

NATURE

CSR report 2019/20

This report is based on the combined worldwide data relating to harvests of the financial year from 1 July 2019 to 30 June 2020.

All production and social data reflect the harvests of the 2019/20 financial year, although for some regions, these data reflect activity occurring during 2018/19.

We use science-based indicators for production, resource use efficiency, employee health and safety, and community outreach – all to promote good governance, sustainable production and to reduce risks.

With this report, Ingleby Farms & Forests ApS reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this, our sixth annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to sharing this information with our stakeholders.

FARMING WITH NATURE 2019/20

1. edition

Ingleby Farms & Forests ApS

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The Ingleby vision

Our vision is to be world-leading regenerative farmers. We farm to produce good, healthy food, and also to protect the environment for future generations.

As farmers, we play an important part in solving some of the most pressing global challenges we face today. We want to farm with nature – not against it. We believe farming done right can help the planet, and we aim to live up to this task every day, in everything we do.

We apply regenerative farming principles and constantly improve our soils. We preserve and enhance the biodiversity on our farms, and work towards sustainable consumption and production.

We treat our animals, people and communities with care, love and respect.

Because the way we choose to farm today echoes for generations.



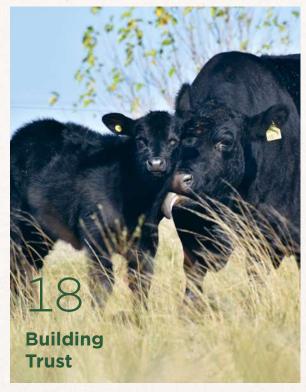
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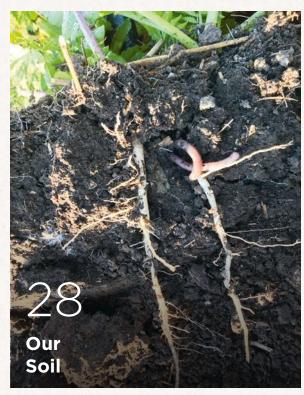


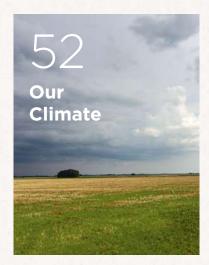




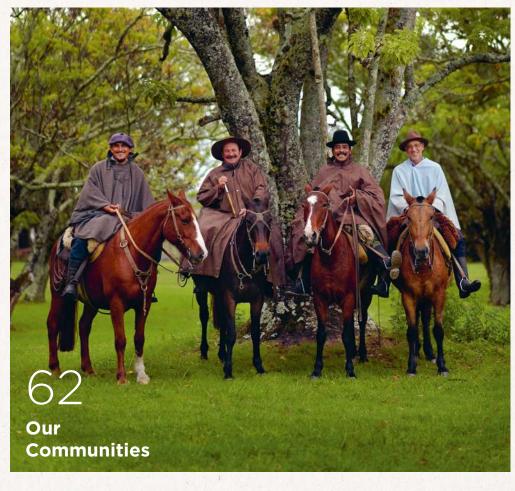
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Executive review

This year, we celebrate our 10-year anniversary of sustainability reporting in Ingleby Farms. Using an evidence-based approach, with comprehensive measurements and indicators, our sustainability reporting helps us to continuously become better farmers.



Always safety first

The safety and well-being of our team members is our highest priority. Our teams' continued focus on safety resulted in a significant reduction (43%) in our LTIFR (Lost time injury frequency rate) in 2019/20, compared to the year before. We had only 16 accidents and no fatalities.

COVID-19

COVID-19 has affected many areas of business throughout the world this year. Ingleby Farms' immediate priority was protecting the health and safety of our team members. Peru, our most labour-intense country, has been and still is exposed to effects from COVID-19, as well as our farms in the United States, Argentina and Romania. As we continue to navigate the impacts of COVID-19, we are focused on keeping all health and safety precautions in place and have so far managed to keep everyone safe with no fatalities.

Regenerative agriculture

Our 2030 goals of regenerative agriculture, including no use of synthetic pesticides, reduced synthetic fertilisers, responsible water stewardship, zero waste, climate positive farms and enhanced biodiversity, are a major focus with innovative tests and field trials in Latvia, Lithuania, Peru and California. The current COVID-19 pandemic has also shown the strength of our journey towards regenerative agriculture in how each farm over time will be increasingly selfcontained with less import of inputs like synthetic pesticides and fertilisers. We are thus less dependent on potential disruptions of supply chains. We are allocating further management resources towards our 2030 goals in 2020/21.

Severe weather events

The principles of regenerative agriculture help us mitigate the impacts from the increasingly volatile weather of frequent droughts and floods. By mimicking nature, we avoid disturbing our precious soils, and have now 98% of our cropland (excluding horticulture) in no- and minimum tillage, and we keep all soil surfaces covered throughout the year. We have entered into more robust, diversified crop rotations and grow 47 different crops today, compared with only 11 in 2010/11, while integrating livestock into our cropping systems.

Furthermore, we are continuously improving our water and drainage infrastructure to mitigate the effect of dry and wet years. In 2019/20, we expanded our investments into irrigation in Tasmania, Uruguay, Romania and Lithuania. In Romania, we also continued our soil drainage project and in Uruguay and Argentina we made additional erosion curves and grass waterways. We now have 15% of our crop production area under irrigation, providing input optimisation and stable yields.

Trustworthy farmers

Our diversification over 43 farms and forests in nine production countries, together with experienced management and production teams, provides strong resilience and performance. We share best practices across continents, backed up by evidence-based indicators. We are hands-on producers of more than 47 crops seeded, planted and harvested throughout the year, always pursuing to be a reliable, transparent and solid supplier of sustainably produced food, feed and fibre.

Hans Henrik Koefoed
Chief Executive Officer



2030 regenerative agriculture commitments

Everything we do is linked to our long-term commitment to our farms. We are very ambitious about how we farm and steward the land. For that reason, we are able to commit to bold and ambitious goals to lead us in the right direction.

For us, regenerative agriculture is the right direction. Farming regeneratively promises a wide range of benefits — from improved soil health through to better water stewardship, with a significant boost to biodiversity. We can make use of the soil as a carbon sink, while we produce more nutritious food in ways that make it not only better for the people who consume it, but also for us working to produce it. Our animals are an essential part of all this. We want all Ingleby farms to embrace regenerative farming by 2030.

Various practices and approaches fall under the umbrella of "regenerative farming" e.g. agroforestry, no-till, precision agriculture, holistic grazing and mob grazing, robotics, bio-char, compost teas, and re-wilding. So, there are many ways going forward towards our commitment, and no single solution fits every country, farm or field. In fact, regenerative farming is not only about ticking off certain practices but rather, it is a process of understanding the specific farming system or landscape and working to continuously improve it.

In order to orchestrate our regenerative efforts across all farms, we have chosen five areas to focus on. These give us a solid foundation for measuring our progress and for sharing specific know-how amongst ourselves. Regenerative agriculture is a continuous learning process.

The five areas we have chosen to focus on are:

- Our Soil
- Our Animals
- Our Nature
- Our Climate
- Our Communities

Each area has its own Commitment and a set of four Goals as presented on the next page.

Our Commitments



Our Soil
Practice
regenerative
farming

- Build healthy, living soil
- · Synthetic pesticide-free
- · Reduce synthetic fertilisers
- · Responsible water stewardship



Our Animals
Raise healthy
and ethically
treated animals

- · Honour the five freedoms* of animal welfare
- Breed for an open-range environment
- Open-range and pasture-fed year round
- Ethical veterinary practices



Our Nature
Protect and
enhance
biodiversity

- 10% natural habitats per hub
- 1% water habitats per hub
- Implement farm environmental plans
- Protect and monitor significant species and ecosystems



Our Climate
Farm for
a greener
future

- · Climate positive
- Zero landfill
- Zero waste
- Transition to renewable energy



Our Communities

Grow our people and communities

- · Zero harm work culture
- · 2% of work hours in training
- Balanced gender diversity
- Support and engage in local farming and environmental communities

^{*} The five freedoms of animal welfare: Freedom from hunger or thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviour, and freedom from fear/distress.

Regenerative agriculture

Regenerative agriculture is the practice of carefully increasing nutrient availability in the soil, while maintaining a high yield and preserving biodiversity. It can help store significant amounts of carbon in the soil, protect against erosion, and reduce the need for synthetic fertilisers and pesticides.

The objective of regenerative agriculture is to increase the number of microbiological organisms, worms, and the level of nutrients in the soil, thus reducing the need for mechanical and chemical assistance. It is about working with nature, not against it. There are five main principles to regenerative agriculture:

- · Limited soil disturbance
- Covering the soil
- Diversity
- Living roots
- Integrating animals

We already use these practices to some degree on our farms, and incorporating them further into our production will be a main part in our strategy to reach our goal of becoming synthetic pesticide-free by 2030.



Limited soil disturbance

Minimum-tillage agriculture is a breeding ground for rich and diverse biological soils. Tillage affects soil structure, aeration, temperature and water content. As the soil is constantly being torn apart, it affects the living organisms in the soil that help create natural soil fertility. This in turn affects the rate of decomposition and nitrogen mineralisation.

The less the soil is cultivated, the more earthworms and beneficial insects, such as ground beetles, spiders and other macrofauna will thrive. Earthworms play a crucial role in terrestrial ecosystems: They recycle organic material by digesting organic matter and thereby enriching the soil. Earthworms loosen, aerate, and improve the drainage of the soil by burrowing and channelling.

The crop residues left on the soil are favourite habitats for beetles and millipedes, springtails and mites. A rich and diverse fauna will increase the level of "natural pest control" and help us in our goal to become synthetic pesticide-free.

 Faba beans and common vetch interplanted as companion crops to increase yield, biodiversity, and soil structure - and to reduce the need for application of Nitrogen in the following crop.

Covering the soil

We mimic what nature does. We always cover bare soil with crop or crop residues to protect it from wind and water erosion. This keeps moisture in the soil which decreases risk of drought and maintains a stable soil temperature. All part of obtaining healthy soils.

By covering the fields most of the year with live and dead organic material, we also sequester carbon into the soil. This is one of the reasons why cover crops are one of the pillars in regenerative agriculture.

Diversity

Diversity is key in keeping soils healthy. It is all about using a variety of crops that complement each other. It can be crops with different root types (shallow roots, deep roots, and tap roots). Some crops are high-carbon, some are low-carbon, some are legumes. Each of them contributes to the soil's nutrients and physical properties, thereby maintaining soil health.

There is growing evidence on how bacterial communities (which increase with crop diversity or cover crops) excrete enzymes to make nutrients more available for the plants.





▲ Radish root in multi-species cover crop improves soil structure and captures nutrients.

