Farmland investments are less developed, more illiquid, and less transparent compared to traditional asset classes. Investments will be subject to risks generally associated with the ownership of real estate-related assets and foreign investing, including changes in economic conditions, currency values, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties.
WELCOME

The sustainability commitment of a leader in farmland management

Welcome to our 9th annual Farmland Report, which chronicles our progress in achieving a range of sustainability goals across our farmland portfolio, which comprises 2.2 million acres in seven countries.

For the first time, this report was written by Westchester’s Environmental, Social and Governance (ESG) committee, which we formed in 2019 with members from across our organization. The committee has already risen to its expansive responsibility: to lead ESG innovation and implementation across our farmland portfolio.

Agriculture employs 2 billion people worldwide and provides the means to feed a growing global population that will demand as much as 50% more food by 2050, as compared with 2010.\(^1\) Westchester is committed to helping the world meet these challenges through strong leadership, innovation and accountability. We continue to evolve our approach to ESG and to provide tools for setting and achieving goals.

This report also provides country-level maps with granular data including, for the first time, carbon footprint. These maps will make it easier to visualize our 2019 achievements and challenges. Our interactive mapping tool offers some of this data through a bird’s-eye view of the locations and crop types for each of our properties.

Throughout these pages, you will find numerous examples of our sustainability initiatives, including these highlights:

- In the U.S., we played a role in creating a universal standard for agriculture sustainability called Leading Harvest, and our teams are innovating to gain efficiencies while improving sustainability.

- In Europe, we are helping our tenants optimize their business processes and lower their cost of production, while pursuing certifications and striving to enhance soil health.

- In South America, we continue to envision and implement sustainability strategies across diverse farmland holdings and have taken steps to prevent deforestation and reduce the risk of fires such as those experienced in Brazil in 2019.

- In Australia, which endured several extreme weather events during 2019, we helped our tenants innovate to face these challenges and to enhance sustainability moving forward.

We hope you enjoy this look at our extensive farmland sustainability efforts. As a reminder, this report complements another publication that offers a high-level overview of our work: *How we invest in farmland: An introduction to Nuveen’s global agricultural sustainability approach*. Taken together, these documents intend to provide our investors and other stakeholders with clear insight into what we do and how we do it.

\(^1\) *Creating a Sustainable Food Future* (WRI, World Bank, UNDP, and UNEP 2018).

OPINION PIECE: PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.
MESSAGE FROM OUR PRESIDENT & CEO

We are publishing this report in the midst of a very difficult time for society and our economies. The coronavirus pandemic is not only claiming human lives, but it is also putting extraordinary stress on individual countries and the global political order.

Throughout this pandemic, Westchester’s top priority has been to protect our people, our clients and the capabilities that allow us to serve them. Since mid-March, our team has been working from home, social distancing and adopting other safety measures. On farms, orchards and vineyards, managers and tenants are taking similar precautions as they conduct essential agricultural activities throughout this crisis.

This crisis has highlighted the importance to society of basic industries such as agriculture. Farmland returns historically have shown low volatility because food is essential to the survival of a growing population and must be supplied by a limited land resource base. Stable supply-demand dynamics for agricultural produce in the current pandemic indicates that farmland will represent a reliable source of value through this time of economic tumult, as it has been in the past.

We believe that the pandemic will shape the future of agriculture and have identified certain factors that will drive change:

- We have seen heightened awareness of the sustainability of food production and consumers making a closer connection between nutritional quality and health benefits. This was also evident in the earlier SARS and MERS pandemics.

ESG Tour, February 2019, Piauí state, Brazil
• Farmland consolidation will continue as producers expand their operational footprint, but it will be in a more nationalistic environment that’s oriented toward food security, and emphasizes resilience and combating climate change.

• We expect greater reliance on technology as labor challenges experienced in certain agricultural sectors drive automation and robotics. Moreover, we expect researchers, agribusiness and farmers to collaborate and harness technology to shorten supply chains, making them less vulnerable to disruption and better able to return value to farmers and workers.

Our priorities remain the safety of our staff, tenants and crop managers and serving our clients. I am proud of how the Westchester team has risen to the challenge and continues to show commitment during these uncertain times. At Westchester, we hope that you and your families remain safe and healthy.

Martin Davies
President and CEO, Westchester
Portfolio overview

Westchester, Nuveen’s farmland investment specialist, has more than 30 years of experience in acquiring, managing and marketing agricultural real estate assets around the world.

Since our first investment in farmland, we are proud to have built an extensive portfolio on behalf of our clients, diversified by geography and crop type. These charts and maps detail our farmland holdings as of December 31, 2019.

At the end of 2019, Westchester managed nearly 2.26 million gross acres of globally diversified farmland valued at over $8 billion USD. In 2019, we acquired 152,064 acres in the U.S., Australia and Brazil on behalf of investment structures we manage.

For the first time, we are able to present restricted carbon footprint data for our farmland assets globally. The carbon footprint across the portfolio stood at 432,098 metric tons of CO2e during the reporting year. Our study, which encompasses 16 offices and all agricultural operations, follows the Intergovernmental Panel on Climate Change (IPCC) methodology: Scope 1, direct emissions; Scope 2, indirect emissions; Scope 3, estimated emissions from agricultural operations encompassing farm contractors and tenants.

Westchester remains committed to independent, third-party verification of sustainability advancements. Around the world and across our diverse crops, we and our partner tenants and farm contractors invite respected certification organizations to look at our lands and processes. These proactive efforts are a hallmark of our investment and operational processes, and we aspire to set the industry standard in this regard.

We continue to seek both geographic and crop diversification by investing in regions that have comparative advantages for producing crops such as wine grapes, tree nuts and fruit, as well as commodity crops such as fibers, cereals and oilseeds.
To ascertain farm efficiency, carbon footprint data should be reviewed based on CO2e Kg per metric ton of crop produced.

This number reflects the common practice of planting two crops in a year on some land, which increases inputs and outputs (due to optimal climatic conditions throughout the year). Brazilian holdings have 36+ million metric tons of CO2 stored in above-ground biomass throughout 230+ thousand acres of native and preserved forests.

1. Almonds, apples, avocados, citrus, cherries, eucalyptus, lemons, oranges, pistachios and walnuts
2. Grain, oilseeds, cotton, barley, corn, millet, peanuts, pulses, potatoes, soybeans, vegetables, sorghum, sugar beet and wheat

OPINION PIECE: PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.
ESG monitoring and benchmarking

BROADENING AND STRENGTHENING OUR APPROACH

Westchester has been a leader in defining how institutional investors can help to meet global agricultural goals while being valued partners with local communities. We are committed to managing and reducing the impacts of agricultural production while enhancing agriculture’s capacity to shape solutions to global environmental and social challenges. This commitment has taken the form of measurable goals for addressing ESG factors, time-bound performance targets and continuous improvement.

