




LEA 02		Discretionary Mandate	Reason for Interaction
Individual/ internal staff engagements			<input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input checked="" type="checkbox"/> To engage investor ESG advisors <input type="checkbox"/> Other - specify
Collaborative engagements			<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input type="checkbox"/> To engage investor ESG advisors <input type="checkbox"/> Other - specify
Service provider engagements			<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input type="checkbox"/> To engage investor ESG advisors <input type="checkbox"/> Other - specify

# RI TRANSPARENCY REPORT

## 2020

AGRICULTURE CAPITAL (ACM Management Company, LLC)

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Public							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 03	Formal commitments to RI	✓	Private				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	🔒	n/a		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	🔒	n/a		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

# AGRICULTURE CAPITAL (ACM Management Company, LLC)

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Farmland and agriculture/food infrastructure asset fund manager. AUM of US\$800 million (across two funds: first fund \$250 million, second fund \$550 million). Focused on permanent crops on the US Pacific Coast and Australia.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States



**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

31

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM			800	000	000
Currency	USD				
Assets in USD			800	000	000

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

OO 06.1	Select how you would like to disclose your asset class mix.
---------	---

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	30	0
Infrastructure	0	0
Commodities	0	0

Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	70	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes  
 No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.  
 No, we do not use fiduciary managers.

**OO 09** **Mandatory** **Public** **Peering** **General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets

100

Emerging Markets

0

Frontier Markets

0

	Other Markets
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0

	Total 100%
--	------------

100%

<b>OO 09.2</b>	Additional information. [Optional]
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Our assets are located in the US (specifically California, Oregon, and Washington) and Australia.

### Asset class implementation gateway indicators

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 11.1</b>	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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	Property
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- We address ESG incorporation.
- We do not do ESG incorporation.

	Farmland
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- We address ESG incorporation.
- We do not do ESG incorporation.

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
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	Core modules
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- Organisational Overview
- Strategy and Governance

	RI implementation directly or via service providers
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	Direct - Other asset classes with dedicated modules
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- Property

Closing module

## Peering questions

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 01.1

Indicate the level of ownership you typically hold in your property investments.

- a majority stake (50% and above)
- a significant minority stake (10 and above, and under 50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2

Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

- >50%
- 10 – 50%
- <10%
- 0%

OO PR 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO PR 02.1

Provide a breakdown of your organisation's property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> < 10% <input checked="" type="radio"/> 0%
Total 100%	

OO PR  
02.2

Additional information. [Optional]

We are an active investor-operator with highly engaged relationships with both a wholly owned operational subsidiary and strategic third-party managers.

OO PR 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR  
03.1

Indicate up to three of your largest property types by AUM.

Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input checked="" type="radio"/> Other, specify <b>Food infrastructure</b>
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input checked="" type="radio"/> Other, specify <b>Food infrastructure</b>
Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input checked="" type="radio"/> Other, specify <b>Food infrastructure</b>

OO PR 03.2	Additional information.
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Our core assets incorporate innovative farming strategies and technologies that support efficient and safe food processing.

# AGRICULTURE CAPITAL (ACM Management Company, LLC)

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The widely published mission of Agriculture Capital is to develop a regenerative food and agriculture system that produces better food at scale and delivers healthy returns to investors while making a difference in our communities.

We have organized around a common purpose, namely TO GROW ACCESS TO BETTER, HEALTHIER FOOD.

Our two funds invest in farmland and food processing assets with the goal to build customer-driven, appropriately scaled, vertically integrated and regenerative operations that support the planet and the communities in which we work

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Agriculture Capital invests in permanent crop farmland and synergistic midstream assets to create vertically integrated, regeneratively managed farming enterprises that grow, pack and market high-value foods.

We are highly engaged owner-operators and leverage our team's expertise to deliver improvements that protect environmental health and create economic value.

No

<b>SG 01 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 01.6 CC**

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We report quarterly on water access and wildlife risk exposure to our investors. We also expand upon this reporting in our annual impact report, which further addresses climate impacts to our business related to wild pollinator health and overall biodiversity.

No

**SG 01.7 CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

We have addressed risks to wild pollinator health in our reporting and agree that those risks can and do occur to some degree in every crop cycle. On water scarcity, we model the potential for drought conditions in our operating geographies based on historical conditions and viewed, at minimum, over ten-year horizons. We assume in the US West and Australia that wildfire events can and do happen annually but that our assets are located in regions of relatively low risk.

