



**Manulife Investment Management
Timberland and Agriculture
Boston, Massachusetts**

2021 LEADING HARVEST SURVEILLANCE AUDIT:
SUMMARY REPORT

December 9, 2021





A SUBSIDIARY OF K-COE ISOM, LLP

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Certification Audit Re-Certification Audit Surveillance Audit Scope Extension

Manulife Investment Management Timberland and Agriculture

2021 LEADING HARVEST SURVEILLANCE AUDIT: SUMMARY REPORT

December 9, 2021

INTRODUCTION

This report summarizes the results of the first surveillance audit conducted on Manulife Investment Management Timberland and Agriculture's Tenant Operated production agriculture properties. The audit was conducted by Matt Armstrong, lead auditor for Averum. Mr. Armstrong has had experience with Leading Harvest throughout its development, is an AA1000AS provider, and has expertise in production agriculture on multiple crop types in North American regions. Mr. Armstrong was assisted by Auditor-in-Training Tammye Schandua, who has expertise in commodity crop production and harvest. The audit process and reports were independently reviewed by Kyle Rusten, who is a certified public accountant in the state of California and has expertise on multiple crop types in the western and Midwest region of the United States. Mr. Armstrong and Mr. Rusten hold training certificates in *ISO 17021:2015 (Conformity Assessment)*, *14001:2015 (Environmental Management Systems)*, as well as *IAF MD-1:2018 (Certification of Multiple Sites)*.

SCOPE AND OBJECTIVE

Manulife Investment Management Timberland and Agriculture's (MIMTA's) conformance to the Leading Harvest Farmland Management Standard (LH FMS) was certified in 2021 as Hancock Natural Resource Group. In 2021, Averum was engaged by MIMTA to perform surveillance audits of sustainability performance on 230,175 acres of tenant managed agricultural operations and determine the maintenance of their conformance to the principles, objectives, performance measures, and indicators of the LH FMS. LH FMS objectives 1 through 13 were covered during site visits on properties in Arkansas and Idaho. There was no substitution or modification of LH FMS performance measures.

COMPANY INFORMATION

MIMTA is a global agriculture investment manager. Regional Managers from MIMTA oversee tenant operators that are responsible for the day-to-day farmland management services for properties in multiple regions.

MIMTA's tenant operated (TO) properties span a wide variety of terrain, from the high elevation aridic soils of Idaho to the bayous and Stuttgart Soils of Arkansas. The audit was conducted in Idaho (Jefferson 2700, Butte Arco, Twin Falls 2500N, Cassia 30) and Arkansas (Desha 65, Hardin, Brockman, RFF, Jefferson 35, Blankenship). Additionally, personnel overseeing compliance for all regions were contacted for evidence requests and interviews. The properties in these regions are a representative sample of current practices in place and management decision making. The primary agricultural production consists of potatoes, rice, corn, soybeans, wheat, and cotton.

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AUDIT PLAN

Site visits were coordinated with MIMTA staff to manage logistics and increase efficiency. An audit plan was developed and is maintained on file by Averum. An online portal was established for MIMTA coordinators to upload evidence and documentation securely for auditor review. Evidence was continuously uploaded throughout the audit. An opening meeting was held at 7:30am on November 9th, 2021, via conference call. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites on properties in Idaho were conducted November 9th and 10th, and Arkansas properties were examined on November 30th to December 1st, 2021. A closing meeting was held at 12:30pm on December 9th, 2021.

