



**2024**  
**Agribusiness**  
**strategy:**  
*sustainability report*





# What's inside

## ABOUT US

- 4 A message for our readers
- 5 AGR Partners at a glance
- 6 Three transformative scenarios

## AGR'S APPROACH

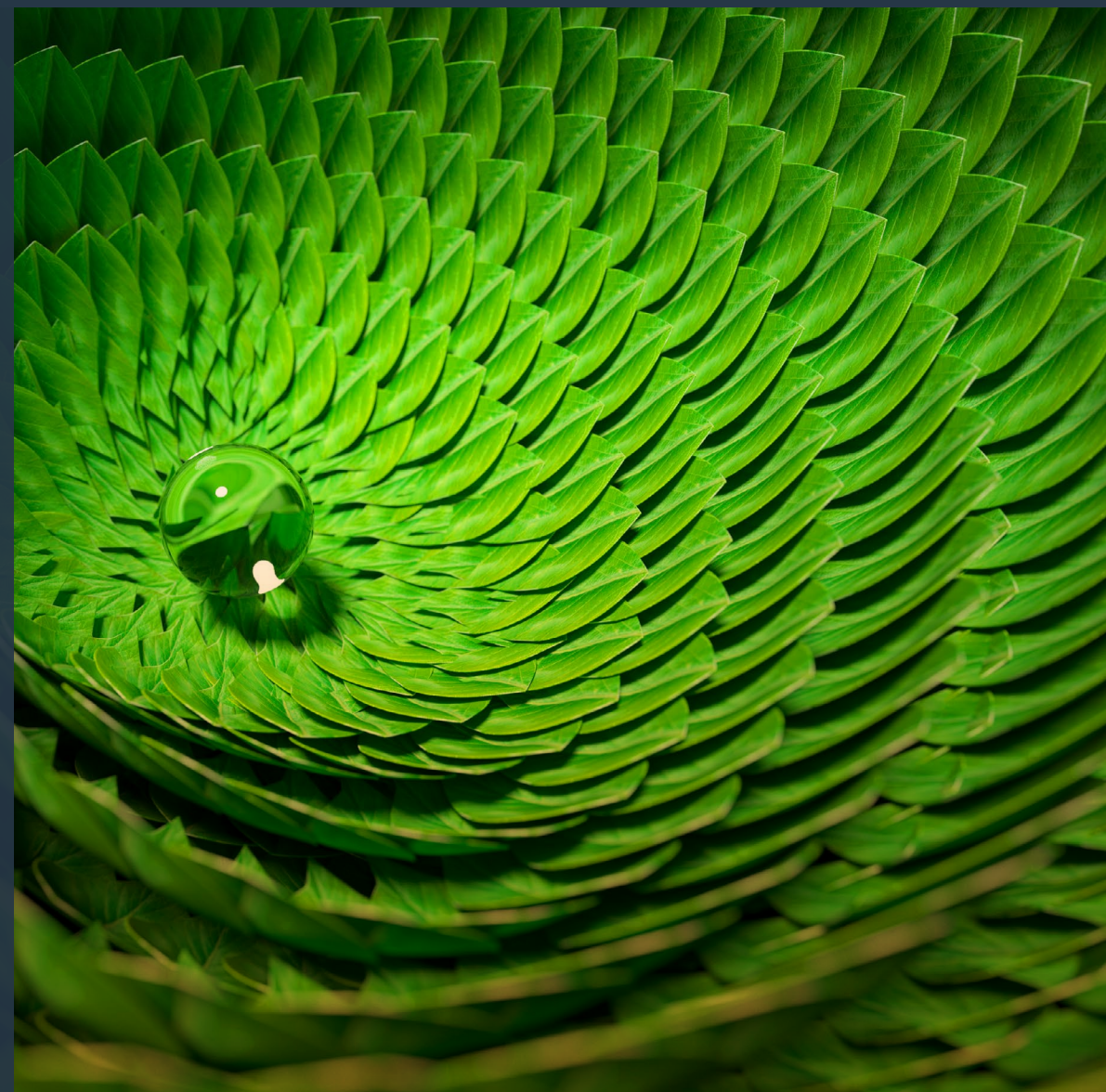
- 8 AGR's approach to ESG integration and sustainability
- 10 Alignment with the UN sustainable development goals