No

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9  
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

We have an organizational statement on ESG risk and material climate-related risks and opportunities are addressed and described above.

No

**SG 1.10  
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

Public PRI Climate Transparency Report

Annual financial filings

Regular client reporting

Member communications

Other

specify

Immediately pursued supporting TCFD after last year's UNPRI transparency report filing and confirmed on April 17, 2019

We currently do not publish TCFD disclosures

**SG 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

<http://agriculturecapital.com/impact-reports/>

- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

<http://agriculturecapital.com/impact-reports/>

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<http://agriculturecapital.com/impact-reports/>

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

- Fiduciary (or equivalent) duties

- Asset class-specific RI guidelines

URL/Attachment

- URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

ESG incorporation approaches

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

Reporting

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

Climate change

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

<http://agriculturecapital.com/impact-reports/>

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

We have a published statement on ESG risk.

At Agriculture Culture (AC), we strongly believe that the key elements of our ESG approach (as outlined in our ESG policy and elsewhere in our materials) also describe our fundamental framework for addressing risk. We believe sustainable methods of food production can dramatically reduce our exposure to the following critical business risks at a global scale:

- Climate disruption
- Water scarcity
- Other environmental factors
- Chemical use and crop protectants
- Labor
- Food safety

**SG 03** **Mandatory** **Public** **Core Assessed** **General**

**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

AC has an extensive code of ethics that requires annual compliance from all team members. The code of ethics includes a published policy on conflicts of interest that addresses general conflicts, personal conflicts, and potential scenarios where the AC entity itself could be perceived as having conflicts.

No

**SG 04** **Voluntary** **Public** **Descriptive** **General**

**SG 04.1** Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.

Yes

No

<b>SG 04.2</b>	Describe your process on managing incidents
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We own all of our assets; hence, any relevant incidents are elevated and addressed in the course of day-to-day, week-to-week, and month-to-month operational oversight activities. Managers of AC's portfolio companies routinely report any adverse incidents to AC that involve the wellbeing of employees or other individuals on-site, food safety concerns or physical destruction to assets.

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

<b>SG 05.2</b>	Additional information. [Optional]
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We incorporate this review into our quarterly asset evaluation process and the ongoing process we have of seeking compliance with formal performance guidelines related to responsible business and investment. All senior personnel are involved in the review of asset activities and performance.

<b>SG 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation

	Key performance indicator
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We built and actively manage a tiered system for integrating of ESG expectations and leadership into our operation called The AC Way.



Progress achieved

All assets are baselined either during diligence or during the first year of operations. Currently, all AC assets meet the baseline Tier 1 standard. We were managing toward a goal of Tier 3 (out of 5) status for all assets by the end of 2019 and were generally successful. We have set Tier 5 expectations for several assets in 2020 and expect the results from that process inform our 2021 portfolio-wide goals.

- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator

Each asset reports on AC Way progress each quarter, with cascading goals designed to reach all operators.

Progress achieved

This reporting and cascading goal setting was operationalized in 2019 and has informed 2020 budgets and performance goals.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Each asset reports on AC Way progress each quarter, with cascading goals designed to reach all operators.

Progress achieved

This reporting and cascading goal setting was operationalized in 2019 and has informed 2020 budgets and performance goals. The AC Way incentivizes action across the evaluation framework designed to reach beyond incremental improvement.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Deal flow and investment team work flow are designed to incorporate AC Way baselining.

Progress achieved

All assets currently under management have been baselined, either during the investment process or in year one of operations, using our AC Way framework.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

We are seeking ESG-related alpha on several priority projects

Progress achieved

Longitudinal data being collected and compiled

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

ESG-related diligence checklist completed for each investment consideration

Progress achieved

All assets currently under management have been baselined, either during the investment process or in year one of operations, using our AC Way framework.

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Increase and deepen targeted RI initiative engagement

Progress achieved

We are active participants in several key networks and have cultivated a growing reputation in the conservation finance realm.

- Encouraging others to join a RI initiative

Key performance indicator

Continue to be a vocal supporter of high-value RI initiatives

Progress achieved

We are active participants in several key networks and have cultivated a growing reputation in the conservation finance realm.

