

CEFC and CDPQ announce strategic partnership on agricultural land in Australia

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The Clean Energy Finance Corporation (CEFC), an Australian government-owned green bank, and CDPQ, a global investment group, announced the launch of a strategic partnership focused on agricultural land in Australia, with a first acquisition of a farm dedicated to row crops located in New South Wales. The new platform will invest an initial amount of AUD 200 million (CAD 178 million) over the next three years to acquire assets that will be managed by Gunn Agri Partners, a leading Australian farmland manager, of which CDPQ and the CEFC will become minority shareholders.

Gunn Agri Partners was established by a team of agricultural and investment industry professionals combining decades of hands-on experience in institutional farm ownership and management. The firm adopts an industry-leading sustainability approach to agricultural asset management that allows it to establish a scalable and specialised operational team in the local communities where the assets are located. Through this partnership, Gunn Agri Partners will be well-positioned to build on its position in the Australian market.

The first asset acquired covers 1,200 hectares of arable crops and areas suitable for grazing and conservation. Weather conditions in the area allow for a range of summer and winter cropping options including cereals, oilseeds, pulses and dryland cotton.

"This CDPQ investment is a welcome addition to the Australian market, to demonstrate the potential for institutional capital to drive the decarbonisation of agriculture. We believe there is enormous untapped potential for new investment in a sustainable future for agriculture as part of a net zero economy," said Heechung Sung, Head of Natural Capital at the CEFC. "By facilitating the flow of much-needed capital into the sector, our work with CDPQ supports the decarbonisation efforts of farmers while boosting productivity and enabling them to remain competitive globally. The platform will showcase market-leading sustainable land practices to farmers across multiple production and climate regions, offering a

pathway to reduce their carbon footprint.â?•

â??Through this partnership as part of our Sustainable Land Management strategy, we are reaffirming our commitment to investing alongside organizations that are truly moving the needle on sustainability in the agricultural sector by contributing to its decarbonisation,â?• said Emmanuel Jaclot, Executive Vice-President and Head of Infrastructure at CDPQ. â??The CEFC and CDPQâ??s experienceâ??combined with Gunn Agri Partnersâ?? recognized expertise as a land operatorâ??will enable us to aggregate and manage farmland in the attractive Australian market, in line with regenerative agriculture practices.â?•

â??The DNA of our business is to be completely investor-aligned, to capture timely opportunities and to develop and operate assets with sustainability as a fundamental part of our management. I am very proud that is exactly what we have delivered. Gunn Agri Partners was established in 2013 and has over 2.5 million acres of grazing pastures and forests in Northern Australia and is on track to deliver target returns,â?• said Bill Gunn, Founding Chairman of Gunn Agri Partners. â??Our second strategy, focused on row crops is fully deployed and has recorded above target returns to date. Our permanent crop strategy is fully deployed and has received follow-on investments.â?•