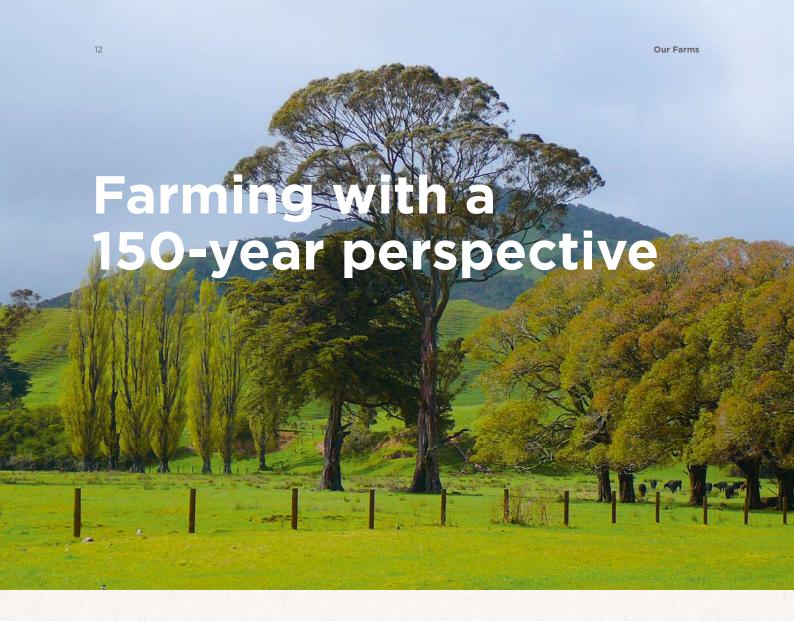
Living roots

This principle is about having living roots in the soil for as long as possible. Soils are most productive when soil microbes have access to living plant materials. Through its exudates, a living root provides a food source for beneficial bacteria and promotes the symbiotic relationship between plant roots and mycorrhizal fungi. It also helps to reduce soil erosion.

Integrating animals

Integrating animals is the fifth principle to healthier soils. When grazing is well managed, animals drive carbon sequestration and inoculate the soil with beneficial microbes. They can help plants grow faster. As more grass is grown, more organic matter is available to recycle into the soil for feeding microbes. This captures and holds more water and nutrients, growing healthier plants that capture more sunlight for the photosynthesis process, and sinking more carbon back into the ground.

Grazing sheep helps suppress weeds in red clover field.



Ingleby Farms is committed to regenerating soils and increasing biodiversity, which takes time – a lot of time. So we are here for the long term. In fact, we are farming with a 150-year perspective.

Our long-term commitment is at the core of our family values and thinking. We are farming not only for ourselves, but for coming generations to thrive and prosper. Therefore, we are also willing to invest in decisions, actions, and innovation that are long-lasting and where the benefits only arise after extended periods of time.

For us, it makes sense to improve our soils and nature, to minimise our impact on the climate and environment; to support local communities and be good citizens. Things that do not generate a profit here and now, but are natural consequences of the way we think of ourselves as stewards of the land: If our surrounding communities and nature cannot be healthy and flourish in the long term – how can we?

This understanding, and the values behind, makes it an easy choice to work towards the long-term success of the farms without, of course, ever losing sight of the present-day profitability.

However small, we hope that our 150-year legacy will be healthy, thriving farms in flourishing communities and environments. We hope that future generations will look back at what we started and appreciate the condition of the lands we pass on to them. Afterall, we are all merely stewarding our lands for the generations to come.



We are long-term owners of land, managing horticulture, pastures, arable and mixed farms in nine countries across four continents. As of 30 June 2020, we manage 100,969 hectares worldwide of which we protect 29% as natural habitats, including 2.5% as water habitats.































Hectares by region Hectare distribution 8% 1% 46% Cropping Intensive grazing Environmental Mixed forestry Infrastructure









Our farms and productions

We farm a wide range of productions in many areas across the globe

Argentina

In Argentina, we own ten highly fertile farms with a total of 12,519 hectares.

We farm in Argentina's lush central area, the "pampa húmeda" (humid pampa). This area contains some of the world's best farmland.

Our farms are mostly arable, but we do have some pastoral farming. Our main crops include soya, corn, wheat, sunflower and barley, as well as canola, grass seeds, sorghum and fodder crops.

Cattle can be grazed all year round throughout most of Argentina. Grazing pastures are rich in biodiversity, and on our farms, cattle are managed to maintain this balance.

Australia

Ingleby Farms manages farms across three states in Australia.

In Tasmania, where we manage five farms across 8,963 hectares, we grow potatoes, broccoli, barley, peas and fodder crops as well as grass and clover seeds.

We are also one of the largest producers of lamb in Tasmania, finishing 30,000 lambs annually. Our dairy farm produces 20 million litres of milk annually from 3,500 Holstein-Friesian dairy cows, which graze lush, green pastures 365 days a year.

Our farm in Victoria is 4,770 hectares of arable cropping land, pasture and remnant vegetation, shelter belts, rocky barriers and wetlands. We grow wheat, barley and canola for silage production. The farm also runs 10,000 composite breeding ewes.

In Western Australia, Ingleby Farms owns four farms totaling 7,507 hectares, which grow wheat, malting barley and canola. The farms have vast areas of remnant bushland, good soils, stable rainfall and mild temperatures over the growing season.

California, USA

Ingleby Farms manages one 1,825-hectare farm in California, United States, where we produce pistachios.

Our farm is located in the San Joaquin Valley, sometimes called "the nation's fruit basket" because of the great range of fruits, nuts and vegetables grown in its fertile soil. It is a beautiful area with a spectacular bird life.

In order to enhance the wildlife on the farm, we have planted over 21 kilometres of hedgerows, native grasses, bushes and avenues of oaks. We have also established a 12-hectare wetland and allowed an 81-hectare flood zone to return to native species, and an avian sanctuary.



Latvia

In Latvia, we own two farms with a total of 6,971 hectares.

Our farms are set in the beautiful rural Latvian landscape with its gently rolling hills and patchwork of forests and fields.

We produce milling wheat, winter canola, milling rye, spring barley, black oats, broad beans and sugar beets as well as certified clover and grass seeds.

Our farms have a high crop yield potential due to mild summers, good rainfall, and fertile soils with a deep root zone and good drainage infrastructure.

We have 367 hectares of diverse water and woodland habitats, hosting a variety of species.

Lithuania

In Lithuania, we have one farm of 2,797 hectares.

We produce milling wheat, winter canola, milling rye, spring barley, sugar beets and spinach, clover and grass seeds.

Like Latvia, our Lithuanian farm has a high crop yield potential due to mild summers, good rainfall, fertile soils, a deep root zone and drainage infrastructure.

The farm is located in between several large forests, one of which is in a Natura2000 area. We protect 210 hectares of environmental areas on-farm.

New Zealand

Ingleby Farms runs four farms in New Zealand, with a total of 6,735 hectares.

Our farms produce highquality grass-fed beef and lamb.

Rainfall in New Zealand is high, varying between 950-1,700 mm, consistently spread throughout the year. This combined with a mild climate. enables us to grow grass ten out of twelve months and our sheep and cattle to graze all year in natural, green sur-

We protect the unique New Zealand landscape through intelligent livestock management, tree planting to mitigate erosion, and fencing to protect bushland and waterways.

Peru

We have two farms in Peru, totaling 2,017 hectares. These are located in the Motupe valley and in the Olmos irrigation development in Northern Peru.

We mainly grow avocados, blueberries and table grapes. However, we are also testing new horticulture crop varieties using the latest agricultural innovations. We have also developed a native seedling nursery.

Our farms are ideally located for exports, having good access to one of Peru's major ports, Paita. This in turn provides access to the most important markets in the world, such as Europe, Asia and USA.

Romania

In Romania, we manage both farms and forests. Our farms are located in western Romania, near Timisoara, with a total of 12,388 hectares. Our forests are located 100 kilometres north-west of Bucharest and total 7,261 hectares.

Romania's fertile soil and favourable climate make the country suitable for growing a diverse range of agricultural productions and forestry.

Our cereal and oilseed crops include canola, corn, sorghum, soya, wheat and peas. We produce grass and clover seeds and have our own seed cleaning and packing facilities. We also grow high-quality blueberries and test other berry varieties for future production.

Uruguay

Ingleby Farms has seven mixed pasture and arable farms in the south-west of Uruguay, totaling 27,217

Uruguay differs from most other countries in Latin America, in that it has no mountains and very little natural forest. Over 80% of Uruguay's land area can be used for agriculture.

Uruguay's temperate climate and natural grasslands lend themselves to livestock production. The fertile soils in the south-west are also suitable for crop farming.

Our farms have mainly native grassland, ideal for breeding cattle. We also produce crops such as corn, barley, sorghum, soya, fescue and ryegrass seeds as well as fodder crops.



Celebrating 10 years of sustainability reporting

Sustainability and responsibility are the DNA of Ingleby Farms, built into our founding values and guiding how we farm. We are a farming company that proactively champions sustainability – and proves it with data.

Ten years ago, we started gathering and reporting on comprehensive metrics, including everything from production, animal welfare, agrochemical use, energy and water use, soils, environments, and social activity. At first, much of the information we desired often wasn't measured by our local teams. Or, if it did exist, it was in the form of handwritten notes, pictures, or invoices which we transcribed to store in our databases.

Each year since then the process was improved, more refined, and our teams created systems to capture numbers in smarter ways. Skip forward a decade to 2020, and Ingleby Farms sits at 100,969 hectares across 39 farms and forests. The sustainability programme is deeply ingrained.

Ironically, one of our core business strategies – diversity across productions and locations – is the main hurdle to smooth reporting because of the complexity involved! We now document and measure up to 55 KPIs, depending on the type of farm. We have recorded 69 different land production types over the years (crops, seeds, pastures, orchards and forestry), 26 of which are irrigated. We have expanded milk, meat and wool production to six of our nine countries by integrating animals within cropping systems. Hectares dedicated to horticulture production has nearly doubled during this time.

Our newest challenge is digitalising and automating data collection - and stepping up efforts with greenhouse gas balances.

In an industry like farming, data is gold. With 10 years' worth of detailed information, our sustainability reporting programme helps define Ingleby Farms, uphold our values, and affirm our commitment to continuously become better farmers.





471
BIRD SPECIES
RECORDED ON
OUR FARMS



118
SUSTAINABILITY
REPORTS CREATED



988%

GROWTH IN DATA COLLECTED IN OUR DATABASES





Highlights from this year



Each year, each farm reports on a vast number of indicators related to production and sustainability. We are pleased to share a few highlights from the 2019/20 reporting cycle.

Europe

Despite most of Europe, including Lithuania, experiencing prolonged periods of dry weather during the growing season this year, we still obtained an increasing total yield for the third year in a row.

For the first time in Lithuania and Latvia, we have tried growing rye with hairy vetch and barley with peas as companion crops. We plan to continue testing different combinations as one of our strategies to reach our 2030 synthetic pesticide-free goal.

North America

This is the third year our solar field on Burrel Ranch, California has operated, providing 36% of our total electricity use on farm. Combined with the renewable electricity from the state grid, 56% of the ranch's electricity consumed during the 2019 season was renewably sourced.

Also, as part of our 2030 synthetic pesticidefree goal, we released beneficial insects and created a scouting system to monitor their activity during the growing season. We also used insectary plants to attract beneficial insects.



Australasia

We have achieved record canola yields on our Victorian farm, Mt Elephant, this year, harvesting an average of 3.2 t/ha in total, but up to 4.3 t/ha in some fields. These were planted in vetch for fodder as an alternative to faba beans the previous season, demonstrating the latent benefits to the canola crop.

