



Climate Friendly Media Release

Climate Friendly and Adamantem welcome Mitsui as minority partner

12th May 2022

Leading carbon farming services provider Climate Friendly and Australian investment manager Adamantem Capital (Adamantem) today welcome global diversified trading and investment company Mitsui & Co., Ltd. (Mitsui) as a strategic minority investor. The partnership will help Climate Friendly continue to scale up its efforts to store carbon in the land, which is critical to reducing emissions as identified by the Intergovernmental Panel on Climate Change's (IPCC) March report.

Mitsui's investment is a recognition of the quality and growth potential of the Australian carbon market and Climate Friendly's leading role in it. Australian carbon farming projects are expected to grow significantly in the coming years as the country capitalises on its natural advantage of its vast land area and rigorous abatement methodologies, which continue to strengthen. Experts at WRI and the Nature Conservancy estimate that regenerating landscapes has the potential to absorb up to 8.9 billion metric tonnes of carbon from the atmosphere each year through 2050, which is the equivalent of 23% of global emissions.¹

Climate Friendly supports the widest range of carbon farming projects in Australia, working with farmers, Traditional Custodians and conservation organisations to adopt land management methods that are proven to reduce emissions. Since Adamantem's investment in 2021, Climate Friendly has rapidly scaled up the business and developed the technology and platform to further expand its position as one of the market's leaders.

Climate Friendly is also working across industry and government to shape the future of carbon farming. The business has led work to develop the principles for an integrated farming method expected to be finalised and implemented by government in 2023. This method is expected to make high quality carbon farming projects available to thousands of land managers and enable up to 2.5bn tonnes of CO₂e abatement over the next ten years.

Mitsui has been involved in international carbon markets since 2000, and has a long history in Australia with a diverse investment portfolio including energy, resources, forestry and agriculture.

There is strong values alignment between Mitsui, Adamantem and Climate Friendly, with all three companies supporting innovation, market integrity and a sustainable long-term transition to net zero. In 2021, Mitsui announced its highly-credible net zero plan which will see it halve its GHG impact by 2030, including halving emissions across its affiliated businesses, before achieving net zero by 2050.

¹ <https://www.wri.org/insights/young-forests-capture-carbon-quicker-previously-thought#:~:text=The%20results%2C%20published%20in%20Nature,current%20levels%20of%20food%20production>



Skye Glenday, co-CEO of Climate Friendly, noted that *“With Adamantem’s support, we have invested in new talent and technology to scale up our support to partners in their carbon farming projects. We are looking forward to accelerating our impact, including through our new integrated farming method, and scaling up rapidly in this critical climate decade to deliver on our carbon abatement target of 100 Mt by 2025.*

Josh Harris, co-CEO of Climate Friendly, said *“Mitsui’s minority investment enables us to partner with more land managers and Traditional Custodians. Guided by the ‘profit for purpose’ goals that drive our team and culture, we can achieve our purpose to tackle the climate challenge by making a material contribution to a sustainable net-zero emissions Australia by 2050.”*

Georgina Varley, Director at Adamantem, said *“Mitsui’s investment is a recognition of Climate Friendly’s progress and its leading position in carbon farming development in Australia. As a majority partner, Adamantem is committed to support Climate Friendly as it continues to grow, innovate and help transform the industry. Together with Mitsui, we can support Climate Friendly as it accelerates delivery on its purpose.”*

Adamantem was advised by Grant Samuel, KPMG and Clifford Chance.

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About Climate Friendly

Climate Friendly is Australia’s foremost provider of project services to a range of carbon farming project-owners, including farmers, foresters, traditional custodians and carbon purchasers and investors. Climate Friendly partners with our carbon farming clients from project feasibility and property management planning, all the way through project implementation and carbon credit management. The business has supported registration of over 130 carbon farming projects, covering more than 10 million hectares of land. Climate Friendly has helped achieve more than 20 million tonnes of greenhouse gas reductions by 2020, with the goal of abating up to 100 million tonnes by 2025.

About Adamantem

Adamantem Capital is a leading Australian responsible investment fund manager specialising in Australian and New Zealand opportunities. Established in 2016, Adamantem currently has A\$1.5 billion in funds under management. Climate Friendly is the first investment in Adamantem’s \$800m second Fund (Fund II). Adamantem aims to deliver consistent returns for investors by supporting management teams to take considered risks, create change and grow value. The firm focuses on supporting changes that can transform a business during Adamantem’s ownership, including sustainability-focused initiatives that will continue to accrue well after its ownership has ceased. Adamantem is a signatory to the United Nations Principles of Responsible Investing, a member of the Responsible Investment Association Australasia, and a member of the Climate Active Network.

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