## ESG SPOTLIGHTS

- 12 ENVIRONMENTAL: Devil Mountain Wholesale Nursery
- 15 SOCIAL: Cobalt Cattle Company
- 18 GOVERNANCE: Prime Time Produce

## LOOKING AHEAD

*AGR Partners is a specialist food and agribusiness investor that provides long-term capital to grow industry leaders. Founded in 2012, AGR strives to help its portfolio partners strengthen and sustain the world's food and agriculture value chain.*



# About us

A message for  
our readers ▶

AGR Partners  
at a glance ▶

Three transformative  
scenarios ▶





# A message for our readers

**A**GR Partners seeks to provide investors with attractive risk-adjusted returns by partnering with companies that reflect our vision and values – including commitment to good stewardship of resources and capital.

The AGR team takes **Environmental, Social and Governance (ESG)** factors into account across the breadth of our business activities. We apply ESG screens when assessing different sectors to better understand relevant risks and opportunities. Once we have identified a potential partner, we maintain an ESG lens throughout due diligence and investment decision-making and, ultimately, as we monitor and manage the investment.

Our subsequent advancement of ESG principles within portfolio companies takes two forms. The first is *Influence*, which describes our advocacy for ESG-focused changes through our board participation and collaboration with management teams to advance a range of relevant initiatives. The second form is *Investment*,

which involves providing financial resources to improve both efficiency and sustainability, such as by reducing energy use.

We continuously strive to improve our ESG processes, policies and reporting. As part of this effort, we have upgraded the structure of this year's ESG Report to provide a clearer view of how AGR and its portfolio companies' efforts are aligned. Specifically, you will see how the three pillars of our strategy – the E, S and G – align with key drivers of AGR's investment approach.

**These pillars are brought to life by concise stories about our portfolio companies. For example:**

- *Devil Mountain Wholesale Nursery* aims to optimize the use of packaging material while managing waste.
- *Cobalt Cattle Company* seeks to address worker health and safety risks through training while also striving for superior animal health.
- *Prime Time Produce* created a board of directors and long term incentives.

Please enjoy the report and share your comments and questions with our team. We are committed to productive dialogue and sound communications regarding ESG matters and other aspects of our business.



**Ejnar Knudsen**  
Managing Partner, AGR Partners

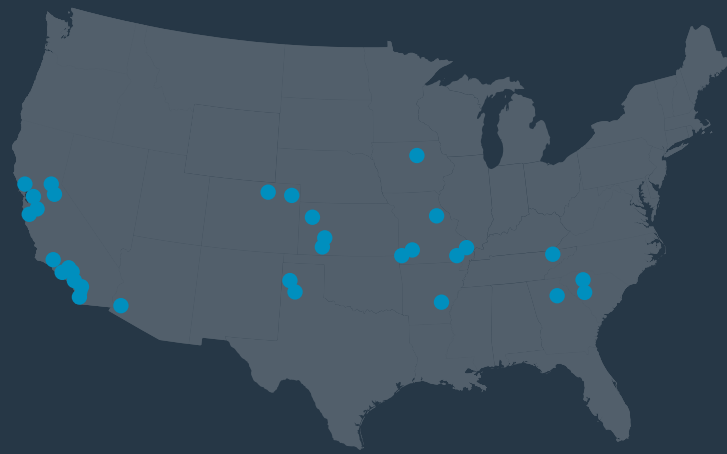




# AGR Partners at a glance

AGR Partners is a specialist food and agribusiness investor that provides long-term capital to grow industry leaders. Since 2012, the AGR team has partnered with 16 companies, and today manages investments of more than \$1 billion.