We have been an industry innovator in measuring sustainability performance. Since 2013, we have applied Key Performance Metrics (KPIs) tied to the UN-backed Principles for Responsible Investment (PRI) Farmland Guidelines. In 2016, we introduced a code of conduct for Brazil which, combined with an audit process, addresses responsible farming practices in that country. In 2019, we created a Logic Model that linked our efforts globally to select UN Sustainable Development Goals (SDGs).

We took another important step last year when we began to evolve our existing ESG-measurement process into a comprehensive monitoring and benchmarking framework that aims to enhance how we track and evaluate sustainability performance across our global portfolio. This updated framework will let us compare and contrast performance, implement goals more effectively and give managers, investors and the public a more holistic view of our sustainability efforts. It will also improve how we collaborate with our tenants and farm contractors to take actions that can improve sustainability performance while mitigating risk.

This new framework, which is being implemented in 2020, will combine the knowledge of both internal and external resources. Our team collaborated with a global business risk and sustainability solutions firm to conduct a gap analysis of our monitoring approach and our goals. This analysis encompassed best practices from the OECD-FAO Guidance for Responsible Agricultural Supply Chains; the IFC EH&S Guidelines for Annual and Perennial Crop Production; the EU Taxonomy for Agriculture; Linking Environment and Farming (LEAF); the General Mills Regenerative Agriculture guidelines; and Leading Harvest (see page 8).

“The improvements to our ESG approach will allow us to harness the data and technology that surround us, which will strengthen the decisions we make from the standpoints of productivity, environment and resource protection. It will also enable us to make more informed choices about how we manage and steward the land. This approach should help to keep our business on stable footing and future-proof it in the face of ever-evolving environmental, economic and social challenges.”

Eoin McDonald,
Senior Portfolio Manager, Westchester Group Investment Management
BENCHMARKING AND MONITORING FRAMEWORK

The framework measures the application and performance of sustainable farming practices in 11 categories, shown in the infographic below. These categories encompass the impacts of agriculture as they align with sustainability issues that are most relevant to stakeholders. The framework uses three components to incorporate information relating to farms and their agricultural practices:

1. **A Code of Practice** – Implemented as a self-assessment tool, this component enables farm contractors and tenants to identify which sustainable farming practices they implement and indicate the progress in this respect.

2. **A Farm Profile** – This component collects quantitative data on inputs and outputs related to the geographical, environmental, infrastructure and socioeconomic aspects of the farm.

3. **Performance Indicators** – This component translates data into meaningful KPIs to measure operators’ and portfolio progress from year to year. These KPIs will be linked to the UN SDGs.

### 11 CATEGORIES

- 1 Farm management
- 2 Soil
- 3 Water
- 4 Agricultural chemicals
- 5 Energy use, air quality and climate change
- 6 Waste
- 7 Biodiversity
- 8 Special sites
- 9 Local community and stakeholder engagement
- 10 Labor
- 11 Technological advancement

### CODE OF PRACTICE

**What practices are being adopted by operators?**
Annual self-assessment questionnaire for tenants and farm contractors
Measures plans + actions

### FARM PROFILE

**How well are operators applying those practices?**
Annual survey to be completed collaboratively by Westchester tenants and farm contractors
Measure performance

### KPIs

**How are input and output efficiencies varying over time?**
Data analytics and intelligence that convert performance data into information for management and reporting

### ENABLES WESTCHESTER TO:

#### MEASURE

- Measure application & performance of sustainable agricultural practices & identify trends across portfolio & regions

#### MANAGE

- Continuous improvement using risk & performance

#### COMMUNICATE

- Align with stakeholder expectations

*OPINION PIECE: PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.*
TURNING DATA INTO MEANINGFUL ACTION

The information collected by the framework allows us to:

- **Effectively measure** the performance of individual farms, evaluate the maturity and application of sustainable agricultural practices and identify trends across regions and our portfolio.

- **Strategically manage** the data set, align it with risk and performance metrics and harness it to help farm managers drive continuous improvement.

- **Transparently communicate** about issues most relevant to our stakeholders.

As we continue to implement this new framework, we look forward to unlocking its full value as a tool for continuous improvement in meeting our ESG goals.

Clearer focus on regional performance

The framework allows for the adoptions of specific targets and metrics for each business unit and operating strategy. These metrics will be tailored to each region to reflect its specific geography, weather, crops, management approach and exposures. Business units will then monitor and record their own performance.

MULTI-STAKEHOLDER PARTNERSHIP

Leading Harvest: Empowering the industry to address urgent global issues

Westchester is proud to be a founding member of Leading Harvest, which was created over the past few years in collaboration with a group of forward-looking investors, managers, land owners, conservationists and farmers. Launched in April 2020, Leading Harvest is a newly formed nonprofit organization at the vanguard of advancing sustainable agriculture. It offers a comprehensive and credible response to increasing demands across the value chain for sustainability assurance.

Leading Harvest supports users of its program through a universal standard that is applicable across all crops and addresses stakeholder interests. The Leading Harvest Standard can be applied to farmland owned or managed by a Standard user in the United States. It may be adapted for use outside of the United States in the future.

Leading Harvest identifies sustainable farming practices based on 13 Principles, 13 Objectives, 33 Performance Measures and 71 Indicators. It considers economic, environmental, social and governance issues and includes measures related to:

- **Efficient water use**
- **Agricultural chemicals**
- **Energy to grow crops for useful agricultural products**
- **Minimizing waste**
- **Conserving soils, water resources and biodiversity**
The program also accounts for the well-being of farmland tenants, employees, contract management company employees, contract farm labor and local communities. Meeting the Leading Harvest Standard requires awareness and appropriate application of regional agricultural best management practices to advance sustainable agriculture.

**Looking ahead:** With the advancement of the new farmland management standard, Westchester will take the next step and enroll U.S. acres in Leading Harvest. Results of this application and adaptation process will be shared in our next report.
Portfolio in focus
United States

REGIONAL OVERVIEW

Our teams in the U.S. advanced a range of initiatives in 2019 that are conserving water, improving soil health, and boosting efficiency and yields.

In California, our vineyards experienced a solid year and were fortunate that the late-October wildfires on the North Coast caused no significant damage. Although lower than 2018’s record-breaking yields, wine grape production levels in California’s coastal regions were at or slightly above the five-year average. Grape quality in our vineyards was high and we expect a favorable reception for wines created from the 2019 vintage.