- Documentation of best practice case studies

Key performance indicator

Develop new partnerships to facilitate case study communication

Progress achieved

We are active participants in several key networks and have cultivated a growing reputation in the conservation finance realm. We have ongoing projects with several academic and civil society organizations.

- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Report actively to key stakeholders on illustrative case studies

Progress achieved

We are active participants in several key networks and have cultivated a growing reputation in the conservation finance realm. We have ongoing projects with several academic and civil society organizations.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

We consider the diverse experiences and perspectives of people across our organization to be an extraordinary source of creativity that can drive results for our businesses. Those experiences have led to improved efficiencies, increased productivity, and safer and more responsible operations. Our focus is to empower our teams-in geographies they understand best, in operations they steward every day-to make the most thoughtful decisions they can make, rooted in the solid foundation of our mission and core values. We recruit with intention to assemble teams that are best equipped to represent our purpose.

That said, we have recognized that this effort is inherently collaborative. That is why we utilize a process and framework that we call "The AC Way" to align leadership and risk management on environmental, social, and governance factors with business performance. The core management factors within the AC Way have been compiled from our evaluation of existing industry performance standards that encapsulate a broad range of actions that cover material aspects of our operations. The framework includes standards in areas as far-reaching as workplace quality, pest control, water stewardship, waste handling and recovery, chemical management, packaging, landscape ecology and habitat quality, energy efficiency, and climate protection.

The AC Way is a tiered system, designed to drive improved performance over time. Our expectation is that every investment we pursue meets a baseline Tier 1, or first stage, performance. That minimum expectation provides assurance across a discrete set of core business indicators that our ability to optimize the asset for efficiency and impact is achievable. From there we work closely with our asset managers to drive performance toward Tier 5, which we believe differentiates our assets significantly from others in the marketplace. In some cases, that high-level performance focuses on improving or refining operational procedures.

In other cases, it involves transformative step changes. In all cases, this program is aligned with our operational planning, progress assessment, and budgeting.

As the program expands, we intend to use it as a goal-setting framework for our asset managers and for our business as a whole. We also expect to further adapt the AC Way to capture evolving factors of particular interest to us in our efforts to make our regenerative management efforts increasingly concrete and effective.

**Governance and human resources**

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
CFO, CMO

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Responsible investment is core to our strategy and takes two foundational forms:

1 -- It is part of our publicly articulated core values that we refer to by their acronym EATS: Excellence, Accountability, Transparency, and Stewardship. Everyone on our team is responsible for each of these values. The notion of RI falls under each value, perhaps most explicitly under "stewardship." We take our role as stewards of our investors' assets very seriously and are focused on operations that create near-term value and ensure long-term viability.

2 -- It is one of the four key pillars of our business: customer-focused, appropriately scaled, vertically integrated, and regeneratively managed.

We have put a number of processes and expectations in place to ensure we make stewardship-oriented decisions that reflect a regenerative mindset when we make investments.

These processes and expectations are best reflected by our AC Way sustainability framework, which is described elsewhere in this filing and includes the following key elements:

- All assets and the managers who operate them are baselined against a core expectation of responsible performance.
- Beyond that, managers are challenged to rise to the highest (tier 5) level in the framework and are required to set goals each year to make progress toward that highest tier.
- Making progress against the framework requires dedicated resources that AC believes is merited because it supports increasing positive value of the asset and what its teams produce. Each year, managers build their budgets with AC Way activities in mind and report on progress on funded initiatives on a quarterly and annual basis.
- Finally, the AC team serves a critical oversight function to ensure that managers are meeting expectations and driving toward responsible investment outcomes that reflect core strategy and the dynamic stakeholder landscape.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

	Number
--	--------

1

<b>SG 07.4</b>	Additional information. [Optional]
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AC's Senior Vice President of Regenerative Management oversees and provides strategic direction for priority ESG initiatives and activities.

<b>SG 07 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
--	---

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other Chief-level staff or heads of departments
--	---

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Investment analysts
--	---------------------

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
--	--

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Investor relations
--	--------------------

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.7  
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

While AC does not have a dedicated climate-change task force, climate risk assessment and climate solutions initiatives are the responsibility of the Senior VP of Regenerative Management, who reports to the Co-Managing Director ("Co-CEO") in charge of operations oversight. Climate actions that are directed by AC for all of its asset managers are designed for both mitigation and adaptation. Many climate-related issues are articulated as part of the AC Way sustainability performance framework; as such, they are among the expectations AC has of its asset managers. Periodically (current target is every other year), AC expects to evaluate the carbon footprint of its portfolio (first published in AC's 2017 impact report, distributed in August 2018). AC maintains active relationships in the climate solutions community on topics as diverse as measurement protocols for soil organic carbon percentage and renewable energy markets, all in the interest of delivering on our mission, exceeding the expectations of our stakeholders, and improving the economics of sustainable innovation.

