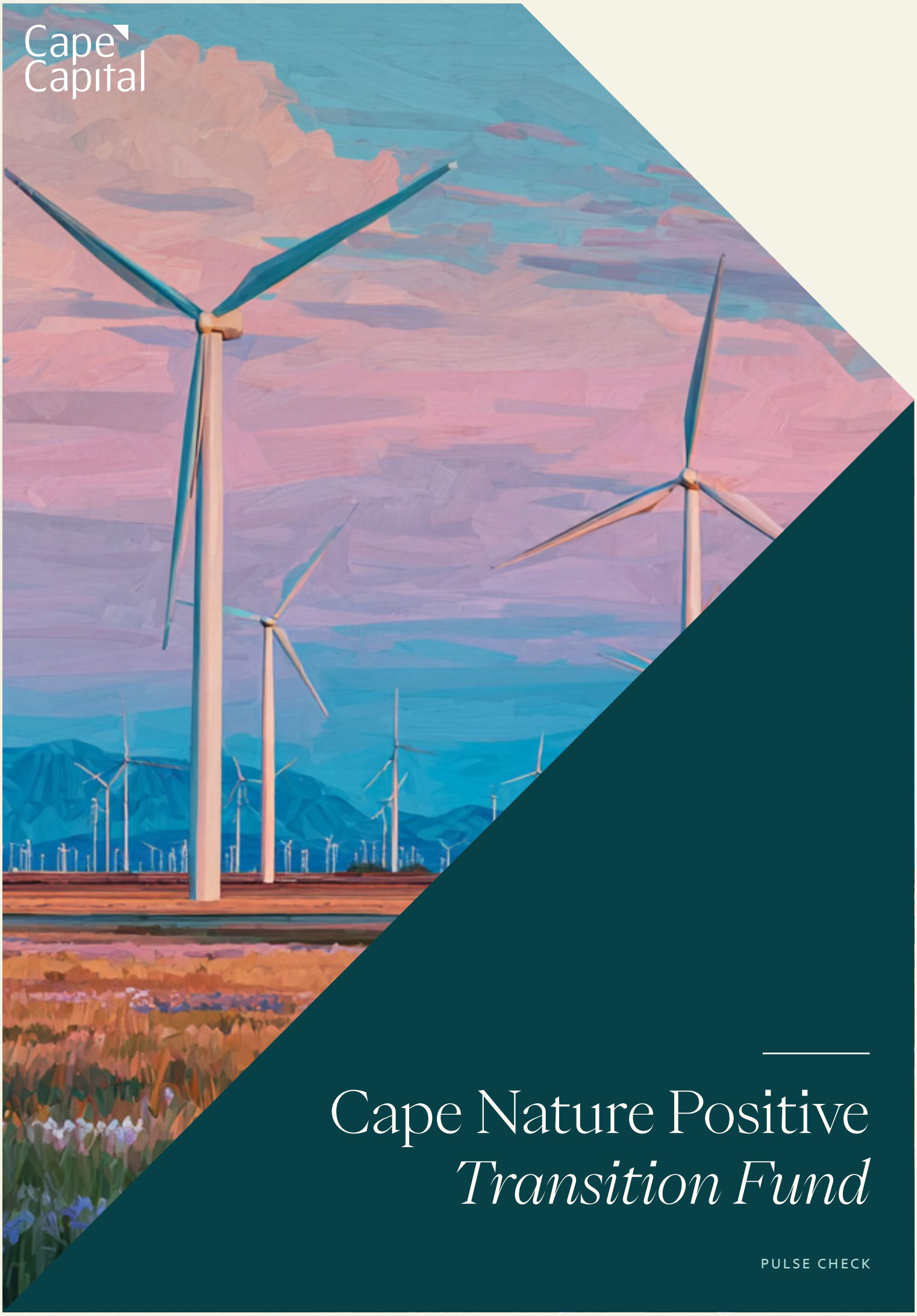
Cape Capital



Cape Nature Positive *Transition Fund*

PULSE CHECK

Dear Reader,

We are losing nature at an unprecedented rate. The model that has driven prosperity has done so by systematically drawing down the systems on which it depends. Nature has been treated as free and inexhaustible. It is neither. Ecosystems are degrading, biodiversity is declining. This reveals that our definition of value captures what we take, but not what we depend on.

The challenge is considerable, but change is underway. Advances in data, measurement, and restoration are improving our ability to assess ecosystem health. Capital is beginning to respond, creating an opportunity to align economic activity with ecological limits and shift from depletion toward regeneration.

For markets to function effectively, they must account for the natural systems that underpin them. This requires greater transparency, standardised measurement, and a shift from extraction to stewardship. This report contributes by assessing the impact of the Cape Nature Positive Transition Fund and its portfolio, demonstrating how capital can support both ecological restoration and sustainable prosperity.

André Hoffmann

Vice Chairman Roche, Co-Chair World Economic Forum

Introduction

INVESTING FOR A SUSTAINABLE FUTURE

The past few years have been marked by a steady accumulation of signals, pointing to a structural shift in how economic activity interacts with the natural world. While uncertainty remains a defining feature of today's global environment — shaped by geopolitical fragmentation, evolving trade dynamics and uneven growth — the direction of travel is becoming clearer: natural systems are increasingly being recognised as a foundational component of long-term economic resilience.

Throughout 2025, the physical impacts of environmental degradation have remained evident, with continued pressure on climate systems, water resources and biodiversity. At the same time, we are observing a gradual but meaningful change in how these challenges are being understood. Nature-related risks and dependencies are progressively moving beyond scientific and policy discussions into the realm of corporate strategy, risk management and capital allocation.

In this context, we are pleased to present the third edition of the Pulse Check Report for the Cape Nature Positive Transition Fund (NPT Fund). Since the launch of the fund, our objective has been to contribute to a more transparent and structured understanding of how investment portfolios interact with natural systems. With each iteration of this report, we aim to further refine both the quality of the underlying data and the way in which it is interpreted.

As in previous years, the analysis is centred around two core indicators:

- Natural Capital Intensity – reflecting the pressure placed on finite natural resources and ecosystem services
- Biodiversity Intensity – capturing the impact of economic activities on global biodiversity stocks

We continue to view these metrics as essential tools for linking environmental change to long-term economic outcomes. While it is now broadly recognised that a significant share of global GDP depends on nature, the implications of this dependency are still only partially reflected in market pricing. Encouragingly, this gap is beginning to narrow as both companies and investors deepen their understanding of nature-related risks and opportunities.

To support this analysis, we maintain our collaboration with a leading impact data provider, whose methodologies continue to evolve and enhance our ability to assess portfolio-level impacts. Further details on these developments are outlined in the methodology section of this report.

We also provide an updated overview of engagement activities conducted by the underlying managers within the NPT Fund. Engagement remains a central pillar of our approach, particularly in public markets, where influencing corporate behaviour can play a meaningful role in accelerating the transition toward more sustainable operating models.