Also in California, harvests for our nut crops have largely exceeded expectations:

- **Almonds**: Portfolio-wide almond yields exceeded budget yield estimates by nearly 8%.

- **Pistachios**: In what was expected to be an “off” year in an alternate bearing crop, producing pistachios exceeded budgeted yield estimates by 47%.

- **Walnuts**: Consistent with industry results, our California walnut yields were lower in 2019, but price improvements may limit revenue impacts.

Elsewhere in the U.S., our row crop portfolio experienced significant weather challenges in 2019, with temperatures and precipitation above historical trendlines across all locations. Final yield results were flat to slightly positive compared to expectations for most row crops in 2019. Despite regional difficulties, most tenants completed their fall field work, which aided in our 2020 lease negotiations.

ESG FRAMEWORK IN ACTION

WATER

Innovating in response to new California regulations
*Loma del Rio farm, Oasis farm and Hanni farm, all in California*

During 2019, our teams in California continued to shape effective responses to the state's implementation of its Sustainable Groundwater Management Act (SGMA).

For example, we proactively initiated water conservation strategies, such as upgrading the water conveyance systems in the Loma Del Rio vineyard (2,770 acres) and the Oasis vineyard (1,790 acres). This project involved installing canal and reservoir lining, modernizing pumping equipment and incorporating drought-tolerant planting material. Our team collected high-resolution thermal images from vineyards across California, deployed evapotranspiration sensors to precisely define vineyard water requirements and then tailored irrigation accordingly.

“As the Lower-Tule and Pixley Irrigation Districts have pursued recharge projects to address overdraft associated with SGMA, we have appreciated the collaboration and efforts of Westchester and other individual landowners who have constructed their own recharge ponds in an effort to meet long-term sustainability.”

*Eric Limas, General Manager, Lower-Tule River and Pixley Irrigation Districts*
OREGON | 331 acres | <1%

ARKANSAS | 56,812 acres | 17%

GEORGIA | 1,416 acres | <1%

ILLINOIS | 27,443 acres | 8%

INDIANA | 4,167 acres | 1%

OHIO | 6,845 acres | 2%

IDAHO | 51,024 acres | 15%

MISSISSIPPI | 99,495 acres | 30%

LOUISIANA | 8,723 acres | 3%

ARKANSAS | 56,812 acres | 17%

CERTIFICATION STANDARD MARKS:

- OFFICES: 60% 40%
- HORTICULTURE: 83% CERTIFIED SUSTAINABLE
- ROW CROPS: 0% CERTIFIED SUSTAINABLE
- WINE GRAPES: 100% CERTIFIED SUSTAINABLE

OPINION PIECE: PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.
Meanwhile, at Hanni Farm, we also made strides in water conservation by creating a large groundwater recharge basin. This basin receives deliveries of excess surface water, which then percolates through the soil and recharges the underlying aquifer. In 2019, we finished building the 59-acre basin adjoining a 956-acre pistachio development. The project is expected to recharge about 678,000 cubic meters of water, on average, each year – enough to sustain the underlying aquifer while also meeting the crop’s irrigation needs. In addition to reducing long-term water supply risk, the investment is predicted to achieve a 20-year internal rate of return of over 14%.

SOIL

Crimping cover crops for greater efficiency in Monterey County
Loma del Rio farm, California

Cover crops are often planted between vine-rows to stabilize the soil and then managed through tilling and mowing. But, this approach misses opportunities to enhance soil fertility and water retention and requires extra labor to complete multiple tilling and mowing passes through the vineyard.

Crimping, a technique popularized in cereal and oil crops, may hold potential for addressing these issues in vineyards. With crimping, a specialized roller tool flattens erect cover-crop stalks and pushes them into the soil, thus catalyzing decomposition.

Recognizing the potential for crimping in vineyards, Loma del Rio initiated a 200-acre trial in 2018. Since then, data shows great promise for this technique, particularly for quickly establishing varieties such as Merced Rye. Projections show that crimping for several successive seasons may decrease labor inputs by nearly 50% as compared with traditional tilling and mowing. As we perfect this crimping technique, we anticipate adapting it to benefit other geographies and vineyards.

AGRICULTURAL CHEMICALS

Inventing a better way to fight a harmful grapevine virus
Monterey County and Santa Barbara County, California

Grapevine leafroll-associated viruses are responsible for yield limitations and quality reductions in wine grape vineyards throughout the world. One way to combat leafroll virus is through aggressive removal of symptomatic plants. This process is highly effective when symptoms are visible, as they are in red grape varietals. Unfortunately, these symptoms are not visible in white varietals, allowing infections to persist and perpetuating virus transmission.

Our team has developed an innovative solution to eliminate this transmission cycle. Ultimately, this solution may serve as the basis for managing the spread of leafroll viruses industry wide. The process of grafting may hold the key to detecting the presence of leafroll virus in white varietals. We will use grafting to design “signal vines.” A chardonnay scion will be grafted onto a small section of pinot noir, which will be grafted onto rootstock. Shoots and leaves growing from the small section of the red pinot noir “inter-stock” will exhibit visible symptoms if the vine becomes infected with leafroll virus.

Several experiments with this technique are planned for vineyards in Monterey County and Santa Barbara County in the coming year. We anticipate that this experiment will deliver higher yields, grape quality improvements, pesticide reductions and improved farming efficiency.
ENERGY USE, AIR QUALITY AND CLIMATE CHANGE

Harnessing solar to help the environment and cut energy costs in California

Bolthouse Ranch, Rio Bravo; A&P Ranch, Lost Hills; Paul Kern Ranch, Wasco; Portwood Kern Ranch, Wasco; Sandrini Main Ranch, Delano.

Crop irrigation in California requires significant amounts of electricity, with resulting power company charges. Since 2010 the electric rates that agricultural customers have been charged by local utility companies have risen more than 40% and are expected to rise up to 10% in 2020 due to the costs of regional wildfires in 2018.

Westchester’s Horticulture team is responding by investing in five photovoltaic solar installations, which will deliver about 4,099 kW of Direct Current (DC) power. These installations will require less than 0.35% of total orchard area, but will meet up to 80% of agricultural electricity demand.

These projects, which amount to $6.2 million, are expected to result in $12.8 million in savings over their useful life — a highly attractive return on investment. Just as important, the project will deliver significant environmental benefits, potentially saving 167,339 tons of CO2 emissions over the next 30 years.

