

Media release

05 SEPTEMBER 2023

Climate Asset Management completes c.1,800Ha Macadamia project acquisition in Queensland

- ▶ *The third large scale land-transformation project acquired by Climate Asset Management's Natural Capital Fund, the first in Australia*
- ▶ *The project will see the transformation of a high intensity mono-cultured crop of sugar cane land transformed regeneratively and managed into a biodiverse native Macadamia orchard*
- ▶ *~150Ha allocated for the restoration of native habitat, reintroduction of endangered native plants and establishment of wildlife corridor between two national parks*

05 September 2023: London Climate Asset Management, the specialist asset management firm that is exclusively dedicated to natural capital, is pleased to announce completion of the acquisition of c.1,800 hectares of farmland in Queensland, Australia.

The acquisition has been financed by Climate Asset Management's Natural Capital Fund.

This regenerative agriculture project will see the transformation of high-intensity former sugar-cane-farmed land into a sustainably managed, native and high-value, Macadamia orchard, cultivated and harvested using regenerative practices and adopting a holistic land management approach.

There will be significant conservation of water resources, through the implementation of water efficiency strategies and precision agriculture techniques. The project will also see up to 50% reduction in synthetic fertiliser and chemical pesticide. The change in management practices is expected to have a positive knock-on impact on the Great Barrier Reef Marine Park by reducing chemical runoff and sediment.

The project, which is located between two national parks, will allocate around 10% of land area to native habitat restoration. The restoration project will target propagation of a critically endangered flora species as well as a range of other species and improve connectivity between the national parks. The project is planning partnerships with a range of stakeholders and a local herbarium.

The project aims to achieve net zero for Scope 1 and 2 emissions by 2030 and to generate additional carbon removal units through increasing carbon storage in above and below ground biomass. It also aims to advance the understanding of carbon removal by perennial agriculture systems to inform the development of appropriate methodologies in both the international voluntary and Australian compliance markets.

Ben O'Donnell, Chief Investment Officer of Climate Asset Management's Natural Capital Fund

commented: *"We are excited to have made our first Australian acquisition for the fund. This native macadamia project complements the fund's existing Iberian projects in Spain and Portugal producing almonds and olives and demonstrates the viability of our model across geographies. We are experiencing increasing appetite from investors for opportunities in natural capital to help diversify and rebalance investment portfolios targeting net zero. We continue to raise and deploy funds for our Natural Capital strategy through a healthy pipeline of projects in ANZ, North America and Europe."*

Climate Asset Management is working with an experienced local operating partner that is an industry leader in all aspects of cultivating and growing Macadamias.

Scott Allcott, Managing Director of Macadamia Farm Management added: *"We are excited to have the opportunity to partner with Climate Asset Management and be involved in this large-scale conversion of land use from sugarcane to Macadamias.*

Combining the propagation of a native species endemic to the region on such a large scale will create local and community involvement in all aspects."

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ABOUT CLIMATE ASSET MANAGEMENT

Climate Asset Management was formed in 2020 as a joint venture of HSBC Asset Management and Pollination, with the ambition to grow the world's leading asset management company dedicated to natural capital. It aims to provide investment solutions that are good for nature, people, and our planet. Climate Asset Management's investment strategies seek to work across landscapes to build resilience whilst generating returns. Through its Natural Capital Strategy, it aims to deliver attractive, long-term risk return outcomes and create impact at scale by protecting and restoring vital biodiversity. Through its Nature Based Carbon Strategy, it aims to unlock the supply of high impact carbon credits for corporates and investors seeking to achieve net zero.

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