



NUVEEN NATURAL CAPITAL

Champaign, IL

LH FMS AUDIT SUMMARY REPORT: 2023 SURVEILLANCE

October 27, 2023





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Certification Audit Re-Certification Audit Surveillance Audit Scope Extension

INTRODUCTION

This report summarizes the results of the 2023 surveillance audit conducted on Nuveen Natural Capital (Nuveen) managed production agriculture properties. The audit was conducted by Matt Armstrong, Lead Auditor for Averum. Matt Armstrong has had experience with Leading Harvest throughout its development, is an assurance provider for multiple sustainability programs, and has expertise in production agriculture on multiple crop types in North American regions. Site visits were assisted by Jacques Werleigh, Field Auditor. The audit process and reports were independently reviewed by Kyle Rusten, who is a certified public accountant in the state of California and has expertise on multiple crop types in the United States. All senior members of the audit team hold training certificates in ISO 17021:2015 (Conformity Assessment), 14001:2015 (Environmental Management Systems), as well as IAF MD-1:2018 (Certification of Multiple Sites).

SCOPE AND OBJECTIVE

In 2023, Averum was engaged by Nuveen to perform a surveillance audit of sustainability performance on 26,728 acres of managed agricultural operations and determine conformance to the principles, objectives, performance measures, and indicators of the Leading Harvest Farmland Management Standard 2020 (LH FMS). LH FMS objectives 1 through 13 were covered during site visits on properties in California. There was no substitution or modification of LH FMS performance measures.

COMPANY INFORMATION

Nuveen is an independent agricultural investment firm. Farm operating contract management companies are responsible for the day-to-day farmland management services for Nuveen's properties. Nuveen opted to certify 100 percent of their agricultural properties in 2021, allowing them to engage in broader sampling and simplifying the process of maintaining their certification in the future.

During the surveillance audit, seven (7) sites in California were selected, with one Regional Manager included. Managers overseeing decision making and standard compliance for the sample region were contacted for evidence requests and interviews. The properties in this region are a representative sample of current practices in place and management decision making. The primary agricultural production on sites is wine grapes.

AUDIT PLAN

An audit plan was developed and is maintained on file by Averum. An online portal was established for Nuveen coordinators to upload evidence and documentation securely for auditor review, and evidence was continuously uploaded throughout the audit. An opening meeting was held on September 11, 2023, preceding site visits. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites in California were examined on September 15, 2023. A closing meeting was held on October 27, 2023.

Opening Meeting: Conference Call

September 11, 2023

Attendees:

(Nuveen) Eric Pooler, Camille Sims

(Audit Team) Matt Armstrong, Jacques Werleigh, Linnea Rash

Topics:

- Introductions of participants and their roles: Matt Armstrong
- Introduce audit team: Matt Armstrong
- Status of findings of the previous audits: Matt Armstrong
- Audit plan: Matt Armstrong
- Expectations of program user staff: Matt Armstrong
- Method of reporting: Matt Armstrong

Closing Meeting: Conference Call

October 27, 2023

Attendees:

(Nuveen) Eric Pooler, Camille Sims

(Audit Team) Matt Armstrong, Jacques Werleigh, Linnea Rash

Topics:

- Opening remarks: Matt Armstrong
- Statement of confidentiality: Matt Armstrong
- Closing summary: Matt Armstrong
- Presentation of the audit conclusion: Matt Armstrong
 - Major Non-Conformances: 0
 - Minor Non-Conformances: 0
 - Opportunities for Improvement (OFI): 2
 - Notable Practices: 2
- Report timing and expectations: Matt Armstrong

MULTI-SITE REQUIREMENTS

Nuveen maintains operations on multiple properties in California. Nuveen qualifies for multi-site sampling since the properties within the management system are centrally controlled and directed by regional management, with regular monitoring activities. Regional Managers are responsible for developing corrective action plans regarding LH FMS conformance and report them to Nuveen management. Nuveen’s current review and monitoring process is effective and ongoing.

Field visits and observations are conducted based on a sample of regions each year. Sampling methodology is provided in the LH FMS. In accordance with International Accreditation Forum Mandatory Documents (IAF-MD) methodology, all sites were initially selected at random with consideration of any preliminary examinations and then coordinated to ensure representative coverage of the complexity of the portfolio, variance in sizes of properties, environmental issues, geographical dispersion, and logistical feasibility.

