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ABOUT INGLEBY

Ingleby Farms & Forests ApS is a world leader in sustainable farming. We are long-term owners of land, managing pasture, arable and mixed farms in 9 countries across 4 continents. We apply a sustainable approach in the daily management of all our land.

Since Ingleby was founded in 1998, our never-failing vision of being leading sustainable farmers worldwide has continuously driven the positive development of our farms. Our goal is to produce sound, healthy food on thriving and living farms.

We love the land and are committed to the intelligent management of the earth’s resources. We want to grow more with less. We substitute input with knowledge. We work hard to grow our crops and rear our livestock, while actively promoting biodiversity, fertile soils, animal welfare and greener energy sources.

In Ingleby, we know that “we can’t be green if we are in the red.” But we are farmers not land speculators. We are not out to make fast returns by taking short-cuts or mining our farms.

Turning a farm or a forest into the very best can take a generation. Our long-term approach to farming works because we do not farm to quit, we farm with a 150-year perspective. However, none of our goals can be reached without the enthusiasm of our teams worldwide.

Our approach to sustainable farming attracts high-quality and skilled colleagues. It gives us respect and legitimacy in our communities. And it makes our work more complex and interesting.

We hope to be an inspiration to other farmers. That is also why we have made our internal operational manual, which we sometimes call the Ingleby Green Bible, open access on our website. This manual contains the core of Ingleby’s farming practices, and by making it open access, we hold ourselves responsible to the world.

OUR PRODUCTION

Our crops

Our main row crops are wheat, corn, barley and soya. Other row crops include canola, sorghum, sunflower and rye as well as beans, fodder crops, potatoes and peas.

We produce carrot, clover, oat and grass seeds.

We produce a wide range of horticulture crops. These currently include avocados, blueberries, broccoli, table grapes, onions and pistachio nuts. We also test potential horticulture crops such as stevia, organic bananas, kiwi fruit, and cacao.

Our livestock

We raise more than 135,000 sheep, 25,000 cattle and 3,600 dairy cows. All our livestock are grass-fed on pastures.

Our main sheep herds are crossbreeds of Perendale, Romney and Finnsheep.

Our main beef cattle herds are Aberdeen Angus, a hardy and light breed with good fertility and growth rates. Our dairy cows are Holstein Friesian, which is the world’s highest-producing dairy breed.

Our hectares

As of 30 June 2017, Ingleby totals 100,535 hectares.

We have 33,985 hectares in protected habitats, including 18,786 hectares of natural grasslands in Uruguay and Argentina. The remaining areas are our legally protected habitats as well as non-farmable land such as wetlands, woodlands, mountains and other geological formations.

The 7,261 hectares classified as timber are our commercial forests in Romania. These consist mostly of beech and oak.
As of 30 June 2017, Ingleby manages 100,535 hectares worldwide; 81,519 hectares of farmland and 7,261 hectares of production forests.
Ingleby was founded with the long-term vision of proving that it is possible to build a profitable farming company, while acting in an ethically and environmentally sound manner.

In 1998, we bought our first farm in the USA, and over the next years we expanded with mixed arable and livestock farms in New Zealand, Australia and Argentina to diversify over regions and productions.

In 2007, we decided to invest in Europe. We chose Romania due to its history as being a former grain basket of Europe. One year later, we bought natural regeneration beech and oak forests in Romania as a long-term, stable and sustainable source of income.

To expand our livestock production in Latin America, we decided to invest in Uruguay. Within a couple of years, Uruguay became the largest Ingleby country hectare-wise.

In 2012, we bought our first farm in Peru. The stable, subtropical climate where our farms are located, is ideal for growing horticulture crops.

In 2013 and 2014, we expanded into Lithuania and Latvia, respectively, to further diversify our production over regions and climates.

Today, we manage more than 100,000 hectares, of which 34,000 are protected habitats. We are committed to producing high-quality products while building soils, saving water and protecting nature.

Our vision is to be leading, sustainable farmers worldwide, where we farm to feed the world, but also to protect and enhance the environment for future generations.
Feeding the world sustainably requires that we protect the natural resources that are essential for producing food now and in the future. For Ingleby, this means that we take pride in building up our soil, as we believe soil is as vital as air and water.

Under natural conditions there are always plants covering the soil. Occasionally, the soil may be disturbed by animals, birds, or by other causes, but nature never leaves the soil of an entire field bare. The job of aerating the soil is done from underneath by insects and earthworms.