## Promoting responsible investment

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our SVP of Regenerative Management prioritized visits to UNPRI offices in London in January 2018 and in October 2019 to explore opportunities to engage more deeply in the initiative and its community. We offered comments on an emerging real assets guidance framework for UNPRI and began to explore opportunities to participate programmatically in the UNPRI in Person, although an opportunity did not transpire. We have established lines of communication with UNPRI and are eager to continue mutually supportive workflows, including most recently our enthusiastic participation in advising deeper biodiversity engagement and standards within the UNPRI.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

**Conference attendance and pursuit of plans for deeper future involvement**

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

**Participation in working groups and keeping apprised of published material**

- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

**Carbon Farming Innovation Network**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AC was an original member of the design team building out the initiative along with the companion Regenerative Agriculture Innovation Network. As work has proven more academic over time, AC's interest has diminished somewhat, although we remain on mailing lists and keep apprised of published information and measurement standards.

- Other collaborative organisation/initiative, specify  
Regenerative Agriculture Investor Network

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

See above

- Other collaborative organisation/initiative, specify  
California Water Action Collaboratie

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Attend and engage on regular collaborative calls, have attended in-person meetings, and have contributed to working group plans and construction to deepen synergies across a diverse range of stakeholders.

- Other collaborative organisation/initiative, specify

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes
- No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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Although 10.3 does not specifically ask for feedback here, it would be helpful to understand more clearly what "independently of collaborative initiatives" means. We rely deeply on the community we have build with other aligned organizations and so collaboration is fundamental to what we do to advance responsible investment. An example of a non-collaborative activity outside of the various we have described throughout this report the way we promote responsible investment in the ongoing operations of our assets in accordance with our investment mandate would be helpful here. [Again, we will reiterate our request from the last reporting cycle. This remains a bit mysterious to us.]

## Outsourcing to fiduciary managers and investment consultants

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants
- No, we do not use investment consultants.

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors

	Describe
--	----------

Yes, AC has begun to evaluate the various scenarios that could be relevant to our business in a climate-constrained context that affects honeybees and wild pollinators.

- Yes, in order to assess future climate-related risks and opportunities

	Describe
--	----------

Yes, AC does this in order to understand more fully risk exposure from climate-related water scarcity (drought).

- No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**SG 13.4 CC** Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

When evaluating investment opportunities and asset operations, AC evaluates scenarios with climate-related implications, including water scarcity and risk. To date, analysis of various water scenarios under dynamic California climate and weather conditions has provided the impetus for widespread deployment of high-efficiency irrigation systems across our business; the development of private water storage to impound available water during wetter periods to mitigate drought impacts; the potential for groundwater recharge to improve long-term crops conditions; and a broader understanding of the likelihood of changes in agricultural land use based on the cost of water and the value of certain crops.

Similarly, we are aware of the risk to pollinator ecosystems from climate disruption and have evaluated system improvements and restoration that mitigate our risk exposure. We understand the bees provided by pollinator service providers are more susceptible to changing climate conditions and less active during times that could be critical to key crops, so we have implemented strategies across our business to restore native habitat to encourage wild bees and other pollinator activity through improved landscape connectivity.

- Inform active ownership

Describe

The work described in the above section not only occurs during potential asset evaluation but is ongoing for AC during the ownership period. Successful implementation of risk mitigation projects in one location helps to support analysis of similar projects elsewhere. While we rely on memorializing impact and risk mitigation projects in investment documentation at the outset of ownership, our active ownership strategy lends itself to continued work to assess conditions that change as a result of weather, demographic shifts, or the regulatory environment.

- Other

**SG 13.5**  
**CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6**  
**CC**

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

Everything AC does to mitigate climate and ESG risk and drive toward enhanced value has a time horizon in mind that goes beyond the term of the investment. We seek to create the conditions that preserve and enhance an assets value such that future ownership would be motivated to pursue similar operational approaches. Certainly, our view is long term and far past the term of the investment, but our modeling currently takes into consideration the period of time for which our investors rely on our management.

