Press statement

In a gathering at the National Museum of Natural History in Paris, President Macron and His Majesty the King Charles III heard from company chief executives and leading organisations on how they are supporting action on tackling climate change and nature loss in emerging and developing economies.

Attending as part of His Majesty's State visit to France, the gathering followed the Climate and Nature Finance Mobilisation Forum,. It builds on long-standing collaboration between the UK and France to accelerate action on climate change and protecting the natural environment. Both Governments are committed to deepening this further, and to increasing support for emerging and developing economies, as reconfirmed through the Joint Leaders' Declaration made at the 36th France – United Kingdom Summit, held in Paris in March 2023.

Today's event was convened by France's Minister for Higher Education and Research, Sylvie Retailleau, Minister for the Ecological Transition and Territorial Cohesion, Christophe Béchu, and Minister for the Energy Transition, Agnès Pannier-Runacher, and UK Secretary of State for Energy Security and Net Zero, Claire Coutinho, and Minister for Biosecurity, Marine and Rural Affairs, Lord Benyon. It brought together key figures from the private and public sector to identify how we can go faster to mobilise investment and financing to deploy climate and nature solutions in emerging and developing economies.

The event builds on the Climate Finance Mobilisation Forum held earlier this year in Windsor, at which financial institutions and philanthropists announced a range of new investment platforms and initiatives, demonstrating their commitment to concrete actions to finance climate efforts in Africa, Asia and Latin America.

It also follows on from the commitments on climate and nature made by the UK and France during the UN General Assembly this week in New York, and at the Summit on a New Global Financing Pact in June 2023, at which France and the UK launched a joint initiative to promote funding for nature protection and restoration. A key part of this was the creation of a new International Advisory Panel on Biodiversity Credits co-chaired by Chair of the Royal Botanic Gardens at Kew Dame Amelia Fawcett and Former Deputy Governor of the Banque de France Sylvie Goulard. The panel brings together existing initiatives and a diverse range of perspectives to guide the development of biodiversity credits, which are a new tool for raising private sector investment for protecting and restoring biodiversity.

Participants at the Forum held today discussed practical actions that investors and companies are already taking to tackle climate change and biodiversity loss and what more can be done to increase investment particularly in emerging markets and developing economies. Many of those attending made new announcements and set out how they are implementing their existing commitments.

The companies involved today made the following announcements:

- **Ardian**, a French private investment house, and **aDryada,** a French biodiversity operator, join forces to launch the **Averrhoa Nature-Based**

Solutions Fund, dedicated to large-scale nature-based projects, with a strong positive impact on climate, biodiversity and local communities. It will allow investments for a total of **up to €1.5 billion**.
Designed to accelerate the strategies of investors and companies in the protection and regeneration of nature and the fight against climate change, this Fund aims to build a portfolio of around 15 diversified projects of reforestation, afforestation, restoration of mangroves and wetlands allowing for the removal of c. 150 million tons of carbon. These projects will be based on the three pillars of climate, biodiversity and providing benefits for local communities, complying with the most demanding international standards and generating high-quality carbon credits.
Averrhoa Nature-Based Solutions Fund will deploy capital globally, mostly in emerging markets and developing economies.

- **Amundi** is taking a new step in the deployment of its strategy to contribute to the preservation of biodiversity and the investment into natural capital.
  After engaging 385 companies in 2021 & 2022 to trigger improvements in integrating biodiversity into their strategy, Amundi is proud to **join Nature Action 100**, the largest global investor's coalition dedicated to foster action on natural capital, building on the success of Climate Action 100.
  Amundi has already launched 2 thematic funds linked to the biodiversity thematic: one on the blue economy and another one to support the transition to a circular economy taking into account the biodiversity footprint.
  Amundi is also working on a first fully dedicated biodiversity fund, which is to be launched in the coming months.

- In 2022, **AXA, Unilever, and Tikehau Capital** committed to create a €1bn private equity impact investment fund. This fund is unique by its size, thematic approach towards regenerative agriculture, and partnership gathering AXA's specialised arm in climate adaptation and impact financing (AXA Climate), a large multinational consumer packaged goods company and an experienced fund manager in climate-related investments. They are **now launching a €120 million investment in Biobest**, a pioneer in sustainable crop management solutions, in particular in biocontrols that replace conventional pesticides. Biocontrols help farmers derisk their transition to regenerative agriculture practices during 5 to 10 years to restore the ecosystem on the field. With the investment, Biobest will acquire Biotrop, a Brazilian company active in bioinput, highly complementary to their own offer and impact generation.

- **Cool Earth**, have pioneered unconditional grants to rainforest communities from Peru to Papua New Guinea and are regarded as the most effective approach, and are pleased to announce the roll out of a **unique programme that provides regular cash grants to 2,000 households in the Peruvian Amazon** putting decisions and control in the hands of the people who have most to lose from forest destruction and contributing to keeping 290,000 hectares safe.