As this third edition illustrates, our approach continues to evolve alongside a rapidly developing field. The transition toward a nature-positive economy is unlikely to follow a linear path, but we remain convinced that integrating natural capital considerations into investment decisions will become an increasingly important driver of long-term value creation.

Alexandre Micheloud
Client Advisor & Impact Specialist
Cape Capital

Johan Holgersson
Partner
Cape Capital

System context

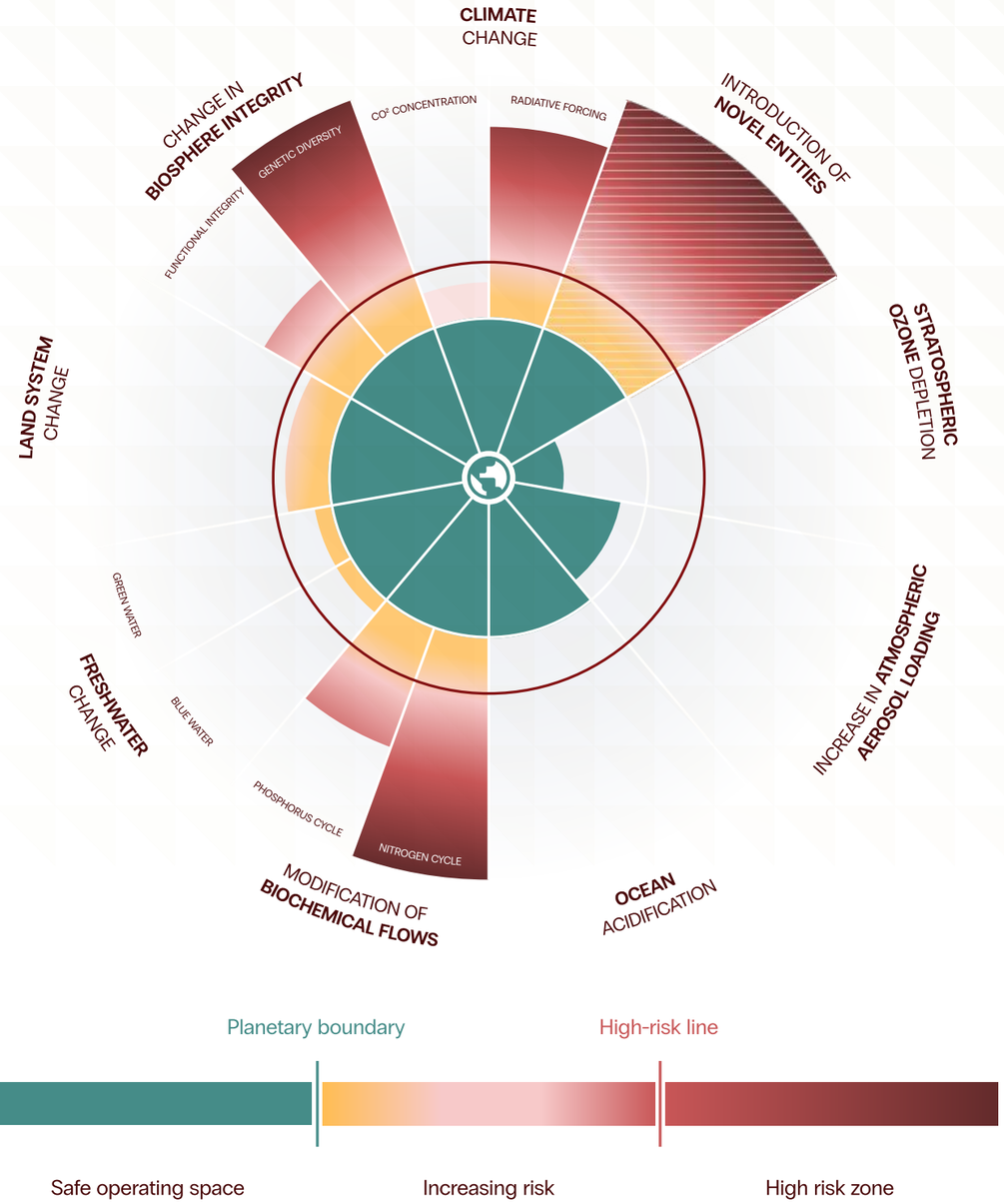
For much of modern economic history, natural capital has remained largely absent from market pricing. This structural blind spot has contributed to the progressive degradation of ecosystems and the accumulation of what is increasingly described as an ecological debt. Since the early 1970s, humanity's demand for natural resources has exceeded the Earth's capacity to regenerate them each year. In effect, natural assets such as forests, fisheries and groundwater reserves continue to be depleted to support short-term economic activity, while the long-term liabilities associated with ecosystem decline remain largely unaccounted for. Recent scientific assessments indicate that several Earth system boundaries are already being transgressed, highlighting the growing systemic risks associated with unpriced natural capital.

Natural capital encompasses the finite stocks of natural resources and living systems, as well as the capacity of ecosystems to generate services that support economic activity and human well-being. These ecosystem services include both direct contributions — such as food production, freshwater supply and raw materials — and indirect functions such as climate regulation, soil fertility, pollination and flood protection. For decades, economic development has benefited from these services while largely assuming ecological stability as a given. However, mounting environmental pressures are increasingly revealing the fragility of these underlying natural systems. Once ecosystems cross critical thresholds or tipping points, disruptions can occur abruptly and with far-reaching economic consequences.

