

M&G's Catalyst invests €150 m with regenerative farming innovators to drive environmental changes in sustainable production in Europe

London, 7 March 2024 – M&G today announces a €150 million commitment to the **Regenerate European Sustainable Agriculture Fund** (the Fund) managed by specialist climate impact investment managers, Regenerate Asset Management (Regenerate). Founded in 2019, Regenerate's vision is to transition agriculture towards sustainable, natural ecosystems which positively impact people and the planet. Regenerate's Fund is the first of its kind in Europe seeking long-term positive climate impact whilst offering clients exposure to an asset class that can provide diversification, returns and protection against inflation.

The €150 million investment has been made by M&G's £5 billion Catalyst strategy, which launched in 2021. The Catalyst team manages a £5 billion purpose-led flexible private markets mandate on behalf of the £126 billion Prudential With-Profits Fund¹, which includes PruFund. It is these customers' savings that are being put to work to meet the rising global demand for capital from innovative, responsible businesses which are currently underserved by providers of institutional finance.

Regenerate's European Sustainable Agriculture Fund will invest €40m into the growth of a diversified Portuguese blueberry enterprise - Regen Blue. The investment will expand the approach of Regen Blue's two current enterprises into regenerative practices, improving soil health and bio-diversity, whilst scaling the business to contribute to the economic growth of its local communities. Future investments by the Fund will focus on the build-out of a network of regenerative farms across Europe to take advantage of the growing demand for other types of sustainable produce.

Europe's total blueberry market is set to grow at 6.9% a year, from \$8.8 bn today to \$12.4 billion by 2029². Today, Europe is a net importer, but is stepping up production volumes to meet growing consumer demand, supported by a favourable climate, agricultural resources and an established market infrastructure.

As a major contributor to global emissions, the agricultural industry and modern farming techniques have degraded soil quality and its capacity to absorb and retain greenhouse gases³. Approximately 33% of the earth's soil is already degraded and more than 90% could become degraded by 2050, equivalent to one football pitch of soil being eroded every five seconds⁴. This in turn has accelerated an increase in the use of chemical fertilisers and pesticides, further depleting soil make up and negatively impacting biodiversity and human health.

By rethinking the entire ecosystem (soil, plants, animals and humans), regenerative farming and grazing practices aims to reverse climate change by rebuilding and restoring soil biodiversity resulting in carbon drawdown (sequestration) and an improved water cycle.

Commenting on the investment, Global Head of Investments, M&G Catalyst, Niranjan Sirdeshpande, says:

“Regenerate’s mission aligns perfectly with our objectives to invest where we can make the biggest difference – and in this case the end goal is sustainably produced food. Our investment will enable Regenerate to add value through regenerative agriculture in a way that looks to generate market rate private equity returns for investors, while also targeting positive science-based environmental impact on the planet. We are proud to play a role in Regenerate’s mission to drive environmental change in Europe.”

Ben Stafford, CEO of Regenerate, adds: “Regenerative agriculture isn't just about carbon - it looks at the whole health of our planet. Our farming investments reduce carbon dioxide but they also improve biodiversity and restore the soil's health so it is better able to absorb the sun's energy. M&G’s Catalyst team has really understood our vision to pioneer a first of a kind fund, which looks at the big climate picture and makes scalable investments which drive investor returns. Our first deal in Portuguese blueberry farming is the perfect illustration of this. We will expand operations and layer new approaches to production which will boost the quality and productivity of the soil, minimise costly external supplies such as fertiliser and ultimately create a circular farming business.

“The size of the opportunity cannot be underestimated. This is our first acquisition, from a significant pipeline of live deals. Our first fund is targeting €250 million but given agriculture is the world’s largest industry, we believe the opportunity is much larger and we’re excited to be one of the first to pioneer this approach in the European market.”

-ENDS-

Notes to Editors

1 Source: M&G as of September 2023

2 Source: Mordor Intelligence™ Industry Reports

3 Source: 70% of global nitrous oxide and 12% of global CO2 emissions, CBI – ministry of foreign affairs, Feb 2023

4 Source: FAO and ITPS, 2015; IPBES, 2018

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About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £332 billion of assets under management (as at 30 June 2023). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

For more information, please visit: <https://global.mandg.com/>

About Regenerate

Regenerate Asset Management Ltd (“Regenerate”) is a specialist private market investment manager authorised by the Financial Conduct Authority focused on impact and climate transition solutions with a growing team of 14 professionals located in Yorkshire and London working across the Regenerate European Sustainable Agriculture Fund (RESA) strategy and its agritech-focussed venture arm - Regenerate Ventures. Regenerate was founded in 2019 by David Bates, Ryan Cameron and Ben Stafford. As a specialist, Regenerate leverages its experience, global network, research and leadership in the sector to develop and launch return driven investment themes generating impact through identifying selective opportunities in the net zero and circular economies. Regenerate’s mission is to catalyse broader impact through demonstrating attractive risk adjusted returns by selecting strong businesses to contribute to long term socio-economic and environmental resilience for the planet. Regenerate is a multi-asset investment firm with strategies across real assets, natural and venture capital. For more information about Regenerate, visit www.regenerateam.com.

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