
Climate Asset Management signs agreements for the acquisition of 1,900 Ha of Iberian farmland

- ▶ *The acquisition will be the fourth large-scale regenerative agriculture project acquired by Climate Asset Management's Natural Capital Strategy ("NCS"), its third in Iberia, bolstering and diversifying NCS's growing agricultural portfolio.*
- ▶ *The diversified brownfield project, comprising approximately 1,640 hectares of productive orchards, involves an aggregation of fourteen properties producing almond, walnut and pistachios across the Badajoz and Granada regions of Spain and Portoalegre in Portugal.*
- ▶ *The project aims to transition management practices to a regenerative strategy.*
- ▶ *More than 10% of the land will be managed exclusively for nature and biodiversity improvements.*
- ▶ *NCS partners for the second time with Bolschare Agriculture, an experienced local operating partner and industry leader in tree nut orchards management, who will employ the project's existing operations team.*

29 April 2024, London: Climate Asset Management, a specialist Asset Management firm exclusively dedicated to natural capital, is pleased to announce the signing of an agreement to acquire c. 1,900 hectares of farmland in Spain and Portugal.

The acquisition will be financed by Climate Asset Management's Natural Capital Strategy ("NCS").

This diversified brownfield regenerative agriculture project comprising almond, walnut and pistachio tree nut orchards, will include the transition to regenerative practices adopting a holistic land management approach to orchard management.

The project would represent the third farmland project by NCS in Iberia, bolstering and providing further crop diversification to NCS's existing agricultural portfolio of almonds, olives and macadamias.

The brownfield project, which has a proven production track record, provides the Natural Capital Strategy with a valuable baseline case against which regenerative management practices can be assessed. These regenerative practices, being implemented in partnership with Bolschare, include the introduction of cover cropping, enhancing soil organic matter, increasing resilience, improving water efficiency and reducing synthetic chemical use. In addition, more than 10% of the land will be managed specifically for nature, to improve biodiversity and encourage native flora and fauna.

The brownfield farmland assets will be acquired from Borges Agricultural & Industrial Nuts, one of the largest nut processing companies in Spain. Borges will divest its agricultural business to focus on its industrial and commercial core business, based on the key pillars of innovation, sustainability and internationalisation.

Garrigues Agribusiness team acted as legal adviser to Climate Asset Management.

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

commented: "We are excited about the opportunity to increase crop diversification within the portfolio with the introduction of pistachios and walnuts. We should be able to see the difference made by introducing regenerative practices against the historical performance of the farms. It is clear that there is a growing appetite among institutional investors for opportunities in natural capital to rebalance investment portfolios targeting nature positive and net zero. We are continuing 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 Bolschare Agriculture, an experienced local operating partner that already manages NCS assets and is an industry leader in tree nut orchards management. Bolschare Agriculture will be supported by the project's existing team.

Pedro Foles, Chief Executive Officer of Bolschare Agriculture commented: *"We are excited to have the opportunity to grow our partnership with Climate Asset Management and be involved in this large-scale diversified brownfield project that will have a great positive impact in our portfolio, and will help our two companies grow together towards a net zero carbon future."*

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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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