Despite a short spring and a dry growing season, our Tasmanian operation has had the best result for many years, especially in the lamb and dairy productions. More general training plus intense focus on health and safety across all Australian and New Zealand farms has led to both a significant drop in accidents and near misses, plus an achievement of the Ingleby Farms training goal, 2% of work hours spent in training.

Latin America

Our Argentine and Uruguayan farms have had a very good production year, especially with the cattle. The use of cover crops has been increasing continuously on our farms, hopefully improving future yields and the soil's health, structure and potential.

In Argentina, the teams have made efforts to reduce their pesticide use, inspired by Ingleby Farms' synthetic pesticide-free goal.

In Peru, most of the crops performed well, and the new varieties have had good first yields. We are using and planting more cover crops under our high-value crops. We planted sorghum, cannavalia, mucuna/crotalaria (legumes) after pruning. The beneficial insect production is running well, and we are planning a new insect rearing facility. This is helping us reach the goal of synthetic pesticide-free production.

UN Sustainable Development Goals

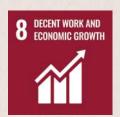
As farmers, we have an important role to play in solving some of the world's grand challenges. We are aligned with the 10 universal principles on environment, human rights, labour, and anti-corruption. We also support the UN Sustainable Development Goals. We have identified six SDGs that apply to our farming operations, and where we have the greatest potential for impact. These are aligned with our internal goals.



- Across all our farms this year, we have grown 8.5 million calories per productive hectare, enough to feed 697,000 people per year
- Taking sustainable agriculture further by adopting regenerative agricultural practices
- Healthier soils through regenerative agriculture will improve our farms' resilience to extreme weather, safeguarding food production
- Our crop production yields have increased 2% on average each year since 2010, and our milk, meat and wool yields have increased 4% on average each year



- Started freshwater stream monitoring on our New Zealand farms to assess effects of environmental improvements on water quality
- Measured, adjusted, and upgraded pumps and drip irrigation systems on our Californian farm, improving water-use efficiency
- In Uruguay, we have built three new water reservoirs for irrigation, securing more consistent water supply for crops
- Erosion control structures installed on one of our Romanian farms. We also created a new irrigation lake in low-lying land, capable of holding 135,000 cubic metres of water



- We employ around 3,100
 people on our orchards in
 Peru, compared to 1,100 five
 years ago. Investing in and
 developing high-value crops
 creates many jobs in our
 communities. Also in Peru,
 we started building a picker's
 village to accommodate
 teams during busy periods
- Half of our countries' teams this year achieved Ingleby Farms's internal goal of 2% of work hours spent in training. On the Ingleby Farm global level, exactly 2% of our work hours were spent in training
- Gender diversity and equal opportunities are important to us. This year, women made up 25% of Ingleby Farms' Board, and 33% of global executive and middle management roles



- Our Californian farm has switched to consuming more biofuel than diesel. They are also using beneficial insects to reduce synthetic pesticides, as is our team in Peru, who also produce beneficial insects in a lab on-farm
- Our European farm teams are trialling new machinery that perform multiple operations at the same time, reducing both diesel use and soil disturbance
- This year, our Lithuanian team organised a clean-up day to collect litter from drains, roadsides and fields
- All our arable farms are adding more Nitrogenfixing legume crops into the rotation, such as peas, to help reduce reliance on synthetic fertilisers
- This year we experimented with companion crops on our Baltic farms, where two crops are grown together, such as vetch/rye or barley/ peas. This could help reduce the crops' need for both fertilisers and pesticides
- We are gradually integrating cattle and sheep into the crop rotations to maximise production by grazing crops pre- and post-harvest.
 This has the added benefit of nutrient and carbon cycling, improving soil health



- We built a 2,000 megawatt solar power field several years ago on our Californian farm, which increased the farm's proportion of renewably sourced electricity to 56%
- Our no-till cropping systems in Argentina and Uruguay help bolster soil carbon sequestration and reduce erosion and organic matter loss. We are working to reduce tillage on all our other farms
- Ingleby Farms is a member of the Cool Farm Alliance, and this year we started making crop carbon footprints to identify, measure and benchmark emissions and sequestration. We plan to repeat these each year to track progress towards our goal of climate positive farming
- We are increasing use of cover crops worldwide, covering 15% of the arable area this year, compared to 8% four years ago. Cover crops armour the soil and store carbon
- During 2019/20, we grew 47 different crops in the rotation compared to 11 crops ten years ago. Diverse rotations, including legumes, grasses, oilseeds, cereals and perennials help improve soil and its ability to store carbon



- This was the second year of launching our Farming with Nature programme, focussing now on our Peruvian and New Zealand farms. Last year the programme started with our European farms
- The Farming with Nature programme involves creating detailed Farm Environmental Plans for each farm, identifying priority areas and actions to guide environmental improvements
- On one of our New Zealand farms, 19 hectares of river exiting the Grand Canyon environmental area, home to the endangered Long-tailed bat, are being fenced to exclude stock and planted in native species
- On our Romanian farms
 this year, we discovered the
 Freyer's purple emperor, a
 significant butterfly species.
 We also surveyed farmland
 bird diversity for the 11th
 year, while our Baltic farms
 completed their 6th year
 of bird surveying
- We developed an Ingleby "Simple Soil Test - Earthworm Assessment" to collect knowledge on earthworm abundance as an indicator of soil health. Some of our Argentine farms have started using this

Our Certifications

At Ingleby Farms, our high internal agricultural and social best practices mean that we do not use external certifications to guide our operations. Instead, we have obtained selected certifications to provide assurance to our external partners and customers of our world leading practices.











Global G.A.P.

Enhances good agricultural practices by minimising the detrimental environmental impacts of farming operations, reducing the use of chemicals and ensuring a responsible approach to worker health and safety as well as animal welfare.



Assesses social risks in primary production.



Nurture

Focuses on environmental control, management of energy resources, protection of the environment through its fauna and flora.



USDA Organic

Integrates cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.





























EU Organic

Encourages the responsible use of energy and natural resources, the maintenance of biodiversity, preservation of regional ecological balances, enhancement of soil fertility, and maintenance of water quality.



Aligns social audit standards and monitoring practices to ease the auditing burden on suppliers by sharing reports and driving improvements in supply chain labour standards.



Certified Natural Beef

Certifies the entire production process all the way through packing and labelling. Compliant with food safety and traceability requirements.



Never Ever 3

Guarantees meat comes from animals that never received antibiotics, hormones or proteins of animal origin during their lifetime.

Traceability

We farm to produce good, healthy food. An integral part of our food safety programme is traceability - the ability to track our products through all stages of production, processing, and distribution.

In Uruguay, we raise open-range, grass-fed Aberdeen Angus cattle. In order to comply with national regulation and to deliver the renowned Ingleby quality beef products, we invest a lot of resources in food safety and traceability.

We track each individual animal from pasture to plate. This is possible due to a double eartag system comprised of a visual plastic tag on one ear, and an electronic chip in the other ear. Each animal is given a 9-digit ID number and we record its date of birth, sex, place of birth, and subsequently every movement through its entire lifetime.

In addition to identification and tracking, the electronic chip also enables better management of our cattle, because we can store individual records of weight, health treatment, performance, etc.

The abattoir verifies that the individual traceability is in good order – otherwise the animal is rejected. Via many records and numbers, the provenance of the animal is traced all the way through processing to the final cut of beef.

At Ingleby Farms, we believe traceability is an integral part of being a responsible food producer.



Food safety

An example from our blueberry production in Romania

We are using a state-of-the-art bar code system for our berries. We can trace each crate of berries to see where and when they were picked and by whom.

We cool down our blueberries as fast as possible. Within just one hour of being picked, they are placed in cold storage.

To ensure freshness for our customers, we ship our blueberries no later than 48-72 hours after picking.

We are treating all the water that we use for foliar spaying with a UV system which kills all the bacteria in the water.

Organic trials in Peru

As part of our efforts for continuous improvement, we have begun organic trials in Peru.

Based on our trials, we are now in the process of transitioning 14 hectares of Sweet Globe table grapes to organic production. These are currently qualified as "transition to organic", which will last for the next two years.

We are integrating regenerative agriculture practices by using and planting more cover crops for our high value crops. We planted sorghum, cannavalia, mucuna/crotalaria (legumes) after pruning. The pruned branches were chopped and spread under the main plants as mulch, significantly increasing the organic matter. We also graze sheep in the grape fields, which is possible under GlobalGAP protocol.

These first test plots have returned good results and now our teams are organising new trials. This strategy is part of a diversification and expansion process. We also plan to expand our organic fruit production of avocados and blueberries.





We feed soil microbiology

Keeping our microorganisms healthy is crucial to a resilient and sustainable food production. It is therefore important to always keep our underground ecosystem well-fed.

Plants release up to a quarter of the sugars they produce from photosynthesis through their roots. They are practically feeding the microorganisms beneath them. In turn, the microorganisms deliver nutrients to the plant that would otherwise be unavailable. They even help to fight off pests and keep the plant disease-free. Microorganisms are furthermore critically important to the physical structure of soil and in nutrient cycling.

When it comes to cover crops and microorganisms, diversity is key! While many farmers only use a single cover crop species, the benefits of cover crops are greatest when multiple species are combined. Therefore, we strive for a wide array of cover crops, all with their own unique beneficial qualities. On our farms in Lithuania and Latvia, we are sowing up to nine different cover crops together. This plant diversity also increases microorganism diversity, which ultimately results in healthier and more resilient crops.





15 %

ARABLE AREA
WITH COVER
CROPS



46 %

ARABLE AREA IS

NO-TILLAGE



52 %
ARABLE AREA IS MINIMUM-TILLAGE

Improving soil health

We value our soil to a great extent! It is the foundation of our work as farmers. The simplest way to continuously improve soil health is to keep the soil covered by plants.

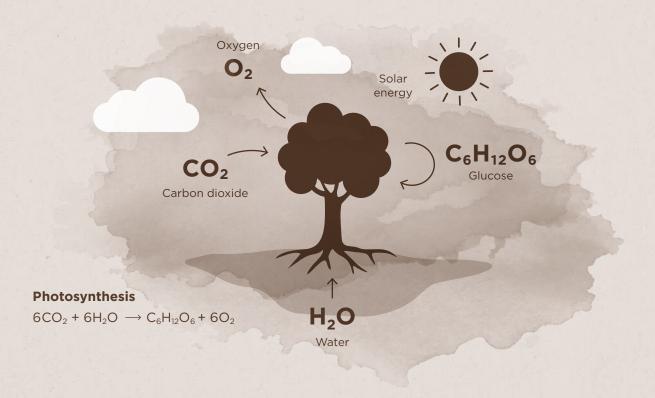
Permanent green cover

In addition to harvesting our crops, we aim to harvest sunlight all year round. We need our soil to have a permanent green cover, as the conversion of sunlight, CO_2 and water into sugar and oxygen, also known as photosynthesis, takes place in plants.