Region	Crop	Properties Examined During Engagement
California (Santa Barbara and San Luis Obispo Counties)	Wine grapes	Seven (7) sites visited during audit <ul style="list-style-type: none"> - 26,728 gross acres in production - California represents 97% of all acreage - Management population: One (1) Regional Manager, two (2) contract manager operators - Sites visited: El Camino, Los Alamos, Premiere Coastal, Branch, Firehouse, Estrella, and Sunbelt.

AUDIT RESULTS

Overall, Nuveen’s agricultural operations conform to the objectives of the Leading Harvest Farmland Management Standard 2020 (LH FMS). Interviews and document reviews were performed to determine procedural and documentation conformance to the LH FMS. Documentation of practices was continuously supplied throughout the audit when requested. Documentation from multiple sites was provided to auditors. Field visits were performed on seven operating sites in California. Visits took place prior to harvest, so pest, soil, and water management and vineyard health were emphasized. Central and regional management representatives, as well as operating contract managers, were present and interviewed to illustrate Nuveen’s conformance and policy implementation. Central office staff with roles that impact LH FMS conformance were interviewed to determine awareness of and support for LH FMS conformance, and to illustrate company practices and procedures not performed by farm managers. Nuveen’s Regional Manager served as a guide and was available throughout the entire engagement, providing logistic support and honoring evidence requests wherever needed.

The following are summarized findings, per LH FMS performance measure. Specific non-conformances, opportunities for improvement, and notable practices are described in the Key Findings section of this report.

Objective 1: Sustainable Agriculture Management

1.1 Sustainable Agriculture Stewardship

Conformance Evidence

- LODI RULES Certifications
- Vineyard maps
- 2023 Sustainability Report
- Global Sustainability Policy
- Sustainability in Practice (SIP) Certification Letters

Auditor Notes

- Nuveen has enhanced their Commitment Statement supporting sustainable agricultural stewardship of farmland.
- Nuveen encourages farming methodologies that produce high-quality products, align with stakeholder interests, and maintain sustainable farmland.
- Nuveen has designated corporate Responsible Sustainability Funds to develop sustainable farming technologies and practices. 90% of the funds are used for sustainability initiatives and refining implementation approaches.
- Site selected restored a riparian area with a creek. Restoration included invasive species removal. Invasive plants introduce toxins to grape vines and choke out native species.
- Nuveen is conducting natural capital evaluations to support stakeholder interest while preserving natural ecosystems. Nuveen has a 2-year subscription to measure carbon leaving soil or soil respiration and nitrous oxide levels to identify the impacts of farming practices on greenhouse gas emissions.
- Nuveen sites have been considered prime farmland for greater than sixty years. Nuveen has been managing the sites for the last 7 - 12 years.
- Sites selected use historic yield data and water accessibility and availability to determine management decisions.

Result: In Conformance

Objective 1: Sustainable Agriculture Management (Continued)

1.2 Critical External Factors

Conformance Evidence

- LODI RULES Certifications
- 2023 Sustainability Report

Auditor Notes

- Nuveen considers invasive species including the spotted lantern fly and the tree of heaven to be critical factors that are a threat to long-term profitability and sustainable agriculture. Nuveen manages the removal of invasive trees on sites.
- Nuveen hosts internal sustainability events and participates in sustainable agriculture conferences to maintain presence within the industry and continuing education. Nuveen pursues education in sustainable agriculture within and beyond vineyard management.
- Nuveen adjusts practices to meet market demands through diversification of grape varieties and regions to ensure long-term productivity.
- Main concerns on farms are related to pests and disease management. Nuveen uses results from LODI audits and sustainability reporting to address the impacts of agricultural production.

Result: In Conformance

Objective 2: Soil Health and Conservation

2.1 Soil Health

Conformance Evidence

- Vineyard maps
- Site photos of compost
- Compost/biochar invoice
- CCA License
- Soil analysis
- Soil maps
- Fertilizer recommendations
- Fertilizer records
- Plant tissue analysis
- Yield data

Auditor Notes

- Soil tests are conducted every four years using in-row 12-24 inch soil pits. Soil samples are sent to the lab for analysis. Results are used to create nutrient management plans (NMPs) for the next four years.
- Selected sites apply compost, gypsum and sulfur in variable amounts based on soil analysis results. Maintenance logs are maintained to track which rows have received soil amendments. Sites use fertigation on vineyards to apply precise nutrients to plants.
- Nuveen sites use cover crops that vary from year to year depending on soil organic matter and soil health needs. Soil profiles are taken into consideration during vineyard development. Labs provide recommendations to remedy deficiencies.
- Site selected may use biochar as a soil amendment dependent on soil test results.
- Nuveen sites maintain soil health plans informed by soil tests, crop experts, and qualified staff.
- NMPs require fertilizer usage and rates to be recorded.
- Sites leave pruning, grape pomace, and vegetative waste on the vineyards to armor the soil and improve organic matter. Chicken litter is applied to provide nutrients to the soil.