At Ingleby, we try to mimic nature by touching the soil as little as possible—we use conservation tillage methods and minimise ploughing. Where we can, we seed our crops directly in the stubble of the previous crop. Because less machinery has rolled over the soil, it is then also less compacted.

We use a range of nature-based solutions to conserve water and keep our rivers clean. For example, we establish vegetation buffer zones along riverbanks and lakes, use terracing along hill slopes, and keep grass waterways in low areas of our cropland. In this way, we slow down the velocity of water after rainfall and at the same time protect our soils and waters by reducing sedimentation and erosion.

We work to diversify our food systems by adopting diverse crop rotations, leaving crop residues on the soil, or by growing cover crops to keep soils covered and protected, whilst maintaining moisture. We plant trees, manage our livestock to avoid overgrazing, and integrate animal and plant production where possible. These methods foster biodiversity, build soil fertility and organic matter, reduce weeds, and provide habitats, as well as contribute to carbon sequestration and cooling of the planet. And we create greater resilience on our farms to the impacts of climate change.

Let there be no doubt: Farming is a business, and it is a business we all rely on for affordable, safe and nutritious food. It is also, however, a business that affects, and is affected by, nature and its resources. On our farms we try to solve complex environmental challenges through innovative and practical solutions, working with nature, not against it. At the same time, we are also looking to enable or scale what is working, so our farms can succeed as sustainable businesses for generations to come.

All the work starts at ground level, one farm at a time.

Engaging with the UN Sustainable Development Goals

As farmers, we believe we have a role to play in solving some of the world’s global challenges. We want to take part in making the United Nations Sustainable Development Goals (SDGs) work.

The SDGs represent an ambitious agenda over the next 15 years. After reviewing our activities in the context of the SDGs, we identified two of the 17 goals that we most directly support through our farming, and where we can have the widest, most positive impact.

These goals are:

> Goal 2 - end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

> Goal 15 - protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

First of all, we produce healthy, nutritious food. Every year, we can feed more people from each hectare of our arable land than the year before. Over the last seven years, our average crop yields increased by 4% annually.

Secondly, we aim for a balanced production where we grow food, while at the same time protect and enhance our soils, biodiversity and the environment. We work every day to show that farming and forestry can be efficient, sustainable and environmentally responsible.

We manage our Romanian multi-species forests in a sustainable way through natural regeneration, sensible thinnings and avoiding clear cuts. On our farms, we promote natural revegetation of native species on degraded or less productive lands to provide habitats, assist biodiversity and to create shade and shelter.

We always respect our teams and the communities, where we are involved. We create good and safe jobs, with equal opportunities.

And we are here for the long term, always pursuing a 150 year perspective.

Our main approach is to work with nature, not against it. We believe it is the only way to be long-term farmers.

In September 2014, Ingleby signed the UN Global Compact Charter and the current report serves as our third Communication on Progress Report. It covers the period from 1 July 2016 to 30 June 2017.

In this our third 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 also commit to share this information with our stakeholders.

To our stakeholders:

We are pleased to confirm that Ingleby Farms and 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.

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HIGHLIGHTS OF THE YEAR 2016/17

Despite a year with volatile weather and low commodity prices, we have had many positive developments. Here are some of the highlights from 2016/17.

Avocados

Despite the extreme rainfall, we obtained an extraordinary avocado harvest in Peru. The yield exceeded our budgets by 80%.

Top exporter

After being shortlisted and nominated for the final, ADEX, the association of Peruvian exporters, chose Ingleby Peru as the top exporting enterprise of Peru in 2017 in the category of Exporting Entrepreneurship. This is accomplished within the first four years of starting up our farming operations in Peru and acknowledges our Peruvian team’s hard work.

Certified seed

We have doubled our certified grass seed production in Romania. Our grass seed cleaning line is fully functioning and we can produce, clean and bag seeds into any specification requested.

Pistachio processing

In 2016/17, we began the construction of a pistachio processing plant on our farm Burrel Ranch, California, USA. The plant has capacity for 6,000 tonnes and ensures vital hulling, drying and storage capacity under high environmental standards. The construction is almost complete, and we expect to process our first pistachios in September 2017.

Dobele Agro

In May 2017, we acquired the farm Dobele Agro in Latvia. The farm neighbours our existing farm Graudi, located south west of the city Jelgava, and is one hour drive from Riga. With this acquisition, we have built an efficient farm hub in the Baltics.
We believe that good farming can both feed the world and protect the environment. To keep up with the growing human population, we must produce more food worldwide over the next 50 years.