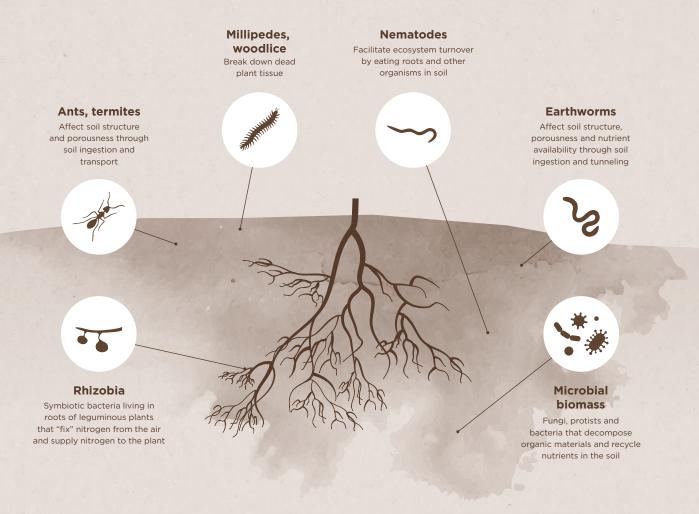
When we harvest sunlight, we produce food for life both above and below ground. With our crops, we produce food for people and animals and with our cover crops, we produce food for our soil microbiology. In exchange for the sugar produced for our soil microbiology, they give the plant minerals and nutrients, ensuring that we can grow a strong and healthy crop.

As well as covering our fields with a green cover and utilising every ray of sunlight, we remove carbon from the atmosphere, we protect our soil from wind and water erosion and keep the moisture content in the soil, decreasing the risk of drought.

If the cover dies during winter, the residues will still protect the soil as an armour and slowly decompose so that the carbon is stored in the soil.



OUR LIVESTOCK BELOW GROUND



Ecosystem engineers

We farm with nature, including what is below ground. We strive to have a living soil where the earthworms thrive due to our regenerative farming practices.

Earthworms are often called 'ecosystem engineers' because of how they change the structure of their environments, but we like to call them 'our best employees below ground'. They offer many benefits, all of which help increase carbon sequestration, improve soil health and farm productivity.

With their natural behavior of building underground homes and wiggling their way through the underground, they allow oxygen to be transported further down the soil profile, and help stabilise soil organic matter. This allows the soil to hold more water, just like a sponge. Soils with earthworms can drain up to ten times faster than soils without.

Earthworms make it possible for all kinds of other species to exist by finding their food on the surface of the soil and bringing all the nutrients back into the soil. Plants take advantage of these tunnels, with the roots penetrating deeper into the soil, where they can reach extra moisture and nutrients.

Earthworms also build the soil when they leave their casts on the soil surface. This is very important since the topsoil is where we plant our crops.

To ensure the benefits provided by the earthworms, we need to feed them with organic material year-round in the form of crop residues and protect their homes by not working the soil mechanically. They are our best employees below ground and essential when farming with nature.

Field trials in the Baltics

As part of our journey towards our goal of being synthetic pesticidefree by 2030, we conduct a range of field trials. Through the trials, we continually improve our regenerative farming practices and learn new ways to eliminate our use of synthetic pesticides.

Latvia and Lithuania

Over the last couple of years, we have conducted more than 25 field trials in Latvia and Lithuania. The trials mainly focus on increasing the diversity in our fields by growing several crops together and planting cover crops on our fields during winter. By growing companion crops we can diminish weed problems and reduce herbicides, since the plants cover more of the soil surface, not letting weed plants emerge.

Chickpea and barley growing together.

Traditionally, row crops are grown as monocultures of wheat, barley, rye etc., but in one of our companion crop trials, we have tested growing hairy vetch together with rye and found that hairy vetch was successful in supressing weeds. By combining these different types of plants, we believe that we can replace herbicides with natural weed control.

Cover crops can also prevent weeds from emerging. We seed them in late summer, and they will grow until they are terminated by the frost or by us in the early spring before seeding the next crop. Even after the cover crops have been terminated, their residues still protect and cover the soil surface as an armour that the weeds cannot penetrate. We are testing many varieties and combinations of cover crops in order to find the mixture that will give us the best soil armour while also improving soil health.

We have also tested a new variety of sugar beets that requires 80-90% less herbicides than the traditional varieties. We have replaced all our sugar beets in 2020 with this new variety and are looking into how we can replace the remaining herbicides needed with other non-synthetic products.

We keep testing new technology and farming practices on all our farms. All trials are reported and shared across our farm teams.



inter wheat with crimson clover to suppress weed

Companion crops

Companion cropping refer to the practice of planting two or more crops together. This type of polyculture strives to mimic the diversity of natural ecosystems and yield a long list of benefits, including improved pest control, increased plant health, habitat for beneficial insects, better use of space, and a general increase in crop productivity. There is no such thing as a perfect mixture of companion crops, but attentive farmers can reap a lot of benefits by continuous observations and adjustments, hence our many field trials.





Valuing nutrition

With a growing world population that should all have access to healthy and nutritious food, there is significant pressure on farmers. This drives high volume production of low nutrient-content food in agriculture systems, with negative health and environmental impacts. With our 150-year perspective on farming, this is not the route we wish to take.

Instead, we aim to increase the nutritional value of our products and the amount of calories that we produce, without expanding the area of land used for farming. Our teams work year-round to produce sustainable seeds, grains, vegetables, fruits, nuts, meat and milk of premium quality.

We believe that our focus on creating healthy soil will not only improve our yields, but also the nutritional value of our products. We believe that there is a correlation between fertile soil, healthy plants, and the quality of the grain, fruit or nuts.

At Ingleby Farms, we are specialists in growing high-quality, nutrient-dense crops such as blueberries, avocados and pistachios.

In 2019/20, our total crop production reached 214,479 tonnes, equalling 4.7 tonnes crop per cropping hectare. Converted into calories, our food production totals 636,143 million calories. This can feed 697,143 people for a year based on an estimated daily intake of 2,500 calories per person.

Calculated by hectares, we can feed one person for an entire year on 0.11 hectare of land, equal to 1,100 m² or about two basketball courts.

Since we started measuring, we have increased our tonnes of food produced per hectare by an average of 2% per year for crops and 4% for meat and milk. We also aim to minimise food waste in every part of the food production and supply chain.



Avocados

Avocados are packed with a variety of nutrients, including 20 different vitamins and minerals.

We grow 700 hecatres of avocados in Peru, where the trees thrive in the mild coastal climate. Our main production is the dark green, pebbly skinned Hass variety. We also have a smaller production of the green skinned Pinkerton, Ettinger and Zutano, but these are mainly used as pollinisers.

Our avocados are internationally recognised for their quality. We have obtained the Tesco Nurture Gold Standard Certification, as well as several Global G.A.P certifications.



Blueberries

Blueberries are bursting with nutrients and antioxidants. Blueberries are believed to have one of the highest antioxidant levels of all fruits. They are also low in calories.

We grow blueberries in Peru and Romania. Both countries have excellent conditions for growing large, firm berries full of flavour. In total, we have 350 hectares in production; 200 hectares in Romania and 150 hectares in Peru.

Our blueberries are hand-picked and packaged with care. With our cooling facilities, we can get them from field to cooling within one hour. This is critical to maintain superior quality.

Pistachios

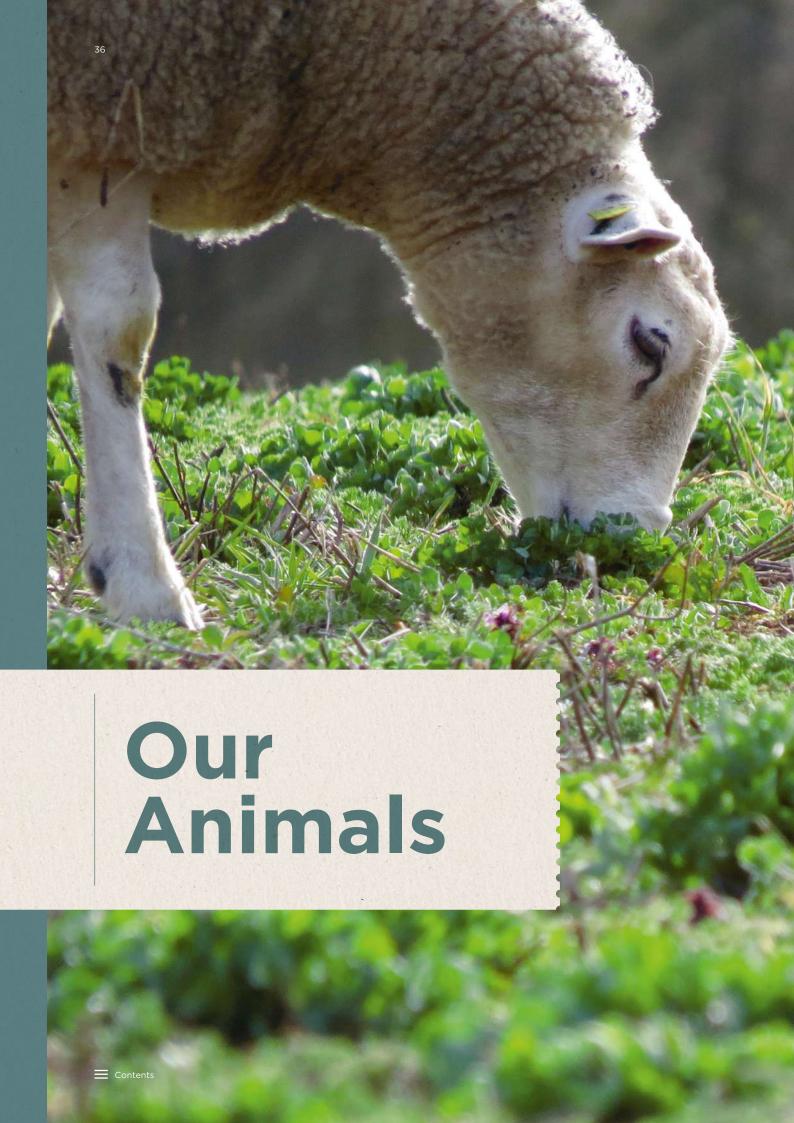
Pistachios are a source of many essential vitamins and minerals, mono-unsaturated and polyunsaturated fatty acids, protein and fiber. They are also a source of antioxidants.

We grow pistachios in the heart of the San Joaquin Valley, California. California is known to be home to the world's best pistachios.

Pistachios must be hulled and dried within 12 hours of harvest. Failure to do so will result in a stained and degraded product. To ensure our pistachios are of the highest quality, we have our own pistachio hulling, drying and storage facilities on farm.

Our pistachio production meets the highest environmental standards.





Our Animals

We raise our livestock outdoors

For us, animal welfare is always a top priority. We raise healthy and ethically treated animals. They are open-range and pasture-fed, year round.

We raise more than 135,000 sheep, 27,000 cattle and 3,750 dairy cows. Our sheep are mainly Perendale, Romney, and Finnsheep crossbreeds, and Merino. Our beef cattle are mainly Aberdeen Angus and our dairy cows are Holstein-Friesians.

Our sheep, cattle and horses are open-range and grass-fed, grazing on extensive native or seeded pastures, and fodder crops such as kale, beets, lucerne, clovers and vetch.

As part of our regenerative agriculture strategy, we are increasingly integrating animals into crop and seed productions by grazing residues and cover crops.

Animals are a useful tool in the box of regenerative agriculture. Strategic grazing can stimulate forage photosynthesis and maintain the natural condition of productive pastures, while herbivores are an integral part of the carbon cycle, contributing to healthy soils.