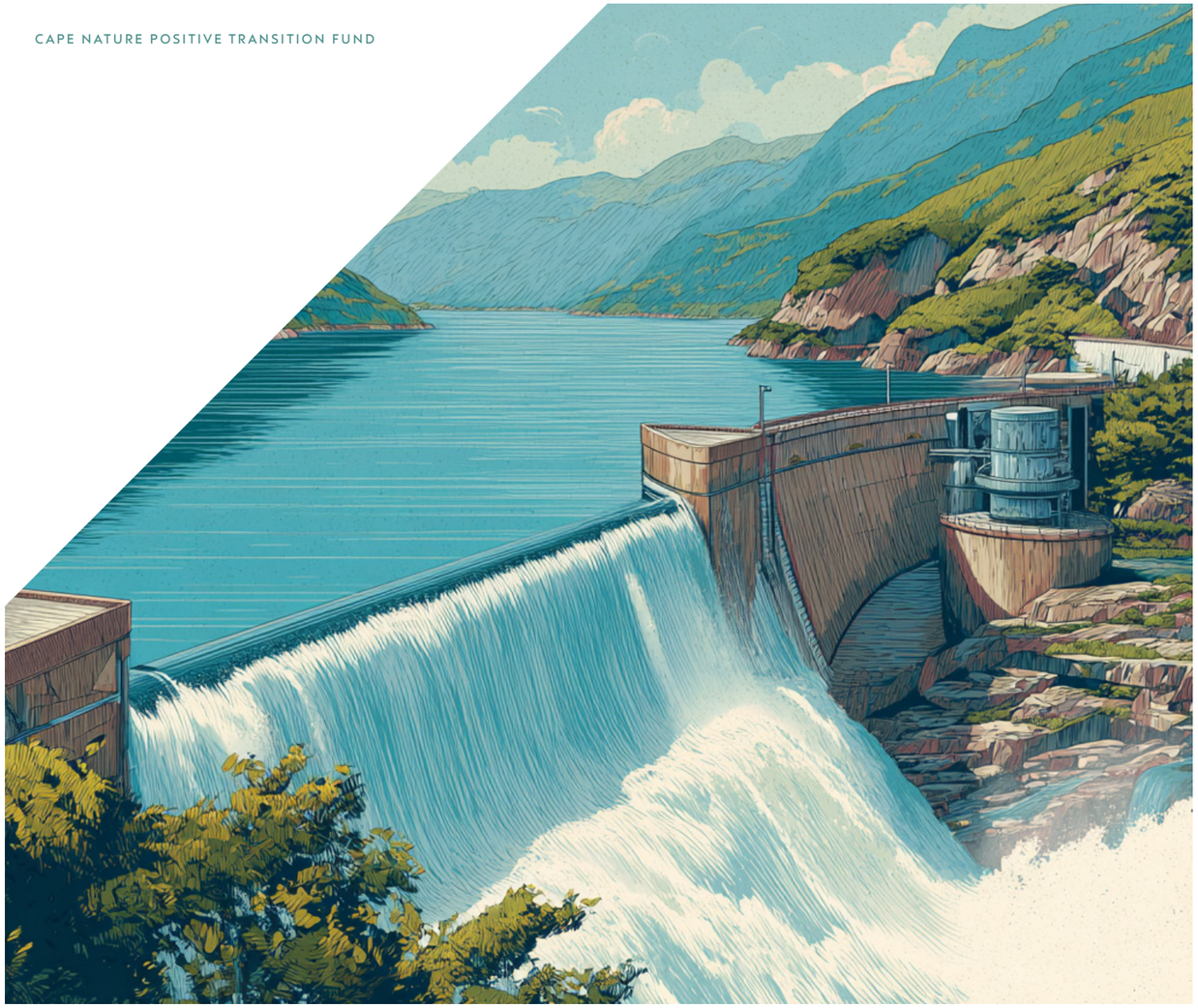
The global economy remains deeply intertwined with nature. Estimates suggest that around half of global GDP is moderately or highly dependent on ecosystem services, while continued degradation of natural systems could reduce global economic output by up to USD 2.7 trillion annually by 2030. Many core industries — including agriculture, construction and food production — rely heavily on natural inputs such as timber, fish stocks, fertile soils and freshwater, as well as ecosystem functions such as pollination, nutrient cycling and flood regulation.

As the capacity of ecosystems to provide these services declines, sectors that rely on natural capital face increasing operational and financial risks. At the same time, the transition toward more sustainable resource use is creating a growing set of investment opportunities. From an investment perspective, recognising both the risks associated with nature degradation and the opportunities emerging from the transition toward a nature-positive economy is therefore becoming increasingly important.

Against this backdrop, our investment approach seeks to identify and allocate capital to companies and strategies that are positioned to support this transition. Active across public equities, credit and long/short equity strategies, the fund invests in businesses contributing to measurable improvements across key environmental dimensions including biodiversity protection, greenhouse gas emissions reduction, waste management, water and land pollution mitigation, and water efficiency. Through this approach, we aim to expose our clients' portfolios to companies that are helping to address natural capital challenges while capturing the opportunities associated with the shift toward a nature-positive economic system.



SOURCE | Planetary Health Check 2025



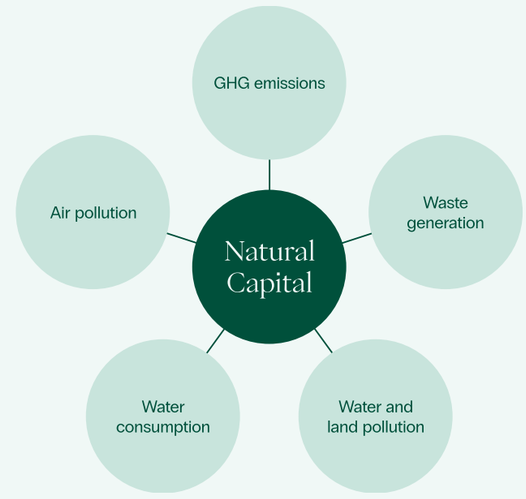
Measuring natural capital impacts

Understanding how portfolio companies interact with nature is a key component of assessing progress toward a nature-positive transition. To support this analysis, we have worked with GIST Impact since 2023, a leading provider of environmental and impact data. GIST has developed methodologies that translate corporate environmental externalities into monetary impact estimates, allowing us to express environmental impacts in economic terms throughout this report.

For reporting purposes, our analysis focuses primarily on natural capital and biodiversity impacts, which are most closely aligned with the strategy's objectives. GIST derives these estimates by analysing companies' reported disclosures and, where gaps exist, complementing them with secondary datasets and modelled estimates. These estimates are generated using a K-Nearest Neighbour (KNN) machine learning approach, which identifies comparable companies to approximate missing environmental data points. The resulting environmental metrics are then geographically allocated according to companies' operational footprints. Combined with valuation frameworks such as the Social Cost of Carbon, this methodology enables environmental impacts to be expressed in monetary terms.

During 2025, further improvements were introduced to strengthen the robustness and transparency of the estimation models. Most notably, GIST transitioned to the use of Nomenclature of Economic Activities (NACE) classifications together with internally derived geographical revenue data. This replaces the previous reliance on third-party industry and geographic datasets and enables a more precise mapping between companies' activities and their associated environmental impacts. The updated approach also broadens the dataset by incorporating delisted and private companies, reducing potential data gaps and improving coverage across portfolios. In addition, the new framework provides clearer documentation and traceability of the underlying estimation methods, enhancing transparency for users of the data. As these inputs feed into several datasets — including environmental indicators, natural capital impact values, SDG impact metrics, and biodiversity footprint calculations — the enhancements contribute to more robust portfolio-level impact assessments.

Although impacts are calculated in absolute monetary terms, much of the analysis presented in this report relies on relative comparisons or benchmarked metrics. This helps contextualise the results and makes it easier to interpret portfolio impacts over time and relative to relevant market benchmarks. To find out more about GIST's processes and methodology, please refer to Impact Database, GIST Impact.



DRIVERS OF NATURAL CAPITAL IMPACTS

Natural capital impacts are assessed by analysing environmental drivers that influence ecosystems and ultimately human well-being. While six direct drivers of natural capital impact are recognised, the driver relating to biodiversity and ecosystem services remains difficult to quantify due to limited and inconsistent corporate disclosure. Consequently, the current analysis focuses on the five drivers for which sufficiently robust data is available.

