

# Global Thoughts

## **Bolstering our presence in Iberia**

*NNC has made four strategic acquisitions in Iberia, strengthening our market position and supporting value enhancement and the long-term growth of our platform.*

*By **Jorge Flor**, Director, Nuveen Natural Capital*

*After over 12 months of planning and negotiations, NNC completed their first two deals in Iberia. Strong relationship management was key for the success of the acquisition process.*

Our investment involved acquiring four properties, focusing solely on the land itself, while the ownership of the biological assets—such as the almond trees and crops—remained with the sellers. All transactions were structured as sale and leaseback agreements, allowing the sellers to continue managing their operations as tenants. Three of these properties, covering 286 hectares, have already been planted with almond trees in a super-high-density system of c.2,000 trees per hectare, compared to the typical c.400 trees per hectare in high-density planting. The tenant, a

leader in almond farming, manages over 6,000 hectares and recently invested in a nearby almond processing plant, ensuring full vertical integration. Additionally, they are part of one of the largest cooperatives in Iberia, further strengthening their market position.

The fourth property, spanning 187 hectares, is operated by a second-generation family business specializing in lettuce and leafy vegetables. They sell to large grocery stores in Europe. This property benefits from favorable water and soil conditions, supporting the growing demand for row crop cultivation in the region.

We have built strong rapport with both tenants and are actively collaborating with them to identify potential add-on acquisitions that will further enhance the value of our portfolio and support their long-term growth.

We are proud of this accomplishment, particularly given the growing competition from Canadian pension funds and American and local investment funds in the region.

Looking ahead, we aim to close additional investments in 2025, with a focus on implementing a custom farming model further expanding our presence in Iberia.

**Casa La Niña** (row crops in production)



**Copa** (super high-density almonds)



## Supporting local initiatives and community engagement

Since its launch, NNC's investor-supported Corporate Social Responsibility ("CSR") program has funded over 40 projects across 5 countries

By Nuveen Natural Capital Sustainability Team

*Nuveen Natural Capital's commitment to people is multifaceted. At a high level, what we do is intended to provide what people need to live and thrive — namely food, timber, and fiber — both today and tomorrow. At the same time, on the ground, we strive to support tenants, crop managers and local communities through our business relationships and a range of other activities. Launched in 2019, the Corporate Social Responsibility (CSR) program has been an important vehicle for our local teams to identify and support projects that can add value to our properties and surrounding communities.*

Our investor-supported CSR program provides funding to local initiatives that align with the pillars of our sustainability strategy: Nature, Climate, People. These can take the form of donations, sponsorships, partnerships or pilot projects. CSR proposals, submitted by local teams, are reviewed by NNC's ESG Committee to ensure they

align with our internal guiding principles before being implemented at a local level.

Since its launch, the CSR program has funded over 40 projects across 5 countries. In 2023 alone, more than \$280,000 was invested in 19 projects, with a range of new initiatives currently underway.

### Examples of these initiatives have included:

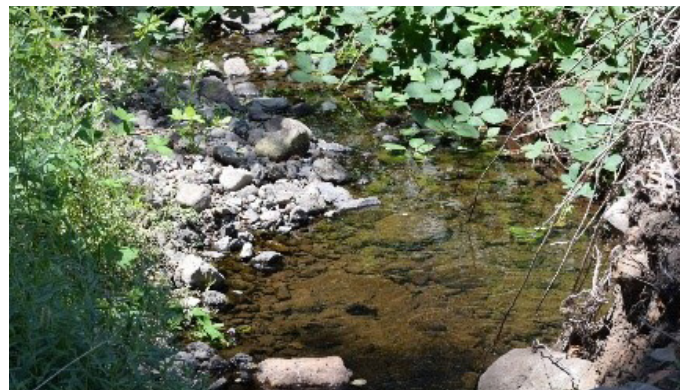
- Scholarships for rural students in Australia and for Nuffield International Farming Scholars across Brazil, the U.S., and Chile, providing young people in the agricultural and related sectors with opportunities to further their education and develop leadership capabilities.
- Restoration of native vegetation, including oak woodlands and monarch habitats in California, saltbush in Australia, and support for a seed collectors' network in Brazil helping to preserve native species.
- Contributions to local communities with donations to schools in Australia, the U.S. and Chile, helping build green spaces and purchase new equipment along with support to local cultural events like an art exhibit in California and folk festival in Poland.
- Participation in the National Black Growers Council, collaboration with the Fruits of Employment initiative and organization of technical workshops for tenants and crop managers with the aim to foster knowledge exchange and enhance agricultural opportunities.