Feeding the world

We support the United Nations Sustainable Development Goal number 2 to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture. We aim to feed the growing population by developing increasingly efficient and environmentally sustainable farming practices.

Over a 10-year-spectrum, we want to increase our yields by 1% per year.

We have by far achieved this goal. Over the years, we have a 4% increase in yields per year on average. In 2016/17, we reached a 24% yield increase compared to the last 5-year average.

We do this by improving our soils and balancing our nutrient management, using crop rotations and by intensifying through double cropping where possible.

Our total crop production reached 299,445 tonnes in 2016/17, equalling 5.5 tonnes per cropping hectare.

Our total livestock production reached 4,696 tonnes in 2016/17, equal to 144 kg per hectare. This includes 1,680 tonnes of beef (CWT), 1,275 tonnes of lamb, 393 tonnes of wool, and 1,348 tonnes of milk solids (or 17.3 million litres).

Our share of the world food production totals 674,000 million calories. This can feed more than 739,000 people for a year based on an estimated daily calorie need of 2,500 per person, provided our products represent the recommended carbohydrates, protein and fats needed.

Calculated by hectares, we can feed one person for one year on 0.11 hectares of land.

Rearing healthy animals

We care for our animals’ health and comfort in how they are fed, housed, kept occupied, medicated, handled and transported. Ingleby livestock are free range and we will not venture into intensive livestock farming.

We aim for balanced breeding that supports the health, feed efficiency, and welfare of our animals.

We use weaning and mortality rates as key indicators of animal welfare. We aim for a weaning efficiency of 88% for calving and 135% for lambing by 2018/19. For our dairy cows, we include other factors, such as body condition score and disease incidence in the herd.

We monitor our use of pharmaceuticals to ensure healthy, balanced livestock production systems according to the mantra: as little treatment as possible, but as much as necessary.
To measure how our soils are developing, we take Reference Soil Samples every five years. Samples are taken from representative areas of the farms and we analyse for all key soil properties that determine soil quality. We combine these results with those from our annual crop nutrient balances and leaf nutrient analyses to track how our farming practices affect soil quality.

Growing crops and soils

Good soils, together with our human resources, are our most important assets. As long-term landowners, our goal is to improve the quality of our soil every year. However, this is a very slow process, and not easily demonstrated in an annual CSR report.

We measure our soil fertility status in five-year intervals. It is our long-term goal to improve the topsoil layer by 2 mm a year, so you can say that Ingleby grows both crops and soils. By 2030, we aim to achieve an improvement of 30 mm.

How we improve our soils

We improve our soils by leaving sufficient crop residues on the ground, using cover crops and minimum tillage, maintaining healthy crop rotations, and adding compost and livestock manures where available and cost effective. We also contour plough, add nutrients to avoid depletion, use non-chemical weed controls, satellite-guided input applications and tractor-wheel path tracking.

We accept that in diversifying our crop rotations, we produce fewer calories with a potentially lower income, provided these crop rotations are more advantageous for our farming system and soil health over the long term.

Yearly soil benchmarks

In our sustainability reports, we have our yearly benchmarks, which tell us if we are supporting our soil quality in a positive way. We monitor:

- Nutrient balance for N, P, and K (primary macronutrients)
- Nutrient use efficiency for the primary macronutrients

In addition to the above, we also monitor a number of other parameters that are either influenced by soil quality, or that affect soil quality over the longer term.

This is benchmarked against our 5-year reference soil samples. We take these at deeper soil depths than our routine soil samples used for crop management decisions and can therefore measure more soil properties. Any changes of soil properties at these sites provide us with valuable information for coming generations to learn how our farms developed over time.

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In Romania, our winter crop harvest of canola and wheat exceeded all our expectations this year. Our yields were 97% higher for canola compared to earlier years, and 27% higher for wheat compared to the last 5-year average. The good results are based on a combination of factors.

**RECORD YIELDS!**

**IMPROVED SOILS**

Since we bought our first farm in Romania in 2007, we have constantly focused on improving the soils. Our soils have a high level of clay and silt and some deep compaction.

To improve the soil structure, we have added more than 11 tonnes of lime per hectare over the years.

We have also changed our tillage system to deep cultivation every third year. We work the soil with single tines to a depth of 40-45 cm to break up soil compaction, increase the water capacity, and improve the soil structure. This allows our plants to develop a deeper root zone, making them more resistant to drought and increasing their yield potential.

**NEW CROP VARIETIES**

We constantly test new crop varieties. This year, we planted about 60% of our hectares in wheat with new varieties based on successful trials in 2016.