**SG 13.7**  
**CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8**  
**CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> Internal analysis of historical drought
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.5**

Additional information [Optional]

Our work is undertaken with a mindfulness of the important role agriculture must play in addressing climate change. The food system contributes an estimated 19%-29% of anthropogenic greenhouse gas emissions, both globally and in the U.S.<sup>6</sup> Agriculture is a heavy emitter, yet agriculture is unique among industries because of its potential to draw carbon out of the atmosphere. We believe that regenerative food production can have a net positive effect on climate change, and as such we are focused on business practices that measure and manage our energy use, minimize our greenhouse gas (GHG) contribution, and accelerate the shift to renewables and innovative energy management technology.

This year, we are pleased to share a preliminary inventory of our greenhouse gas emissions in our Pacific Northwest farming operations, the result of our sustainability data collection efforts across the business. Our greenhouse gas inventory allows us to locate cost-effective reduction strategies, move toward emissions pricing, and prepare for regulatory interventions and carbon credit opportunities. (Modeling our California carbon footprint is ongoing and will be shared in subsequent reporting.) Based on the Agricultural Guidance from the Greenhouse Gas Protocol-a framework for quantifying climate impact, our emissions are divided into different "scopes" and assessed within the boundary of areas where we have operational control. We have used the Cool Farm Tool-a globally recognized calculator-to model our farm emissions. The EPA Center for Corporate Climate Leadership and the USDA COMET-Energy tool provide emissions factors for our off-farm sources. Although we have not yet sought external audits of our calculations, these figures represent our good faith efforts at conservatively reporting on our emissions based on the best available models and data.

Direct fugitive emissions (gases that leak from industrial equipment) from refrigerants can be an important factor for operations with substantial cold storage capacity, but our state-of-the-art packing facilities feature efficient ammonia refrigeration systems. Since ammonia has zero ozone depletion potential and zero global warming potential, our refrigeration systems do not release fugitive emissions. Two of our Pacific Northwest farms are net sinks of carbon. The Cool Farm Tool model indicates that carbon stocks on these farms sequester over one metric ton of CO<sub>2</sub> per acre annually due to the beneficial tillage and cover cropping practices on these farms. Conversion from annual crops to no-till permanent crops has helped minimize soil disturbances and build soil organic carbon on these properties.

Our cover crop plantings of clover and perennial grasses also contribute substantially to carbon stocks by increasing biomass production and protecting soil health. Finally, woody biomass accumulation in our crops represents a significant carbon sink. The estimated annual biomass production of our crops far exceeds our total CO<sub>2</sub> equivalent emissions. However, since the emissions impact of this stock depends on its long-term fate and the method of accounting, in the interest of conservative reporting we omit woody biomass from our total fund level emissions.

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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<b>SG 14.6 CC</b>	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	measuring to manage	annual CO <sub>2</sub> e (metric tonnes)	USDA COMET Energy tool and Cool Farm Tool

<b>SG 14.8 CC</b>	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
-------------------	--

© Processes for climate-related risks are integrated into overall risk management



Please describe

At Agriculture Culture (AC), we believe strongly that the key elements that comprise our approach to ESG leadership (as outlined in our ESG policy and elsewhere in our materials) also describe our fundamental framework for addressing risk. We believe sustainable methods of food production can dramatically reduce our exposure to the following critical business risks at a global scale:

- Climate disruption
- Water scarcity
- Other environmental factors
- Chemical use and crop protectants
- Labor
- Food safety

**CLIMATE DISRUPTION**

Atmospheric pollution from the use of fossil-based sources of energy is contributing to global climate instability and, by extension, can lead to major business disruption in the form of wide temperature swings and more catastrophic storm and weather-related events. As such, we are focused on business practices that we believe can mitigate the effects of climate change. We measure and manage our use of all forms of non renewable energy and are deploying energy management technology and other equipment to ensure that we are using as little energy as possible to produce the most high quality, nutritious food and are working to reduce our exposure to fossil energy price volatility. We are also actively evaluating opportunities to deploy renewable sources of energy throughout our business. We recognize that soil health is the most critical indicator of the long-term productivity and health of agricultural investments, and we believe soil quality is severely threatened. We utilize leading edge techniques such as cover cropping and composting to maximize soil organic matter and microbial health, simultaneously improving the essential role that healthy soil - and particularly soil that is not tilled as in our permanent crop context - can play in sequestering carbon that in many other farming operations is actually a contributor to climate change.