We believe that grass-fed livestock systems have multiple benefits, such as higher levels of Omega-3 and vitamins A and E, superior meat flavour, marbling and tenderness.

With balanced breeding that supports the health, feed efficiency, meat and wool quality, we are actively refining our herd genetics for animals that are best suited for our farm environments.

We follow strict ethical practices on how we treat and handle our livestock to ensure the best animal welfare, and ultimately, the best meat, milk and wool.

Good livestock husbandry needs a dedicated, hands-on team of people living on-site, creating what we call "living farms". We employ people that have a gentle passion for caring for animals.



37

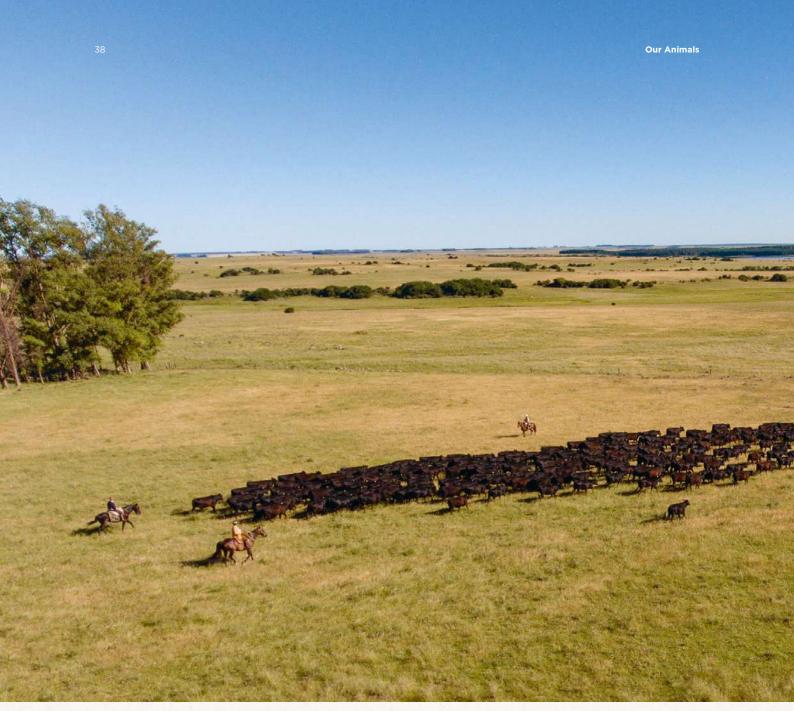












Black Aberdeen Angus

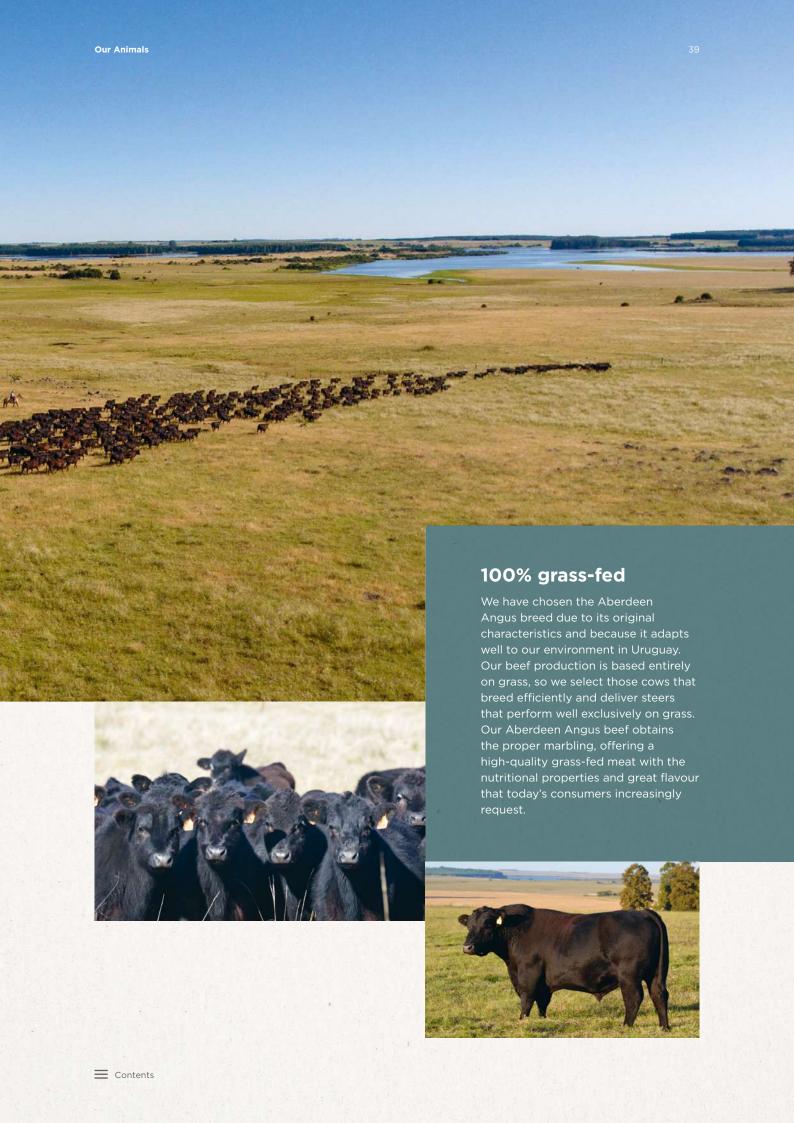
Our farms in Uruguay are situated in one of the world's most important grassland biomes, the lush pampa humeda. We are strongly committed to the protection and preservation of these natural grasslands, as conservation is an integral part of our livestock production. We keep these grasslands in their natural state by never spraying, tilling or fertilising.

We breed our own unique Aberdeen Angus cattle. They are the result of many years of work improving our genetics, tracing back the roots of the original bloodlines. The original Aberdeen Angus was a robust but smaller framed animal, well adapted to grazing on natural grasslands.

After being bred entirely on natural pastures, our animals are then raised and finished on seeded pastures, which we rotate with crops. Our unique genetics return to the origins of the breed. The result is efficient animals, capable of thriving exclusively on grass and easy to breed.

Perfectly adapted to the environment, our strong genetics allow our cattle to live healthy lives year-round.

We have received good responses from the markets to our genetics. By returning to the origin of the breed, we can maintain our commitment to animal welfare while producing sustainable, high-quality grass-fed beef with good nutritional properties, marbling and distinctive flavour.



40 Our Animals

Texel/ Gotland sheep

Our main purpose of introducing sheep on to our farm in Latvia is to integrate livestock into seed production. The sheep will help us to reduce synthetic pesticide usage on grass and clover seed fields by grazing weeds while improving yields and fertilising fields naturally.

In January 2020, the first Texel/Gotland-cross sheep arrived on-farm in Latvia. The sheep were imported from a Danish flock of excellent genetics and we are excited about the specific cross of breeds. From the Gotland side we get very good mothering abilities, higher fertility rates, milk production and vigorous, fast growing lambs. The Texel side put more muscle on the lamb, producing premium quality lamb meat with excellent taste.

Over winter, the sheep were housed indoors and fed with silage. Lambing started in April, and the ewes and lambs were turned out as soon as the grass started growing. This spring, our flock size almost doubled, when the lambs were born. During autumn, we were able to use less diesel, machinery, and manpower on mowing grass seed fields. Instead, it was grazed by sheep or made into silage for winter feed.

In the coming years, we will be increasing our flock size to reach 1,800 lambing ewes by 2024 while developing a good team of people and dogs. Latvia is a country where sheep farming is not common anymore, but we see an opportunity to grow.





Merino sheep

As part of our goals of diversity and regenerative agriculture, we are integrating sheep into our mix of beef, cereal, and seed productions in Uruguay.

Reintroducing Merino sheep on our 5,634-hectare farm Doña Maria brings the history and culture back to the pastoral landscape. Doña Maria, with its vast acreage of virgin grasslands, has the perfect mix of soils, climate, grass, infrastructure, and know-how to produce high-quality Merino wool together with its cattle breeding operation.

Starting with 1,000 ewes in 2019, the end goal is a flock of 5,000 by 2022.

With high-quality wool in mind, we bought the first lot of ewes from a well-recognised breeder in Uruguay, and we are targeting wool of 18 microns, otherwise known as the superfine category.

This year, our sheep were shorn under protocols for "Green Label", the highest wool standard in Uruguay, which includes best practice for sheep handling and wool classification. Buyers recognise this certificate as an indication of fibre diameter, yield, and overall quality.

The final phase with our sheep in Uruguay is to explore lamb finishing on some of our other Uruguayan farms. This would involve strategic breeding for meat quality, and taking advantage of our seed crops by integrating lambs for meat production.

Ingleby Farms' global shearing policy

According to good husbandry standards, we shear our sheep annually. At other times of the year, we do additional limited shearing in the form of crutching and wigging to reduce the risk of flystrike, minimise impairment of vision, and the incidence of stained wool.

We never engage in mulesing (the removal of wool-bearing skin from part of the breech area of the sheep); this procedure is prohibited on all our farms worldwide. 42 Our Animals

Beneficial insects

A central part of Ingleby Farms' strategy in achieving our 2030 synthetic pesticide-free goal is biological pest control using beneficial insects. Attentive to nature's way of dealing with pests, we accumulate knowledge on-farm, enabling us to replace synthetic pesticides with strategic biological diversity.

Beneficial insect lab in Peru

Ingleby Farms Peru began using beneficial insects in 2014 with the goal of producing high quality fruit with zero pesticide residue. Over 30 different wasp, beetle and fly species were produced and trialled on-farm as alternatives to insecticides in table grape and avocado crops. We were careful to choose local insect species as to avoid the potential introduction of invasive species.

Lacewings (*Ceraeochysa cincta*) proved to be the most successful beneficial insect. They are used to control white fly larvae which spread disease and eat plant tissue in the avocado and table grape crops. Bred on-farm in our beneficial insect lab, adult lacewings are fed on a mixture of water, yeast and molasses to produce over a million eggs per month. The eggs are then distributed to the field where the lacewing larvae soon hatch. Lacewing larvae are veracious, penetrating buds more effectively than insecticides, and consuming 8-10 white fly larvae each before pupating.

In 2017, we began using the nematode *Heter-orhabditis bacteriophora* to control soil born beetle larvae in the blueberry crop. Nematodes are bred in the beneficial insect lab before being released via the irrigation system. The nematodes are mobile and fast acting, with results visible in 2-4 days.

Our field tests in Peru have been so successful that our on-farm beneficial insect lab is scaling up 20%.

Field tests in California

On our farm in California, we have tested how beneficial insects can control Gill's mealybug (Ferrisia Gilli), which is a devastating pest in our pistachio orchard.

In 2019, instead of applying synthetic pesticides, we released four species of beneficial insects as biological control in a 110-hectare orchard. Two of the released beneficial insects were to control Gill's mealybug, namely cryptobug (Cryptolaemus montrouzieri) and Citripar wasp (Anagyrus pseudococci), which are both natural enemies to the pest. Minute pirate bug (Orius insidiosus) and green lacewing (Chrysoperla rufilabris) were furthermore released as general insect control. These insects are all native to



Our Animals 43

Results were great, so we are continuing the synthetic pesticide-free approach in 2020 on the 110-hectare orchard by reapplying cryptobug and green lacewing.