**GOOD MANAGEMENT**

Our management team carried out all tasks, from soil preparation and seeding to optimal fertilisation and crop protection in good timing, and with special attention to details.

We seeded our winter crops from late-August to mid-October 2016. Despite the challenging weather with high rainfall during that period, our team got the timing just right.

We also improved our fertiliser plan according to soil and leaf analyses, keeping in mind sustainable nutrient balances.

**BENEFICIAL WEATHER**

Of course, the optimal weather was a major factor behind our record yields. After the rainy autumn, a cold dry winter allowed for good root growth. This was followed by a wet cold spring that gave our crops good and steady growth without any heat stress. Finally, a dry and hot summer allowed us to harvest in good conditions without losses.
GROWING FOOD

A variety of native grasses, Uruguay

Male calves, Clovelly Dairy, Tasmania. Photographer: Hans Henrik Koefoed

DAIRY CALVES

This year was significant for our farm, Clovelly Dairy in Tasmania, as the farm switched from a year-round calving system to spring calving. We also decided to raise all male calves for beef production.

The spring calving system ensures better cost control and will lower our cost of production. The system fits better with our pasture growth curves so our feed costs will be lower, while our feed utilisation will be higher, and we avoid the high cost of winter feed.

We should also see significant savings in labour costs by having periods of intense work, where the whole farm team can pull together and focus on one area more efficiently.

Going forward, Clovelly Dairy will welcome over 3,500 calves from July to September. This means 50-100 new calves born every day during a 12-week period. To cope with this, we have constructed a third calf-rearing shed and will employ more seasonal labour.

The price of changing from the year-round system has been a drop in our milk production in 2016/17. We had a large number of cows that were not in synchrony with the spring calving pattern, so many were milking outside their most productive periods during the transition.

All of our dairy cows are now synchronised, and we expect a more productive and efficient dairy operation in 2017/18.

The decision to raise male calves was born more out of ethical concerns than economic reasons. Male calves are traditionally considered a by-product in dairy production, and less than 1% of dairy farms in Australia raise all calves born.

By raising male calves, we ensure that our dairy operation is not wasteful and the added beef production is in line with our vision of feeding the world sustainably. However, at the same time, the financial aspect is important and we are working hard to get that right. We have to look at it with a more holistic approach; it is an integrated operation so we have to make the entire operation profitable.

There is definitely interest from the dairy industry in what we are doing. We anticipate a strong interest in the outcomes of what we are trying to achieve, especially if we can prove it can be done in a sustainable manner.
Agriculture is dependent on the weather, and changes in climate could make it more difficult to grow crops and raise animals in the way we are currently doing. It is therefore vital we are able to adapt.

Agriculture produces and releases significant amounts of greenhouse gases that contribute to climate change. Farmers also have a direct effect on climate change if altering land cover, which can change the Earth’s ability to absorb or reflect heat and light.

The primary use of water in the world is for food production, accounting for at least 70% of all fresh water withdrawals. Currently, only 17% of all global cropland is irrigated, but this accounts for 40% of the total value of global crop production.

Goals & Actions

We are aware of the effect climate change can have on us as farmers, and the effect we have on greenhouse gas emissions. We therefore follow a principle of cautious consumption of energy, fertilisers, water and other inputs, and we use application methods that avoid negative environmental consequences.

As a trend over a 10-year spectrum, we want to improve our energy efficiency by 2% per year, and fertiliser and water use efficiency by 1% per year.

We also aim for increasing efficiency in using the fertilisers added. The higher the uptake of fertiliser in our crops, the less fertiliser is lost that can cause build-up of nitrates or eutrophication in the aqueous environment. At the same time, this reduces the amount of unused nitrogen that volatilises in the form of nitrous oxide, N₂O, a powerful greenhouse gas.

We maintain fertile and well-structured soils with optimum amounts of air, water, nutrients and biological activities.

We use water efficiently and cleanly. Our goal is to produce more ‘crop per drop’, to avoid unnecessary water-use and to recycle water where possible. For this reason, we invest in state of the art irrigation systems that are highly efficient and help conserve water.

On each farm we monitor weather conditions on a daily basis, building a long-term weather database to help deal with changing and highly variable climates.

We aim for green sources of energy, and use renewable energy sources according to their regional suitability and aesthetic qualities.

We monitor our energy use to help us progress into production systems that are more efficient and environmentally sound.