Opening Meeting: Conference Call

November 9th, 2021; 7:30 am

Attendees: (MIMTA) Holly Evers, Paul Burgener, Joseph Bell, David Bergvall, Natasha Wise, Kevin Wright, Brian Kernohan, Matthew Bonham, Dewey Holiday
(Audit Team) Matt Armstrong

Topics:

- Introductions of participants and their roles: Holly Evers
- Introduce audit team: Matt Armstrong
- Status of findings of the previous audits: Matt Armstrong
- Audit plan: Matt Armstrong
- Work safety and emergency procedures: Holly Evers
- Expectations of MIMTA staff: Matt Armstrong
- Method of reporting: Matt Armstrong

Closing Meeting: Teleconference

December 9th, 2021; 12:30 pm

Attendees:

(MIMTA) Holly Evers, Joseph Bell, Kevin Wright, Paul Burgener, Natasha Wise, Brian Kernohan, David Bergvall, Dewey Holliday

(Audit Team) Matt Armstrong, Kyle Rusten, Tammye Schandua

Topics:

- Opening remarks: Holly Evers
- Statement of confidentiality: Matt Armstrong
- Closing summary: Matt Armstrong
- Presentation of the audit conclusion: Matt Armstrong
- Non-Conformances: 0
- Opportunities for Improvement (OFI): 0
- Exceptional practices: 2
- Reporting timing and expectations: Matt Armstrong

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MULTI-SITE REQUIREMENTS

MIMTA maintains operations consisting of a central office in Turlock, CA and five regions, with multiple sites within each region. MIMTA qualifies for multi-site sampling because sites within the management system are centrally controlled and directed by regional managers, with regular monitoring activities. Additionally, MIMTA has dedicated resources overseeing risk and compliance across the organization monitoring on an on-going basis. Regional managers are responsible for developing action plans regarding Leading Harvest conformance and report them to the Sustainability Coordinator and central office. MIMTA's current review and monitoring process is effective and on-going.

Field visits and observations are conducted based on a sample of regions each year. Sampling methodology is provided in the Leading Harvest Farmland Management Standard. In accordance with IAF-MD methodology, all sites were randomly selected with consideration to previous year's audits and coordinated to ensure representative coverage of the complexity of the portfolio, variance in sizes of properties, environmental issues, geographical dispersion, and logistical feasibility. Additionally, due to the COVID-19 pandemic, site visits were planned and coordinated to ensure the highest level of safety for both MIMTA staff and auditors.

Region	Crop	Properties Examined During Engagement
South (Arkansas)	Rice, Corn, Soybeans, Cotton	Desha 65, Hardin, Brockman, RFF, Jefferson 35, Blankenship - 28.2% of regional leased acreage inspected
Pacific Northwest (Idaho)	Potatoes, Corn, Soybeans, Small Grains	Jefferson 2700, Butte Arco, Twin Falls 2500N, Cassia 30 21.8% of regional leased acreage inspected

AUDIT RESULTS

Overall, MIMTA's agricultural operations continue to demonstrate conformance to the objectives of the Leading Harvest Farmland Management Standard 2020 (LH FMS). Interviews and document reviews were performed to determine procedural and documentation conformance to the LH FMS. Documentation of practices was continuously supplied throughout the audit when requested. Documentation from multiple sites was provided, as well as more detailed sets of data from single sites. Field visits were performed on ten operating sites, primarily growing corn, soybeans, cotton, potatoes, small grains, and rice. Central and local management representatives were present and interviewed to illustrate MIMTA policy creation and implementation. Central office staff with roles that impact LH FMS conformance were interviewed to determine awareness of and support for LH FMS conformance, and to illustrate company practices and procedures performed by farm managers. Stewardship coordinators were available as guides throughout the entire engagement, providing logistic support and honoring evidence requests wherever needed.

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

OBJECTIVE 1: SUSTAINABLE AGRICULTURE

Performance Measure (PM) 1.1 Sustainable Agricultural Stewardship

Conformance Evidence:

- Agricultural Stewardship Commitment
- SRI Report
- Property maps
- HAIG Stewardship policies and principles
- Social and Environmental Procedures
- Risk Assessment Matrix
- Critical external factors

Auditor Notes: MIMTA operates a mature agricultural management line of business. Commitment to, awareness of, and attention to sustainable ag practices are present throughout the organization. Properties are in conformance with the Global GAP (Good Agricultural Practices) standard where applicable. Goals were listed within stewardship policies. Both tenants and managers demonstrate decisions with consideration of environmental, social, and economical intents. MIMTA does not convert any prime farmland to non-agriculture use. Any conversions of solar farms would be use non-prime farmland. Tenants are directed to stick to the farmland assigned and agreed to.