Processes for climate-related risks are not integrated into overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	--

	%
--	---

100

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture

**Asset class invested**

Property

**Percentage of AUM (+/-5%) per asset class invested in the area**

25

Farmland

**Percentage of AUM (+/-5%) per asset class invested in the area**

75

**Brief description and measures of investment**

Synergistic farmland and midstream processing properties focused on permanent crops

- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No

**Asset class implementation not reported in other modules**

SG 16	Mandatory	Public	Descriptive	General
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**SG 16.1** Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Farmland	AC does not have assets that would have otherwise appeared in other modules.

**Communication**

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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**SG 19.1**

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Property**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
<b>Disclosure to public and URL</b>	
<input type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other	
<b>Frequency</b>	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
<b>URL</b>	
<a href="https://agriculturecapital.com/impact-reports/">https://agriculturecapital.com/impact-reports/</a>	

# AGRICULTURE CAPITAL (ACM Management Company, LLC)

## Reported Information

### Public version

### Direct - Property

## PRI disclaimer

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## Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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**PR 01.1** Indicate if your organisation has a Responsible Property Investment (RPI) policy.

- Yes
- No

**PR 01.3** Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

AC evaluates the readiness of potential investments for responsible management during our deliberative diligence process. This includes assessment of every asset we pursue and ultimately invest in using the baseline tier of our five-tier AC Way impact performance framework. The AC Way's 23 core criteria are representative indicators of both the historical management of an asset and the foundations that exist to ensure we can operate with an increasing focus on responsible management. While not a policy per se, this process is firmly established within our investment review process and is a persistent expectation of the Investment Committee, which ultimately make investment decisions.

## Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PR 02.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes

**PR 02.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**PR 02.3** Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

As ESG and responsible investment is a core pillar of our organizational and investment strategy, it is integrated into everything we do, including our PPMs and related documents. To date, we have described our impact metrics and philosophy that sustainability investments are made to enhance overall returns. We have also shared early fund examples of operational results related to those metrics and philosophy. Subsequently, we have published annual impact reports that go into much greater detail about the regenerative management that is incorporated into our strategy.

- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

PR 04

Mandatory

Public

Gateway/Core Assessed

PRI 1

PR 04.1

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

PR 04.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

Our multi-tier internal ESG risk assessment framework -- which we refer to as the AC Way -- incorporates a discrete diligence checklist of 23 core factors that we evaluate with every potential investment that reaches a late stage in our diligence process. While these 23 factors do not represent the kind of sustainability leadership and regenerative management innovative that we expect of our operating teams after an investment is made, they were selected as key indicators of a potential investment's readiness for being managing to our environmental and social impact expectations.

PR 04.3

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

Ongoing evaluation of renewable energy potential across portfolio has resulted in three active solar projects in development

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, description

Permit compliance related to agrochemical inputs and hazardous materials, water usage, wastewater treatment and discharge, burning if applicable, land clearing, and other applicable environmental regulations.

Environmental example 3, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, description

Disposal of industrial wastes, construction debris or rubble, excavation materials, debris from land clearing, and domestic wastes in accordance with national or local regulations.

Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

Policies and procedures related to worker health and safety

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

Appropriate corrective action has been taken for all incidents involving any hazardous material that could have negatively impacted workers or the environment (e.g., agrochemical spills) consistent with the Producer's emergency procedures.



Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other
- Governance
- No

PR 06	Mandatory	Public	Core Assessed	PRI 1
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<b>PR 06.1</b>	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

<b>PR 06.2</b>	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
----------------	---

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

<b>PR 06.3</b>	Additional information.
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Every investment we make at AC is subjected to a review of the asset to contribute favorably to our ESG program goals. In investments we pursued or made during the reporting year, we not only scrutinized the opportunity using our AC Way due diligence framework, but we also specifically evaluated several opportunities for value creation through sustainability investment, including potential projects with risk implications (i.e., water and energy/climate).