Result: In Conformance

Objective 2: Soil Health and Conservation (Continued)

2.2 Soil Conservation

Conformance Evidence

- Vineyard maps

Auditor Notes

- Nuveen sites use cover crops, straw waddles, silt fencing, and strategically placed pipes on steep slopes to mitigate impacts of erosion. Pipes slow the speed of water and facilitate water removal from hillsides.
- Buffer strips are planted alongside riparian corridors to prevent erosion and maintain water runoff.
- Compost is dumped on tire tracks, where soil is more prone to compaction. 20-inch ripper shanks are used directly on top of compost to incorporate into the soil and break up compacted areas.
- Gravel on roadways is replaced annually to prevent wind erosion.
- Nuveen sites use sulfuric acid units to control bicarbonates in the water (hard water), which can calcify drip irrigation emitters. Treatments preserve irrigation systems, and water quality rebalances soil pH.
- Gypsum applications are used to aerate the soil.
- Sites use Liquid Chisel, a blended soil conditioning agent used to increase calcium and magnesium salt solubility. Liquid Chisel allows sodium to be removed using irrigation water.

Result: In Conformance

Objective 3: Water Resources

3.1 Water Use

Conformance Evidence

- Regenerative agriculture: principles and practices in action article (opinion piece)
- Season Water Stress and Irrigation Summary
- San Joaquin County & Delta Water Quality Coalition Annual Meeting attendance
- 2023 Sustainability Report
- Vineyard maps
- Site photos of cover crops

Auditor Notes

- Sites selected currently have no water usage restrictions but have been identified as depleting aquifers. Water usage will be required to be monitored going forward. Sites use flow meters and chronical flow clocks to track how much water is used at wells and filtration sites.
- Weather Stations and TULE sensors gather evapotranspiration factors to determine water usage efficiency.
- Nuveen works with local GSA Boards and the Groundwater Sustainability Project (GSP) to support land and water management. Nuveen sites use water records, field scouting, soil moisture probes, field maps, and data collected by TULE to monitor water usage efficiency and provide appropriate amounts of water to fit crop needs.

Result: In Conformance

3.2 Water Quality

Conformance Evidence

- Soil analysis
- Fertilizer recommendations
- Fertilizer records
- San Joaquin County & Delta Water Quality Coalition Annual Meeting attendance

Auditor Notes

- Scouting occurs on a weekly basis by Nuveen staff and Crop Managers.
- Site selected has riparian areas onsite. United States Fish and Wildlife Service (USFWS) restricts access to wetland areas.
- Agrochemical mixing and loading area is far from riparian areas, and backflow prevention devices are present on wells.
- Nuveen maintains buffer strips along riparian areas to protect water quality and mitigate erosion.

Result: In Conformance

Objective 4: Crop Protection

4.1 Integrated Pest Management

Conformance Evidence

- Application records
- “Regenerative Agriculture: Principles and Practices in Action” article (opinion piece)
- 2023 Sustainability Report
- Chemical use protocol

Auditor Notes

- Vine mealy bugs, spotted lantern flies, and fungi including powdery mildew and botrytis (grape rot) are primary concerns on sites selected.
- Nuveen sites include a pheromone program and trapping costs in their integrated pest management (IPM) budget each year. Pheromones are chemical, odorous substances that usually have lower impacts than reactive pesticide use.
- Sites use mildew spore traps to determine fungal presence and treatments.

Result: In Conformance

4.2 Crop Protectant Management

Conformance Evidence

- Chemical use protocol
- Application records

Auditor Notes

- Applicators maintain Qualified Applicator Licenses (QALs) and Pest Control Advisor (PCA) licenses.
- Employees receive safe chemical handling training.
- Site selected stores agrochemicals on site. Chemicals are stored according to label instructions and regulatory requirements. Empty chemical containers are triple rinsed, slashed, and stored within a chain-link fence until they are taken to a landfill.