We calculate CO₂ emissions based on our energy used: electricity, diesel, gasoline, propane and natural gas. We also include emissions from agricultural inputs such as fertilisers and pesticides. We do not yet include biological sources, such as emissions from livestock, or carbon sinks such as sequestration in our forests, plantations and natural grasses.

Energy use

In 2016/17 we used 178,385 GJ and emitted 38,438 tonnes of CO₂ equivalents in total across all our farms. This equates to 2.0 GJ (0.4 tonnes CO₂) used per hectare, and also a production of 1.3 tonnes of output per GJ (6.1 tonnes produced per tonne of CO₂).

On average our energy efficiency has been decreasing by 6% per year. This is because of soil improvements, major construction and development, increased irrigation activity and the costs of drying grain. However, due to higher yields in 2016/17, energy efficiency has improved this year and is a priority area for the future.

Approximately 11% of the electricity we use is derived from renewable sources.

Outcome

Fertiliser and pesticide use

Ingleby’s use of inorganic fertiliser has increased over time due to increasing hectares, and because we are intensifying some of our crop production systems plus adding more high-value crops.

Our total fertiliser use is approximately 64 kg of nitrogen per production hectare. Our nitrogen use efficiency has reached 43 kg of crop produce per kg of nitrogen used.

Water use

We irrigate 14% of our arable area, or 6,219 hectares. Irrigation contributes to higher and more stable yields, allows us to have more than one crop per year, and increases our fertiliser-use efficiency.
A new normal climate

Climate change is no longer a problem of the future, we are in the middle of it. Researchers have made great advances in weather science and predicting weather patterns, but there is still much to understand and a lot of limitations to the weather forecast models. An average climatic year exists only in the statistics.

Some of the most damaging impacts of climate change relate to increased year-to-year climate variability: droughts, storms, flooding, etc.

The most pressing question to us as farmers is how we deal with this variability?

We need to adapt and improve our water and drainage infrastructure and develop more robust, diversified crop rotations.

In general, farmers are frowned upon when we complain about the weather. But it is important to keep in mind that just a few weeks of prolonged drought or rain can easily mean hundreds of thousands of dollars lost.

Diversification and the ability to adapt is vital. We will most likely see radical changes in the crops we grow and our production patterns.

Our in-house world production knowledge gives us several options to change productions from one hub to another, even over countries.

Protecting our soils by using "cooling" cover crops is crucial. Our soils should always be covered by some sort of green cover.

Climate & Resource Use

How does Ingleby position itself towards a new normal climate?
Cover crops and increased diversity in our crop rotations help address the challenge of maintaining organic matter and associated favourable physical properties in our soils, as well as address the ongoing problem of increasing weed and insect resistance to the most cost-effective and widely used pesticides.

In Uruguay, Latvia, Lithuania and Romania, we are increasing our grass seed production, which improves our soils and crop rotations as well as further diversifying our crop income.

Also in Romania, cover crops and nitrogen-fixing legumes like faba beans and soya are now an integrated part of our crop rotation. We are also preparing to convert our least productive crop areas to livestock production.

In Argentina, we diversify our crop rotations and use cover crops between main crops. We also increasingly use double cropping.

We constantly seek to improve our farming systems and diversify our crop rotations. We increasingly use cover crops on our farms to protect soil health and quality, increase soil organic matter and avoid the build-up of herbicide resistant weeds.

Over time, cover crops and increasing diversity should give us economic returns in the form of higher yields and smaller nitrogen fertiliser input requirements. We should also see either lower herbicide costs or more effective weed control (and higher yields) with same herbicide costs.

In Uruguay, we incorporate pastures for cattle in the crop rotation on the less fertile areas of our farms. This benefits our livestock production as well as our soils and the productivity of the land.

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A living farm landscape is crucial to every aspect of agriculture, including soil and water quality, crop and animal health. While we are efficient farmers, we are also stewards of vast tracts of land.

Goals & Actions

We aim for varied landscapes. Our goal is that 10% of each farm’s area is in natural habitats by 2018/19. We have also decided to allocate 1% of each farm’s area to water habitats by 2018/19.

We protect and encourage native, diverse, threatened, and ecologically important species as well as their habitats and ecosystems. We actively promote biodiversity on non-agricultural land. We never clear forests for farming purposes.

We take initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.

We also monitor birds as indicators of biodiversity. Evidence suggests that birds are useful indicators of species richness and a network of sites selected as important for birds will capture a general biodiversity status. Changes in bird populations provide a useful indication of broader environmental change.

We protect our farm waters from fertilisers, chemicals, sediment and animal waste by creating unfarmed buffer strips.