Result: In Conformance

Performance Measure (PM) 1.2 Critical External Factors

Conformance Evidence:

- Critical External Factors Forms
- SRI Toolkit and surveys

Auditor Notes: Issues that require increased awareness of management vary from region to region. The most reported material tenant issues are the increase of crop inputs' prices, specifically fertilizer. Tenants are adopting practices that uses organic fertilizer prices (cotton gin trash and chicken litter) rather than traditional fertilizer. The tenants are stacking amendments while managing the risk of input prices. Management review process takes record of the Critical External Factor Forms to verify everything is accounted for. Forms are updated every two years unless an extreme permanent comes before then.

Result: In Conformance

OBJECTIVE 2: Soil Health and Conservation

Performance Measure (PM) 2.1 Soil Health

Conformance Evidence:

- Cover crop images
- Aerial, topographic, and soil maps
- Soil sampling
- Fertility analysis records
- Conservation practice inventory
- Land grant reference sheets

Auditor Notes: Properties test soil health and leaf tissues and maintain nutrition plans that hold soil productivity and health as the primary concerns. Tests are geographically varied and are performed on a myriad of crops. Nutrition plans are informed and modified through testing and professional crop consultant analysis. Crop consultant recommendations are reviewed for lack of care or attention. Consultant recommendations and product use reports are prepared and stored.

Management and tenants conduct soil health test every 3-5 years on concentrated acre grid areas (2.5 – 5 acres), in addition to MIMTA required testing every four years. Soil density is actively monitored Crop consultant prescribed Nutrition Management Programs with recommendations and product use reports are prepared and stored. Crop consultant recommendations are reviewed for lack of care or attention. Crop residue is left in fields to reintegrate into the soil during field preparation.

Result: In Conformance

Performance Measure (PM) 2.2 Soil Conservation

Conformance Evidence:

- Conservation practice inventory
- Land grant reference sheet

Auditor Notes: MIMTA strives for efficient production to enhance sustainability efforts as well as reduce operating costs. Cover and grasses are in place where feasible to secure and enhance soil health and decrease erosion while ensuring harvest disruptions are minimized. Biological waste and biomass are reincorporated into soils wherever possible. No-till practices are implemented on hay/grain sites at Idaho sites.

Result: In Conformance

OBJECTIVE 3: Protection of Water Resources

Performance Measure (PM) 3.1 Water use

Conformance Evidence:

- *Water use reports*
- *Water permits*
- *Well registrations*
- *Creek structure replacements*
- *Water conservation report*

Auditor Notes: Soil moisture is actively measured manually to assist in decision making. Water permits are required with watchful monitoring to avoid overages. Additionally, tenants are required to report water usage to the NRCS documenting measurements from the flow meters. Tenants actively test pH and salinity levels of water. Operators have transitioned to row rice practices instead of conventional rice practices to reduce pumping duration and relief usage. Management is constantly improving the land with projects that incorporate lining to ditches to protect against infiltration (being the early adopters in the area), reworking the farmland to prevent threats of soil erosion, and adding reliefs when possible to recover water to move to other fields.

Result: In Conformance, Exceptional Practice (See Key Findings)

Performance Measure (PM) 3.2 Water Quality

Conformance Evidence:

- *Water use reports*
- *Water conservation reports*
- *Management interviews*
- *Auditor observations*

Auditor Notes: Tenants are leading participants in water quality testing to verify the salinity and pH levels. Communication among tenants and neighboring operators to schedule chemical and fertilizer application to prevent drift, minimize water quality changes, avoid washout and evaporations. Hired professionals are used for input application, along with variable rate application.