In 2019 as well as 2020, we surveyed the orchards to see what insect biodiversity was present. This is valuable information when working toward the use of beneficial insects to control our pests.

Natural enemies to caterpillars in soya

In 2020, we released Trichogramma wasps on 440 hectares in our San Fernando farm in Uruguay. This was to fight off soya-eating caterpillars which can be a devastating pest.

Trichogramma are tiny wasps who lay their eggs inside the much larger eggs of caterpillars. The wasp population will therefore continue to expand until the pest is controlled. As the wasp is already native to Uruguay, there is no risk of releasing an invasive species.

When we release Trichogramma wasps in the fields, we limit the amount of insecticide required to control caterpillars. By using the biology that nature gave us as an alternative to synthetic chemicals, we produce quality soya in a sustainable manner.

Bees and pollinators

Globally, 75% of crops and 35% of agricultural land is dependant, at least in part, on pollinators. Therefore, protecting and increasing pollinator populations improves crop yields and ensures food supply.

The western honeybee (*Apis mellifera*) is the most identifiable pollinator. But the vast majority of pollinators are wild, including moths, flies, wasps, beetles, butterflies, mammals, and over 20,000 species of bumble and solitary bees.

Pollinators require access to a reliable supply of high-quality feed, freshwater and shelter. Ingleby Farms provides this on-farm in the form of diverse habitats and pollinator friendly plantings.









We take nature seriously

Nature is not just a pretty add-on to our farms. Biodiversity in all its forms is vital to improve our farms and food production and maintain our planet's resources and ecosystems.

Biodiversity provides services which help to cycle nutrients, form soil, sequester carbon, store and filter water, provide pollination and control pests. We also believe that biodiversity makes our production systems more resilient to economic and environmental stresses, including the effects of climate change.

Agriculture has been said to be the main driver of biodiversity decline due to chemical use and habitat destruction. In Ingleby Farms, we want to show that farming is part of the solution, improving existing natural habitats and increasing the area by creating new habitats in areas unsuitable for production.

We never clear forest for farming purposes. Instead, we continually seek to provide habitats for all species and promote connectivity between protected areas in our farming landscapes.

We embrace regenerative practices and are on a journey to phase out synthetic pesticides and fertilisers to avoid their negative effects on biodiversity.

We cherish our soils and make sure to support the myriads of life herein. Diversification in crops together with new varieties and combinations sustain yields. In addition, these actions support our local biodiversity and ecosystems whilst providing more nutritious and healthy food for all.

In fact, 29% of our entire land area is set aside for nature. Farm-by-farm we make "Farming with Nature" plans to ensure that even the most productive farms set aside at least 10% land area for nature.







HECTARES OF FORMALLY PROTECTED COVENANTS



29%
INGLEBY'S LAND
IN NATURE



87
SIGNIFICANT
SPECIES ON
OUR FARMS



Biodiversity

Ingleby Farms is responsible for managing a diverse variety of complex ecosystems and the species they contain. Ecosystem function is a priority for us and very central to our regenerative farming philosophy. Healthy ecosystems provide services necessary for successful agriculture such as nutrient cycling, water purification, primary production, and help build resilience to climate change.

To safeguard ecosystems and biodiversity globally, we have identified 87 significant species present on our farms that either warrant further attention or simply need to be monitored. For example, on Ingleby Farms Peru, two endangered bird species were identified – the Peruvian plantcutter (*Phytotoma raimondii*) and Rufous flycatcher (*Myiarchus semirufus*) which inhabit the tropical dry forest.

Birds on farms are useful indicators of biodiversity. Through observations, we track how the bird communities on our farms and in our forests change over time. We track which species are present, their numbers, and if they are breeding.

Over time, we can look for trends in the number of bird species and correlate these with weather conditions, crop types, farming practices, and other changes in the environment.

Our data shows how important diverse habitats are when it comes to strengthening local bird populations; just a few simple measures can help convert farmlands into suitable habitats for birds, without significant reduction in production.



Bird monitoring

also of broader environmental changes.



Whin<mark>chat (Saxicola rubetra</mark>)



Freyer's purple emperor

In August 2019, one of the rarest animals in Europe was observed on our Greengate farm in Romania – Freyer's purple emperor (*Apatura metis*). This butterfly was observed in the forest margins of the Cinca Valley, adjacent to natural pasture where our Aberdeen Angus graze.

The Freyer's purple emperor is found very locally and sporadically in southeast Europe and is protected by both the EU Habitats Directive and the Bern Convention.

Freyer's purple emperor is associated with water and is often found in forests near rivers and streams where the larva feed on white willow (*Salix alba*).

Habitat suitability for Freyer's purple emperor is changing within southeast Europe as the intensification of agriculture continues.

This is a significant find for the Greengate team and an indicator that our sustainable approach to grazing natural grassland is insync with natural processes. The Cinca Valley, where Freyer's Purple emperor was observed, was being surveyed at the time for the creation of a new environmental area. The internal protection of this land by Ingleby Farms ensures that key feeding and breeding habitat for this rare animal is protected in perpetuity.

Below pastures and native bush, the Puketiti flower cave features beautiful gypsum flowers.





Puketiti flower cave

Ingleby Farms' Puketiti Station, New Zealand, sits at the southernmost extent of the Waitomo limestone country. The extensive caverns beneath the pastures and native bush contain one of the country's most amazing and least known natural heritage sites – the flower cave. The flower cave gets its name from the gypsum flowers that adorn its walls, but its most striking feature is a limestone helix, only one of two known in New Zealand.

Other geological formations such as anthodite crystals, cotton wool on sheet crystals, angle hair, cauliflower formations, sheet crystals and a dried-up crystal pool are also found within the flower cave.

Until very recently, little was known about the flower cave as access to the highly decorated cave passage is restricted to only 12 highly experienced cavers per year to protect the fragile formations.

The cave entrance is a well-kept secret, with access gained through a small opening just big enough to squeeze through and down a wire ladder. While in the flower cave it is essential to walk carefully within the taped-off areas to avoid damaging the fragile walls.

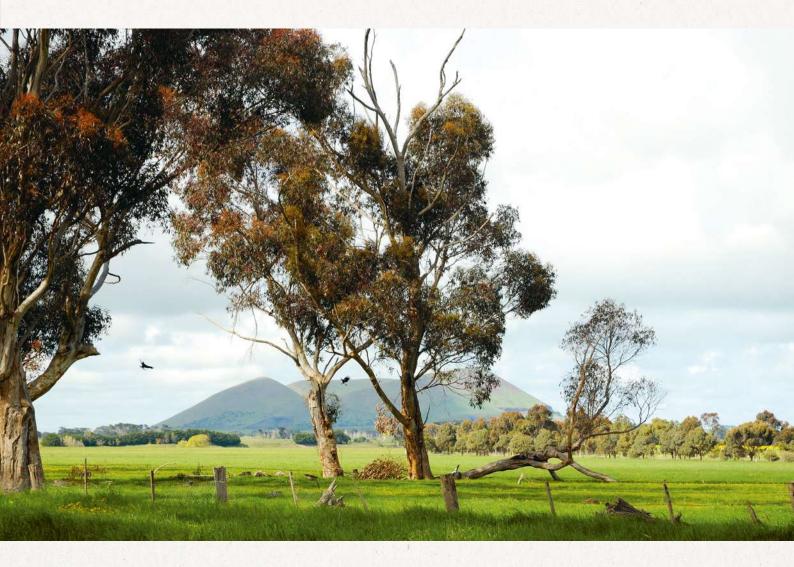
Mt Elephant volcanic plains

The natural temperate grasslands of the Victorian volcanic plains are a biodiversity hotspot, containing 25 nationally threatened flora and fauna species. Dominated by native perennial grasses interspersed with herbs and wildflowers, the natural temperate grasslands of the Victorian volcanic plains contain very few shrubs and trees.

Ingleby Farms Victoria manages Mt Elephant Station, a large grazing and cropping property, that contains 322 hectares of natural grassland atop an old lava flow that ran from the adjacent Mt Elephant. Within these natural grasslands, we have identified two endangered species: the Golden sun moth (*Synemon plana*) and Corangamite water skink (*Eulamprus tympanum marnieae*).

Protecting the natural grasslands on Mt Elephant Station is central to ensure the survival of both the Golden sun moth and Corangamite water skink on-farm. As part of our internal protection, we have eliminated prescribed burning, cultivation, and application of synthetic pesticides and fertilisers in the natural grassland on Mt Elephant Station. In addition to banning these undesirable practices, we have reduced grazing intensity in the natural grasslands, enough to control exotic grasses, but not so much as to overgraze and negatively affect the natural grassland and the species they contain.

Continuous monitoring is key to ensuring that our actions are having the desired effect.





Naturally regenerating

Romania has a long and proud tradition of sustainable forest management and is home to some of the largest expanses of mixed-species forest in Europe. We sustainably manage these natural, mixed-species forests in accordance with the highest professional and environmental standards.

100 kilometres north-west of Bucharest in Romania, Ingleby Farms owns three large forests totalling 7,261 hectares. We have over 19 different tree species in our Romanian forests. The dominant broad-leaf species are beech, oak and lime, but we also have hornbeam, spruce, fir, ash, and cherry.

We do not clear-cut, instead we use a continuous cover forestry system which uses natural regeneration and succession to replace harvested trees. We leave old senescent trees; these are often rotten and have very little merchantable value but are important habitats for various flora and fauna.

Forest management

In general, our forests in Romania are young. Almost half of the trees are between 60 and 80 years old, with their main cutting not for another 30 to 40 years. In the meantime, our main task is to thin the forests, so that we improve the quality and species composition, and over time create more valuable and biodiverse forests.

We promote valuable trees, support ecosystems and biodiversity through progressive cuttings and natural regeneration, which maintain a favourable balance between young and mature forest. This also strengthens the stability, vitality and resilience of the forests to climate change.

We do plant a few new trees in areas where forest does not currently exist or areas where natural regeneration has been slow. In general, we follow internationally recognised standards for responsible forest management.

Harvesting trees

We do not use intensive harvesting and we never make clear cuts. We only remove the mature trees in a stand once it is 100% populated with new young trees (this process takes about 30 years). We protect very large and old trees, that are usually rotten inside. They are of prime importance for specialised forest flora and fauna and help enhance the biodiversity of our forests.

Wildlife

Our forests are situated in one of the most spectacular and wildlife-rich areas of Romania. This region is renowned for its isolated wilderness, and sightings of large mammals, such as wild boars, brown bears, grey wolves, wild cats, red deer and lynx are common. Sometimes we also see Carpathian chamois on the neighbouring sunny mountain slopes.

Protected forests

High in the Carpathian Mountains, you find our Siriu forest which totals 1,356 hectares. Siriu forest does not have any European or international priority habitats, but it connects forest lower in the Buzau valley to a Natura2000 area that contains virgin old-growth forest, alpine pasture, herb fields and scrubland. Siriu forest contains 427 hectares of land within the adjoining Natura2000 area (ROSCI 0229 SIRIU). Here, we have adopted a special management plan that respects the Natura2000 ecological and social objectives.