We encourage tree planting, primarily native species in the open landscape. We also plant gardens, hedges, headlands, alley trees, copses and orchards. When planting, we promote native plant species that pollinators feed on to achieve a continuous supply of feed. Recently we have started to encourage natural revegetation.

Outcome

Habitats and ecosystems
We have reached our goal for 10% in natural habitat at a world level, but not on farm level. We constantly work to achieve this.

We currently protect 34%, or 33,985 hectares of our land as conservation easements or nature reserves. Some of this land cannot be farmed, such as geological formations, steep slopes and gullies. But most, we deliberately protect from farming such as wetlands, river and lake borders, wild grasslands, wildwoods and native bush. Local conservationists help us care for these set-asides.

Included in our environmental hectares are 17,275 hectares of natural grasslands in Uruguay and 1,511 hectares in Argentina. We protect these natural grasslands from applied lime or fertilisers, and we do not plant grass seeds or plough. Cattle grazing the land is an integral part of its conservation.

Over the years, we have planted more than 1.2 million trees on our farms.

We have identified 16 Vulnerable and 12 Endangered species on our farms as well as the Critically Endangered Golden Sun Moth (Symemon plana).

We have also identified the endangered vegetation community the Temperate Grasslands of the Victorian Volcanic Plain.

Water bodies
So far, 2.2% of our total land area is in water bodies, defined as rivers, streams, springs, ponds, artificial canals and ditches, as well as artificial water reservoirs. We construct ponds and wetlands to reach our goal on a farm level.

Formal protection areas
We distinguish between Ingleby protected areas and formal protections. Formal protections are those with a land title covenant on the area, whereas Ingleby protected means we internally decide to map and protect an area.

In New Zealand, we legally protect 849 hectares of temperate, virgin native bush under an Open Space Covenant with the Queen Elizabeth II Trust (QEII). QEII covenants protect areas in perpetuity.

In Romania, 418 hectares of our forests in Romania are under Protection Class 2A, which defines areas where only thinning is permitted. Another 427 hectares are under the NATURA 2000 scheme, where logging is permitted, but we take special precautions for flora and fauna. A further 2,831 hectares are defined as a “silent area” where hunting is prohibited.

In Tasmania, we protect 21 hectares under the Nature Conservation Act 2002, primarily to protect the endangered Shiny Grasstree (Xanthorrhoea bracteata). We have also placed a land title covenant on 40 hectares of endangered natural coastal vegetation.
Birds on farms in Uruguay

In 2016 and 2017, we have been monitoring birds on two farms in Uruguay.

In Doña Maria, a farm consisting mainly of natural grasslands, we recorded 136 species. Of these, 131 species are breeding, these represent 41% of the known breeding bird species in Uruguay.

We also monitored birds in La Rinconada to assess the impact of our new irrigation activity on biodiversity. Here, we recorded 157 bird species.

Both farms’ bird counts included 17 species of Tyrant-flycatchers (Tyrannidae), and 14 of Tanagers (Thraupidae). At Doña Maria we also recorded 11 species of Ovenbirds (Seiurus aurocapilla), and at La Rinconada, a further 14 species of ducks and swans (Anatidae).

Our most important discovery was the globally threatened Chestnut Seedeater (Sporophila cinnamomea). We also observed the Dark-throated Seedeaters (Sporophila ruficollis), one of Uruguay’s 19 Near Threatened birds.

Monitoring birdlife captures a picture of the richness of species across our farms, while changes in bird populations can provide a good sense of broader environmental change.

Bird monitoring

Birds on farms are useful indicators of biodiversity. Over time, we can look for trends in the number of bird species and correlate these with other factors, such as weather conditions, new crops and other changes in the environment.

Only by comparing data from several years it is possible to detect changes in bird species and numbers over time.

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

SPECIES RICHNESS BY HABITATS

This graph shows data from La Rinconada, in Uruguay. It indicates that everywhere we create or improve water ponds and reservoirs, it has a positive impact on biodiversity.

All over the world, we find higher bird diversity near wetlands, such as marshes and lakes.

<table>
<thead>
<tr>
<th>2012</th>
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<th>2015</th>
<th>2016</th>
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<td>102</td>
<td>138</td>
</tr>
</tbody>
</table>

1. Total number of different species observed over the years
2. Doña Maria farm numbers
3. La Rinconada farm numbers

The globally threatened Chestnut Seedeater was the most important discovery on our farms in Uruguay.

Birds on our farms in Uruguay

In 2016 and 2017, we have been monitoring birds on two farms in Uruguay.