LOCAL COMMUNITY AND STAKEHOLDER ENGAGEMENT

Engaging workers with disabilities

West Coast

Our Fruits of Employment initiative on the West Coast continues to give individuals with disabilities access to competitive employment. Both our Viticulture and Horticulture crop managers continue to rely on these employees for important roles.

This program serves an important dual purpose: helping individuals with disabilities to grow in the workplace and cultivating dedicated workers within a challenging labor market. During the peak harvest in 2019 we had 34 employees in the program across four different properties.

We are planning to expand the program, and will keep a team of consultants engaged to help operators launch their own workforce inclusion efforts by providing assistance in building an ongoing pipeline of qualified candidates and support for enhancing or expanding operators’ current human resources practices.
LABOR
Enhancing job quality while optimizing efficiency
California

Constraints on migrant labor continued to impact the agricultural workforce across our Viticulture and Horticulture portfolios. However, crop managers were able to expand their use of the federal H2A Program, which lets workers immigrate temporarily to the U.S. to meet seasonal labor demands. Trends indicate that workers immigrating via H2A return to the same employer season after season. This compounding experience contributes to greater labor efficiency and higher work quality.

As available hands become fewer, we are adopting technology and efficient vineyard design to close the gap. For example, in California we are experimenting with new machines to remove and mulch pruning brush. Mechanizing this process will deliver savings between $150 and $250 per acre.

Restoring health to Suscol Creek in the Napa Valley
Suscol Mountain vineyards, California

Himalayan blackberry, an invasive shrub introduced to North America in the late 1800s, is gradually engulfing the riparian corridor along Suscol Creek in Napa County, California. The creek bisects the Suscol Mountain vineyard, which produces highly prized wine grapes.

Himalayan blackberry forms dense thickets that stifle the growth of native tree species such as Arroyo willow and California buckeye. Without this competition, these tree species and similar plants would form a tall, shading canopy above Suscol Creek, serving to moderate water temperatures. This is important because the creek hosts Steelhead trout, a threatened native fish species requiring cool water temperatures. This blackberry species also hosts a bacterial pathogen, Pierce's disease, which is detrimental to the health of vineyards.

Fortunately, help is on the horizon for both the fish and the vineyards. The team will launch an ambitious effort to eradicate Himalayan blackberry late in 2020. They will use mechanical mulchers and goats to eliminate blackberries from the apex of Suscol Creek downstream, and then replant and nurture native species in their place.

Reestablishing ecological balance along Suscol Creek will represent a major environmental achievement that also strengthens the economics of the surrounding vineyards.
“Stewardship is essential to the future of agriculture. Looking beyond the fields to develop farming strategies that bolster neighboring ecosystems and benefit local communities is the surest way to sustain productivity.”

Eric Pooler,
VP Winery Relations, U.S. Viticulture
Portfolio in focus
Australia

REGIONAL OVERVIEW
Australia suffered extreme weather conditions in 2019. Most notable within the agricultural sector were widespread, record-setting drought conditions that impacted most broad acre cropping regions. The bushfire season was one of Australia’s worst ever, but most fires were outside the major cropping zones and did not harm Westchester-managed properties.

Encouragingly, there was widespread rainfall in first quarter 2020 across most of the country’s cropping regions. This has helped increase soil moisture profiles and boosted grower confidence, with the possibility of an average or above-average winter crop.

ESG FRAMEWORK IN ACTION

SOIL
Stabilizing soil on vulnerable land
Brooklyn Downs Farm, Western Australia

At Brooklyn Downs more than 3,500 trees were planted – stretching more than two miles – to create wind breaks to protect a vulnerable section of the farm. The trees reduce wind velocity, which minimizes soil movement and crop damage. The project was funded by the investors who own the property with a contribution from the tenant.

WATER
Mitigating salinity at the Varley Farms
Lake King, Western Australia

At Varley Farms, we established a 45-acre saltbush plantation which, in tandem with drainage, aims to mitigate both salinity and waterlogging. Saltbush draws water and salts from the upper layers of an area’s soil profile, which helps improve soil quality and supports other plant growth.

Stabilizing the Cooranga Creek banks
Warra, Dalby, Queensland

At Warra on Queensland’s Darling Downs, earthworks were completed to stabilize the banks of the Cooranga Creek so they can better withstand the effects of floods. The project, which involved adding soil, gravel and rock reinforcements to the banks, was funded by the farm’s owners with a contribution from the tenant.
Opinion Piece: Please see important disclosures in the endnotes.

1. Australia’s only farm with horticulture crops is under development, and thus not eligible for third-party sustainability certification.
2. Certification is granted to the farm operation and not to the crop itself. Percentages represent tillable land that falls within the certification’s scope.

<table>
<thead>
<tr>
<th>Location</th>
<th>Acres</th>
<th>%</th>
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<tbody>
<tr>
<td>Western Australia</td>
<td>394,623</td>
<td>45%</td>
</tr>
<tr>
<td>Queensland</td>
<td>101,134</td>
<td>11%</td>
</tr>
<tr>
<td>New South Wales</td>
<td>371,434</td>
<td>42%</td>
</tr>
<tr>
<td>Victoria</td>
<td>17,605</td>
<td>2%</td>
</tr>
<tr>
<td>Marlborough</td>
<td>678</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

**Certification Standard Marks**

- BMP CVTRION
- BCI Better Cotton Initiative
- SmartCane
- Sustainable

- Row Crops | 41% CERTIFIED SUSTAINABLE
- Sugarcane | 100% CERTIFIED SUSTAINABLE
- Wine Grapes | 100% CERTIFIED SUSTAINABLE
- Horticulture | NOT APPLICABLE

1. Australia’s only farm with horticulture crops is under development, and thus not eligible for third-party sustainability certification.
2. Certification is granted to the farm operation and not to the crop itself. Percentages represent tillable land that falls within the certification’s scope.
Saving water through holistic farm management
Bengalala, Gunnedah, New South Wales

In Bengalala, as irrigation water becomes an increasingly precious resource in growing high-quality crops, managers are aligning water management and crop production processes to achieve greater efficiencies.

The long-term tenant of this farming asset is taking a holistic approach to conserving water. The initiative features an agreement with the local municipal council to re-use wastewater from the nearby urban area. The council pipes stringently tested re-use water to the property, where the water is incorporated with groundwater allocation to irrigate crops.

The benefit from this valuable water resource is enhanced through use of a flexible production system that incorporates raised three-meter irrigation beds. This system helps the tenant seamlessly transition from summer to winter crop production while maintaining previous crop residues, thus retaining moisture and sequestering carbon.