## UNITED STATES



## AUSTRALIA



## NEW ZEALAND



Map represents current and past portfolio company operations and activities

## PEOPLE

**3,000**

full-time employees in rural communities



## COMMUNITIES

Philanthropy  
Engagement  
Sponsorships



## LOCATIONS (50+)

Business offices  
Processing operations  
Livestock facilities  
Plant nurseries  
Growing operations



# Three transformative scenarios

1



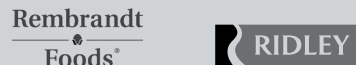
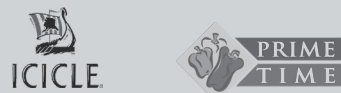
**Funding M&A and growth capex**



2



**Funding shareholder liquidity and management buyouts**



3



**Funding debt reduction and corporate carve-outs**



## Engaging across the Ag value chain

### INPUTS

- Seed
- Fertilizer
- Crop protection
- Equipment

### PROCESSING

- Food ingredients
- Oilseed crushing
- Milling
- Value-added processing
- Pet food / Ingredients

### PRODUCTION

- Animal protein
- Vegetable protein
- Aquaculture
- High value crops

### TRADING, LOGISTICS & INFRASTRUCTURE

- Distribution
- Storage
- Physical commodities





# AGR's approach

AGR's approach to ESG integration and sustainability ►

Alignment with the UN sustainable development goals ►





# AGR's approach to ESG integration and sustainability

AGR seeks to deliver risk-adjusted returns for our investors by partnering with companies whose primary business activities align with our investment strategy, values, and vision. In doing so, we believe it is important to be good stewards of both capital and the Earth's resources. Therefore, we integrate ESG considerations into our investment approach and philosophy to **1) reduce risk** and **2) create value**. Our ESG integration approach is guided by the United Nations-backed Principles for Responsible Investment (PRI) as well as the UN Sustainable Development Goals (SDGs).

ESG considerations are important when addressing challenges and advancing innovation in the food and agricultural sector. AGR believes ESG's role in our investment portfolio is evolutionary – so that we may continually improve how we measure, monitor, report and verify impacts important to our stakeholders. We support portfolio companies in this journey through our *influence* – advocating for ESG as board members – and through *investments* that advance both ESG and business success.





## RESPONSIBLE INVESTING CONTINUUM

Firms can choose from a range of approaches relating to responsible investing, as depicted below. The two ESG integration approaches highlight where AGR's food and agribusiness investment strategy falls on the continuum. Our position aligns with our investment aims of reducing risk and creating value. The three portfolio company examples featured in this report (*pages 13 to 22*) serve to illustrate our approach.



### CONVENTIONAL INVESTING

*"I am aware of potential negative impact and do not try to mitigate it."*

**May cause harm**  
Negative externalities not considered



### ESG INTEGRATION (RISK MITIGATION)

*"I have regulatory requirements to meet, e.g., cutting carbon emissions."*

**Act to avoid harm**  
Negative externalities are minimized



### ESG INTEGRATION (VALUE CREATION)

*"I want to increase resource efficiency to save money."*

**Benefit stakeholders**  
Positive externalities are optimized



### IMPACT INVESTING

*"I want to help tackle climate change through new technology or solutions."*

**Contribute to solutions**  
Positive outcomes are maximized for the underserved

## ESG INTEGRATION

We believe that sound ESG practices contribute to the long-term performance of companies in which we invest. As such, AGR seeks to capitalize on opportunities for continuous improvement that may strengthen the value of our investments and mitigate risks.

We consider ESG risk and opportunity factors when evaluating investment opportunities. Our investment process includes an operational scorecard to evaluate reputational risks to AGR, Nuveen, and our investors; such risks may arise from portfolio companies' operating practices, including environmental, social, and governance practices.

Our portfolio companies continue to innovate to drive business results in ways that are mindful of ESG performance and impact. Examples of such efforts include:

- cultivating plants in ways that conserve water and reduce waste;
- instituting policies and programs that enhance worker health and animal care; and
- updating rewards programs to engage and retain a broader group of key contributors.