To find out more about these projects, please refer to our [2024 Nuveen Natural Capital Sustainability Report](#).

Expansion of a school's outdoor classroom offers opportunities for hands-on learning



Creek restoration through removal of invasive species helps support populations of threatened fish



## Acquiring wine industry innovator, Monterey Pacific

*The acquisition of one of the largest vineyard management companies in Monterey County, California bolsters NNC's strategic positioning in one of California's premiere wine growing regions*

By **Eric Pooler**, VP of Viticulture, Winery Relations and Bulk Wine Sales, Nuveen Natural Capital

*Nuveen Natural Capital recently acquired a highly respected California-based vineyard management company, Monterey Pacific. This acquisition bolsters Nuveen's control and strategic oversight of farm management activities in Monterey County, one of California's premiere wine grape growing regions where NNC manages many high quality assets.*

Founded in 1992 in Monterey County by renowned viticulturist Steve McIntyre, Monterey Pacific aims to provide best-in-class viticultural services throughout California's coastal growing regions. These services include vineyard development, farming, harvesting, and trucking and logistics.

Long recognized as an innovator within the wine industry, Monterey Pacific continues to develop novel techniques to enhance farming efficiency and vineyard productivity.

Known as a leader within the field of sustainable viticulture as well, the company applies farming practices which minimize environmental impacts. The company has been at the forefront of Nuveen's Fruits of Employment program. Fruits of Employment provides training and access to employment on farms for individuals with disabilities.

Since its inception, Monterey Pacific has grown to be the fifth largest vineyard company in the U.S., covering approximately 20,000 acres of vineyards. Fifty-percent of this total is made-up of Nuveen-managed assets.

In recent years the business has extended its footprint into Lake, Napa and San Luis Obispo Counties, adding roughly 1,500 farmed acres. With a strong reputation and history of success, Monterey Pacific is well positioned for future growth.

Monterey Pacific team



## Leading the charge on soil health with Sitos Group

By: **Matt Parker**, Head of Viticulture, Nuveen Natural Capital

*With the acquisition of Monterey Pacific came the addition of the Sitos Group, a scalable biochar production business also based in Monterey County. Sitos originated as a complementary business for Monterey Pacific with a focus on improving soil health.*

Charcoal-like in appearance, biochar is a stable form of solid carbon which results from the combustion of biomass in a low oxygen environment. This combustion process is called “pyrolysis”. The pyrolysis of biomass limits the emissions of greenhouse gases versus natural decomposition.

When applied to the soil, its stable carbon structure results in permanent sequestration of the carbon. Every ton of biochar produced generates a carbon credit and a unit of energy, both of which carry economic value.

Of equal importance, biochar offers a variety of agronomic benefits. It possesses a vast capacity to attract and exchange ions within the soil. When added to the soil biochar binds plant residues, improving soil structure, boosting fertility and expanding water holding capacity.