Using a theory-of-change approach, each environmental driver is linked to specific outcomes and downstream impacts, which are then translated into natural capital terms. For instance, water consumption can reduce freshwater availability (outcome), which may subsequently lead to economic losses and health impacts linked to infectious diseases or malnutrition (impact). Through established environmental valuation methodologies, these effects can ultimately be expressed in monetary terms, enabling them to be integrated into portfolio-level impact assessments.

Before you go *any further*

In the context of our work, a high Natural Capital Intensity is worse than a low Natural Capital Intensity, as it represents a higher pressure on nature depletion. Therefore, a decrease in Natural Capital Intensity is better than an increase in Natural Capital Intensity.

What we want to see is an as-low-as-possible Natural Capital Intensity over the long-term and the fastest decrease in Natural Capital Intensity over time.

Executive summary

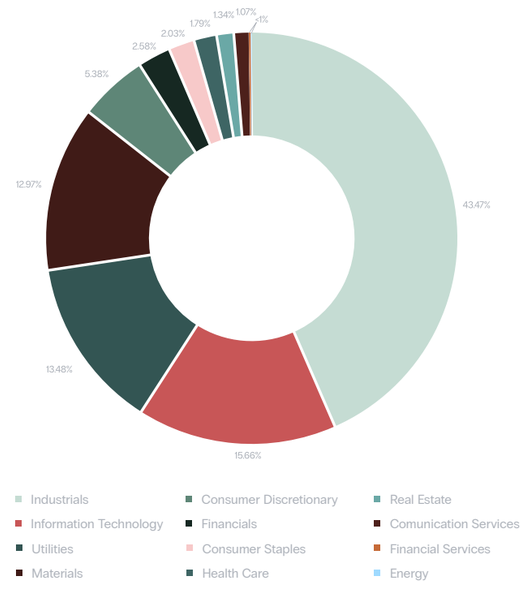
KEY INSIGHTS

- The NPT Fund equity holdings were less natural capital intensive than global equities, in 8/11 sectors, on a weight-adjusted basis.
- On an absolute basis, the NPT Fund's equity holdings were less natural capital intensive than global equities under the end-to-end footprint framework used in this year's assessment. This partly reflects the move from an operational to an end-to-end approach, which captures upstream and downstream impacts across the value chain. Between 2021 and 2024, the Natural Capital Intensity of the fund's equity holdings declined by 3.87%, compared with a 2.01% increase for global equities.
- The NPT Fund's equity holdings exhibited lower Biodiversity Intensity than global equities, with the fund's biodiversity footprint approximately 77% lower in 2025. This was driven primarily by lower water consumption intensity and, to a lesser extent, lower total phosphorus intensity. Between 2021 and 2024, Biodiversity Intensity increased by 24% for the fund, compared with 146% for global equities, largely reflecting improved Scope 3 data coverage.
- In 2025, we were informed of more than 580 instances of engagement between our underlying funds and their invested companies.
- Most of the NPT Fund equity holdings' Natural Capital Intensity was driven by GHG Emissions (52%), followed by Air Pollution (22%) and Waste Generation (13%).

NPT FUND, PORTFOLIO OVERVIEW

* Please note that for the purpose of the present Natural Capital Intensity and Biodiversity Intensity analyses, only the long equity holdings of the Public Equity and L/S Equity underlying funds have been taken into account.

EQUITY HOLDINGS, NET SECTOR EXPOSURE



Equity portfolio

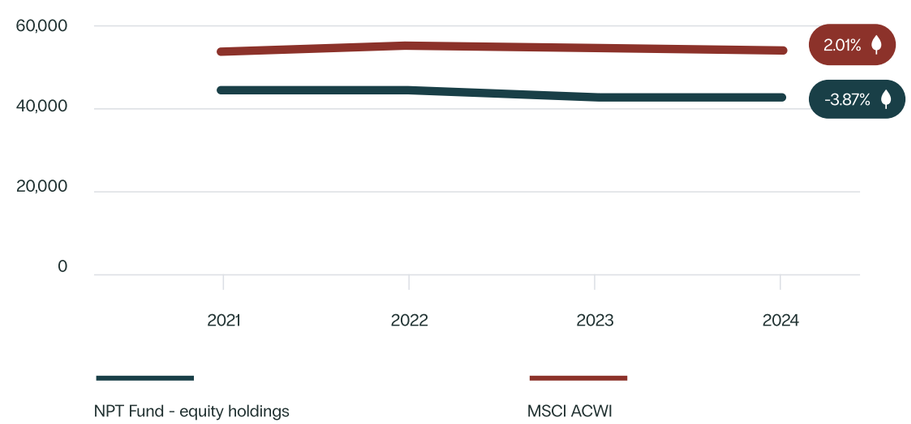
OVERVIEW

The equity holdings of the NPT Fund consist of all listed equities held across our underlying public equity funds, including long equity positions in Long/Short equity hedge funds. Between 2021 and 2024, these holdings achieved a 3.87% reduction in Natural Capital Intensity, outperforming global equities, which saw a 2.01% increase over the same period.

