



**MANULIFE INVESTMENT MANAGEMENT,  
TIMBERLAND AND AGRICULTURE  
MANAGEMENT**

**Boston, Massachusetts**



**LEADING HARVEST FARMLAND MANAGEMENT STANDARD 2020  
AUDIT SUMMARY REPORT: 2024 SURVEILLANCE I**

**July 30, 2024**





8801 Renner Blvd, #100  
Lenexa, KS 66219  
Phone: 913.643.5087

<b>Company Name</b>	Manulife Investment Management, Timberland and Agriculture Management
<b>Contact Person</b>	Natasha Wise
<b>Address</b>	197 Clarendon Street, C-08-99 Boston, MA 02116
<b>Phone/Fax</b>	(208) 589-2364
<b>Email</b>	NLWise@MIMTA.com
<b>Certification Date</b>	June 22, 2023
<b>Recertification Due Date</b>	June 22, 2026
<b>Certification ID#</b>	Averum-LHFMS-2023-0006

Certification Audit     Re-Certification Audit     Surveillance Audit     Scope Extension

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### INTRODUCTION

This report summarizes the results of the May 17, 2021 audit conducted on Manulife Investment Management, Timberland and Agriculture Management (MIMTA) managed production agriculture properties. The audit was conducted by Matt Armstrong, Lead Auditor for Averum. Matt Armstrong has had experience with Leading Harvest throughout its development, is an assurance provider for multiple sustainability programs, and has expertise in production agriculture on multiple crop types in North American regions. Site visits were conducted by Jacques Werleigh and Nick Banach, Field Auditors. Senior members of the audit team hold training certificates in ISO 17021:2015 (Conformity Assessment), 14001:2015 (Environmental Management Systems), as well as IAF MD-1:2018 (Certification of Multiple Sites). The audit process and reports were independently reviewed by Holly Salisbury, who is a certified public accountant in the state of California and has expertise on multiple crop types in the United States.

### SCOPE AND OBJECTIVE

In 2024, Averum was engaged by Manulife to perform an audit of sustainability practices on 100,000–250,000 acres of managed agricultural operations in order to determine conformance to the principles, objectives, performance measures, and indicators of the Leading Harvest Farmland Management Standard 2020 (LH FMS). LH FMS objectives 1 through 13 were covered during site visits on properties in the High Plains and Delta regions. There was no substitution or modification of LH FMS performance measures.

### COMPANY INFORMATION

Manulife is an independent agricultural investment firm. Farm operating tenants and management contractors are responsible for the day-to-day farmland management services for Manulife's properties. Manulife opted to certify 100 percent of their tenant-operated agricultural properties in 2023, allowing them to engage in broader sampling and simplifying the process of maintaining their certification in the future.

During the surveillance audit, seven (7) total sites in the High Plains and Delta regions were selected for sampling, with seven separate tenants included. Managers overseeing decision making and standard compliance for sample 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 on sites is corn and soy.



# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### AUDIT PLAN

An audit plan was developed and is maintained on file by Averum. Manulife coordinators uploaded evidence and documentation securely for auditor review. An opening meeting was held on March 11, 2024, preceding site visits. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites in High Plains were examined on May 2<sup>nd</sup>, 2024, with sites in the Delta region following on May 16th, 2024. A closing meeting was held on July 30th, 2024.

Throughout the audit engagement, information and communication technology (ICT) was employed for a variety of tasks. An online portal was provided and made available for clients to supply documentation for review, provide feedback on observation and notes, and for multiple levels of audit team reviews and signoffs. Throughout the audit engagement, conference calling technology (including Zoom, Microsoft Teams, etc.) was leveraged for meeting with clients, conducting management interviews, follow-up interviews, and Opening and Closing meetings. As LH FMS engagements are geographically decentralized, the use of ICT was deemed not only appropriate, but necessary.

