

## **Call for early-stage Blue Carbon Project Proposals**

### ***Who we are***

Mirova, the affiliate of Natixis Investment Managers dedicated to responsible investing, is the manager of the L'Oréal Fund for Nature Regeneration (the 'LFNR'). The fund's mission is to restore and conserve biodiversity-rich coastal, marine and forest ecosystems.

As part of the deployment of the LFNR, Mirova and its partner [EP Carbon](#), a US-based carbon project developer, have joined forces to launch a Blue Carbon Facility catalysing a new generation of mangrove carbon projects to mitigate and adapt to manmade climate change whilst delivering positive impacts on both biodiversity and the wellbeing of local communities. This new initiative under the LFNR is a continuation of Mirova's support to ocean conservation projects under the Mirova - managed Althelia Sustainable Ocean Fund, ('SOF') an impact investment fund dedicated to supporting the sustainable ocean economy (ocean conservation and resilience, the circular economy and sustainable seafood) in developing countries and small island states. Indeed, while the SOF focuses on more mature projects, the L'Oréal Fund for Nature Regeneration will support early- stage and innovative projects in the space of ocean conservation.

### ***More Context on Mangroves and the need for Blue Carbon Projects***

In [The National Blue Carbon Policy Assessment Framework](#) published by the [IUCN](#) in 2016, it is estimated that 340,000 to 980,000 hectares of mangroves are destroyed each year and that up to 67% of the global coverage of mangroves, at least 35% of the tidal marshes and 29% of seagrass meadows have been lost. This poses an extreme threat to water ecosystems. If these trends continue at current rates, most tidal marshes and seagrasses and nearly all unprotected mangroves could be lost in the next 100 years (Pendleton, L., et al., 2012).

According to the [Blue Carbon initiative](#), experts estimate that mangrove deforestation accounts for up to 10% of emissions from deforestation globally despite mangroves accounting for only 0.7% of tropical forest area. This is because when degraded or destroyed, mangroves emit a higher level of carbon than regular trees as their carbon storage potential is five times greater than tropical upland forests (c. 1,000 tons of CO<sub>2</sub> per hectare according to studies published by Donato et al., 2011; UNEP, 2014).

### ***What we are looking for***

Through the Blue Carbon facility, the LFNR is aiming to finance the feasibility studies of up to 7 projects. EP Carbon will undertake those feasibility studies on promising mangrove conservation and restoration projects and aims, for that matter, to utilize the recently approved VM0007 [methodology of VERRA](#).

In this context, we are looking for project opportunities fulfilling, at minimum, the following criteria:

- Preservation of at least 5,000 hectares of high deforestation threat mangrove ecosystem;
- Generating a minimum potential of 100,000 VCUs per annum;
- Involving local communities with social benefits;
- In a country where the government is progressively engaging into the conservation of its key ecosystems;
- With a project proponent which can demonstrate track-record and local anchorage.

*The L'Oréal fund for Nature Regeneration is a French société par actions simplifiée à capital variable (other AIF), closed to new subscription. Mirova is the management company. The supervisory authority approval is not required for this fund. The investment in this fund is exposed to loss of capital risk, liquidity risk, interest rate risk, emerging countries, currency risk, discretionary management risk.*

If your project fulfills such expectations, we strongly encourage you to [submit a proposal](#) by March 15, 2021.

### **Next steps**

Upon receipt of the proposals, our internal committees will select up to 7 project opportunities.

All projects rejected will receive a rejection notification by June 15, 2021.

For the projects selected Mirova and EP Carbon will reach out to each project proponent to discuss commercial terms for the feasibility funding and potential follow-on investments into the selected projects.

### **Disclaimer:**

***Please note that this call for project ideas does not constitute an offer nor a commitment from Mirova, EP Carbon or the L'Oréal Fund for Nature Regeneration or any of their affiliates to finance directly or indirectly this project. Any such commitment shall be subject to, inter alia, the positive conclusion of a detailed technical financial and legal due diligence on the proposed project, as well as all approvals of the required investment or expert committees. Mirova reserves itself the right to reject and not to proceed with your proposal.***

### **Information**

For further information on Mirova's Natural Capital activities, please refer to: [Natural Capital](#)

For further information on the LFNR and its eligibility criteria, please refer to: [LFNR Information](#)

And for any further questions or request for clarifications, please contact us at: [LFNR@mirova.com](mailto:LFNR@mirova.com)

### **About Mirova:**

Mirova is an investment manager dedicated to responsible 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 best tailored and most impactful solutions to their clients.

### **About the Althelia Sustainable Ocean Fund ("SOF"):**

The Althelia Sustainable Ocean Fund ("SOF") is a Luxembourg SICAV-SIF authorized by the Commission de Surveillance du Secteur Financier ("CSSF"), closed to new subscription. Alter Domus Management Company S.A. is the Alternative Investment Fund Manager (AIFM) of the Fund and is duly authorized by the CSSF as an alternative investment fund manager under Chapter 2 of the AIFM Law and the AIFM Directive. Mirova Natural Capital Limited is an investment advisor to Alter Domus Management Company S.A. The fund is exposed to loss of capital risk, deal flow risk, operational risk, liquidity risk, country risk, market risk, legal and regulatory risk, currency risk, counterparty risk, project risk, valuation risk.

Mirova

Portfolio management company - French Public Limited liability company

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Mirova is an affiliate of Natixis Investment Managers.