We engage with our portfolio companies to discuss material ESG considerations and encourage continuous improvement through active board participation.







This report demonstrates AGR Partners' commitment to being transparent about how we incorporate ESG and sustainability considerations into our investments.




# Alignment with the UN sustainable development goals

The 2030 Agenda for Sustainable Development established 17 Sustainable Development Goals (SDGs). All companies generate social and environmental impacts that affect these goals, and their operations, products, and services can contribute to achieving them.

AGR Partners is well-positioned to contribute toward 11 SDGs that are important to our business and that a variety of our portfolio companies are positioned to impact.

UN sustainable development goal	AGR and portfolio company activities
 <b>2 Zero Hunger</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Through food production and value-added processing of raw agricultural products, our portfolio companies help to meet rising global food demand.
 <b>3 Good Health and Well-being</b> Ensure healthy lives and promote well-being for all at all ages	Our portfolio companies track worker safety to help ensure safe conditions for their employees.
 <b>5 Gender Equality</b> Achieve gender equality and empower all women and girls	AGR and our portfolio companies aspire to create inclusive, safe workplace cultures.
 <b>6 Clean Water and Sanitation</b> Ensure availability and sustainable management of water and sanitation for all	AGR encourages portfolio companies to evaluate and monitor water-related risks and usage and to strive to conserve water.
 <b>7 Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all	We work with portfolio companies to evaluate renewable, clean energy resources and solutions (e.g., solar).
 <b>8 Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	AGR's portfolio companies support local economies by providing people with quality jobs, including benefits and opportunities for merit-based advancement.

UN sustainable development goal	AGR and portfolio company activities
 <b>9 Industry, Innovation and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	AGR collaborates with portfolio company management teams to evaluate capital expenditure projects (e.g., plants, equipment) that increase efficiency and product quality.
 <b>10 Reduced Inequalities</b> Reduce inequality within and among countries	AGR works with portfolio companies to reduce inequalities through the design of compensation and benefits programs.
 <b>12 Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	We and our portfolio companies co-create responsible solutions through, for example: capital expenditures to improve production or energy efficiency; or evaluation of production processes to potentially reduce waste.
 <b>15 Life on Land</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	AGR encourages our portfolio companies to employ sustainable approaches in such activities as producing crops and managing livestock.
 <b>16 Peace, Justice and Strong Institutions</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	We cultivate a culture of accountability within AGR Partners and across our portfolio companies and strive to exhibit inclusive, responsible decision-making.





# ESG spotlights

AGR and our portfolio companies work to integrate **Environmental, Social** and **Governance** considerations into their businesses. The following case studies illustrate the value of applying **E, S and G** principles to achieve critical goals.

## CASE STUDIES



Devil Mountain  
Wholesale Nursery ▶



Cobalt Cattle  
Company ▶



Prime Time  
Produce ▶





# ENVIRONMENTAL

## Devil Mountain Wholesale Nursery

As California's largest wholesale supplier of landscape plants, Devil Mountain continuously refines its processes and equipment to **grow superior-quality plants and trees in sustainable ways**. The company works to **stay ahead of the curve** by striving for resource efficiency while partnering with its customers.

### Devil Mountain – At-a-glance

**3,000+**

Different plant varieties available

**14**

Locations in California

**700+**

Employees

**1,000+**

Acres of growing grounds







# Devil Mountain Wholesale Nursery

## More plants, Less plastic

Wholesale nurseries commonly use very small plastic pots to plant seedlings which, as they grow, are transferred into ever-larger pots. This frequent up-sizing process constrains plants' roots, hindering growth and potentially making them less hardy. Devil Mountain has taken a different approach, investing in conical plastic "air pruning" pots that nest inside protective holders. In these pots, seedlings are free to grow unhindered and when roots protrude through the pots' side vents, they wither on their own which saves workers pruning time. Air pruning lets the company skip interim pot sizes, which **reduces use of plastic and allows plants to mature more quickly, cutting down on the need for added fertilizers and pesticides.**

## Stewarding resources

Devil Mountain uses a combination of air-pruning pots (which reduce plastic waste) and wooden boxes to grow trees that meet diverse client requirements. As maturing trees require larger wooden boxes, the team recycles existing wood box sides to repair damaged or deteriorated boxes. If boards cannot be salvaged, the team uses a machine to grind them into smaller bits that can be used as compost or in soil mixes. This process is both economical and helps to ensure that a minimal amount of waste wood is sent to landfills.