Result: In Conformance

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OBJECTIVE 4: Protection of Crops

Performance Measure (PM) 4.1 Integrated Pest Management

Conformance Evidence:

- Chemical use from lease language
- Management interviews
- Auditor observations

Auditor Notes: Crop scouts are hired throughout the growing season and visit the farms between 1-3 times a week. Tenants select seeds to protect against pests, specifically boll weevil. Crop scouts prescribe inputs specific to the farm. Aerial spraying is common, but tenants tend to avoid the practice due to high costs. To prevent drift, tenants use hooded and low drift tips while spraying. Communication is held between neighboring farms to acknowledge different crops and inputs. Chemical treatment rotation occurs to prevent tolerance buildup of pest.

Result: In Conformance

Performance Measure (PM) 4.2 Crop Protection Management

Conformance Evidence:

- Chemical use from lease language
- Management interviews
- Auditor observations

Auditor Notes: Chemical containers are stored according to Environmental Health and Safety guidelines and depleted containers are washed and recycled. Tenants only purchase inputs only when needed. Farm storage is organized and clean. Input suppliers pick up washed-out totes/bins to recycle.

Result: In Conformance

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

Performance Measure (PM) 5.1 Agricultural Energy Use and Conservation

Conformance Evidence:

- Climate Smart fact sheet
- Management interview

Auditor Notes: Tenants employ a wide variety of equipment types. Older equipment is engaged in strict maintenance routines, oil is disposed of correctly. Newer equipment has installed autosteer, GPS, fuel efficiencies, and Diesel Exhaust Fluid (DEF). Wider equipment is used to reduce the number of passes across the fields. Pumps stations are transitioned to electric or natural gas when feasible. Pump stations have been upgraded to “soft start” variable frequency drives, and some are triggered by tension to run only when needed.

Result: In Conformance

Performance Measure (PM) 5.2 Air Quality

Conformance Evidence:

- Climate Smart fact sheet
- Maintenance records
- In-field practices
- Management interviews

Auditor Notes: Equipment is current, with Tier 4 engines, DEF systems, and ReGen filters. Equipment engines are maintained by qualified mechanics as recommended by manufacturer. Equipment passes are reduced through trained operators and GPS/autopilot systems. Dust is managed by watering down turnrows. Cover crops are grown when feasible. Drones are used to spot check fields for areas needed of attention.

Result: In Conformance

Performance Measure (PM) 5.3 Climate Smart Agriculture

Conformance Evidence:

- Climate Smart fact sheet
- Irrigation equipment upgrades records
- Electric conversion records
- Maintenance records

Auditor Notes: Mechanical equipment requires DEF. Pumps transition to natural gas rather than diesel to minimize the risk of leaks into the soil. Cover residue is reintegrated into the soil profiles. Tenants apply bio-fertilizers (chicken litter and cotton gin trash). Seed selection is based on pest control, weed control, and heat tolerance.

Result: In Conformance

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OBJECTIVE 6: Waste and Material Management

Performance Measure (PM) 6.1 Management of Waste and Other Materials

Conformance Evidence:

- Waste invoices
- Recycling receipts
- SPCC Log
- Management interviews
- Auditor observations

Auditor Notes: Plastic poly pipe is picked up and recycled by local supplier. Tenants wash-out totes and bins to be picked up by input suppliers to be recycle and reuse. Tenants work with local chicken houses and cotton gin to purchase biofertilizers to be used on fields. Farm storage is organized and clean. Engine oil is disposed of correctly.

Result: In Conformance

Performance Measure (PM) 6.2 Food and Agricultural Product Waste Resource Recovery

Conformance Evidence:

- In field observations
- Conservation practices inventory
- Management interviews

Auditor Notes: Tenants that have grain bins have monitoring systems that send daily reports for moisture and dryness level. Tenants have their own trucks to transport grain that increases harvest efficiencies. Crop residues are left in the field to be reincorporated during field preparation. Relift pumps are used for water conservation.