Result: In Conformance

Objective 5: Energy Use, Air Quality, and Climate Change

5.1 Agricultural Energy Use and Conservation

Conformance Evidence

- 2023 Sustainability Report
- AgMonitor services description
- Site photo of electric Thorvald UV-light array autonomous sprayer

Auditor Notes

- Nuveen sites use tractors that can treat multiple rows simultaneously to reduce the number of passes made by equipment.
- Sites aim to use electricity during off-peak hours. Nuveen monitors pump efficiency on sites.
- Site operators regularly maintain farm equipment to ensure operating efficiency, and use traffic maps to inform best routes.
- Nuveen sites use GPS on all equipment to allow managers to monitor routes and movement during shifts. Monitoring equipment use prevents unnecessary equipment movement. Nuveen is phasing out older tractors and replacing equipment with Tier 4 motors to improve efficiency.
- Site selected uses renewable diesel, and another site is transitioning to renewable diesel.
- Nuveen is conducting a trial to determine the effectiveness of an autonomous sprayer that uses UV-light to detect plant needs.
- Farm within Nuveen's portfolio has solar panels on site to offset electricity used by the irrigation pump. Excess electricity is used to power wells, shops, and onsite home use.
- Conservation tillage, compost applications, cover crops, efficient management of nutrients and ag chemicals are BMPs.
- Drip irrigation conserves water compared to overhead sprinklers. Vines are sprayed during frost season to prevent plant damage.
- Sites selected do not have renewable energy projects onsite.

Result: In Conformance

Objective 5: Energy Use, Air Quality, and Climate Change (Continued)

5.2 Air Quality

Conformance Evidence

- 2023 Sustainability Report
- AgMonitor services description
- Site photo of electric Thorvald UV-light array autonomous sprayer

Auditor Notes

- Farm equipment uses Tier 4 engines. Sites abide by California Air Resources Board (CARB) transmission emissions requirements.
- Farm equipment engines have catalytic converter to control emissions.
- Sites incorporate soil organic matter to improve soil's water retention capacity and reduce irrigation.
- Airborne dust is a reported issue on site selected. Airborne dust also increases spider mite activity. Nuveen uses water trucks to spray roadways with magnesium sulfate and water to mitigate airborne dust.
- Site selected has chip sealed-pea gravel on roadway to reduce airborne dust.
- Sites use cover crops to retain a living root in the soil and improve soil organic matter.

Result: In Conformance

5.3 Climate-Smart Agriculture

Conformance Evidence

- 2023 Sustainability Report
- AgMonitor services description
- Site photo of electric Thorvald UV-light array autonomous sprayer

Auditor Notes

- Nuveen sites sequester carbon through vine management, production, and use of biochar to enhance soil fertility and support plant health and growth.
- Nuveen is conducting several trials with roller-crimping cover crops to create biomass and rapidly sequester carbon.
- Sites selected are influenced by coastal climates, with greater humidity and rainfall. Opening canopies through pruning and using trellises prevents vines from stacking one on top of another and mitigates fungal diseases such as eutypa, and frost threats caused by too much moisture.
- Vines are pruned mechanically early in the spring then again by hand later in the growing season to thin vines and support grape and vine health. Pruning allows sunlight to fall on greater surface areas of leaves and promotes quick-drying.
- Sites are establishing permanent cover crops to sequester carbon, improve soil health, and reduce airborne dust. Compost is applied to improve soil organic matter and reduce compaction.

Result: In Conformance

Objective 6: Waste and Material Management

6.1 Management of Waste and Other Materials

Conformance Evidence

- ETP Attendance Roster: chemical handling
- Hazardous Materials Spill Containment Plan and Procedures

Auditor Notes

- General waste on sites is mostly derived from product packaging.
- Nuveen sites selected participate in County recycling program. Pallets are stacked and returned to local pallet recycling facility.
- Steel vine supports, irrigation drip tape, and used oil are recycled.
- Hazardous waste disposal area has secondary containment facilities implemented.
- Staff are aware of storage tanks, portable tanks, and emergency spill and clean-up materials are kept. Shut-off nozzle is installed, and the hose and nozzle are regularly inspected for leaks and damage.
- Engine filters are disposed of by an external third-party environmental company.
- Experimenting with using less metal by using heavier metal posts, with a thicker gauge, which extends the life of the posts to approximately a 30-year window.
- Sites burn waste with appropriate permits.
- Agrochemicals are stored on site in accordance with regulatory requirements.