We protect an additional 226 hectares at the top of Siriu forest, combining it with a 58-hectare Natura2000 area. The 284 hectares are steep in places, representing a difficult harvest setting and erosion risk. But the area has abundant wildlife and the opportunity to create a safe haven for nature. It is for this reason that we have removed this area from production and created a nature reserve.

To ensure that sensitive plant and animal life of a region is not disturbed, we have established ditches on access tracks to this area of forest as increased motor bike traffic is becoming a significant issue.

We also have 2,381 hectares as a designated hunting-free silent area where game has a safe haven for breeding.

Building relationships

Building good relationships with the local communities is important to us. We focus on environmental educational projects. We hope that these projects will inspire the local communities to respect and care for our forests even more.











We aim to be climate positive by 2030

Climate change is the defining issue of our lifetime. While agriculture can be intensive with greenhouse gas emissions, this does not have to be the future.

At Ingleby Farms, we plan to be a part of the solution to climate change, by challenging ourselves to transition to climate positive farming by 2030. We are mapping out how to achieve this goal through regenerative agriculture and sequestering carbon in our soil

With the new decade off to a start, agriculture is turning a corner towards a new way of farming, thinking, adapting. With rising themes of regenerative agriculture, renewable energy, and soil health awareness, never has the prospects of farming looked so exciting.

Narratives around agriculture's role in climate change paint farmers negatively, and public pressure will only intensify in the coming years.

It is often overlooked that farmers have enormous potential to help solve the world's climate crisis. Our choices for managing land can either contribute to global warming through degradation and disturbance, or be a critical part of the solution by removing carbon from the atmosphere.

Farmers must take responsibility for their emissions, set ambitious targets, and embrace more climate-friendly farming systems.

Often all it takes to shift the balance from net emission to net sequestration is more delicate treatment of our soils.

70%
GLOBAL ELECTRICITY
CONSUMPTION
IS RENEWABLE



2.25
MILLION KWH
SOLAR ELECTRICITY
GENERATED ON
OUR FARMS



9%
GLOBAL DIESEL
USE IS BIODIESEL



LESS DIESEL USED FROM LAST YEAR



26
CROP
GREEN HOUSE GAS
FOOTPRINTS
MADE FOR OUR
BENCHMARK

We are increasingly mindful of curbing our net emissions. Our animals are grass-fed and open range. We are working to improve soil health through reducing tillage, cover cropping, diversifying rotations and strategic grazing to drive soil carbon sequestration. We are planting trees, protecting native pastures, and exploring renewable energy sources.

In 2019, we launched a new cornerstone goal for a better future for farming: aiming for climate positive farms by 2030. This means that our farms will have positive net effects on the climate by drawing down and storing more carbon than they release.

The next decade will determine what world humankind will inhabit in the next century. With proactive problem-solving and action, Ingleby Farms is committed to doing the best that we can with our farms to help reverse the negative effects of climate change.





Our drawdown plan: Turning the tables on emissions

Limiting CO₂ emissions

- Reduce soil disturbance to stop soil organic matter from breaking down and releasing emissions
- Save diesel by optimising machinery and operations
- Embrace solar energy
- Embrace biodiesel or biogas over fossil-fuels
- Replace synthetic fertilisers with both nitrogen-fixing plants and organic inputs
- Phase out synthetic pesticides
- Prevent erosion and runoff

Sinking CO₂

- Adopt reduced-till or no-till practices
- Grow diverse cover crops to armour the soil and maintai living roots
- Rotationally graze animals in a manner to stimulate plans photosynthesis
- Plant for diversity through companion cropping and varied rotations
- Plant hedgerows, solitary trees, shelter belts to store carbon as biomass
- Encourage natural revegetation in marginal field corners
- Allow nature to flourish along corridors, wetlands and ponds
- Safeguard and strategically manage forests to balance regeneration and seguestration
- Explore agroforestry and silvopastoral productions

Capturing carbon

With an ambitious goal of climate positive farming by 2030, the first challenge is to benchmark and measure our carbon footprint in the years leading up to 2020.

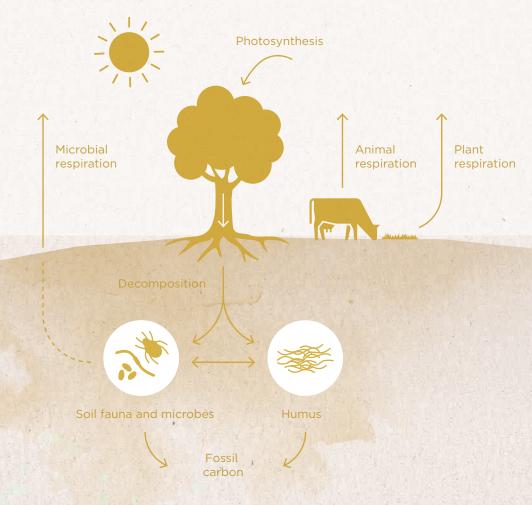
To do this, Ingleby Farms joined the Cool Farm Alliance in April 2019, and we are integrating their carbon calculator, the Cool Farm Tool (CFT), within our sustainability reporting programme. A global, online calculator used by farmers in more than 115 countries worldwide, the CFT can measure emissions from the use of fertilisers and fossil fuels, but also estimate the amount of carbon that the land sequesters, to provide a net carbon figure.

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The CFT also equips Ingleby Farms to track emissions and overall carbon footprint of each crop or animal production, highlighting where across our portfolio needs the most focus.

The science of farm carbon calculating is evolving rapidly. For proactive farmers interested in their role in climate change mitigation, the possibilities and learning opportunities in the near future will be endless.

THE CARBON CYCLE



Renewable energy

Agriculture uses energy directly in the form of fuel or electricity to operate farm machinery and equipment, to dry grains, cool fruits, and indirectly, such as in the production of synthetic fertilisers. At Ingleby Farms, we are acutely mindful of the energy demands of farming. Embracing as much renewable energy as possible is a key tool in the box to tackle climate change.

70% of our farm and office electricity consumption is renewably sourced (22% of all gigajoules of energy consumed), including 2,252,359 kWh of solar power generated on our own farms.

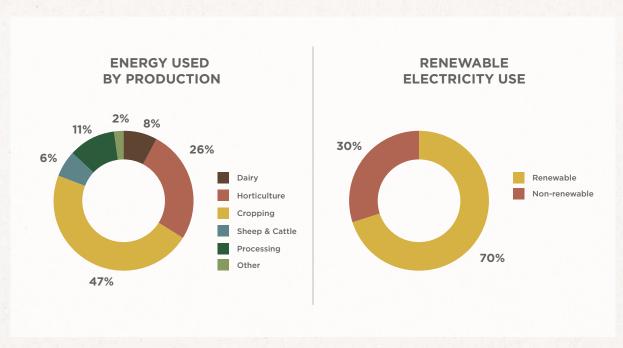
In some of the regions where we farm, the national energy grids are mostly comprised of renewable energy sources. For example, most of the electricity used in Tasmania, Uruguay and New Zealand comes from hydro and wind power.

Energy use

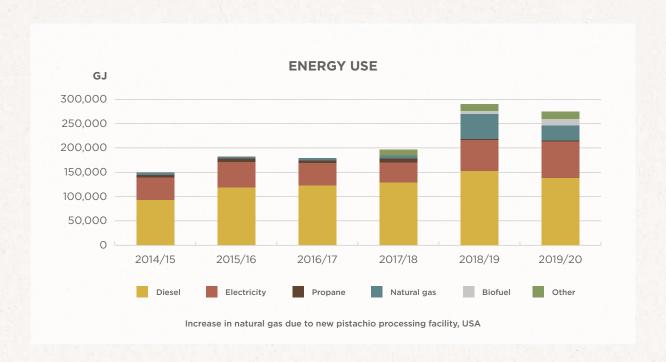
We measure our energy use to continuously improve the environmental performance of our production systems.

In 2019/20, we used a total of 274,707 gigajoules (GJ) of energy.

This amounts to 2.81 GJ/ha, or 0.90 tonnes of produce per GJ*. In terms of GJ of energy spent directly on our farms, the majority is in the form of diesel (50%) followed by electricity (30%) and natural gas (11%).



^{*} The energy efficiency measures exclude energy use relating to our processing facilities, as these are often done by a third party.



Irrigation is particularly energy intensive, responsible for 81% of our global electricity use.

Diesel use is traditionally high in cropping systems. We aim to reduce this by moving towards minimum tillage, or no tillage, incorporating more pastures into rotations and upgrading old diesel-powered drying systems. We constantly search for better machinery and equipment that is lighter or multipurpose, to reduce both diesel and soil disturbance.

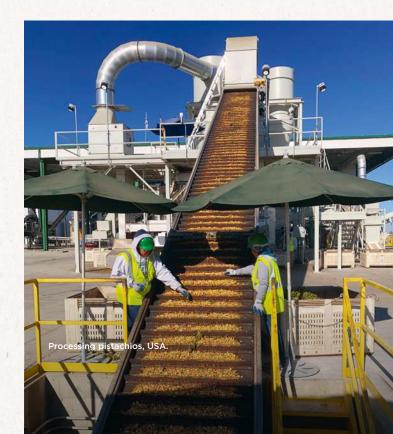
Energy use efficiency

We want to increase our energy use efficiency, measured as yield per GJ, by 2% per year. However, our energy efficiency has been decreasing by 5% per year as an average over the last eight years due to our focus on soil improvements, major construction and developments, increased irrigation as well as costs of drying grain. In Peru, our production volume is relatively low as our crops are still young.

In 2018/19, we processed our pistachios in our new processing facilities for the first time. This extensive operation is fuelled by natural gas and is the major reason behind our increase in

natural gas use.

However, once we have implemented all developments, we should see a decrease in energy use, and an increase in energy use efficiency.



Clean, plentiful water

Next to soil, water is our most precious natural resource. It irrigates our crops and pastures, provides fresh drinking water for livestock, and supports the most diverse habitats on our farms.

We use water efficiently. To produce 'more crop per drop', we use the best irrigation systems, avoid unnecessary water-use, and recycle water where possible.

We use a range of nature-based solutions to conserve water and keep our rivers clean.

We use terracing along slopes and keep grass waterways in low areas of our cropland. In this way, we slow the velocity of water after rainfall, and at the same time protect our soils and waters by reducing sedimentation and erosion.

We have an obligation to protect waters and water habitats for ourselves, our neighbours, and future generations.

Sustainable irrigation

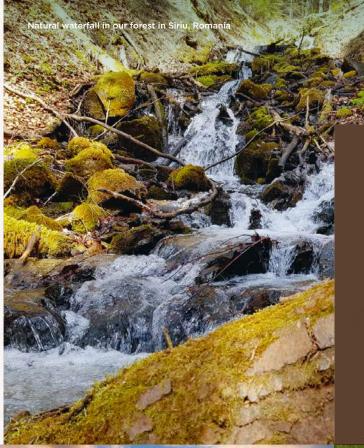
We irrigate 15% of our arable area, or 7,287 hectares. Irrigation stabilises and increases our yields, enables more crop rotations per year, builds resilience to climate change, and helps increase our fertiliser-use efficiency.

In 2019/20, we used 42,708 megalitres of water in our irrigated production. We irrigate crops in the US (pistachios), Tasmania (annual crops and dairy pasture), Argentina and Uruguay (annual crops), Peru and Romania (horticultural crops).