## Selection, appointment and monitoring third-party property managers

PR 07

Mandatory

Public

Core Assessed

PRI 4

PR 07.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 07.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

Selection process of property managers incorporated ESG issues

### Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

### Coverage

- >75% to 100%
- >50% to 75%
- <50%

- Contractual requirements when appointing property managers includes ESG issues
- Monitoring of property managers covers ESG responsibilities and implementation

### Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

### Coverage

- >75% to 100%
- >50% to 75%
- <50%

No

PR 07.3

Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

Our selection of third-party managers is fundamentally focused on the appropriate mix of executional capabilities and values alignment. We expect that any third party manager would be held to identical standards of our wholly owned management entities, both in terms of ongoing impact performance as well as reporting. In fact, even at the earliest stages of our inception, we partnered closely with third party managers to develop the expectation and habituation of ESG measurement and reporting that has led to our engagement of wholly owned managers and the process of developing and refining projects that have a combined mission- and returns-driven focus. This partnership has led to an active back-and-forth with third party managers on innovation implementation that is consistent with our ESG-focused AC Way framework.

## Post-investment (monitoring and active ownership)

### Overview

PR 08

Mandatory

Public

Gateway

PRI 2

PR 08.1

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

PR 08.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

[described below in 08.03]

PR 08.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

For us, post-investment refers to operating frameworks, which we have discussed previously as follows: Our selection of third-party managers is fundamentally focused on the appropriate mix of executional capabilities and values alignment. We expect that any third party manager would be held to identical standards of our wholly owned management entities, both in terms of ongoing impact performance as well as reporting. In fact, even at the earliest stages of our inception, we partnered closely with third party managers to develop the expectation and habituation of ESG measurement and reporting that has led to our engagement of wholly owned managers and the process of developing and refining projects that have a combined mission- and returns-driven focus. This partnership has led to an active back-and-forth with third party managers on innovation implementation that is consistent with our ESG-focused AC Way framework.

In partnership with all managers, we review ESG/impact report and activities on a quarterly and annual basis to continually improve communication and performance on impact. As a result, we are regularly receiving new points of data and project ideas directly from property managers. We've even designed property improvements which taken into consideration ESG issues. We play an active investment manager role in driving and enabling ESG-related projects of all of our managers, and this engagement has become increasing fluid and productive over time.

No

## Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
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PR 09.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
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- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 09.2	Indicate which ESG targets your organisation and/or property managers typically set and monitor
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- Environmental

Target/KPI	Progress Achieved
Zero waste food processing facility (Oregon) [by definition, 92% waste recycled or recovered]	86% waste recycled or recovered
Reduction of polystyrene use in secondary packaging [50% plastics reduction goal in business unit over prior year]	54% reduction over 2018

- Social
- Governance
- We do not set and/or monitor against targets

PR 09.3	Additional information. [Optional]
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Although we have indicated in PR 09.2 that we do not set and/or monitor against targets in all categories, that is somewhat a function of the questionnaire not supporting the way we think about this. We are driving toward continual improvement in ESG (and specifically E and S) related factors year over year. We are seeking directionally appropriate trajectory in driving toward key efficiencies across the business. We also have set a KPI expectation of all managers to improve by at least one tier each year on our five-tier sustainability performance framework, which incorporates a wide range of factors across a comprehensive set of material categories.

## Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
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<b>PR 11.1</b>	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

<b>PR 11.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

<b>PR 11.3</b>	Additional information. [Optional]
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Each time we have contemplated a facility or farm block redevelopment since the inception of our funds, we have done it with the goal of improving both of the efficiency and resilience -- and thus the ESG performance -- of the asset. These projects have included building material and paint choices in a fruit packing facility we redeveloped in one location; energy efficiency and energy management upgrades in a facility in another location; high-efficiency irrigation systems across our entire business; design of an operations facility for zero waste-focused material handling; upgrades of employee wellbeing facilities at key operations sites; and ongoing evaluation of new renewable energy projects.

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## Reported Information

## Public version

## Confidence building measures

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- Other, specify
- None of the above

**CM1 01.2** Additional information [OPTIONAL]

This is our second PRI Transparency Report and are still getting comfortable reporting in this form. Last year, we noted this assurance guidance and expect to implement this in subsequent but were unable to do it in this cycle.

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

**CM1 03.5** Additional information [OPTIONAL]

We are still getting our bearings on this reporting process and how it factors into our annual team workflow. We expect to actively consider assurance in subsequent years.

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 04.3** Additional information [OPTIONAL]

We continue to evaluate the potential for assurance within a small team and tight annual workflow. For the record, it is a very narrow timeframe for reporting, so we would be interested in getting access to any best practices that could help support this.