- **Kering** launched the Climate Fund for Nature at the COP15 on biodiversity in 2022. In partnership with L'Occitane Group, €140 million have already been committed, and new investors are expected to join this effort with the aim of reaching a total objective of €300 million.
  Nine months after its creation, the Fund is fully operational and Kering is thrilled to **announce the funding of a first project on the ground** to protect primary forests in Peru (for an amount of €2 million) in partnership with a local NGO and indigenous communities. Various other projects are at an advanced study stage, including the restoration of mangroves and land in Latin America, West Africa and South-East Asia.
  Finally, Kering will renew its financial support to the Museum of Natural History's endowment fund to assist them in their work on biodiversity certificates, which are intended to establish a science-based methodology for creating a voluntary market for biodiversity credits, similar to what already exists for carbon.

- **LVMH** is pleased to announce that it will **join the Circular Bioeconomy Alliance** (CBA) as a Founder Member. The CBA was established in 2020 by His Majesty King Charles III (then His Royal Highness The Prince of Wales) to demonstrate, through Living Labs on the ground, a holistic approach to landscape restoration and value chain creation that works for people, for nature and for the planet. LVMH is already working with the CBA through its support of a Living Lab in Chad that produces cotton sustainably, using agroforestry systems and regenerative farming techniques in partnership with local communities.

- **Mirova** is continuing to roll out its Land Degradation Neutrality (LDN) fund with **an investment of €8.5 million in Pamoja**, an impact company specialising in sustainable land use, and a reference for sustainable macadamia nut production in East Africa. Pamoja supports nearly 6,000 small macadamia nut growers in Kenya in their efforts to promote sustainable agricultural land management practices. In Tanzania, Pamoja develops certified farms of macadamia nuts, under agroforestry systems. The investment will contribute to the development of Pamoja's projects in Kenya and Tanzania, with the aim of contributing to sustainable land management over 6,200 hectares of land and reaching 13,000 local smallholder farmers. Mirova is a mission-driven, B Corp certified asset manager 100% dedicated to sustainable investing.

- **Safaricom**, a Kenyan telecom operator and an associate business in **Vodafone Group**, will **invest KES 15-20 billion (~€96 - €128 million) into a major environmental improvement programme**. The company intends to reduce its CO2 emissions by accelerating the roll-out of more energy efficient fibre-to-the-home and fibre-to-the-building broadband to customers; to increase the usage of solar energy to power its network; to reduce plastic usage in its store network; and to increase the recycling of electronic waste, including redundant customer handsets. Safaricom has secured the largest

Sustainability Linked Loan ever undertaken in East Africa. The funding was provided by a consortium of four banks: Standard Chartered Bank; Stanbic Bank; ABSA Bank; and KCB Bank.

- **Tikehau Capital**, the global alternative asset management group, is in the process of partnering with the Natural Capital Investment Alliance (NCIA). This collaboration aims to advance the Terra Carta's mission of prioritising nature, people and the planet at the forefront of global value creation. Furthermore, Tikehau Capital announces **the first investment of its €1bn private equity impact strategy** dedicated to regenerative agriculture and the launch of the second vintage of its decarbonisation strategy, which aims to mobilise between €2 and €3 billion. The first vintage, launched in 2018, successfully raised €1.4 billion and became one of the largest private equity vehicles exclusively committed to empowering companies that are at the forefront of efforts to decarbonise the economy.

This is in addition to recent pledges and initiatives from Forum participants showcasing climate and nature leadership:

- **Actis** has pledged, through its Actis Energy 5 vehicle, $6bn of investable capital to renewable energy investment over the next 3 years, across 9 renewable energy businesses who will collectively deliver over 50 wind, solar and battery storage projects to both utility scale and commercial and industrial customers in Latin America, Asia, the Middle-East & Africa, the US and Central & Eastern Europe. A separate strategy will focus on transition in Asia including energy efficiency and sustainable mobility. Actis will build on its track record of delivering over 180 renewable energy projects across 35 countries over the last 20 years. With sustainability integral to Actis' investment strategy, Actis continues to focus on a just energy transition - transformation for communities, investors and planet.

- This year, both **the International Development Finance Club (IDFC)** – the group of 26 national and regional development banks from all over the world, and **AFD Group** – the French development bank and IDFC chair – announced record high levels of climate and biodiversity finance.
  IDFC members reported a record high of 288 billion USD in total green finance commitments in 2022, a 29% increase from 2021, of which 32 billion USD were allocated to adaptation finance, a 52% increase from 2021. Cumulatively, green finance commitments by IDFC members surpassed 1.5 trillion USD since the Paris Agreement in 2015.
  With €6.9 billion in 2022 of climate finance approved in developing countries and Overseas France, AFD Group reached a new record level too, which makes the Group one of the main international climate finance providers. This

amount includes €2.2 billion dedicated to adaptation and €736 billion of nature-positive finance, an unprecedented level.