The council’s wastewater is delivered daily throughout the year, so it is important to match supply with demand to reduce losses from evaporation and transmission. To address this challenge, the property’s management team has adjusted their crop rotation plan to feature an increased area of irrigated winter cereals and chickpeas alongside the traditional summer crop rotation of irrigated cotton. This broader rotation crop plan does more than reduce water loss – it drives greater production efficiencies with fewer machinery passes, which lowers impact on the soil and ultimately reduces the farm’s carbon footprint.

The tenant’s general manager of farming operations continually assesses and fine tunes the production system to balance water efficiency and operational efficiency, and is proud of the soil health improvements, which have been realized without compromising production outcomes.

“Using our resources as efficiently as possible not only reduces the impact we have on the environment but mostly has a positive impact on the bottom line for our business. Inputs such as water and fertilizer come with a cost, and if we can reduce these through more efficient production systems, then everyone is benefiting.”

Sam Conway,
General Manager of Farming Operations,
Bengalala
Widespread rainfall in Australia during the first quarter of 2020 has helped increase soil moisture profiles and boosted grower confidence, with the possibility of an average or above-average winter crop.
PORTFOLIO IN FOCUS

SOUTH AMERICA

REGIONAL OVERVIEW

South America’s geographic and climatic diversity support production of an array of crops, which are exemplified in the rich output of Westchester-managed holdings in Brazil and Chile. In early 2019, both countries experienced unstable weather conditions that ultimately yielded to normalization and good performance for the cropping year.

Brazilian grain production in the 2018-2019 season grew 6.4% over the previous season, totaling 242 million tons, an all-time record. Brazilian sugarcane production in 2018-2019 was 2% lower than the previous season, totaling 684 million tons. The decline stemmed from a 2% reduction in area and 1.4% decrease in productivity due to drought and temperatures that accelerated plant maturation and caused low growth and fragile stems.

Meanwhile in Chile, results for mature walnuts, lemons, navel oranges and avocados all exceeded budgeted yields. New developments of walnuts, apples and avocados all experienced their first commercial harvests in 2019.

Wildfires in the Brazilian forests attracted global media attention in 2019. Much of the focus was on destruction in the Amazon biome, but fires also impacted the Cerrado biome, where Westchester manages farmland.

Naturally occurring fires in the Cerrado drive evolution of the region’s flora and fauna, influencing community composition, soil properties and regional climate. Many plants have more biomass below ground than above, which speeds recovery. Fires also break seed dormancy and stimulate flowering of some species, boosting the biome’s resilience.

However, fires caused by humans often occur during the driest periods of the year, when natural vegetation is converted to crop or pasture, or other management practices are used that employ fire. The frequency and intensity of human-led fire events in the Cerrado can harm the biome. In 2019, the number of fires in the Cerrado exceeded those in 2018, but still were below the numbers in 2017, 2015 and 2012 or in many earlier years, according to the National Institute for Space Research (IPNE).

Westchester is committed to protecting our legal reserves, areas of native vegetation that each farm is required to have in Brazil, which cannot be converted into cropland by fire or any other means. In an effort to mitigate fire risk and protect native vegetation in the biome, Westchester’s tenants maintain firebreaks – areas with reduced fuel load – along property borders with native vegetation areas and surrounding productive areas. The firebreaks ease fire intensity and allow for more effective firefighting. Our tenants constantly train their employees on safety issues and maintain a qualified, well-equipped firefighting team, in line with local regulations. We also engaged a specialized third party to monitor our entire portfolio for fire events, issue fire alerts and measure the impacted area. The information collected supports our tenants and assists with creating task forces in regions with recurring fire events.

Natural regeneration gradually repairs fire damage. The images to the left show this effect in the legal reserve of Catuaí Norte farm. From top to bottom, satellite images show improvement from the early post-fire period to early 2020. When fires reduce biodiversity, Westchester monitors natural regeneration of affected areas and may conduct restoration work as required by the Brazilian Native Vegetation Protection Law.

Satellite image from 2017 of Catuaí Norte farm showing area impacted by fire events

Satellite image from 2020 of same farm showing natural regeneration of fire-impacted area

OPINION PIECE: PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.
**Certification Standard Marks**

1. Certification is granted to the farm operation and not to the crop itself. Percentages represent tillable land that falls within the certification’s scope.
ESG FRAMEWORK IN ACTION

FARM MANAGEMENT
Assessing environmental, social and governance practices
All regions in Brazil

Since 2015, Westchester has conducted ESG assessments in all regions where it operates in Brazil. Westchester continues to strengthen the assessment process to deepen its partnership with tenants and foster their continuous improvement of ESG governance. To strengthen this approach, we have initiated a risk analysis framework that prioritizes tenants for assessment and establishes a pre-audit process to follow up and address previously identified non-compliance.

In 2019, an assessment team visited nine tenants (30% of the total tenants) in the states of Bahia, Maranhão and Mato Grosso, covering a tillable area of 86,500 acres. Twenty three tenants had been assessed in 2018. Westchester partnered with the Institute for Agricultural and Forestry Management and Certification (IMAFLORA), a local NGO, to conduct the assessments. The assessments and follow-up process succeeded in improving compliance among all revisited tenants.

Highlights from this year’s assessment include:

• **55% reduction** in non-compliance events observed among previously audited tenants. Most of these related to management and governance issues and local statutory regulations.

• **Zero instances** of child or bonded labor

• **100% of tenants** adhere to conservation practices

• **80% of tenants** have an active collective bargaining agreement with their employees

• **80% of fields** were observed to have amenities for workers (portable shelters with restrooms)

• **70% of tenant’s employees** were up to date with health and safety training

• **Minimum wage** paid by tenants to workers were on average **20% higher** than minimum wage required by national standards (ranging from 0% to 45% higher).

SOIL

Carroll: Protecting soil fertility and harvesting better yields
Hertz Farm, Bahia, Brazil

Over the last 50 years, Brazil has moved from being a food importer to a major producer and exporter of agricultural products. During that time, improvements in agricultural productivity have helped to boost output while conserving natural resources. For example, between 1975 and 2019, grain production grew more than six-fold – from 38 million to 242 million tons – while the crop area only doubled.

There are many examples of sustainable agriculture innovation among Westchester’s tenants in Brazil. One such tenant, Carroll, uses simplified cultivation techniques to achieve more sustainable production while conserving natural resources. Carroll manages about 25,000 tillable acres (11,000 leased from Westchester) by planting soybeans, cotton, corn and a variety of cover crops.

The company preserves the soil by using a no-tillage system that helps recover and preserve the soil’s physical, chemical and biological properties.
This system involves one-pass planting and opening of narrow seeding slots, which limits soil disturbance. In addition, Carroll cultivates cover crops (typically, millet, brachiaria or crotalaria) during the post-harvest period. This helps to avoid soil compaction by maintaining a living root system during most of the year, while providing the soil with additional organic matter, protecting it from erosion and reducing leaching of nutrients.