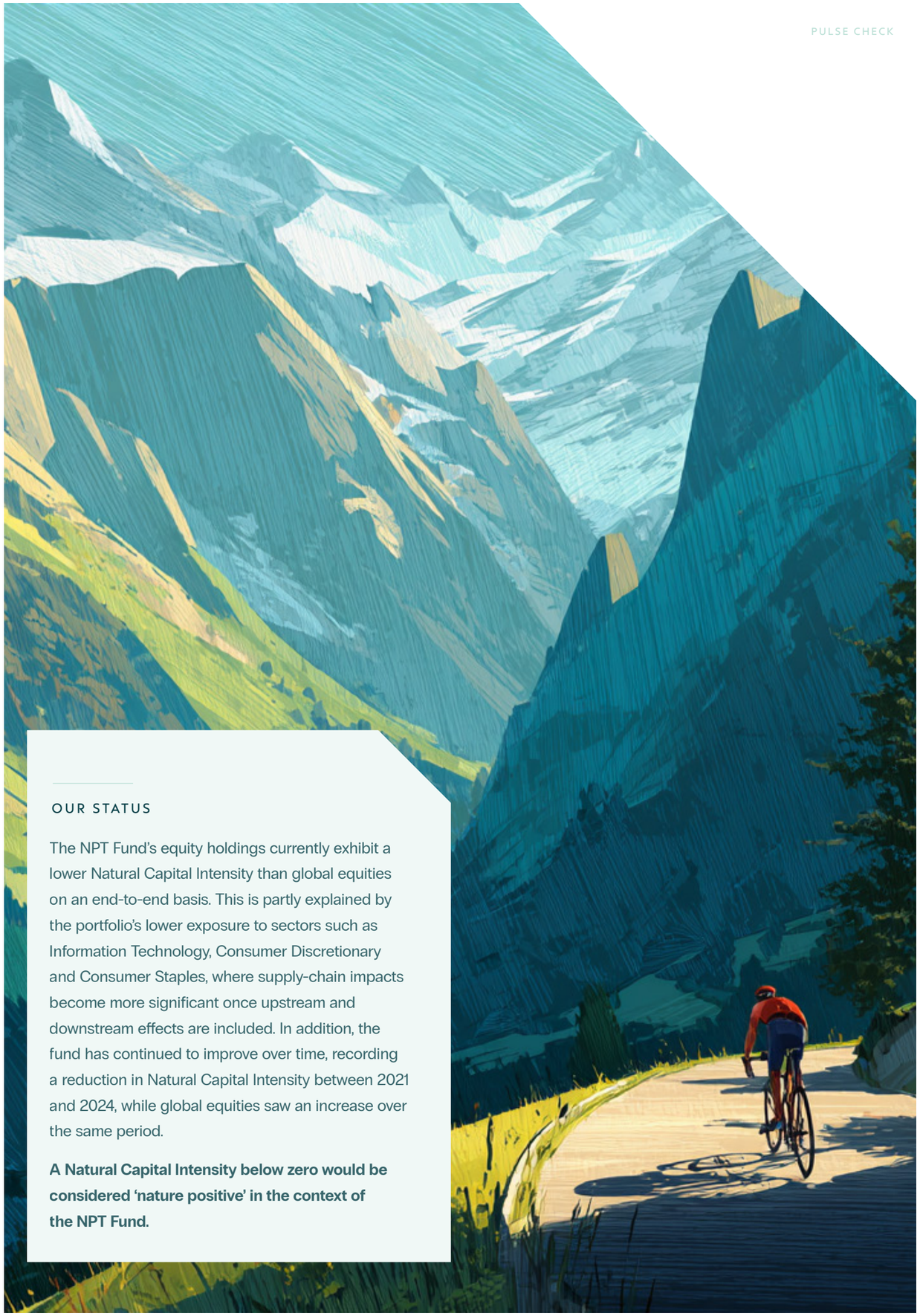
On an absolute basis, the NPT Fund's equity portfolio was also less natural capital intensive than global equities under the end-to-end footprint framework applied in this year's assessment. This reflects, first, an important methodological change relative to prior reporting. Last year's analysis focused on operational footprint only, capturing impacts generated directly through company activities. By contrast, the current approach measures end-to-end footprint and therefore incorporates environmental pressures across the full value chain, including upstream sourcing, production and other supply-chain activities. This broader lens can materially change relative results, as some sectors that appear comparatively less intensive on an operational basis carry significantly higher impacts once upstream and downstream value-chain effects are included.

Sector composition further helps explain the difference versus the global equities. The NPT Fund has a significant overweight to Industrials, where environmental pressures are more concentrated within direct operations. By contrast, global equities has greater exposure to Information Technology, Consumer Discretionary and Consumer Staples, which can appear less natural capital intensive under an operational-only lens, but become materially more intensive once upstream and downstream value-chain effects are incorporated. As a result, while the fund was more natural capital intensive than global equities under the narrower operational methodology, it appears less natural capital intensive than global equities under the more comprehensive end-to-end approach now adopted.

NATURAL CAPITAL INTENSITY (USD / MUSD REVENUE)



SOURCE | GIST Impact Data



OUR STATUS

The NPT Fund's equity holdings currently exhibit a lower Natural Capital Intensity than global equities on an end-to-end basis. This is partly explained by the portfolio's lower exposure to sectors such as Information Technology, Consumer Discretionary and Consumer Staples, where supply-chain impacts become more significant once upstream and downstream effects are included. In addition, the fund has continued to improve over time, recording a reduction in Natural Capital Intensity between 2021 and 2024, while global equities saw an increase over the same period.

A Natural Capital Intensity below zero would be considered 'nature positive' in the context of the NPT Fund.

OUR STATUS

A higher bar indicates a greater Natural Capital Intensity in the sector compared to global equities, **which is negative**.

We are less natural capital intensive than global equities in 8 of 11 sectors – **a strong and encouraging result**.

Natural Capital Intensity

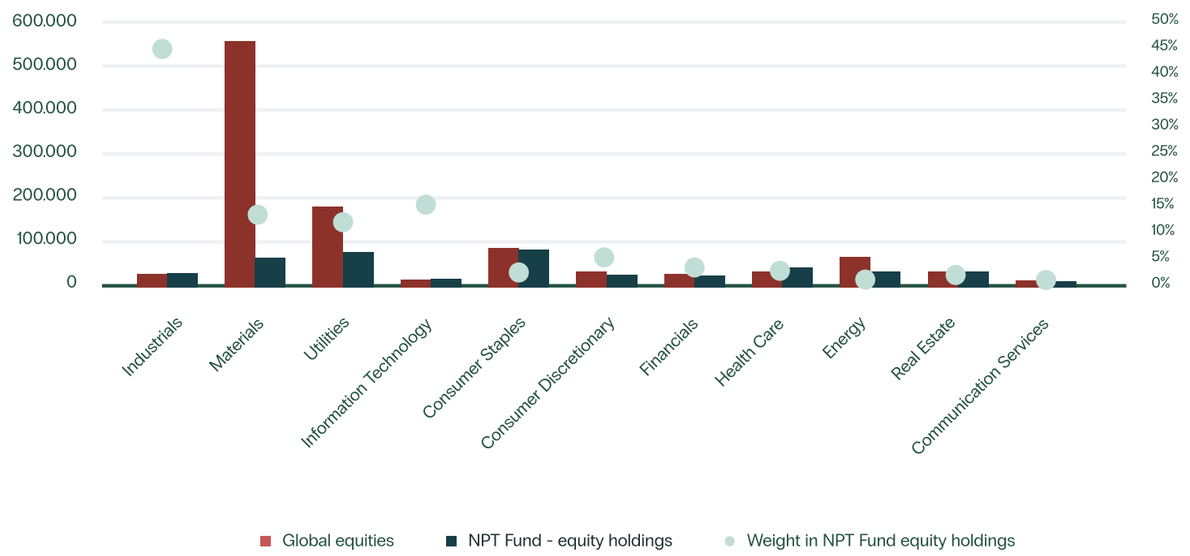
SECTOR ANALYSIS

After adjusting for differences in position weightings, the equity holdings of the NPT Fund exhibited a lower Natural Capital Intensity than global equities in 8 of the 11 invested sectors. This indicates that, on a sector-adjusted basis, the portfolio remained broadly better aligned with natural capital preservation than global equities, although the breadth of this advantage was narrower than in the prior year.

The three sectors where the fund exhibited a higher Natural Capital Intensity than global equities were Industrials, Information Technology and Health Care. It is worth noting that much of the variation in Natural Capital Intensity across sectors can be attributed to differences in sub-sector exposures. For example, within Industrials, the portfolio maintained a persistent tilt toward Machinery Manufacturing, Electrical Equipment, and Facilities and Construction Services due to its strong electrification focus, which are linked to more material and energy intensive value chains than other industrial sub-sectors.

Encouragingly, the portfolio exhibited a lower Natural Capital Intensity than global equities across the majority of sectors. Furthermore, although the portfolio exhibited a higher Natural Capital Intensity in Industrials, Information Technology and Health Care, this was more than offset by the broader and more pronounced intensity advantages observed across the other sectors, most notably Materials, Utilities and Energy.