- **Bank of America** recently made an investment in responsAbility's Climate-Smart Agriculture and Food Systems Transformation Fund, which provides long-term debt to innovative businesses in the food value chain in emerging markets. The fund could potentially transform 300,000 hectares to climate-smart practices, drive sustainable land use and reduce about 8 million tons of GHG emissions. It builds on other ways that Bank of America is deploying capital into blended finance vehicles focusing on natural capital. Previously, Bank of America also committed to Bamboo Capital's Agri-Business Capital (ABC) Fund and the InsuResilience Debt Fund, both driving private capital to largely underserved segments of small agricultural holders and farmers in developing countries. Each of these funds is addressing issues of land use, biodiversity and greenhouse gas emissions while creating sustainable food supply, jobs and economic benefits as well as climate resilience for local communities.

- **Egis**, a global consultancy, construction engineering, and operations firm, allocates 38% of its R&D budget to climate action and biodiversity conservation. Through nature-based solutions like Soil.is, Egis is assisting countries such as Côte d'Ivoire and Congo to diagnose soil health and implement approaches to boost carbon sequestration around major infrastructure. Its Seaboost initiative has aided the Philippines to mitigate flood risk whilst safeguarding local populations and biodiversity. These innovations underscore Egis's belief that climate and biodiversity solutions must evolve hand-in-hand. By 2030, the company will integrate sustainable design practices in every project, part of a wider strategy that has already seen 45% of its 2022 revenue contribute to sustainable transition. Solidifying its commitment, Egis secured a landmark Sustainability-Linked Loan in 2023 to finance its growth in alignment with its environmental, social and governance objectives.

- **ENGIE** is stepping up its engagement for climate. Firmly committed to achieve its Net Zero Ambition worldwide by 2045, it will reach Net Zero in 4 countries as early as 2030. To reach this target, it will invest €22-25bn between 2023 and 2025. Concretely, it develops energy transition projects in both developed and developing economies, such as the 150MW utility scale battery in the former Australian coalmine site of Hazelwood, a new 3GW windfarm as part of the Ras Ghareb consortium in Egypt and the recent acquisition of BTE Renewables in South Africa including 340MW of installed capacity.

- **Federated Hermes Limited** is pioneering work directing public and private capital into nature while targeting 80% alignment with 1.5C by 2030 across its

public markets portfolio, through active engagement with over 190 companies whose market cap tops USD 10 trillion.
In late 2022, the firm announced the development of a UK Nature Impact Investment fund to invest in nature-based solutions across land, coasts, rivers and sea. With the UK government committing £30 million, and with strong private capital interest, it is now committing to raising £400 million in the medium term.
Federated Hermes Limited also launched its Biodiversity Fund in 2022, devoting capital to companies globally that provide solutions around biodiversity loss or lead their sector on nature. Drawing on its partnership with the Natural History Museum in London, the fund has raised over £50 million since launch and is now aiming to exceed £100 million of assets by the end of 2024.

- **Haleon** is committed to helping break down social and environmental barriers that hold people back from better everyday health. Recognising the worsening impact of climate change on health, the company works with industry peers through the 'Climate and Health Coalition' to mobilise action. Haleon created 'The Clean Breathing Institute' to support pharmacists to give trusted advice to patients on mitigating the impact of air pollution on their respiratory health. The business has 1.5 degree-aligned near-term Scope 1, 2 and 3 carbon reduction targets, which were recently validated by the Science Based Targets initiative. During its 2022 reporting period, Haleon reduced its net Scope 1 and 2 carbon emissions by 41% versus its 2020 baseline, driven by steps including switching to 100% renewable electricity across the sites the business directly controls.

- The **International Ski and Snowboard Federation** (FIS), the governing body of skiing and snowboarding, has established the FIS Rainforest Initiative and committed to investing in communities in Peru by supporting the charity **Cool Earth**. The deforestation project focuses on educating local young people to become tomorrow's successful farmers and protectors of the rainforest. By off-setting its total carbon footprint many times over through the Rainforest Initiative, FIS has become the world's first Climate Positive sports federation.

- **Pollination** is a joint project owner in Delta Blue Carbon (DBC), the largest coastal blue carbon project in the world. Across two phases, the project will restore more than 4000 km2 of degraded mangroves, while further conserving an area of approximately 2000 km2, and will produce an estimated total of 244 million carbon credits. The project is underpinned by strong benefit sharing mechanisms across education, healthcare, economic development and gender equality, with approximately 60% of the revenue from carbon credit sales reinvested back into the local communities.

When combined, these are landscape – scale projects which aim to protect and restore the entire ecosystem and bring increased climate resiliency to the southern Sindh province, an area severely impacted by climate change in the floods of 2022. Quite simply there is no other successful restoration project in its class. The second phase, DBC-2, is currently in the fundraising stage.