Carroll has also adopted the practice of rotating crops with corn and planting brachiaria between rows as a companion crop. This technique covers the soil with a higher biomass layer immediately after harvest, which increases organic matter and nutrient levels, promotes enhanced soil biology, retains humidity and fosters carbon storage.

**AGRICULTURAL CHEMICALS**

**Precision agriculture**

*Hertz Farm, Bahia, Brazil*

As Carroll strives to produce crops more sustainably and economically, it embraces new technologies that allow for more efficient use of fertilizers and pesticides. For example, by attaching sensors to the farm sprayer, the company can identify different types of chlorophyll in weed and cultivated crop species, and selectively applying herbicides where there are undesired plants. This technology has allowed them to reduce herbicide use by 50% to 70% during pre-planting and after soybean and corn harvest.

Carroll also employs this technology to apply fungicides and insecticides during the initial growing stages of corn and cotton. This has allowed them to target the crop line specifically and has produced a 30% reduction in fungicide and insecticide use.

**Biopesticide innovation**

*Matopiba, Goiás and Mato Grosso, Brazil*

SLC Agrícola (SLC) is among the largest grain and fiber producers in the world and Westchester’s largest tenant in the central and northeast regions of Brazil. The company is a leader in advancing the concept of biopesticides, which help to protect both crops and the natural environment.

Biopesticides are derived from natural materials such as animals, plants, bacteria and certain minerals, and are used as plant protection products. These types of pesticides are an important tool for sustainable agriculture because they effectively manage pests and diseases while avoiding negative environmental impact. Their active and inert ingredients are generally recognized as safe.

SLC’s innovation and research processes have helped them develop their own “biofactories” to produce biopesticides locally at their farms. The company has found that biopesticides are more than 80% effective in managing pests and disease, and thus complement chemical use in achieving crop efficiency and productivity.

To further reduce pesticide use, SLC uses its georeferenced monitoring platform to create maps of pest and disease infestation levels across farms. Information is transmitted directly to the crop-spraying machine, which applies chemicals only where infestations can cause economic losses. Also, SLC uses the same precision spraying technology as Carroll to perform post-harvest weed control. In some situations, such as controlling weeds in cultures’ post-harvest phase, there is up to a 95% reduction in the use of the inputs. This aligns with SLC’s commitment to achieve a 25% reduction in greenhouse gas emission by 2030.
BIODIVERSITY

**Protecting Brazil's forests**

*All regions in Brazil*

Brazil is the most biologically diverse country in the world. Two of its six terrestrial biomes – the Atlantic Forest and the Cerrado – are classified as biodiversity hotspots. According to data from the Environmental Ministry, at least 103,870 animal species and 43,020 plant species are currently known to exist in Brazil, comprising 70% of the world’s catalogued species. Biodiversity is a critical resource due to its natural capital and the broad benefits it provides to society. But, it also supports many economic sectors, such as food and agriculture, which rely on resiliency in terms of soil structure and fertility, water supplies and climate regulation.

The interdependency of biodiversity and agriculture is paramount to Westchester. This is why two of our strategic pillars involve the protection of biodiversity through our Zero Deforestation Policy. The policy highlights our commitment to ensuring investments in Brazil discourage the depletion of forested areas and native vegetation and existing protected areas inside our properties are preserved.

The zero deforestation goal can coexist with the expansion of agriculture to meet the population’s future needs. Researchers from IMAFLORA and the University of Wisconsin published a study indicating that in the Cerrado and Amazon biomes, 70 million hectares (173 million acres) already deforested are suitable for planting grains. Another study carried out by The Nature Conservancy (TNC) pointed out that in the Cerrado biome alone, 18.5 million hectares (45.7 million acres), mostly low-productivity cattle pastures, are suitable for soybean production. In order to reach the zero deforestation goal, it is essential that companies across the forestry and agricultural value chain establish policies to preserve natural habitats and convert degraded areas into productive land. Westchester took the important step in 2018 to become the first farmland investor to establish a Zero Deforestation Policy, a benchmark for the sector.”

Luis Fernando,
Environmentalist and Certification Manager at IMAFLORA

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**The Brazilian Native Vegetation Protection Law** sets forth a regulatory framework for land use and environmental conservation on rural properties. Two main types of land are protected: Permanent Protection Areas, which protect environmentally important areas, such as buffer zones around water bodies and rivers; and Legal Reserves, in which rural landowners must set aside part of their land (varying from 20% to 80%) where native vegetation is maintained.

Westchester currently protects **235,000 acres** (nearly 30% of the Brazilian portfolio it manages) across eight states in the Cerrado (74%) and Atlantic Forest biome (26%). With regards to restoration projects, a total of 1,390 acres are in an initial recovery stage (planting of seedlings), 1,705 acres are being monitored to ensure initial recovery from plantings in previous years and 1,630 acres are already in recovery and being maintained with minimal labor intervention. The total number of seedlings planted exceeds **2.4 million**.
Avifauna resurgence: Signs of successful restoration

*Areia Branca farm, São Paulo, Brazil*

A complex of three perennial lakes is part of the Areia Branca farm, which Westchester has managed since 2010. These shallow lakes support abundant emergent vegetation that is adapted to flooded areas. Many years past, the lakes had been drained to expand sugar cane crops, but the former owner halted this practice in a commitment to public agencies. Westchester inherited this commitment 10 years ago, and since then we’ve planted half a million seedlings on 692 acres, reestablished the water dynamics and restored important ecological processes and ecosystem services. This is protecting soil and bodies of water, increasing carbon stocks, establishing ecological corridors and providing shelter for wildlife.

Today, this wetland area is home to a variety of species. In fact, scientists from the Federal University of São Carlos who are studying the location’s bird population found that endangered species have returned and established viable breeding populations.

One such threatened species are small, neotropical finches called Capuchinos, migratory birds that only reproduce in wetlands. Researchers noted Capuchinos returning to the farm began to study the genetics of three different populations. Using DNA and paternity tests, they found that the Capuchinos were a hybrid of two genetic lineages and that these hybrids could produce viable offspring. This was the first time researchers had ever discovered this phenomenon for the two species involved.