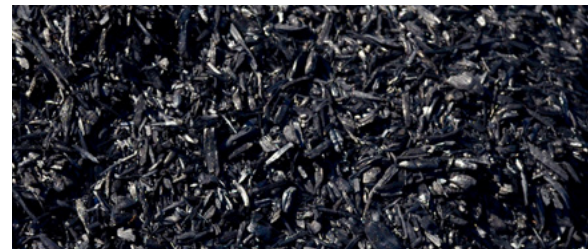
Sitos possesses a unique value proposition; utilizing modular, customizable pyrolyzers which can be deployed in close proximity to biomass sources, i.e. orchards or vineyards. This minimizes the need for the transportation of biochar from production location to deposition location, which creates a significant competitive advantage, as transportation costs can be a significant proportion of the overall cost. These specialized pyrolyzers can also be adjusted to impart distinct chemical properties in specific batches of biochar, tailored for the soils to which they will be applied.

Biochar plays an important role in combating global warming while promoting strong soils and building the resilience of agricultural crops. As the demand for biochar continues to increase, we believe Sitos is poised to lead the charge.

Pyrolyzer



Biochar



Biochar application



## Two Nuffield International Scholarships awarded

**Magdalena Velasco** and **Martin Chavez** have been awarded the prestigious 2024 Nuffield International Farming Scholarship, sponsored by Nuveen. This highly competitive scholarship supports leaders in agriculture, providing them a platform to explore global agricultural practices and generate transformative ideas. Through international research programs such as the Contemporary Scholars Conference and the Global Focus Program, they will engage with agricultural leaders worldwide, with their research culminating in comprehensive theses aimed at contributing to the global agricultural knowledge base. Nuffield International, a non-profit organization with over 1,700 scholars, promotes leadership and collaboration to tackle key agricultural challenges.

### Meet the scholars



**Magdalena Velasco** is an Agricultural Engineer from the Pontificia Universidad Católica de Chile. She has extensive experience in agriculture, encompassing field work, international trade, and unions. Currently, she serves as the Agricultural

Deputy Manager at “Red de Alimentos,” Chile’s first food bank, established in 2010 as a non-profit organization. In this role, she oversees the rescue of 350,000 kg of food products each month — 30% of which consist of fruits and vegetables — by cultivating partnerships with over 100 agricultural companies and agribusinesses. She remains committed to expanding the organization’s efforts to reduce agricultural food waste.

Magdalena’s area of study focuses on reducing food and organic loss and waste, exploring the feasibility and impact of food rescue programs, composting, and other practices as effective tools for managing agricultural waste efficiently. Addressing food loss and waste is a complex issue that tackles hunger, environmental sustainability, economic efficiency, and social equity, and it is a crucial step toward creating a more sustainable and equitable food system for the future.

“With this experience, I aspire to acquire knowledge that can be replicated in my country, bringing tools that help the agriculture sector in their challenge of implementing sustainable practices,” Magdalena shared.



**Martin Chavez** holds a Bachelor’s degree in Economics from the University of California, Merced. He is currently the Director of Farmer Relations at Pacific Farm Management Inc. and is recognized for his leadership in addressing the

labor needs of growers in California’s San Joaquin Valley.

With the support of the Nuffield International Scholarship, Martin will focus on one of the most pressing issues in agriculture: workforce shortages. He plans to examine how other countries have developed effective foreign worker programs and explore innovative solutions to address structural workforce challenges in Californian agriculture.

Martin’s experiences visiting Brazil, Australia, Zimbabwe, the UK, the Netherlands, and Georgia have expanded his understanding of global agricultural practices and labor challenges. He noted contrasts between developing regions and those hindered by excessive regulations, highlighting the untapped potential of California agriculture. Martin eagerly anticipates his upcoming travels during which he will further explore labor schemes involving international agreements.

“These travels have the potential to significantly impact my research, and I am excited to incorporate my findings into policy recommendations for addressing labor shortages in California,” Martin said.





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Nuveen considers ESG integration to be the consideration of financially material environmental, social and governance (ESG) factors within the investment decision making process. Financial materiality and applicability of ESG factors varies by asset class and investment strategy. ESG factors may be 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. Select investment strategies do not integrate such ESG factors in the investment decision making process.

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