

London, January 31, 2020

## **DEFRA commits £10m to Mirova's Land Degradation Neutrality Fund, to catalyse more private investment in land restoration and nature, to tackle climate change**

Through the UK's International Climate Finance programme, DEFRA<sup>1</sup> will support the Land Degradation Neutrality (LDN) Fund managed by Natixis Investment Managers affiliate Mirova with an anchor investment of £10m. This commitment of public capital will provide a protective cushion that will significantly reduce the risk profile for investments in the sustainable land-use sector and will leverage in the support of over USD \$50m of investment from the private sector – inspiring confidence within environmentally sustainable activities and playing a catalytic role in the development of the Fund.

The LDN Fund will support a pipeline of innovative and inclusive investments: such as smallholder cocoa and coffee agroforestry in Latin America and restoring degraded lands by planting nut trees with local communities in Asia – boosting the local economies of developing countries, aiming at driving down poverty and enhance carbon sequestration to combat climate change.

DEFRA's investment will contribute to climate change mitigation and adaptation by supporting nature-based solutions such as agroforestry, reforestation, and regenerative agriculture, which deliver multiple social and environmental benefits. Through the LDN Fund, a track record can be built for environmentally conscious financing, which will be crucial to reach long-term environmental sustainability of the land-use sector and alleviate poverty amongst vulnerable rural communities.

The LDN Fund, initiated by the United Nations Convention to Combat Desertification, and Mirova, an impact asset management company affiliated with Natixis Investment Managers, is a first-of-its-kind investment vehicle dedicated to long-term financing of land restoration and sustainable land use projects in developing countries. It includes the European Investment Bank and the French Development Agency as initial investors. With a target size of USD\$300m to be reached in 2020<sup>2</sup>, DEFRA's support is instrumental in reaching a critical size and contributing to the development of the sustainable land use sector, which currently contributes to 23% of all greenhouse gas emissions<sup>3</sup>.

International Environment Minister Lord Goldsmith said: *"The UK is committed to playing a leading role in tackling climate change and global biodiversity loss, which is why we are supporting Mirova's important project with an investment of £10 million. The Government has also committed to doubling our spend on climate change and focusing much of the uplift on nature protection and restoration.*

*"But we cannot meet these challenges alone. That's why it's important that our investment encourages wider private engagement in nature-based solutions to climate change, which will help to secure long-term social and environmental benefits worldwide."*

The LDN Fund has already begun investing. After supporting a programme focused on restoring degraded land and promoting sustainable land management in Latin America, the LDN Fund and its Technical Assistance Facility<sup>4</sup> have validated three new land restoration projects involving more than

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<sup>1</sup> Department for Environment Food & Rural Affairs

<sup>2</sup> The mentioned perspectives reflect the opinion of MIROVA at the date of this document and are subject to change without notice.

<sup>3</sup> Source: 'Climate Change and Land', IPCC, August 2019

<sup>4</sup> For further information, please see: <https://www.idhsustainabletrade.com/landscapes/ldn-taf/>

30,000 small-scale producers in Bhutan, Indonesia and Kenya, aiming at restoring more than 45,000 hectares of land and capturing nearly 2 million tons of CO2.

Philippe Zaouati, CEO of Mirova, comments “We are very proud of the British government’s support. Broad coalitions of actors are needed to win the race against climate change and support systemic change in our economy. With such development of the LDN Fund, we are willing to contribute to the mainstreaming of sustainable land use and more generally nature based solutions.”

## Press contact

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### About Mirova

Mirova is an investment manager dedicated to sustainable investment. Through a conviction-driven investment approach, Mirova’s goal is to combine value creation over the long term with sustainable development. Mirova’s talents have been pioneers in many areas of sustainable finance. Their ambition is to keep innovating to propose the most impactful solutions to their clients.

### Mirova

Portfolio management company – French Public limited liability company

RCS Paris n°394 648 216 - Regulated by AMF under n° GP 02-014

Registered Office: 59, Avenue Pierre Mendès France – 75013 - Paris

Mirova is an affiliate of Natixis Investment Managers.

> Further information:  [www.mirova.com](http://www.mirova.com)

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### About Natixis Investment Managers

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise of 24 specialized investment managers globally, we apply Active Thinking<sup>SM</sup> to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis ranks among the world’s largest asset management firms<sup>1</sup> (€898,2 billion assets under management<sup>2</sup>). Headquartered in Paris and Boston, Natixis Investment Managers is a subsidiary of Natixis and includes all of the investment management and distribution entities affiliated with Natixis Distribution, L.P. and Natixis Investment Managers S.A. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Provided by Natixis Investment Managers International – a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43, avenue Pierre Mendès-France, 75013 Paris.

<sup>1</sup> Cerulli Quantitative Update: Global Markets 2019 ranked Natixis Investment Managers (formerly Natixis Global Asset Management) as the 17th largest asset manager in the world based on assets under management as of December 31, 2018.

<sup>2</sup> Net asset value as at June 30, 2019. Assets under management (“AUM”), as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

### Note

The Land Degradation Neutrality Fund SLP is a Luxembourg Special Limited Partnership not subject to the approval of the Luxembourg Commission for the Supervision of the Financial Sector (CSSF) and reserved for eligible investors only in accordance with the regulations of the fund. The Fund is

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