The researchers conducted two additional bird ecology studies on the Areia Branca Farm. One study of the nest construction strategy of Chestnut-capped Blackbirds found that a male will build many nests to try to increase his reproduction success by mating with more than one female at a time. This is a rare reproductive strategy – seen in only 10 species globally – and observed for the first time here in Brazil.
Eucatex: Habitat protection, fauna monitoring and apiculture innovations  
*Morrinhos farm, São Paulo, Brazil*

Eucatex is one of Brazil’s largest producers of floors, partitions, doors, MDF and MDF panels, wood fiberboard and paints and varnishes. FSC-certified Eucatex manages more than 69,000 acres of eucalyptus plantations and preserves more than 15,000 acres of Legal Reserve and Permanent Preservation Areas in the state of São Paulo. As part of its commitment, the company has implemented programs to prevent hunting and illegal deforestation, monitor fauna and flora, and protect against forest fires.

Since 2013, the company’s fauna-monitoring program has sought to identify and quantify the biodiversity of areas under preservation to gauge the company’s effectiveness in maintaining healthy, viable species populations. Currently, 312 animal species have been identified, 52 mammals and 260 birds, of which 36 are endemic to the Atlantic Forest and three to the Cerrado biome. There are 38 species classified as threatened or endangered by various Brazilian environmental agencies. These results show the value of monitoring biodiversity and highlight the ecological importance of the Native Vegetation Protection Law and its thoughtful implementation.

LOCAL COMMUNITY AND STAKEHOLDER ENGAGEMENT

Pre-acquisition social assessment  
*MATOPIBA and other agricultural frontiers in Brazil*

The Sustainable Development Goals (SDGs) will not be achieved without private sector engagement. Moreover, knowing the potential risks to the population around the areas where the investments take place, as well as the risks to the permanence of the investment itself is fundamental for best management.

In order to address this challenge, IMAFLORA (Institute for Agricultural and Forest Management and Certification) has developed – in cooperation with Westchester – a methodology to assess the social, environmental and economic aspects of regions in the Cerrado Biome where we have acquired and manage farmland. The analysis identified the existing social groups, their needs and specific opportunities to generate positive impact.

Such cooperation took place under the Impact Plus Program, which means the methodology can serve as an industry benchmark to be replicated by other companies.

> Social knowledge is also an asset. Information on social, environmental and economic issues will allow Westchester to plan focused interactions in the regions, unlocking opportunities and driving inclusive development on a larger scale in the future.”

**Marina Piatto, Manager of Climate and Agriculture Supply Chain Initiative**

Good Growth Partnership  
*MATOPIBA, Brazil*

The Good Growth Partnership brings together diverse initiatives and hundreds of leaders in government, farming, conservation, finance and business to put sustainability at the heart of global commodity supply chains. The Partnership focuses on Brazil and three other countries and is financed...
by the Global Environment Facility (GEF) and supported by the United Nations Development Program (UNDP). The Partnership’s programs are being advanced in Brazil by Conservation International (CI) and a range of strategic partners (including Westchester and a number of its tenants). Programming focuses on sustainable soybean production in 10 municipalities in the MATOPIBA region, located in the country’s Cerrado biome.

Among the Partnership’s aims is to help farmers reconcile how commodities are produced with the need to protect the environment. They are pursuing this aim by supporting technical innovation, good agricultural practices and territorial intelligence, creating sector-wide and lasting change, and convening around a common vision and an agenda for action. The Partnership is facilitating dialogue between governments, academia, farmers, civil society and the private sector to define a vision for sustainable development of the MATOPIBA region.

Nuffield Scholars: Bringing fresh ideas to sustainable agriculture
All regions in Brazil

Nuffield scholarships provide scholars with the opportunity to develop leadership skills and pursue research that can advance farming, food, horticulture or rural industries, and facilitates collaborations with like-minded researchers around the world.

Ollavo Tinoco was selected as the 2019 sponsored Nuffield scholar on behalf of TCGA I and TCGA II funds that Westchester manages. As part of his scholarship, Ollavo is researching the factors that contribute to successful generational farm transition.

During a visit to Italy, Ollavo participated in the “Youth for World Food Day: Feeding the world by investing in the future” panel at the 46th Committee on World Food Security (CFS), at the FAO. The panel explored ideas on how to minimize food waste without sacrificing consumption of fresh foods. Ollavo has also joined a youth council working group for the CFS.
Portfolio in focus

Europe

REGIONAL OVERVIEW

Weather significantly impacted agricultural production in Poland and Romania in 2019, with some regional variability throughout the countries. Both countries registered 2019 as the warmest ever since weather data has been recorded.

We are seeing a trend towards higher overall farm productivity in the two countries due to consolidation and efficiency gains. Preliminary figures show a continuing trend toward larger farms, as farmers with holdings below 120 acres exit the business at a rapid pace. The larger farms can sustain their performance even in adverse weather conditions, because they benefit from more advanced farm and soil management, better technology and sufficient access to capital.

Poland and Romania have approximately 13% and 33% of all farm businesses in the EU28, while countries like Germany or France have bigger farms with 2% and 4%, respectively. We expect further productivity gains as sector consolidation continues and farm profiles move towards those in Western Europe.

ESG FRAMEWORK IN ACTION

FARM MANAGEMENT

Focus on sustainability third-party certification

Poland and Romania

Independent certifications play a significant role in measuring the results of our sustainability initiatives. About 30% of Westchester’s European portfolio holds a third-party certificate from Global G.A.P. or an organic certification.

Two properties in Poland and Romania already hold an organic certificate, and we are making progress in gaining such certification for a third tenant in Europe. Typically, farms themselves drive the effort toward organic certification, and these farms entered the Westchester-managed portfolio after already being certified.

By contrast, Westchester takes a more active role in supporting a farmer’s embrace of Global G.A.P. certification. Many farmers are unaware of this certification, so we educate them about it, introduce them to certification groups and assist with certification-related set-up costs, which can reach 3,000 euros or more. We anticipate that an additional 2,500 acres will be certified in 2021.

We expect that our implementation of Global G.A.P. will drive positive changes in farming practices and procedures. Farmers create a baseline view of their operations, which they can then improve upon as they adapt their practices to meet relevant criteria, such as recycling sprayer washings or reducing tire pressure to prevent soil compaction.

In addition, Global G.A.P.-certified farmers will operate in a sustainable manner and as a result could have a more cost-effective business. Farmers also may use their Global G.A.P. status to develop premium markets for certified crops, or gain access to markets that require certified supply.
**ROW CROPS – POLAND**

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**ROW CROPS – ROMANIA**

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**CERTIFICATION STANDARD MARKS**

- Certification is granted to the farm operation and not to the crop itself. Percentages represent tillable land that falls within the certification’s scope.