Result: In Conformance

6.2 Food and Agricultural Waste Resource Recovery

Conformance Evidence

- Compost/biochar invoice

Auditor Notes

- Nuveen sites experienced crop loss in 2020 due to smoke taint from wildfires. This year, potential for crop loss due to unusually cool weather and increased risk of frost. Harvesting equipment is calibrated to minimize crop loss.
- Nuveen sites emphasize the importance of close communication and cross-training with irrigators to identify fungal disease such as botrytis since they consistently have eyes in the field. Irrigators are trained to reduce water use when botrytis is a threat.
- Sites selected consult with third-party PCAs and has PCAs on staff.
- Harvested wine grapes are not stored on-farm.
- Nuveen uses old grape vines to create biochar and reapply between rows to support vine health and increase plant fertility.

Result: In Conformance

Objective 7: Conservation of Biodiversity

7.1 Species Protection

Conformance Evidence

- Property Acquisition Review Form
- Site photos
- Site photos of owl box
- Vineyard maps
- 2023 Sustainability Report
- Verisk Deforestation Index
- Global Sustainability Policy

Auditor Notes

- Nuveen sites have not identified threatened or endangered species on properties but are aware there are protected tiger salamanders in the area.
- Nuveen sites are aware of protected species identified by the U.S. Fish and Wildlife Service and have protocols in place to avoid disruption.
- Sites selected contain oak savannah habitat and seasonal waterways. Areas are maintained to promote biodiversity and wildlife presence.
- Nuveen identifies threatened and endangered species during due diligence using biological surveys.

Result: In Conformance

7.2 Wildlife Habitat Conservation

Conformance Evidence

- Vineyard maps
- Site photo of raptor perch

Auditor Notes

- Nuveen sites have established wildlife corridors to allow wildlife to safely move through their habitat.
- Nuveen will wait for protected species (including kit foxes) to relocate if they are identified on sites. United State Fish and Wildlife Service (USFWS) validates species onsite and participates in environmental assessments.
- Ecologically important sites are identified during due diligence process prior to purchasing land. Once identified, site is appropriately managed to not cause any harm and degrade ecosystem.
- Nuveen sites have raptor boxes installed to provide habitats for beneficial predators.

Result: In Conformance

Objective 7: Conservation of Biodiversity (Continued)

7.3 Avoided Conversion

Conformance Evidence

- Verisk Deforestation Index
- Global Sustainability Policy

Auditor Notes

- Resting soil occurs to disrupt the life cycle of Vine Mealy bugs.
- Nuveen's Sustainability Policy requires farm managers, contract managers and operators to abide by local regulations regarding the preservation of forests, areas of high conservation value, and biodiversity features and habitats where relevant.
- Nuveen established a Zero Deforestation Policy that states that Nuveen's investments will not directly contribute to deforestation, as per the United Nations (UN) Food and Agriculture Organization's (FAO's) definition. The policy includes specific guidelines for areas with high conservation value, such as the Amazon Biome in Brazil, where zero deforestation is enforced even if appropriately permitted to improve field shape, operational efficiency, or management infrastructure. Nuveen invests in long-established farmland and timberland assets.

Result: In Conformance, Notable Practice

7.4 Crop Diversity

Conformance Evidence

- Vineyard maps

Auditor Notes

- Nuveen sites use cover and companion crops to support vine health.
- Vines are replaced every 24 years. During new plantings and vine maintenance, various combinations and rootstocks are implemented.

Result: In Conformance

Objective 8: Protection of Special Sites

8.1 Site Protection

Conformance Evidence

- Property Acquisition Review Form

Auditor Notes

- Nuveen uses Property Acquisition Review Forms during acquisitions to identify the presence of historical or archaeological importance.
- Nuveen uses site maps to indicate areas of importance and identified special sites.

Result: In Conformance

Objective 9: Local Communities

9.1 Economic Wellbeing

Conformance Evidence

- Supplier invoices
- Redacted Employee Status Forms
- Global Sustainability Policy
- Responsible Investment in Farmland Report

Auditor Notes

- Nuveen has a dedicated Human Resources (HR) Department, Environmental, Social, and Governance (ESG) teams, and specialized teams to deal with financial, social, and legal compliance.
- Safety data sheets for crop protectants are stored onsite.