In Doña Maria, a farm consisting mainly of natural grasslands, we recorded 136 species. Of these, 131 species are breeding, these represent 41% of the known breeding bird species in Uruguay.

We also monitored birds in La Rinconada to assess the impact of our new irrigation activity on biodiversity. Here, we recorded 157 bird species.

Both farms’ bird counts included 17 species of Tyrant-flycatchers (Tyrannidae), and 14 of Tanagers (Thraupidae). At Doña Maria we also recorded 11 species of Ovenbirds (Seiurus aurocapilla), and at La Rinconada, a further 14 species of ducks and swans (Anatidae).

Our most important discovery was the globally threatened Chestnut Seedeater (Sporophila cinnamomea). We also observed the Dark-throated Seedeaters (Sporophila ruficollis), one of Uruguay’s 19 Near Threatened birds.
Western Australia is unique for its ancient and eroded landscapes, biodiversity hotspots, and red soil, to name a few examples.

The fragile nature of the soil and vegetation has meant that the landscape and native flora have suffered from grazing livestock and large-scale land clearing for agriculture.

On Ingleby’s farm in Western Australia, our farm team have spent seven years protecting and fencing isolated pockets of bush for long-term conservation and natural regeneration. Up to 20% of the farm now consists of fenced-off remnant, native vegetation.

Fencing prevents livestock grazing the understory and it also makes other environmental risks - such as fires - easier to manage. In certain places, particularly the creek lines, there are many introduced grasses, and fencing allows controlled grazing on these areas.

Over seven years, the team has built more than 100 kilometres of fences. The most important areas are now fenced off, but the project will always be ongoing.

In the areas we have fenced, we are already seeing wildflowers and small bushes regenerating, though it might be another 10 – 20 years until we see significant recovery of the understory. Some of it may never recover, but the most important thing is to conserve what remains as an initial step.
Ingleby protects large areas of natural grasslands in Uruguay (17,275 hectares) and in Argentina (1,511 hectares). Our grasslands belong to the Rio de la Plata Grasslands; a main complex of grassland ecosystems in South America, with outstanding biodiversity.

Thousands of species of vascular plants, including more than 550 types of grass, are described across these areas. There are also about 450-500 bird species and nearly one hundred mammal species, including the Pampas deer (Ozotoceros bezoarticus), the most threatened mammal species of the region.

Over the centuries, these grasslands have become important areas of beef and grain production.

The native grasslands have a low, but stable forage production but are increasingly being fertilised or replaced with improved high productivity grass species, cropping or even forestry. This has led to great losses of grassland habitat, at least in its pristine form.

Ingleby has decided not to change the land use of our native grasslands. We do not fertilise or introduce improved forage species, regardless of the potential to increase productivity.

We want to protect the precious areas of natural grasslands in Argentina and Uruguay, even though this means we can only sustain very low productivity of one cow per two hectares, as an average over the year.

The native grasslands of Argentina and Uruguay need careful management to ensure a diverse multi-species composition of flora. We therefore give alternating areas a spring rest from grazing during flowering and seeding. This way, different species can recover and regenerate to sustain and protect these precious grasslands.
Our pastoral farm in New Zealand, Puketiti Station, is unique for its environmental, cultural and geological features, particularly its many limestone caves.

The most spectacular of these is the Grand Canyon Cave, a spacious 350 metre-long tunnel leading deep into a steep ridge. This cave, which was set aside under a Conservation Covenant in 1998, is also significant because of the colony of endangered Long-tailed bats (Chalinolobus tuberculata) that roost there. Long-tailed bats are one of three bat species endemic to New Zealand – the country’s only native land mammals.

Grand Canyon Cave, together with its resident bats, is safeguarded by the local Department of Conservation (DOC) as a 32-hectare nature reserve.

The bats use the cave for roosting, though not at all times. They also have numerous roosts in small cavities in trees (under bark or epiphytes or in holes in trees) and they move roosts frequently, usually not spending more than a couple of nights in a row in any one roost.

This year DOC completed a three-year mark-recapture study on the bats to compare the population and survival estimates with an earlier study, to discover population trends.

Over the three years there have been a total of 706 captures of 531 individual long-tailed bats.

These bats can live for quite a long time, one caught last year in another area was first banded as an adult 20 years before, so the record is about 21 or 22 years, for an animal the size of a mouse!
LABOUR, GENDER & HUMAN RIGHTS

In agriculture, we operate in environments that often involve hazardous situations; handling livestock and large machinery especially pose risks. Farming therefore requires professional employees, who never compromise on health and safety, and who thrive on challenges and responsibilities.