ADJUSTED NATURAL CAPITAL INTENSITY
(USD / MUSD REVENUE)



SOURCE | GIST Impact Data

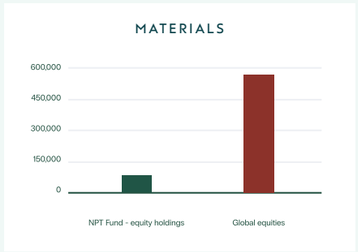
Natural Capital Intensity (cont.)

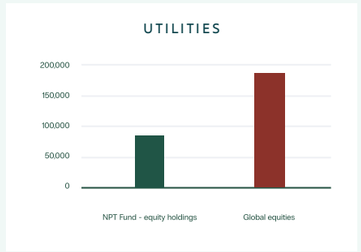
SECTOR ANALYSIS

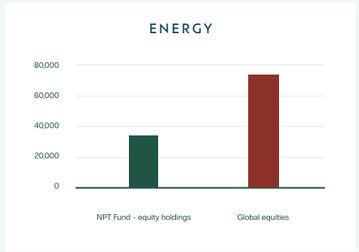
Top 3 Sectors

Within the Utilities and Materials sectors, our holdings are concentrated in water infrastructure firms and producers of sustainable materials, both of which tend to be significantly less natural capital intensive than their sector peers.

Sectors	How much more or less natural capital intensive are we relative to global equities?	Contribution to Total Natural Capital Intensity
Materials	-84.8%	26.3%
Utilities	-57.7%	25.3%
Energy	-52.8%	0.1%







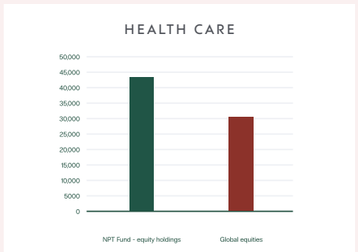
GHG Emissions 47.7%	**GHG Emissions** 48.1%	**GHG Emissions** 88.2%

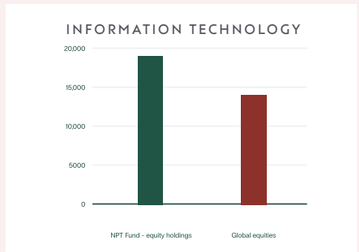
SOURCE | GIST Impact Data

Bottom 3 Sectors

The relative intensity gap in Industrials, Information Technology and Health Care was not especially pronounced, but these sectors remain important to highlight as the main areas where the portfolio screened less favourably than global equities.

Sectors	How much more or less natural capital intensive are we relative to global equities?	Contribution to Total Natural Capital Intensity
Health Care	41.1%	1.8%
Information Technology	35.4%	7.0%
Industrials	4.5%	29.6%





Water Consumption 52.2%	**GHG Emissions** 69.1%	**GHG Emissions** 58.7%

SOURCE | GIST Impact Data

Natural Capital Intensity
Equity sector editor's pick

MATERIALS

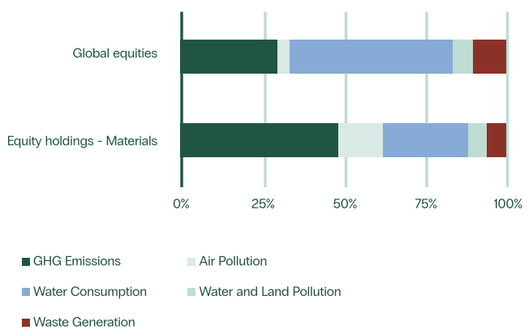
The equities holdings in the NPT Fund related to the Materials sector produced a **Natural Capital Intensity of $86,401 per mUSD of revenue** compared to Materials companies in global equities at $568,942 per mUSD revenue, after adjusting for differences in weighting.

As such, materials companies in the NPT Fund equity holdings were **85% less natural capital intensive** than those in global equities. This is an improvement to last year's positive performance where the portfolio was 70% less natural capital intensive in the Materials sector than global equities.

Within the Materials sector, the fund's Natural Capital Intensity was more heavily concentrated in GHG emissions and air pollution than global equities, with these drivers contributing 48% and 11% of total impact respectively, against 27% and 2% for global equities. Water consumption, by contrast, represented a considerably smaller share of the fund's profile at 29%, compared with 55% for global equities.

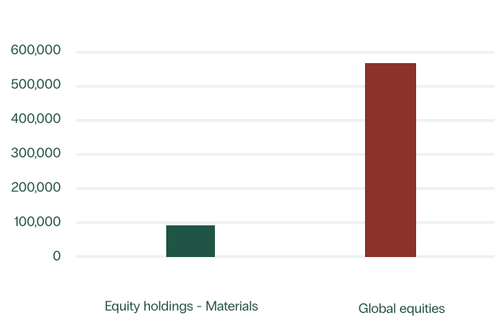
This likely reflects lower exposure to the more extractive parts of the sector, particularly mining-related activities, and relatively greater exposure to subsectors such as construction materials, packaging, forestry and specialty chemicals. Accordingly, while GHG emissions remained the main driver of impact within the fund's Materials allocation, its overall profile was less skewed toward water-related pressures than that of global equities.

NATURAL CAPITAL INTENSITY DRIVERS



SOURCE | GIST Impact Data

ADJUSTED NATURAL CAPITAL INTENSITY (USD / MUSD REVENUE)



SOURCE | GIST Impact Data

Company highlight

LINDE

At a portfolio weight of 0.84%, Linde ranked among the more meaningful holdings in the fund's Materials allocation. With a Natural Capital Intensity of 9.73% across all Materials holdings, it was one of the more natural-capital-intensive companies in the sector and exhibited one of the highest GHG impact intensities and water consumption impact intensities. This is consistent with Linde's business model, as the company operates a global industrial gases platform whose production processes are inherently energy-intensive and often reliant on substantial cooling and process-water use.

Linde is one of the world's largest industrial gases and engineering companies, supplying oxygen, nitrogen, hydrogen and other gases across a broad range of industrial end markets. Its footprint is shaped in particular by air separation and hydrogen production, which help explain the company's elevated GHG and water intensity. Linde has set measurable sustainability targets, including a 35% absolute reduction in Scope 1 and 2 emissions by 2035 and a 20% reduction in water withdrawal intensity at high-water-use sites in water-stressed areas by 2035.