Devil Mountain is also **taking steps to conserve water** across its locations, shortening irrigation schedules and installing automatic irrigation across two-thirds of its plant watering systems. We estimate that these steps resulted in a 25% to 30% reduction in the use of water, which is supplied mainly from underground wells.

“

**We are actively engaging our clients on sustainability topics, both to offer advice and help them anticipate regulatory changes that may impact our businesses. We strive to offer innovative solutions, such as our broad array of Drought Devil® plants and trees, which are varieties that are low or very low water users.”**



**John Serviss**

*Vice President,  
Devil Mountain Wholesale Nursery*







## Devil Mountain *and* AGR Partners

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**Devil Mountain Wholesale Nursery is California’s premier wholesale broker and grower of plants and trees for architects, designers and landscape contractors. Established in 1995 as a wholesale plant broker, the company has expanded, gaining a reputation as an organization that can meet any-and-all design specifications required by its discerning clients.**

The company’s diverse range of plant and tree varieties meets the aesthetic, resiliency and sustainability requirements of over 11,000 landscape contractors, residential & commercial developers, and large corporations and municipalities.

In August 2020, AGR Partners made an investment in Devil Mountain. During due diligence, AGR engaged specialists to review environmental factors at the company’s operational sites. This review revealed solid sustainability practices, including an emphasis on cultivating native plants well-suited to water conservation.







# SOCIAL

## Cobalt Cattle Company

Sustainability and social stewardship are ingrained in Cobalt Cattle Company's culture and operating practices. Among other things, the **company emphasizes the safety of its employees and the health and well-being of their cattle.**

### Cobalt Cattle Company – At-a-glance

**4<sup>th</sup> largest**

Cattle-feeding operation in U.S.

**6**

Locations in Colorado, Kansas and Texas

**250**

Employees

**~450,000**

Head of cattle sold in 2023



## Animal health and well-being

Cobalt focuses keenly on maintaining the health and well-being of the cattle in its charge, espousing a philosophy they sum up as, “Nutrition, not needles. Management, not medicine.” Animal health is front-of-mind from initial selection, to purchase, to care and feeding, to ultimate sale of Cobalt cattle. All of Cobalt’s operations are audited annually and have been deemed acceptable by the Beef Quality Assurance (BQA) Feedyard Assessment, which employs key indicators of animal health and well-being, and feedyard conditions.

Most recently Cobalt has introduced low-frequency RFID (Radio Frequency Identification) technology into its operation, through which each head of cattle is given a unique tag. This investment will support Cobalt’s efforts for continuous improvement of cattle management.







## Cobalt Cattle Company *and AGR Partners*

**Cobalt Cattle Company is the fourth largest cattle feeder in the U.S. The company is committed to practicing ethical and sustainable animal husbandry practices while providing a safe, healthy, and rewarding work environment for its employees.**

The company plays a vital role in America's beef value chain, efficiently feeding cattle to meet demand for high-quality beef products. Cobalt stands apart from other cattle feeding companies through its highly refined risk controls, both financial and operational, and ESG-focused approach to its work.

AGR Partners made its initial investment in Cobalt in September 2019, following a review of opportunities in the beef-production industry, which was seen as helping to meet rising global demand for quality, sustainably produced protein. Since then, we have expanded our investment in the company, and have proudly partnered with their management team to assess their environmental impact and strengthen board governance.





# GOVERNANCE

## Prime Time Produce

**Product excellence, safety and sustainability** have long been key market differentiators for Prime Time Produce. **The company prides itself on providing customers with high-quality, fresh produce year-round**, which requires insightful and goals-driven management across numerous farms, facilities, teams and suppliers.