#### Opening Meeting: Conference Call

March 11, 2024

##### Attendees:

(Manulife) Holly Evers, Paul Bergener, Natasha Wise, Joseph Bell, Kevin Wright, David Bergvall

(Audit Team) Matt Armstrong, Jacques Werleigh, Nick Banach

##### Topics:

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

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Closing Meeting: Conference Call

July 30, 2024

### Attendees:

(Manulife) Holly Evers, Paul Burgener, Joseph Bell, David Bergvall

(Audit Team) Matt Armstrong, Jacques Werleigh, Nick Banach, Linnea Abel

### Topics:

- Opening remarks: Matt Armstrong
- Statement of confidentiality: Matt Armstrong
- Closing summary: Matt Armstrong
- Presentation of the audit conclusion: Matt Armstrong
  - Major Non-Conformances: 0
  - Minor Non-Conformances: 0
  - Opportunities for Improvement (OFI): 0
  - Notable Practices: 10
- Report timing and expectations: Matt Armstrong

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### MULTI-SITE REQUIREMENTS

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

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

Region	Crop	Properties Examined During Engagement
High Plains	Corn, soy, alfalfa, wheat, rye	Three (3) sites visited during audit <ul style="list-style-type: none"><li>- The High Plains represents 18% of tenant-operated acreage</li><li>- Three (3) tenants</li><li>- Sites visited: Wheeler, Alliance, Midland</li></ul>
Delta	Corn, cotton, soy	Four (4) sites visited during audit <ul style="list-style-type: none"><li>- The Delta represents 35% of tenant-operated acreage</li><li>- Four (4) tenants</li><li>- Sites visited: Piper, Sunflower 82, Sunflower Duncan, Sunflower Baird</li></ul>

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### AUDIT RESULTS

Overall, Manulife’s agricultural operations conform to the objectives of the Leading Harvest Farmland Management Standard 2020 (LH FMS). Interviews and document reviews were performed to determine procedural and documentation conformance to the LH FMS. Documentation of practices was continuously supplied throughout the audit when requested. Documentation from multiple sites was provided to auditors. Field visits were performed on seven operating sites, with three in the High Plains region and four in the Delta region. Visits were pre-planting or just planted, so planting efficiencies, crop planning, and soil management were highlighted. Central and regional management representatives, as well as operating tenants, were present and interviewed to illustrate Manulife’s conformance and policy implementation. Central office staff with roles that impact LH FMS conformance were interviewed to determine awareness of and support for LH FMS conformance, and to illustrate company practices and procedures not performed by farm managers. Manulife’s Regional Managers served as guides and were available throughout the entire engagement, providing logistic support and honoring evidence requests wherever needed.

### KEY FINDINGS

**Previous Non-Conformances:** No non-conformances were identified during Manulife’s 2023 Recertification.

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

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

**Opportunities for Improvement (OFI):** Zero (0) opportunities for improvement were identified during the audit.

**Notable Practices:** Ten (10) notable practices were identified during the audit.

1. 1.1.2 Farmland Stewardship
  - a. MIMTA explicitly states their intent to operate using regenerative practices to further enhance their stewardship of farm properties. Tenant operators are selected to bring creative and progressive approaches to commodity crop production. Best practices implemented or designed by site operators are setting new expectations for conventional producers and operators.
2. 2.1.1 Soil Quality
  - a. Auditors assessed a notable practice for both the quality as well as the results of the soil tests conducted. Tests provide an array of extremely detailed results that are related to nutrient maps, soil types, nutrient recommendations, and tillage practices.
3. 2.2.1 In-field Soil Management

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

- a. MIMTA invests in precision-leveling fields to reduce erosion, which allows for the use of polypipe. Polypipe installation allows properties to move away from less efficient pivot irrigation. Leveling allows multiple types of drainage pipes to move water out of the field to reduce negative impacts, especially during heavy rain events.
4. 2.2.2 Degradation of Agricultural Lands
    - a. Sites practice several regenerative practices including the use of cover crops, conservation tillage, efficient nitrogen fertilizers, manure application, and livestock rotations on specifically designated Regenerative properties.
5. 3.1.2 Regional Water Conservation
    - a. The implementation of soil moisture probes to inform irrigation in the Delta is regionally notable. Tenants noted a decrease in irrigation times and volume with the use of the soil moisture probes. Conservation of water in spite of the region having ample available water is a best management practice (BMP) that goes above and beyond standard practices typically found in the region.
6. 6.2.2 Resource Recovery of Agricultural Waste
    - a. MIMTA included access to manure into property selection criteria and uses readily accessible hog manure to reduce the need for externally supplied fertilizer.
7. 7.1.2 At-risk Species
    - a. Manulife has added a step to the Due Diligence processes regarding agricultural asset procurement to explore the potential for at-risk species. Manulife has in-house biologists that conduct research on at-risk species, create species cards, and conduct trainings related to biodiversity and species protection for regional managers and tenants.
8. 8.1.1 Special Site Identification
    - a. Sustainability and Responsible Investment (SRI) toolkits provide an effective additional layer in the due diligence process that is unique to MIMTA and supports special site identification. Development of the toolkits expand on the due diligence process and help to identify the sustainability opportunities and risks managers can expect on sites.



# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

9. 8.1.2 Special Site Management
  - a. Auditors noted special site management for the use of the Farmland Web App to identify, monitor, and better manage special sites if or when located on managed properties.
  
10. 12.1.4 Annual Review and Improvement
  - a. Multiple aspects of MIMTA's annual review were deemed notable by auditors, primarily driven by the socialization and utilization of MIMTA's Leading Harvest performance. Annual Leading Harvest audit results are shared widely among the company, with findings effecting action planning, sustainability strategy, and management compensation.
  - b. Manulife holds an annual management review driven by the LH FMS audit that occurred that year. The review speaks to the audit's findings and how to implement and improve based on audit findings.
  - c. Audit summary reports are shared with all ag staff including those in leadership positions and increases accountability throughout the organization.

**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:** Manulife recertified their tenant-operated agricultural properties in 2023. During Recertification, there were no non-conformances (major or minor), three opportunities for improvement, and eight notable practices were identified. There were no repeated opportunities for improvement during this year's first surveillance audit of this cycle.

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

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 1: Sustainable Agriculture Management

#### 1.1 Sustainable Agriculture Stewardship

##### **Conformance Evidence**

- Agricultural Stewardship Commitment
- Manulife Investment Management Agriculture Stewardship Principles
- Manulife Investment Management (MIM) Timberland & Agriculture All Employee Meeting Slides
- Manulife Agriculture Services (MAS) Stewardship Introductory Training
- Bonus Calculation Chart

##### **Auditor Notes**

- Manulife's Agricultural Stewardship Commitment contains five stewardship principles and twelve stewardship policies. The policies closely align with LH FMS objectives.
- MIM Timberland & Agriculture All Employee Meeting Slides indicate sustainability and sustainability reporting is regularly discussed throughout the organization.
- Manulife has an Environmental Services Team and conducts introductory training for staff regarding environmental stewardship, threatened and endangered species awareness, and specifies Leading Harvest in their training materials.
- Manulife's employee bonuses factor in environmental stewardship.
- Manulife has a system in place for identifying critical external factors (risks presented by forces outside MIMTA's direct control) with its employees. A critical external factor form is prepared and sent to the Sustainability Certification Specialist, who sends to the Vice President (VP). The VP ensures relevant topics are on the list to be addressed.
- Employees are trained on the importance of sustainability annually through presentations from leadership.
- Agricultural risks and opportunities and the importance of sustainable management are communicated across the company in all-employee meetings.
- Manulife's primary areas of focus on the farm include soil health maintenance, combating soil erosion, and ensuring the continuity of tenants and farmers to support the conservation of farmland.
- MIMTA is operating sites with the explicitly stated intent to operate using regenerative practices. Tenant operators are selected to bring creative and progressive approaches to commodity crop production.
- Manulife states their commitment to preserve prime farmland in their Agriculture Stewardship Principles.
- Manulife does not convert any prime farmland into non-agricultural uses. Solar projects are built on non-prime farmland.
- Sites visited have been long term farmland and managed by Manulife for roughly twenty years.
- MIMTA continues to actively seek properties that meet their criteria for farmland assets to construct high value agricultural property clusters.

**Result: In Conformance, Notable Practice**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 1: Sustainable Agriculture Management (Continued)**

**1.2 Critical External Factors**

**Conformance Evidence**

- Critical External Factors Forms

**Auditor Notes**

- Manulife uses Critical External Factors Forms to report relevant factors at the regional level. Operators submit forms that are received by Manulife's Sustainability Certification Specialist. Specialists communicate relevant topics to the Vice President for monitoring.
- Critical External Factor forms have sections such as economic factors, environmental factors, and social factors.
- Inclement weather (especially wind) can damage sites. Excessive rainfall can make sites difficult or impossible to access. Risk mitigation practices such as wind breaks and barriers, or water removal structures are in place to minimize the risk of damage from inclement weather.
- Water availability is a primary concern as sources may run dry later in the growing season.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### Objective 2: Soil Health and Conservation