Result: In Conformance

OBJECTIVE 7: Conservation of Biodiversity

Performance Measure (PM) 7.1 Species Protection

Conformance Evidence:

- Threatened and endangered cards for regions
- Element occurrences reports
- Threatened and endangered listed species and occurrences reports

Auditor Notes: MIMTA has on-staff wildlife biologists that share and inform tenants of species in the area. Sightings of special status species in the area predates MIMTA's presence. Staff biologist identified special status species in the area of farms are protected by managed buffers and riparian zones between watersheds and protection area.

Result: In Conformance

Performance Measure (PM) 7.2 Wildlife Habitat Conservation

Conformance Evidence:

- Property maps
- In-field practices
- Ecological and biological reviews

Auditor Notes: Field corners, end rows, and buffers are left as is for wildlife use. Tenants manage corners by occasional upkeep with aerial application of fungicide and pesticide, mowing, weather checks are held in place. MIMTA has 80-100 acres reserved in Arkansas that is designated for conservation. Ditches are cleared for wildlife and to increase farming efficiency. Cover crop practices occur to decrease erosion.

Result: In Conformance

Performance Measure (PM) 7.3 Avoided Conversion

Conformance Evidence:

- NRCS Conservation Plan
- Threatened & Endangered Species information
- Zero Deforestation policy
- Ecological and biological reviews
- Farm maps

Auditor Notes: Staff biologist and Project Managers (PM) work with local FFA group to build bird houses for native birds. Tenants are working with state game warden to help reduce nuisance/overpopulated species that destroy farmland (i.e., deer, coyotes, and hogs). MIMTA only purchases long-term farmland along with ground used for conservation.

Result: In Conformance

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OBJECTIVE 7: Conservation of Biodiversity (Continued)

Performance Measure (PM) 7.4 Crop Diversity

Conformance Evidence:

- Farm maps
- Management interviews

Auditor Notes: Tenants participate in crop rotation at varying levels of complexity. Tenants are transitioning to cover crops (i.e., wheat) due to market and input price increases.

Result: In Conformance

OBJECTIVE 8: Protection of Special Sites

Performance Measure (PM) 8.1 Site Protection

Conformance Evidence:

- Ecological and biological reviews
- ESAs
- SRI Toolkit
- HAIG due diligence procedures

Auditor Notes: Protected sites requiring special consideration are identified during due diligence with Phase 1 Environmental Site Assessments, biological reviews, and ALTA surveys. When potential archeological sites are identified, regional management will contact local indigenous populations to ensure it is handled appropriately and respectfully. Due diligence procedures are thorough and include mapping and cataloging property boundaries with title reports, inspections of buildings and irrigation infrastructure, and other reviews. Identified special sites are avoided, and access is allowed for community member or appropriate parties.

Result: In Conformance

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OBJECTIVE 9: Local Communities

Performance Measure (PM) 9.1 Economic Well-Being

Conformance Evidence:

- SRI Toolkit
- Local vendor invoices
- Tax summaries

Auditor Notes: Tenants of the MIMTA's property prefer to purchase inputs from local vendors. Tenants are part of the local cooperative and participate in local events. Labor is locally sourced, and their wages are higher than the local average, using prevailing wage as a starting point.

Result: In Conformance

Performance Measure (PM) 9.2 Community Relations

Conformance Evidence:

- Contributions summary
- Holiday giving program
- Presentation notes
- SRI Toolkit and surveys

Auditor Notes: Tenants are involved/have roles in local soil, water boards, and community boards. Management and tenants support local youth groups with wildlife education, sport fundraising, and equine therapy organizations. MIMTA has donated supplies to educate and inform local youth wood shop classes to build native species housing.