Result: In Conformance

Objective 9: Local Communities (Continued)

9.2 Community Relations

Conformance Evidence

- 2023 Sustainability Report

Auditor Notes

- Nuveen staff maintain memberships in State and local Farm Bureaus, support County 4H fairs, and work with a community-based Sustainability Program.
- Nuveen Farm Manager and Foreman coach local basketball and football teams.
- Nuveen Pesticide Program includes the practice of going door to door to notify neighbors prior to applications. Nuveen staff provides a contact card and encourages community members to reach out with any questions or concerns.
- Nuveen sites selected volunteer staff to clean, weed, and provide lawn maintenance for the local school district one or two weekends per year.

Result: In Conformance

9.3 Local Communities and Indigenous Peoples

Conformance Evidence

- Global Sustainability Policy
- Responsible Investment in Farmland Report
- Property Acquisition Review Form

Auditor Notes

- Nuveen Global Sustainability Policy contains and demonstrates a commitment to recognize and respect the rights of local communities and treaty rights of Indigenous Peoples.
- Nuveen's Global Sustainability Policy includes a provision that calls for the respect of areas of high Indigenous or historical value.
- Nuveen's Property Acquisition Review Form supports identification of areas of historical or archaeological significance.
- Sites selected have posted signage including the farm name, name of managers or foreman, and contact information.

Result: In Conformance

Objective 9: Local Communities (Continued)

9.4 Public Health

Conformance Evidence

- Global Sustainability Policy
- Safety training rosters
- Safety in the Workplace Injury and Illness Prevention Program (IIPP) and Heat Illness Prevention Plan (HIPP) training slides
- Pesticide Safety for Fieldworkers and Handlers training
- PCA license
- PCA recommendations

Auditor Notes

- Nuveen posts safety and occupational health, pesticide application records, emergency procedures, safety signage, and additional guidance including information for emergency medical care and pesticide use information on sites that are accessible to visitors and employees.
- Contact information related to potential risks onsite is publicly posted.

Result: In Conformance

Objective 10: Employees and Farm Labor

10.1 Safe and Respectful Working Environment

Conformance Evidence

- Global Sustainability Policy
- Job description with Equal Opportunity Employer (EOE) statement

Auditor Notes

- Nuveen includes an EOE statement in their Global Sustainability Policy. EOE statement is noted in the job description provided.
- Nuveen and partnering contract management companies maintain policies against sexual harassment and other workplace harassment to support a gender equitable and professional work environment. Sexual Harassment and discrimination training is conducted at least once per year, and mandated attendance is recorded.
- Nuveen sites conduct monthly reviews for safety compliance. Nuveen has established procedures in place to report injuries and for workers compensation.

Result: In Conformance

Objective 10: Employees and Farm Labor (Continued)

10.2 Occupational Training

Conformance Evidence

- Policy Against Sexual Harassment and Other Workplace Harassment
- California Agricultural Safety Certificate Program, Certificate of Completion
- AgSafe training roster
- PCA license

Auditor Notes

- Nuveen and contract management companies maintain health, safety, and occupational training.

Result: In Conformance

10.3 Supporting Capacity for Sustainability

Conformance Evidence

- Global Sustainability Policy
- California Agricultural Safety Certificate Program, Certificate of Completion
- AgSafe training roster
- Organization chart

Auditor Notes

- Nuveen maintains a commitment to LH FMS that "Management across vineyards will be conducted in congruence with the principles set forth in the Leading Harvest Standard. Employees and 3rd party crop managers will work together to remain up to date on changes to the Standard".
- Crop Managers, Nuveen staff, and third parties associated with production or management are aware of roles and responsibilities related to LH FMS conformance.
- Nuveen conducts full day of safety training annually for Crop Managers. Managers share the information with their respective team.
- Crop Managers are CCAs. Nuveen staff maintain CCA licenses with an additional Sustainability Specialty (SSP) accreditation. These certifications facilitate the adoption of more sustainable crop production practices and support consumer assurance that purchased product is produced sustainably. Continuing Education Units (CEUs) are required for renewal.
- Nuveen staff receive education and training opportunities through professional conference attendance and memberships on the Sustainable Vineyard Team.

Result: In Conformance

Objective 10: Employees and Farm Labor (Continued)

10.4 Compensation

Conformance Evidence

- Wage Matrix

Auditor Notes

- Crop managers establish compensation for staff and labor and ensure they meet regional norms.