#### 2.1 Soil Health

##### **Conformance Evidence**

- Fertility Analyses
- Soil Samples
- Report of Commodities (Yield Reports)
- Regenerative Ag Principles Inventory
- Crop Yield Reports
- Prescription Report
- Soil Reviews

##### **Auditor Notes**

- Manulife sites conduct soil tests regularly and on grids between 2.5 and ten acres. Tests are conducted by tenants, Manulife, and by third-party providers. Soil tests conducted by third-party vendors are performed by agronomists or Certified Crop Advisors (CCAs) and provide detailed soil analysis, nutrient maps, recommendations, and tillage practices based on Cation Exchange Capacity (CEC).
- Crop residues are incorporated to increase CEC and soil organic matter (SOM), which is mainly related to pH levels. CEC indicates the soil's ability to supply calcium, magnesium, and potassium.
- Tenants reduce tillage based on recommendations in soil test reports.
- Sites use cover crops such as rye, alfalfa, and wheat in crop rotation with corn and beans to promote nitrogen fixation and prevent soil erosion.
- Tenant practices strip-tilling and inter-row seeding to minimize soil disturbances during planting. Tillage practices prevent compaction and reduce water usage, resulting in increased yield and decreased water quantity used for corn and soybeans.
- Tenant combines GPS map data with Real Time Kinematics (RTK) for precision application of agrochemicals. Variable fertilizer rates are applied to reduce overall fertilizer use.
- Site uses software for custom applications, processes, and crop-specific recommendations.
- Sites apply fertilizer based on recommendations. Phosphorus and potassium are applied aerially, and nitrogen is applied via ammonium sulfate.
- Applications are performed by third parties via fertigation or irrigation pivots. Pivot applications are monitored by flowmeters.
- Tenant follows nutrient recommendations from third parties and is aware of potential nitrogen leaching due to sandy soil. Tenant applies hog manure from nearby farms and knives into the soil to reduce the need for chemical applications.

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 2: Soil Health and Conservation (Continued)**

**2.1 Soil Health**

**Auditor Notes**

- Manulife shares costs with tenants for reincorporating and tilling in crop residue. Whatever is not foraged is reincorporated into the soil via strip tillage to keep nutrients on the farm.
- Corn stalks and cover crop are left as forage for cattle and maintains soil root systems.
- Tenant uses no-till, sprays, and rolls rye before planting directly into plant matter to improve soil health and suppress weeds.
- Leases require crop residues to be spread on the field and prohibits burning or removing crop residues without prior consent.
- Manulife maintains an inventory of properties that use regenerative farming methods, including conservation tillage, cover crops, residue reincorporation, crop rotation, inter-cropping, soil amendments, and rotational grazing.

**Result: In Conformance, Notable Practice**



# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 2: Soil Health and Conservation (Continued)

#### 2.2 Soil Conservation

##### **Conformance Evidence**

- Regenerative Ag Principles Inventory
- Soil Productivity Policy

##### **Auditor Notes**

- Sites visited have minor prior erosion issues. Fields have been precision leveled, have drainage pipes installed, now practice minimum tillage, and are planted with cover crops to combat erosion.
- Sites selected use flashboard risers on drainage pipes and seed nearby banks with Bermuda grass to further mitigate erosion. Tenants also utilized multiple other strategies, such as adding boards, raising pipes, filling in washout areas with dirt buckets, installing deep L-pipes, precision leveling, and tillage/sub-soil at the end of harvest to further mitigate erosion issues.
- Tenants use equipment with tracks to prevent compaction. The same row patterns are used for planting.
- Tenants add gypsum to areas with elevated levels of magnesium and salt to aid water filtration.
- Site selected in the Delta has prior erosion concerns on the property under active management. Tenant uses cover crops to keep root structures in place for erosion control and irrigates during windy conditions to mitigate wind erosion. Tenant has reported improvement since the property was acquired.
- Herd rotations and grazing assist with soil improvements through hoof action.
- Sites selected have been long-term farmland. Tenants have not had to rest or fallow production acreage due to soil mismanagement issues. Environmental Site Assessments (ESAs) are conducted to confirm sites purchased are long-term farmland.
- Tenant manages soil pH with humic acid and pelletized lime.
- Sites selected have highly erodible land (HEL) designations and have Conservation Stewardship Plans (CSPs) in place for cover crops. Local herds graze corners.
- Site uses controlled cattle grazing for the benefit of manure and hoof action to mitigate compaction and reduce the need to till.
- Tenants avoid wet areas on property to prevent soil compaction.
- Sites mitigate erosion with cover crops, strip tillage, and cover crops.
- Select site integrates livestock rotations to improve soil health and productivity.
- Site uses software that integrates satellite imagery and soil testing to monitor and manage nutrient levels and increase nutrient efficiency.