Result: In Conformance

Performance Measure (PM) 9.3 Local Communities and Indigenous Peoples

Conformance Evidence:

- Indigenous Peoples policy
- ALTA Survey
- SRI Toolkit
- Lodge inspections

Auditor Notes: MIMTA addresses the rights of indigenous populations and community outreach in their social responsibility policy. Area managers provide regional management's contact information to members of the public when requested. Surveys are conducted in accordance with ALTA/NSPS standard of performance. SRI Toolkit surveys check for current or previous claims on the MIMTA's land that is neighboring indigenous populations. Quarterly inspections are held to review complaints or issues and how they should be addressed.

Result: In Conformance

OBJECTIVE 9: Local Communities (Continued)

Performance Measure (PM) 9.4 Public Health

Conformance Evidence:

- Public health and safety lease language
- Management interviews

Auditor Notes: Safety is a top priority in MIMTA's culture. Managers inform neighbors of planned spraying to prepare produce growers/commodity growers of inputs being used. Area managers provide regional management's contact information to members of the public when requested.

Result: In Conformance

OBJECTIVE 10: Employees and Farm Labor

Performance Measure (PM) 10.1 Safe and Respectful Working Environment

Conformance Evidence:

- Job postings and opportunity listings
- Diversity, Equity and Inclusion program and trainings
- HR policies related to safe and respectful work environment
- SRI Toolkit and survey
- Biweekly staff calls on safe and respectful work environments

Auditor Notes: Safety is a top priority throughout MIMTA's entire operation. Safety compliance is managed on site and by the compliance manager. Harassment and similar behaviors are considered unsafe behaviors in MIMTA's code of conduct. MIMTA holds diversity and inclusion trainings company wide and are continually updating. MIMTA has safety procedures for COVID-19 precautions.

Result: In Conformance

Performance Measure (PM) 10.2 Occupational Training

Conformance Evidence:

- HR policies related to safe and respectful work environment
- HFS Safety principles
- Biweekly call agendas

Auditor Notes: MIMTA management is required to complete 40 trainings per year, many times more than state requirements. Staff of MIMTA have mandatory training attendance taken. Training is frequent throughout the year with a variety of subjects.

Result: In Conformance

OBJECTIVE 10: Employees and Farm Labor (Continued)

Performance Measure (PM) 10.3 Supporting Capacity for Sustainability

Conformance Evidence:

- Leading Harvest announcement and emails, letter from CEO
- Updated support document from Manulife COO
- Roles and Responsibilities document, Biweekly call agendas

Auditor Notes: The President/CEO of MIMTA issued a letter to the public stating MIMTA's commitment to conforming to the sustainable operations, and the Chief Sustainability Officer of MIMTA issued a letter specifically committing to the LH FMS. Roles and responsibilities to conform to the objectives of the LH FMS are communicated and understood throughout the organization through an internal evidence summary and audit preparedness document. Staff has access to information regarding sustainability. MIMTA lists roles and responsibilities with clear expectations. Annual manager meetings and sustainability training is required by managers. Meetings are held biweekly with initiatives on sustainability.

Result: In Conformance

Performance Measure (PM) 10.4 Compensation

Conformance Evidence:

- Salary surveys

Auditor Notes: Compensation is set at an appropriately competitive level in all regions.

Result: In Conformance

Performance Measure (PM) 10.5 Farm Labor

Conformance Evidence:

- SRI Toolkit and surveys

Auditor Notes: Assessment and monitoring of contract management companies are included in SRI toolkit surveys as part of due diligence and overall risk assessment.

Result: In conformance

OBJECTIVE 11: Legal and Regulatory Compliance

Performance Measure (PM) 11.1 Legal Compliance

Conformance Evidence:

- SRI Toolkit and surveys
- HR Manuals and policies
- Safe and Respectful work environment policies
- DEI program
- Global Risk Register

Auditor Notes: Select staff are tasked with providing access and ensuring compliance information is sent to all managers. Employee portals provide information regarding legal compliance.