### Prime Time – At-a-glance

**#1** Producer of premium, colored peppers in U.S.

**9** Locations in California, Arizona and Florida

**~100** Full-time employees (plus seasonal workers)

**~275M** Pounds of produce shipped annually







# Prime Time Produce

## Creating a dynamic board

In a complex and competitive environment, sound governance can facilitate **more collaborative decisions and a sharper strategic focus**. AGR helped Prime Time form a board of directors, which meets quarterly, and establish critical board activities such as reviewing financial and operational performance. Prime Time's board has fostered greater accountability and focus on business growth.

## Aligning incentives, scoping performance

During its due diligence process, AGR's investment team identified an opportunity to **better align long-term incentives** with the company's mission and vision, ultimately helping to **retain key talent and lend stability** and resiliency to Prime Time in the years ahead.

Our team also collaborated with the company to **upgrade its hiring process**. Two key outcomes were to **scope out positions more clearly** and to target candidates who possessed specific competencies required to **perform at a high level** in their roles.







## Prime Time Produce and AGR Partners

**Prime Time is a produce supply chain manager, specializing in bell peppers and asparagus. Prime Time prides itself on its ability to supply its customers year-round, enabled by robust and regionally diverse growing and sourcing capabilities. The company is currently the largest year-round grower, packer and shipper of premium-quality, colored peppers in the United States. The company also is a supplier of a range of seasonal produce items, such as tomatoes, sweet corn, watermelons and green beans.**

Founded in 1991, the company operates farms in California (Coachella, Bakersfield, and Oxnard) and in Mexico. Prime Time combines tech-enhanced farming practices with advanced packing operations to bring produce to market safely and with superior quality.

In 2022, after extensive due diligence, AGR invested in Prime Time, based on the company's leading market position in bell peppers and asparagus, attractive opportunities for growth and attention to sustainable farming and operational practices. AGR's CEO Ejnar Knudsen, who had made the original contact with Prime Time, now serves on the company's Board of Directors.







# Looking ahead





***Nuveen and AGR Partners share timeless values*** such as delivering excellence and acting with integrity. Our commitment to these values manifests in our efforts to continuously improve how we operate our business, collaborate with stakeholders and refine our sustainability approach.

### **Sector-specific insights**

Despite their diversity of niches and operational contexts, agribusiness companies often are pursuing similar paths as they strive to improve their ESG performance. From AGR's perspective, the resulting common themes have the potential to yield significant value – sharpening our ESG strategies and accelerating solutions. In the coming years we will dig more deeply into the ESG innovations arising from our agribusiness counterparts to identify practices that might fit with our portfolio companies' ongoing sustainability efforts.

### **Deepening ESG integration across the lifecycle**

AGR remains committed to helping our portfolio companies deliver strong business results and attractive shareholder returns, while meeting important commitments to people and the planet. This commitment spans the entirety of our relationship with these companies. We also work with Nuveen and select outside experts to help portfolio companies more aptly plan, execute and track progress of various initiatives.

### **Conclusion**

AGR recognizes our role as stewards of your capital in the pursuit of solid risk-adjusted returns for all of our stakeholders. We are proud to collaborate with our portfolio companies, Nuveen and other stakeholders to keep factors across the ESG spectrum at the forefront as we assess, select, invest in and participate in the success of our valued portfolio partners.





**For more information about investing in the agriculture value chain, visit our website at [nuveen.com/agribusiness](https://nuveen.com/agribusiness).**

**Risks and other important considerations:**

**Agribusiness investments are subject to various risks, including operating risks, management performance, fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability.**

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ESG integration incorporates financially relevant ESG factors into investment research in support of portfolio management for actively managed strategies. Financial relevancy of ESG factors varies by asset class and investment strategy. Applicability of ESG factors may differ across investment strategies. ESG factors are among many factors considered in evaluating an investment decision, and unless otherwise stated in the relevant offering memorandum or prospectus, do not alter the investment guidelines, strategy or objectives.

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