Goals & Actions

To ensure a good working environment, we support internationally recognised labour standards and human rights, and provide continuous training and development. We fulfil our legal obligations, offering reasonable terms on pay, pension, sick leave, holidays and notice periods.

We uphold freedom of association and the effective recognition of the right to collective bargaining. We do not use any form of forced and compulsory labour, and we do not use child labour.

We encourage family farming, with families living on our farm.

In many countries, farming is a male dominated profession. However, we are equal opportunity employers, and we strive to create equal and fair working atmospheres, welcoming to all. We oppose all forms of discrimination, and recruit employees regardless of race, gender, nationality, religion, sexual orientation or other personal diversity indicators. We monitor our gender ratio and our goal is to increase the proportion of the underrepresented gender so it reaches at least 40% by 2025. Women are currently underrepresented.

For the senior management team and the Board of Directors, it is our goal to always achieve gender diversity.

We actively search for female candidates, who want a career in farming or forestry. To ensure a robust pipeline of talent for management positions, we offer training to both female and male employees and we encourage and support women to improve their qualifications and apply for management jobs.

We encourage our teams to acquire new skills. We monitor how much training our employees receive. Our goal is to have 2% of the annual working hours spent on training every year.

We focus on creating a working environment where safety has the highest priority. Our jobs are always changing with the seasons and we must be aware of these changing and sometimes dangerous situations. We want safe and healthy workplaces and follow up on all accidents and near misses on the farms to promote a culture of no accidents.

Outcome

As of 30 June 2017, we have 2,458 employees worldwide of more than 15 different nationalities. The majority are employed in Peru. Women make up 35% of our total employees and 20% of our senior management team. Our Board of Directors includes members from both genders.

We are not complicit in any human rights abuses.

On all our farms, we are in the positive process of implementing safety procedures and providing our teams with safety training. We had an even level of near misses and a reduction in accidents by 7% compared to 2015/16.

We had no fatalities in 2016/17.
Providing a safe work environment for our teams is one of our most important tasks and responsibilities.

Farming is a hazardous profession. Our farm teams work with large machinery, vehicles, chemicals and livestock. They are exposed to bad weather, noise and dust. They also handle sharp equipment on uneven and sometimes slippery surfaces.

We are slowly becoming better at avoiding accidents. But we still have some work to do to get our incident rate down to world-class standards.

Instead of discussing the consequences of accidents, we want our farm teams to identify risks and take action before accidents happen. Safety is everyone’s responsibility and there is always an opportunity, every day, to take an extra look at the safety situation at work.

**OUR SAFETY GOALS**

Our overall goal in Ingleby is a zero-harm work culture. We want everyone to return home safe from work, every day!

Realistically, we know that this is difficult to achieve. So in 2017/18, our goal is to raise our teams’ awareness about safety and reduce near misses and accidents on our farms even further.

**OUR PROGRESS**

In 2016/17, we increased our focus on health and safety at all levels in the organisation and carried out safety training in all countries.

We have reduced accidents worldwide by 7%. But even one accident is one too many, and we will continue focusing on health and safety in 2017/18.
ANTI-CORRUPTION

We are committed to conducting our business with honesty and integrity, and we expect all our teams to maintain high standards.

Goals & Actions

We strive to do business in an honest and ethical manner worldwide. We work against corruption in all its forms, including extortion and bribery.

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.

Our Ethical Policy is based on our business values and legal compliance, and applies to all Ingleby team members, officers and directors.

We require our employees, customers, suppliers and all other business partners to comply with the expectations and standards of the Ingleby Code of Business Conduct.

We also have a Whistleblowing Policy. We encourage all team members and business partners to report any suspected breaches of our Code of Business Conduct. This includes violations of the law, suspected unethical conduct, financial and legal non-compliance or human rights abuse. We investigate all submissions thoroughly, take appropriate actions and report any breaches to the Ingleby Board of Directors. We ensure there is no retaliation against people who report whistleblowing concerns.

We operate with zero tolerance towards breaches of our Code of Business Conduct.

We monitor our compliance each year in the country sustainability reports. The continuous focus on compliance ensures that everyone knows it has high priority within Ingleby.

Outcome

During 2016/17, we were forced to dismiss one employee, who did not comply with our Code of Business Conduct.

We have also had three whistleblowing cases that we investigated thoroughly. None proved to be valid, but they provided us with an opportunity to reconsider our financial and farming practices.