Result: In Conformance

Performance Measure (PM) 11.2 Legal Compliance Policies

Conformance Evidence:

- MIMTA HR Policies, Diversity, Equity and Inclusion programs

Auditor Notes: International Labor Organization's (ILO) principles are mostly legal requirements in the US. Farm tenants are allowed to operate as they wish in accordance with the lease requirements on sustainability performance, with managers retaining the right to assist, inform, or support tenants where they see fit. Tenant practices show differences due to regional requirements and personal preference and are controlled via MIMTA manager reviews and farm visits. Compliance with legal and regulatory action is demonstrated through dedicated senior staff positions engaging in continuous monitoring and oversight.

Result: In Conformance

OBJECTIVE 12: Management Review and Continual Improvement

Performance Measure (PM) 12.1 Farm Review and Continual Improvement

Conformance Evidence:

- Property inspection report procedures
- SRI Toolkit and surveys
- Biweekly reports
- Bi-weekly Management Updates
- RST Weekly updates
- Support for sustainable agriculture document
- Stewardship project guidelines and entry forms
- Stewardship catalog, action register
- Management review
- Management system description
- Management review PowerPoint
- Support for sustainable agriculture

Auditor Notes: Property inspection report procedures include scheduling, topics for monitoring, and issues that have been deemed significant. Managers perform regularly scheduled inspections on sites and tenant operations. No internal audits are currently performed, but documented monitoring includes quarterly inspections, monthly follow ups with tenants, and as needed attention to critical issues. Performance by tenants is recorded and included for consideration in future lease decisions. A regenerative ag team has been established to interface with emerging issues and customer concerns regarding regenerative agriculture. Projects are sent to compliance staff for review, management for approval, and included in stewardship program catalog. Stewardship catalog is provided, and managers are being trained to include tenant practices, infrastructure upgrades, equipment upgrades, NCRS and CRP initiatives, and conservation and efficiency projects. Monitoring and performance records are maintained and utilized by managers in planning discussions. Previously conducted surveys established baselines for future Leading Harvest preparations. Changes and improvements are included in the action register and stewardship catalog, if appropriate. A regenerative ag practice inventory has been established. MIMTA's action register and management review documentation continue to develop and serves as a timeline of MIMTA's Leading Harvest improvements and corrective actions. Transparent measurement of continual improvement is unparalleled.

Result: In Conformance, Exceptional Practices (See Key Findings)

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OBJECTIVE 12: Management Review and Continual Improvement (Continued)

Performance Measure (PM) 12.2 Support for Sustainable Agriculture

Conformance Evidence:

- Support for sustainable agriculture document
- Stewardship project guidelines and entry forms
- Stewardship catalog

Auditor Notes: Projects are sent to compliance staff for review, management for approval, and included in stewardship program catalog. Stewardship catalog is established, and managers are being trained to include tenant practices, infrastructure upgrades, equipment upgrades, NCRS and CRP initiatives, conservation, and efficiency projects. Tenants are at liberty to participate in research as they wish, with support from management. Examples for research were seen on sites: Salt resistance on alfalfa in Idaho.

Result: In Conformance

OBJECTIVE 13: Tenant Operated Operations

Performance Measure (PM) 13.1 Leased Land Management

Conformance Evidence:

- Regional Best Management Support document
- Sustainable principles
- Public Health and Safety Lease Language

Auditor Notes: Sustainable agriculture principles included as addendums to leases. Content of Leading Harvest and sustainable agriculture principles used in farm inspection reports. Tenants report that they would participate more in conservation programs if lease terms were longer.