Natural Capital Intensity
Equity sector editor's pick

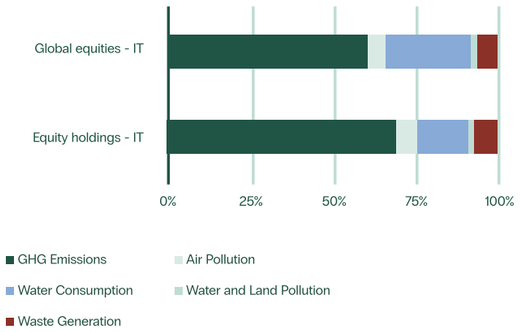
INFORMATION TECHNOLOGY

The NPT Fund's equity holdings within the Information Technology sector generated a **Natural Capital Intensity of $19,049 per mUSD of revenue**, compared to $14,071 per million USD for global equities, after adjusting for differences in position weights. As such, Information Technology companies in the NPT Fund equity holdings exhibited a **Natural Capital Intensity 35% higher** than that of global equities, marking a notable improvement from the 188% increase recorded the previous year.

Within the Information Technology sector, the fund's Natural Capital Intensity was more concentrated in GHG emissions than global equities, with GHG emissions contributing 69% of total impact versus 61% for global equities. Water consumption represented a smaller share at 19%, compared with 27% for global equities, while air pollution was broadly comparable at 6% versus 7%.

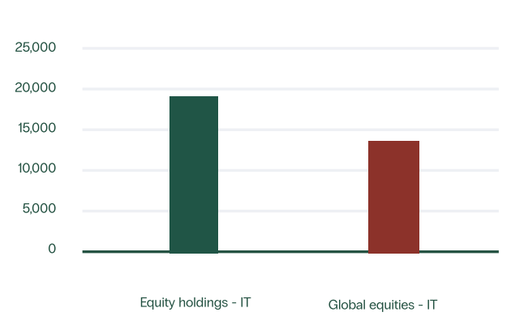
This likely reflects lower exposure to fabrication- and hardware-heavy segments such as Semiconductor Manufacturing, Computer Hardware and Storage, and Communications Equipment, all of which tend to involve more water-intensive production processes than the less asset-intensive parts of the sector. As a result, the fund's IT impact profile was less shaped by water consumption and more concentrated in emissions-related drivers than that of global equities.

NATURAL CAPITAL INTENSITY DRIVERS



SOURCE | GIST Impact Data

ADJUSTED NATURAL CAPITAL INTENSITY (USD / MUSD REVENUE)



SOURCE | GIST Impact Data

Company highlight

FIRST SOLAR

At a portfolio weight of 2.09%, First Solar ranked among the larger holdings in the fund's Information Technology allocation. With a Natural Capital Intensity of 17.51% across all IT holdings, it was one of the most natural-capital-intensive companies in the sector and, notably, exhibited the highest GHG impact intensity within the fund's IT allocation. While this is unfavourable from an operational footprint perspective, it is consistent with First Solar's business model, as the company operates large-scale manufacturing facilities and is therefore more asset- and process-intensive than many other IT companies.

First Solar is a leading U.S. solar technology and manufacturing company focused on cadmium telluride thin-film PV modules, with a manufacturing footprint spanning the United States, India, Malaysia and Vietnam. While this manufacturing footprint contributes to a higher operational impact, the company's role in supplying solar infrastructure and its long-standing focus on end-of-life recycling provide important context for its position within the portfolio. First Solar has also committed to powering 100% of its global manufacturing operations with renewable energy by 2028 and to achieving Net Zero by 2050.

Biodiversity Intensity

OVERVIEW

In line with the NPT Fund's investment theme "Protect and restore biodiversity and ecosystems", we continued to dive deeper into the Biodiversity Intensity of our equity holdings. Much like for Natural Capital Intensity, our partnership with GIST Impact allows us to quantify the Biodiversity Intensity of our equity holdings. We decided to quantify our Biodiversity Intensity by using marginal Potentially Disappeared Fraction of Species (PDF), a metric used to assess species richness. PDF can range from 0 to 1, where 0 signifies that a habitat is completely intact, whereas 1 would signify that the habitat has been completely destroyed. Thus, a lower PDF value is better. For purposes of comparison, the aggregate PDF value of our equity holdings and that of global equities have been normalized to show marginal PDF per mUSD revenue.

The NPT Fund's equity holdings exhibited a lower Biodiversity Intensity than global equities, as reflected by a lower normalized PDF value. In 2025, the fund's Biodiversity Intensity was approximately 77% below that of global equities, driven primarily by substantially lower water consumption intensity and, to a lesser extent, lower total phosphorus intensity.

Water consumption was the clearest differentiating factor across the four sectors that together account for more than 85% of portfolio weight, namely Industrials, Materials, Information Technology and Utilities, where intensity was approximately 34%, 98%, 85% and 55% lower than global equities, respectively. At the portfolio level, total phosphorus intensity was also around 50% lower than global equities, further supporting the fund's relative advantage. Taken together, these lower water and phosphorus related pressures more than offset higher intensity across several other drivers, including land use change, nitrogen related emissions and, in some sectors, waste generation.

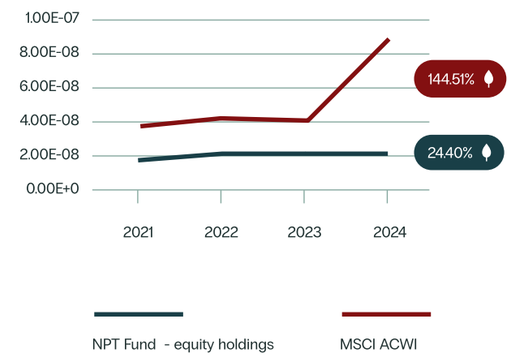
This is particularly significant because freshwater ecosystems have experienced some of the steepest biodiversity declines globally, with monitored freshwater wildlife populations having fallen by 85% since 1970. Water quantity and nutrient pollution are also central to leading corporate nature frameworks, which explicitly link water withdrawals and nutrient loading to biodiversity outcomes in freshwater ecosystems. Against this backdrop, the fund's lower exposure to water related pressures is more than a portfolio statistic: it suggests relatively less pressure on the freshwater systems where biodiversity loss is often most acute.

Over the 2021 to 2024 period, the Biodiversity Intensity of the NPT Fund's equity holdings increased by 24%, compared with a 145% increase for global equities. The rise observed across both portfolios largely reflects improved visibility of Scope 3 emissions, both upstream and downstream. Previously, only operational emissions were captured. As disclosure expanded, environmental impact drivers such as land use change, water consumption, phosphorus discharge and waste generation became more fully represented in the data, contributing to the increase observed over the three-year period. Even so, the NPT Fund maintained a clear relative advantage in the most material biodiversity drivers, particularly water consumption and total phosphorus, resulting in a substantially more moderate increase overall.