Result: In Conformance, Opportunity for Improvement (OFI)

10.5 Farm Labor

Conformance Evidence

- Organization chart

Auditor Notes

- Nuveen has established relationships with domestic farm labor contractors (FLCs) and employ H2A laborers. FLCs are monitored and audited. Safety programs are established to ensure compliance with applicable Federal, State and local laws.

- FLCs interview and screen H2A employees per H2A requirements.

Result: In Conformance

Objective 11: Legal and Regulatory Compliance

11.1 Legal Compliance

Conformance Evidence

- Pesticide Safety Information poster
- Drug and Alcohol Policy
- Vacation Policy
- California Overtime Pay and Hours and Days of Work Policy
- Company Vehicle and Farm Equipment Policy
- Employee Handbook
- Electronic Devices Equipment Network Email, Internet Policy
- Meal and Rest Periods
- Paid Sick Leave Policy
- Workplace Violence
- Global Sustainability Policy
- Training rosters

Auditor Notes

- Nuveen posts safety and occupational health, pesticide application records, emergency procedures, safety signage, and additional guidance including information for emergency medical care and pesticide use information on sites that are accessible to visitors and employees.
- Contact information related to potential risks onsite is publicly posted.
- Nuveen maintains safety training and records of attendance to ensure employees have the most current information applicable to regulatory requirements.
- Nuveen has relevant safety and compliance information posted on sites and publicly available. Training is conducted regularly and Nuveen tracks attendance.
- Nuveen maintains an Employee Handbook to provide employees with relevant information and support legal compliance with applicable rules and regulations.
- Nuveen's commitment to legal compliance is demonstrated through the availability of compliance and safety information.

Result: In Conformance

Objective 11: Legal and Regulatory Compliance (Continued)

11.2 Legal Compliance Policies

Conformance Evidence

- Employee Handbook
- Global Sustainability Policy

Auditor Notes

- Nuveen staff demonstrates familiarity with LH FMS language and requirements. Crop Managers are trained on LH FMS requirements for conformance.
- Nuveen's Global Sustainability Policy contains commitments to LH FMS alignment.
- Nuveen's Employee Handbook and Global Sustainability Policy align with the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work .

Result: In Conformance

Objective 12: Management Review and Continual Improvement

12.1 Farm Review and Continual Improvement

Conformance Evidence

- Employee Handbook
- Monitoring form
- Supervisor Training Certificate
- LODI RULES Certifications

Auditor Notes

- Nuveen conducts 360-degree reviews annually for staff.
- Sites are graded internally each year. Grading takes buyer satisfaction, economic components, and field oversight and best management practices into consideration.
- Nuveen's budgeting process takes place between July and October. Crop Managers are tasked with maintenance of sustainable certifications in addition to LH FMS, which guides management decisions.
- Nuveen Crop Managers use an internal app to maintain field oversight. The app tracks various data points from site visits including scouting and vineyard inspection.
- Managers use an app to maintain relevant farm management data and has designated accounting teams to develop reports related to crop management. The app includes financial components shared with Nuveen's accounting team and facilitates report creation.
- Data collected is used to inform managers on opportunities for improvement.
- Reports inform managers on opportunities for improvement.
- Nuveen maintains sustainability certifications. Preparation and review of certification achievement are used to guide and improve agricultural efficiency and support conformance with sustainability standards.

Result: In Conformance

Objective 12: Management Review and Continual Improvement (Continued)

12.2 Support for Sustainable Agriculture

Conformance Evidence

- 2023 Sustainability Report
- Regenerative agriculture: principles and practices in action article (opinion piece)

Auditor Notes

- Currently involved in Carbon Sequestration Research at the Loma Del Rio Vineyard.
- Maps and brief of trial research provided for review.

Result: In Conformance, Notable Practice

Objective 13: Tenant-Operated Operations

13.1 Leased-Land Management

Conformance Evidence

- Lease excerpt
- Management narrative

Auditor Notes

- Nuveen review budgets, farm plans, conducts vineyard inspections, and provides guidance to contract managers to support alignment with Nuveen's established BMPs. Manager of select site is also enrolled in LH FMS.
- Nuveen conducts an end-of-year review to address issues prior to the start of the next season.
- Leases require contract managers to adhere to regional agricultural and viticultural BMPs.
- Nuveen maintains a Global Sustainability Policy that defines sustainable agriculture goals and is publicly available.