Result: In Conformance

Performance Measure (PM) 13.2 Leased Land Monitoring

Conformance Evidence:

- Quarterly inspections
- Crop yield reports
- Annual farm summaries
- Bi-weekly reporting processes
- Action register
- Inspection procedures and reports

Auditor Notes: Managers engage in regular informal meetings with tenants regarding a variety of current issues. Bi-weekly updates are reported on by managers. Quarterly inspections formalize the review process, and annual farm summaries and performance measure surveys document results from the growing season. Actions needed and taken are included in the action register and stewardship catalog, if appropriate. Annual results are taken into consideration during performance reviews and future tenant planning. Quarterly inspections feed into bi-weekly reporting. Annual and periodic reviews of components of the monitoring system allow for improvements to be identified and communicated.

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KEY FINDINGS

Previous Non-Conformances: There were no previous non-conformances identified in previous audits.

Major Non-Conformances: No major non-conformances were identified during the examination.

Minor Non-Conformances: No minor non-conformances were identified during the examination.

Opportunities for Improvement (OFI): No opportunities for improvement were identified during the examination.

Exceptional Practices:

1. 3.1.2 *Regional Water Conservation:* Majority of tenants test for water quality on the farm for both pH and salinity levels in Arkansas. Idaho's selected sites lined ditches to protection against infiltration. Both areas are leading/early adopters of these practices in the regional area. The audit team found this was representative of the tenant's high responsibility of the farmland.
2. 12.1.4 *Annual Review and Improvement:* MIMTA conducts monitoring and performance records that are used as baselines for Leading Harvest preparations. Action registers and management review develop changes and improvements to take corrective action. The audit team found this was representative of the management team's increased transparency regarding efforts and continual improvements.

Leading Harvest Logo Usage: Program users in good standing who are enrolled in the Leading Harvest Farmland Management Program 2020 for all or a portion of their operations may use the Leading Harvest logo. Any express or implied claim that a program user is in conformance with the Leading Harvest Farmland Management Standard 2020 must be substantiated by a current, valid certification by a certification body recognized by Leading Harvest.

The Leading Harvest logo cannot be used on product labels. The use of the Averum logo is not allowed without expressed permission from Averum.

Review of Previous Audit Cycle: In 2020, HNRG, now MIMTA, engaged Averum to perform their initial certification audit and issue their inaugural certificate. MIMTA successfully demonstrated conformance to the LH FMS standard, with no nonconformances found, three opportunities for improvement, and five Exceptional practices noted. Opportunities for improvement from the previous cycle were followed up on during the surveillance audit interviews, site visits, and documentation reviews.

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CONCLUSIONS

Results of the audit indicate that Manulife Investment Management Timberland and Agriculture has implemented a management system that continues to meet the requirements of and has maintained conformance with the Leading Harvest Farmland Management Standard 2020.

Manulife Investment Management Timberland and Agriculture's certification to the Leading Harvest Farmland Management Standard 2020 on tenant operated properties is recommended to remain in good standing.

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Summary of Audit Findings				
Program User	Manulife Investment Management Timberland and Agriculture			
Audit Dates	November 9, 2021 to December 9, 2021			
Non-Conformances Raised (NCR):	<i>Major</i>			<i>Minor</i>
	0			0
Follow-Up Visit Needed?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<i>Date(s)</i>	
Follow-Up Visit Remarks	N/A			
Team Leader Recommendations				
Corrective Action Plan(s) Accepted	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>	<i>Date</i>
Proceed to/Continue Certification	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	<i>Date</i>
				12.09.2021
All NCR Closed	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>	<i>Date</i>
Standard(s) Audited Against				
Leading Harvest Farmland Management Standard 2020 (Objectives 1 through 13)				
Audit Team Leader	Audit Team Members			
Matt Armstrong	Tammie Schandua Kyle Rusten			
Scope of Audit				
Management of production farmland on tenant operated properties.				
Accreditations	Approval by Leading Harvest to provide certification audits			
Number of Certificates	1			
Certificate Number	2020-0002			
Proposed Date for Next Audit Event	TBD			
Audit Report Distribution	Natasha Wise (NLWise@manulife.com), Certifications Management Holly Evers (HEvers@manulife.com), Program Coordinator			