OUR STATUS

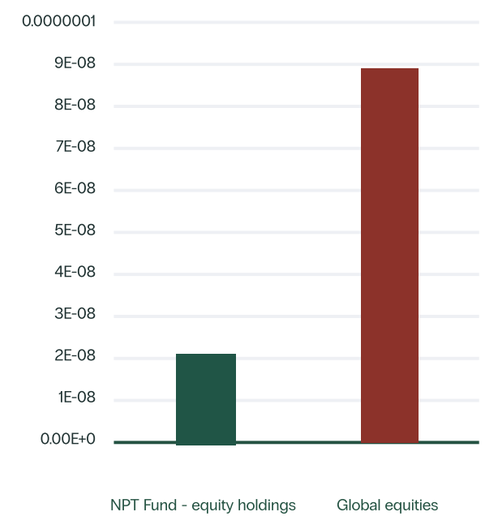
We are less biodiversity intensive than global equities, which is positive. Moreover, **our faster decline towards better levels is positive.**

PDF / MUSD REVENUE



SOURCE | GIST Impact Data

PDF / MUSD REVENUE



SOURCE | GIST Impact Data

Engagement

OVERVIEW

As stewards of capital in nature-intensive sectors, we view engagement not as an afterthought but as a strategic tool for catalysing real-world change. While the transition toward a nature-positive economy remains uneven – particularly in high-impact industries – we believe informed, consistent engagement can shift practices from compliance to transformation.

In 2025, 11 out of 12 of our underlying funds actively engaged with portfolio companies. This matched the previous year's level despite two fund allocations being replaced during the year, which we view as a positive outcome. It suggests that engagement remains well embedded in the overall manager roster and continues to be an important consideration in portfolio construction.

We maintain regular dialogue with our managers to understand both portfolio construction and engagement priorities in practice. While we do not engage directly with investee companies, we draw on the subject matter expertise of our managers and expect full transparency, particularly where holdings exhibit elevated Natural Capital Intensity.

Beyond activity counts, we are particularly focused on quality: how often are engagements direct and ongoing? Are environmental issues addressed in depth? These are the questions that shape our assessment, as we push for engagement that goes beyond checklists and drives tangible impact.

FUNDS' INFLUENCE

■ Engage with their investees ■ Do not engage with their investees

ENGAGEMENT IN NUMBERS

580+

Engagements with companies in 2025

Andritz (ANDR)

CASE STUDY

As a global industrial technology company active in pulp and paper, metals, hydropower and environmental solutions, Andritz operates in several sectors where sustainability performance is increasingly relevant to long term value creation. In light of this, one of our fund managers has maintained an ongoing dialogue with the company to strengthen the connection between operational ESG performance, external disclosure and financially material outcomes.

This engagement has delivered tangible progress across several fronts. In 2025, Andritz introduced non-financial sustainability targets into its remuneration policy, published its first CSRD compliant Non-Financial Statement under the European Sustainability Reporting Standards, and completed a formal Double Materiality Assessment. The company also exceeded its 2025 Scope 1 and 2 emissions intensity target ahead of schedule, submitted science-based targets covering Scopes 1, 2 and 3 for validation, and reported Scope 3 emissions comprehensively for the first time.

In addition, Andritz received an EcoVadis Gold Medal, an external sustainability rating that placed it among the top 5% of assessed companies globally. Looking ahead, the dialogue remains focused on encouraging a formal net zero roadmap to 2050, stronger progress on gender diversity, and further growth in sustainable revenue.

Brambles (BXB)

CASE STUDY

As a global provider of pallet-based logistics solutions, Brambles is closely linked to forestry resources and therefore exposed to biodiversity- and nature-related risks across its value chain. Recognising this, one of our fund managers engaged with the company in the third quarter of 2025 through its natural capital engagement programme. The dialogue focused on strengthening disclosure of nature-related impacts and dependencies, establishing externally validated biodiversity targets, and encouraging clearer alignment with emerging frameworks such as the Science Based Targets Network.

The engagement has already yielded encouraging progress. Brambles launched new 2030 sustainability targets that place nature more clearly at the centre of its strategy, including commitments on certification, no conversion, ecosystem restoration and freshwater stewardship. The company also incorporated nature-related risks and opportunities into its enterprise risk management framework, supported by its TNFD LEAP assessment, and expanded disclosure through more holistic, hectare-based metrics. Going forward, the dialogue will remain focused on external validation of targets and fuller alignment with science-based nature frameworks as methodologies continue to evolve.

Svenska Cellulosa (SCA)

CASE STUDY

As one of Europe's largest private forest owners, Svenska Cellulosa sits at the intersection of forestry, biodiversity protection and sustainable land management. The engagement was initiated by our timber-focused fund manager after the company temporarily paused its Forest Stewardship Council, or FSC certification, a key benchmark in sustainable forestry investing. Given the importance of FSC certification to both investor confidence and SCA's sustainability credentials, the objective was to ensure that the company maintained credible standards for responsible forestry and biodiversity protection during this period.

In the second quarter of 2025, our fund manager held two meetings with SCA to understand its concerns with the FSC framework and to reiterate the importance of certified timber to the investment case. The company was encouraged to demonstrate its forestry and biodiversity performance through alternative certifications or transparent methodologies, while also engaging with peers and stakeholders to help strengthen the FSC system over time. The engagement remains ongoing, and we continue to monitor developments closely.

Glossary

Cape Nature Positive Transition Fund

SICAV-SIF fund of funds whose objective is to deliver long term capital appreciation while contributing to the nature-positive transition. The Subfund seeks to achieve this by investing in other funds (the “Underlying Funds”) that operate investment strategies designed to contribute to one or more environmental themes: climate mitigation and adaptation themes, nature and biodiversity themes, and circular economy themes. The fund aims to provide optimal diversification across sectors, asset classes and investment strategies via Underlying Funds, with a global focus.

Natural Capital Intensity

A company’s depletion of the earth’s limited stock of physical and biological resources and capacity to provide ecosystem services. It can be thought of as a cost incurred to nature by operating. It is calculated from a company’s GHG Emissions, air pollution, water and land pollution, waste generation and water consumption, and is expressed in USD / mUSD Revenue.

Natural Capital

The limited stocks of physical and biological resources found on earth, as well as the limited capacity of ecosystems to provide ecosystem services. Ecosystems services are further defined as the direct and indirect contributions of ecosystems to human wellbeing.

Planetary Boundaries

The thresholds that keep life on Earth within a safe operating zone or safe boundaries. If you pass over, or transgress, the boundaries you increase the risk of losing stability, life support and nature’s ability to absorb shocks and damage. The Planetary Boundaries framework identifies the nine Earth system processes essential for maintaining global stability, resilience and life-support functions

Biodiversity Intensity

A company’s depletion of the biological diversity of life on earth. It is proxied by using Potentially Disappeared Fraction of Species (PDF), where PDF measures the risk associated with species extinction based on marginal environmental pressures arising from companies’ actions. PDF can range from 0 to 1, where 0 signifies that a habitat is completely intact, whereas 1 would signify that the habitat has been completely destroyed. PDF is derived from a set of 8 metrics: Land use change, GHG emissions, Sulphur oxides, Nitrogen oxides, Water consumption, Nitrogen, Phosphorous, and Waste generation. Biodiversity Intensity is expressed in PDF / mUSD Revenue.

Natural Positive Economy

An economic model that is in line with the global societal goal of the Kunming-Montreal Global Biodiversity Framework to halt and reverse nature loss by 2030 on a 2020 baseline, and achieve full recovery by 2050.

Cape Capital

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