Result: In Conformance, Opportunity for Improvement (OFI)

Objective 13: Tenant-Operated Operations (Continued)

13.2 Leased-Land Monitoring

Conformance Evidence

- Lease excerpt
- Contract Manager Monitoring Form

Auditor Notes

- Nuveen conducts monthly site visits, inspections, and conversations with managers.
- Nuveen developed an app to record data farm management data and grade vineyards.
- Nuveen conducts in-depth reviews with managers at the end of the year.
- Management reviews heavily depend on how closely contract managers are achieving alignment with management expectations.
- Contract managers are provided with copies of LH FMS and examples of acceptable evidence.
- Subsequent meetings are held with managers and contract managers to review next years' objectives.
- Property contract managers are included in annual Leading Harvest Certification / Surveillance audits.
- Crop performance and property management is evaluated annually.
- Agrochemical applications, pest management, vine fertility, and other management data is tracked to support average yield improvement and guide sustainable property management.
- Nuveen uses a Contract Manager Monitoring Form to collect information on farm management practices. Farms are inspected at least monthly.

Result: In Conformance

KEY FINDINGS

Previous Non-Conformances: Nuveen's 2023 surveillance audit did not result in any major or minor non-conformances. Previous opportunities for improvement were addressed and resolved during this year's surveillance.

Major Non-Conformances: Zero (0) major non-conformances were identified during the audit.

Minor Non-Conformances: : Zero (0) minor non-conformances were identified during the audit.

Opportunities for Improvement (OFI): Two (2) opportunities for improvement were identified during the audit.

1. 10.4.1 Wages and Pay
 - a. The opportunity exists for Nuveen to demonstrate their abilities to provide correction and guidance for contract managers with challenges demonstrating fair pay between temporary staff and employees from the local community.
2. 13.1.4 Farmland Tenant Social Responsibility
 - a. Operating agreements require operators to adhere to legal requirements. The opportunity exists for Nuveen to demonstrate their abilities to provide correction and guidance for contract managers with challenges demonstrating legal compliance.

Notable Practices: Two (2) notable practice was identified during the audit.

1. 7.3.2 - Deforestation
 - a. Development and implementation of Nuveen's deforestation policy has been successful. Current policy fully complies with LH FMS requirements and is supported by well documented deforestation risk assessments.
2. 12.2.1 – Support for Agricultural Research
 - a. Continuing a multi-year initiative, Nuveen continues to support carbon sequestration research on active vineyards. Carbon reductions have been explored in multiple areas using myriad carbon management strategies, such as equipment efficiencies, bio-char applications, and carbon sequestration practices.

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Review of Previous Audit Cycle: Nuveen participated in a surveillance audit in 2022. Results of that audit were shared with Nuveen at the conclusion of the audit. Most opportunities for improvement were resolved through provision of updated Policy documents.

CONCLUSIONS

Results of the audit indicate that Nuveen has implemented a management system that meets the requirements of, and is in conformance with, the Leading Harvest Farmland Management Standard 2020. Nuveen's enrolled acreage is recommended for certification to the Leading Harvest Farmland Management Standard 2020.

NUVEEN NATURAL CAPITAL
 LH FMS AUDIT SUMMARY REPORT
 October 27, 2023

Summary of Audit Findings	
Program User	Nuveen Natural Capital
Audit Dates	September 11, 2023 – October 27, 2023
Non-Conformances Raised (NCR):	<i>Major</i> <i>Minor</i>
	0 0
Follow-Up Visit Needed?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>Date(s)</i>
Follow-Up Visit Remarks	
N/A	
Team Leader Recommendations	
Corrective Action Plan(s) Accepted	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> 2023/10/27
Proceed to/Continue Certification	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> 2023/10/27
All NCR Closed	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> 2023/10/27
Standard(s) Audited Against	
Leading Harvest Farmland Management Standard 2020 (Objectives 1 through 13)	
Audit Team Leader	Audit Team Members
Matt Armstrong	Jacques Werleigh, Kyle Rusten, Linnea Rash
Scope of Audit	
Management of production farmland on direct and contract manager operated properties.	
Accreditations	Approval by Leading Harvest to provide certification audits
Number of Certificates	1
Certificate Number	AVERUM-LHFMS-2021-0004
Proposed Date for Next Audit Event	TBD
Audit Report Distribution	Eric Pooler: eric.pooler@nuveennc.com