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**OFFICES**

- 65%
- 35%

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**CERTIFICATION STANDARD MARKS**

1. Certification is granted to the farm operation and not to the crop itself. Percentages represent tillable land that falls within the certification’s scope.
SOIL

Soil health and carbon sink projects
Poland

Westchester’s team in Europe carefully monitors the impact of production on the farmland it manages, which includes regular checks on soil nutrient levels to avoid nutrient and organic matter depletion. Westchester works with its tenants and contractors to achieve good soil health through crop rotation, farming techniques, and fertilization.

Westchester incorporates a defined list of approved crops into farmland lease contracts and conducts environmental checks and soil testing both at acquisition and regularly thereafter. Substantial areas of our Polish farms had a lime deficit resulting from lack of investment at the end of the communist era, resulting in soil that was too acidic for many crops. During 2019, Westchester arranged for about 5,500 tons of lime to be distributed on a variety of farms, with the target of increasing pH levels to 6.5 – optimal for most common European row crop rotations.

The team is reviewing or conducting a variety of projects to improve carbon sequestration of soil and enhance soil health. One such project, being conducted in partnership with and supported by multilateral institutions, is pursuing these soil sustainability goals by adjusting operational techniques on two farm locations in Poland. The project seeks to broaden the scope of our soil monitoring, going beyond measuring main nutrients and pH levels, to include organic matter, carbon sequestration and additional soil health factors.

Additionally, Westchester Europe allows tree planting on farmland with low agricultural productivity. Where such farmland exists, we are reviewing it to gauge its suitability for long-term afforestation.

ENERGY, AIR QUALITY AND CLIMATE CHANGE

Capturing benefits of photo-voltaic electricity generation
Poland

Photo voltaic (PV) electricity generation is gaining greater attention as companies move to comply with European Union targets for renewable energy. PV developers search for land near existing electrical grid infrastructure. Such land sometimes includes marginal agricultural land. Leasing such land for PV installations provides the opportunity to generate a new revenue stream and helps increase production of renewable energy.

Westchester has acted on this opportunity in Poland over the past 12 months, signing 20 optional PV lease agreements covering about 4,400 acres (2.5% of the managed portfolio in Europe). The partner companies who have taken up these options are moving the agreements through the permitting and concession processes. If we are able to successfully install these facilities on 50% of this acreage, the theoretical power generation capacity would be about 440MW.

Farms that consume large amounts of energy (e.g., those with silo storage infrastructure, grain drying and cleaning equipment) may have PV roof panels installed on farm buildings in the coming year as part of overall farm improvement projects. Such investments reduce both energy costs and the carbon footprint.
BIODIVERSITY
Creating a home for bees and boosting crop success
Poland

In spring 2020, Westchester arranged with a number of tenants to create flower strips at a variety of locations in Poland. This project aims to encourage cooperation between beekeepers and farmers to enhance crop pollination and preserve bee populations. Westchester provided tenants with appropriate wildflower seed mixes for the project and reimbursed them for the seeding work.

Flowers are being planted on areas of the farms that would otherwise not be cultivated, due to lower-quality soil or an awkward field shape. In addition to creating a habitat for bees, which will remain in place once surrounding crops have been harvested, the wildflower mix lends a pleasant aesthetic. Academic research shows that flower strips positively contribute to biodiversity, providing habitat for wildlife and plants in areas predominantly used for crop farming.

LOCAL COMMUNITY AND STAKEHOLDER ENGAGEMENT
Transforming marginal land into community treasures
Poland

Our team is assessing select projects that could exchange on-farm roads with marginal plots of land that ultimately will serve the community as playgrounds or recreation areas.

LABOR
Advancing health and safety
Poland

Westchester continues to enhance its ESG initiatives in Europe by monitoring health and safety issues related to the environment and employees. Many of the farms in Poland have farm bases, buildings and storage facilities which are a legacy of the State Farm Structure that have deteriorated due to inadequate investment by the previous owners.

Westchester has now removed all underground oil tanks across the Westchester-managed portfolio in Europe, which avoids any risk of groundwater or soil contamination. More than 18,000 tons of oil-contaminated soil also has been removed. Additionally, Westchester has arranged for removal and safe disposal of 908 tons of asbestos-containing material from farm buildings.

The Westchester team in Poland is working with local community leaders and authorities to identify options for potential “land swaps” that could enhance local quality of life. In such swaps, non-farm, fallow land would be exchanged with the on-farm roads owned by the local Gminas (communities) to optimize the farmland structure.
Looking ahead

As part of Nuveen, Westchester embraces core values of acting with integrity and delivering excellence. One facet of our commitment to these values is to pursue continuous improvement, which is reflected in the ongoing refinement of our sustainability approach.

ESG Framework

This new decade will be pivotal in dealing with the myriad of ESG challenges we face. We are excited about implementing our new ESG Framework and look forward to introducing new KPIs that will replace the set developed in 2013. Our next report will focus on results of our ESG framework in action.

Leading Harvest

With the advancement of the new farmland management standard, Westchester will take the next step and enroll U.S. acres in Leading Harvest. Results of this application and adaptation process will be shared in our next report.

Carbon and climate change

Category number 5 in our ESG framework expresses our commitment to climate change mitigation. This year’s report represents a first endeavor to display our carbon footprint, including scopes 1, 2 and 3. Moving forward we will seek to convert inputs and outputs data to offer valuable information to our stakeholders as well as material to calibrate our commitments.

Stakeholder engagement

Westchester is working with leading organizations to ensure a viable way to keep up with the world’s growing demand for food. In 2019, we made great strides to engage with organizations concerned with our operations, particularly those scrutinizing our investment in such regions as Brazil. We will seek to partner with NGOs to pursue shared objectives, such as protecting and restoring natural ecosystems, testing and scaling new technologies to improve yields and reduce emissions, or consulting with affected communities.

These initiatives represent just a few ways we are innovating to make our sustainability practices stronger, our measurement techniques more accurate and our management capabilities more effective in this important aspect of what we do.

ESG Advisory Council improvements

Westchester will add external experts to its ESG Advisory Council. The council’s scope is to monitor developments and emerging themes on environmental and social issues. The council’s work also raises awareness of points of policy and anticipates potential future issues.
Conclusion

We are pleased with the progress we have made in our sustainability efforts in the past year. In addition to efforts to upgrade our ESG framework, we are proud to be expanding how we monitor and benchmark our portfolio. As our portfolio grows, and we expand into new geographies, we will continue to uphold high standards for the local partners with whom we work.

We thank Nuveen’s responsible investing and marketing teams, and Mills Global for their assistance with creating this report.

We thank you for reading this report.

ESG Committee
For more information, please visit nuveen.com.

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