We never allow our water use to exceed the annual renewable supply of water, whether from surface water or groundwater sources. We also ensure that the water used for irrigation never exceeds withdrawal amounts that would have negative impacts on aquatic and terrestrial ecosystems.

In some cases, irrigated fields can have a positive impact on the wildlife through availability of forage and feed. Irrigation ponds serve a dual purpose by providing additional habitat for wildlife.





Water habitats

Water habitats are epicenters of biodiversity and are an integral part of our long-term Farming with Nature project. They support healthy thriving ecosystems on our farms, benefiting both production and conservation. Where possible, we create additional water habitats by digging shallow scrapes of variable size, shape and depth, forming diverse aquatic habitats for a variety of animals and plants. Currently, water habitats make up 2.5% of our total land area.

Birds foraging in natural pond at Tormac, Romania







Water habitats

As water bodies enhance biodiversity, we want water habitats on 1% of our farmland. Optimal water habitats should have summer holding water, riparian vegetation, trees for nesting, and natural, varied margins.

So far, 2.5% of our total land area is in water bodies; rivers, streams, springs, ponds, ditches, canals and reservoirs. We construct ponds and wetlands to reach our water habitat goal at a farm level.

Protecting farm waters

To avoid water pollution, we use best management practices when applying fertilisers and agrochemicals to our crops. We protect our waterways from fertilisers, chemicals, sediment and animal waste by creating 10-metre uncultivated and unsprayed buffer zones around water bodies. These prevent nutrient leaching and sediment loss – protecting water quality, and farmland from erosion.

We fence off all major waterways to prevent livestock access. Grazing animals can destroy the grass and riparian vegetation along the banks, leaving them susceptible to erosion. This also reduces faecal contamination and eutrophication.

Irrigation systems are managed to prevent ground or surface water from being contaminated by fertiliser or agrochemical runoff. In general, water quality should be maintained or improved.

Water footprint, Peru

At Ingleby Farms, we are strongly committed to optimising our water footprint, reducing water waste during irrigation and responsibly managing surface runoff. But perhaps more importantly, we are extremely cautious of the waterholding capacity of our soils. All to protect the natural resource base of water for local household use, agriculture and the environment.

In dry climates such as the north-western Peru where we grow avocados, the best place to store water is in the soil. Any drop of water not used by the tree today ideally should be kept in the soil to be used tomorrow instead of evaporating into the air or flowing off the land. For this purpose, we use regenerative soil practices to build our soils into "sponges". We minimise tillage and shade the ground below the avocado trees with cover crops and pruning residues. This helps to cool the ground, reduce evaporation and build up soil carbon, which again helps to increase water infiltration and improve the soil's water holding capacity.



We use reservoirs to store water long term. We "harvest" water from times of high availability (March to July) to use it in November and December when water availability is scarce. To achieve this, we have invested in reservoirs with a capacity of 1,180,00 cubic metres.

We continually implement new technology and practices for our drip irrigation systems. The improvements include water treatments that ensure proper water flow and soil moisture sensors to better match irrigation with plant needs. Our irrigation system allows for responsive, precise, and judicious application of water through an automated, self-metering system that controls the rate at which water is supplied. This operates in tandem with the hands-on experience of our skilled teams and their sense of plant needs and knowledge of the local soil and climatic conditions.

Intelligent irrigation, Romania

In Romania, our blueberries are irrigated by state-of-the-art technology. The irrigation system measures rainfall and UV radiation and calculates how much water is needed. The heavy clay soil can be tricky to manage, so the computer data is just one source of information to support our team's irrigation plan.

Once the irrigation is initiated, the pumping system collects filtered water from a basin and sends it into the section valves and down into the driplines.

Sensors read the water saturation of the soil and temperature in the soil. They register information every three hours, so that we constantly can optimise water usage. Every drop counts!

In addition to the moisture sensors, we have a weather station to measure the evapotranspiration. To minimise evaporation, we use weed cover on the beds which holds back moisture effectively.













We put safety first

The safety and well-being of our employees is our main priority. Farming is a hazardous profession. Providing safe work environments for our teams is one of our most important responsibilities.

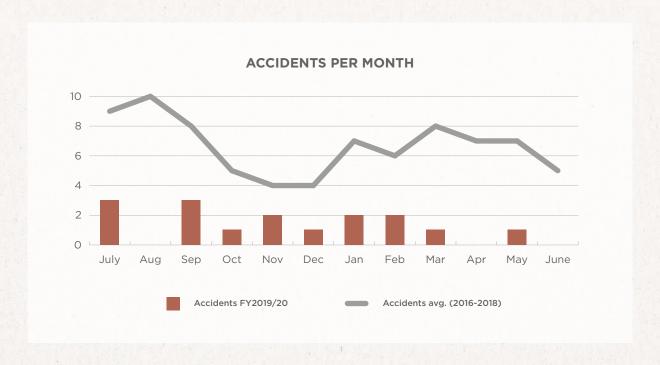
One of our major goals at Ingleby Farms is a zero-harm work culture. Realistically, we know that this is difficult to achieve.

Our farm managers hold daily or weekly safety briefings with their teams. Our teams report on accidents, but also on near misses. We continuously monitor and analyse this data to assess where we should direct efforts and resources to reduce risk.

The number of accidents worldwide is declining year by year. In 2018/19, we saw a 33% reduction in accidents from 72 in 2017/18 to 48. This is

due to improvements in Australia and Peru, the countries with the highest safety risks given their work with livestock and horticulture, respectively. The positive trend continues in 2019/20 with 16 accidents to date. However, even one accident is one too many, and we will continue focusing on health and safety.

The graph below shows the accidents for each month in fiscal year 2019/20 and the average for 2016-2018. We have made a spectacular improvement with fewer accidents this financial year and especially in August, April and June with zero accidents.



64 Our Communities

Medical clinic Peru

To deal with the global COVID-19 pandemic, procedures are in place to protect our team members. Daily health and safety training is provided about personal hygiene and employees' temperatures are checked at the entrance at the farm.

Record in Lithuania

In Ingleby Farms Lithuania, we have had zero accidents in the last four years. Thanks to our team members in Lithuania who always have safety in mind and strive for constant improvement in all areas regarding safety.

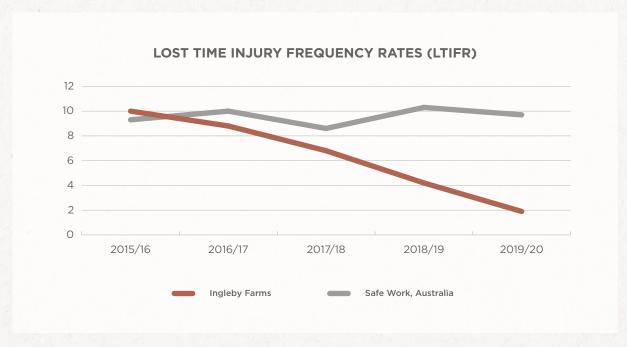
Training

One of our core goals is for our employees to spend at least 2% of their work hours (or about one week annually) in training. Our employees did spend 2% of their work hours in training during 2019/20. We continue to encourage and assist our employees in acquiring new skills.

Lost time injuries

The constant focus on health and safety has created measurable differences. We have over the past four years improved our "Lost time injury frequency rates" (LTIFR) from 9.95 to 1.92.





Safe Work is an Australian government statutory body established in 2008 to develop national policy relating to work, health, safety and workers' compensation.



Our Communities 65

Engaging with our communities

We are local farmers, and we do our best to be trustworthy, honest, and hard-working neighbours. Every year, we invite schools, families, and friends to events at our farms. Below are a few examples.

Ingleby Farms Peru football cup

Ingleby Farms' two farms in Peru are hubs of activity. Hundreds of people arrive for work each day across production, technology, finance and administration.

To inspire a little competition, we organised a football tournament, involving up to 20 different teams across departments.

In December 2019, Ingleby Farms Peru celebrated the finals of its 2019 "Ingleby Cup". The third edition of the tournament featured football and volleyball competitions. This year, it also included the I Festival of Folklore Dances.

The 2019 winners for each category were:

- Football (Motupe)
 Real Sanidad (Grape health area)
- Football (Olmos)
 PDS Olmos (Administration area)
- Volleyball (mixed)
 Unión Palto (Avocado labour area)
- Folklore dance from Motupe and the Costa region, with festive dance.

Congratulations to all winners and participants!

World shearing competition

In December 2019, Ingleby Farms' Puketiti Station in New Zealand hosted the world shearing record for lambs in the strong wool, 3-stand, 8-hour category. The event started before dawn, when the crew counted down the shearers for the start.

The winning team managed to shear a total of 1,976 lambs in an incredible act of endurance. The excitement was palpable, and the community extremely supportive.

Other highlights

In the autumn, Ingleby Farms Romania organised an "Open Farm Day" at Greengate farm. Children from a neighbouring school spent an exciting day visiting the farm, machinery, and cattle.

In February 2020, Ingleby Farms Latvia hosted a "Shadow Day", where school children could learn about a profession they are interested in by following a farmer during a day at work.

In March 2020, the team from Ingleby Farms Lithuania successfully organised a "Clean Up Day". The goal was to collect trash in the local areas and neighbouring roads. Symbolically, the first thing we found was a horseshoe – a sign of happiness and luck.







66 Our Communities

Striving to do right

Ingleby Farms operates in many countries, some of which are perceived to have a medium to high risk of corruption. We are committed to conducting our business in an honest and ethical manner. We work against corruption in all forms, including extortion and bribery.

Ethical policy

We abide by our Ethical Policy, Anti-Money Laundering & Anti-Corruption Policy and Supplier's Code of Conduct. Together, these constitute our Code of Business Conduct.

We require our employees and business partners to comply with the Ingleby Code of Business Conduct and to report any violations or suspected breaches. This is supported by our online whistleblower system allowing for full anonymity.

We have a zero tolerance towards breaches of our Code of Business Conduct. For 2019/20, we are proud to report no breaches of ethical conduct, no production and sustainability breaches, no IT security breaches, and no whistleblowing cases.

We investigate all submissions thoroughly, take appropriate actions and report any breaches to the Board of Directors. We ensure there is no retaliation against people who report alleged breaches of the Code of Business Conduct.

Labour standards and human rights

We support and respect internationally recognised labour standards and human rights. We fulfil our legal obligations and offer reasonable terms on pay, pension, sick leave, holidays and notice periods. We do not use any form of forced or compulsory labour, and we do not use child labour. We uphold the freedom of association and the right to collective bargaining.

Our main risks related to human rights are found within our supply chains. To mitigate these risks, we asked all new suppliers to sign and adhere to our Supplier's Code of Conduct, which includes our expectations and minimum standards for labour and human rights. Again in 2019/20, we have not experienced any human rights violations on our farms or to our Supplier's Code of Conduct.

Equal opportunities

We oppose all forms of discrimination, and recruit employees regardless of age, race, gender, nationality, religion, sexual orientation or other personal diversity indicators. We are equal opportunity employers, and we want to create equal and fair working atmospheres welcome to all.

We monitor the gender ratio of our teams. Our target is for the underrepresented gender to reach at least 40% by 2025 at all levels in the organisation. Women are currently the underrepresented gender, making up 32% of our total employees, 33% of our senior and middle management and 25% of the Board of Directors.



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