**Result: Notable Practice**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 3: Water Resources**

**3.1 Water Use**

**Conformance Evidence**

- Water Use and Quality Management Policy
- Water Use Permits
- Sustainability and Responsible Investing (SRI) Toolkit
- Meter Data
- The San Joaquin Valley Water Collaborative Action Program (CAP) White Paper Draft
- Irrigation Pump Tests
- Well Registration
- Water Conservation Practices Verification
- NRCS Water Diversion receipt
- Stewardship Report

**Auditor Notes**

- Sites use soil moisture probes and information from weather stations to guide irrigation decisions.
- Tenants use flowmeters and soil moisture probes to monitor and manage water usage on the farm whether or not it is required. Flowmeter reports are reported to managers.
- Software monitors well pump, weather stations, and alerts tenants of changes in soil moisture levels via an app.
- Pipe Planner software used for irrigation recommendations. Manulife supports investment in improved irrigation infrastructure including land forming.
- Sites have partial restrictions on water use. Tenant plans crop rotations around water availability in wells for each season.
- Tenant has adapted to water availability throughout the season by selecting seeds to withstand drought conditions, planting fewer items with more flexibility, and seeing similar yields with less seed and lower irrigation rates.
- Manulife's Water Use and Quality Management Policy demonstrates a proactive approach to managing and conserving groundwater and surface water through water metering, nutrient monitoring, maintaining irrigation systems, training, and setting the expectation for operators to meet or exceed all water and nutrient input regulations.
- Manulife's SRI Toolkit provides resources for assessing water risks, including water depletion, water stress, and groundwater table decline.
- Manulife provided Conservation Method Verification from the State of Mississippi that outlines which approved water conservation practices are being implemented on site.
- Manulife's Stewardship Report incorporates watershed protection into their evaluation of sustainability risks and opportunities.

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Objective 3: Water Resources (Continued)

### 3.1 Water Use

#### **Auditor Notes**

- Growers in the Delta region are moving away from flood irrigation and using polypipe to conserve water.
- Tenants have noted a 50% decrease in water use and time needed for irrigation events.
- Tenants routinely check valves on water wells and seal off wells to prevent backflow.
- High Plains tenant assists with water access in the region by serving on the Northport Irrigation District and the North Loup Irrigation District boards.
- Tenant consults with other farmers in the region on soil moisture management.
- Manulife provided a white paper draft that strongly demonstrates a commitment to fostering responsible use and conservation of groundwater and surface water used for agriculture.
- Sites use 24-hour twist timers to automatically shut off irrigation.
- Tenant uses flowmeters to monitor and conserve water, manage rates of chemical application via fertigation, and manage utility costs of running pivots.
- Site selected is being considered for disposition due to expense and limited access to water late in the growing season. Pipe infrastructure is metal and difficult to maintain.

**Result: In Conformance, Notable Practice**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 3: Water Resources (Continued)

#### 3.2 Water Quality

##### **Conformance Evidence**

- Agricultural Chemical Use Policy
- Soil Productivity Policy
- Water Use and Quality Management Policy
- Riparian Site Management Policy
- Fertilizer Reports
- Crop Year Production Records
- Fertility Analyses
- Wetlands Maps
- Lease language

##### **Auditor Notes**

- Sites are regularly scouted by in-house staff and licensed third parties. Tenant of site selected is trained and certified for pesticide applications. County weed and pest agencies also scout for additional control in the High Plains region. Well controlled spray and other applications assist in lowering the risk of chemical and product run off.
- Scouting reports are produced with identified pests, pest counts, and recommended prescriptions for each field visited. Agronomists use university thresholds to inform pesticide, insecticide, and fungicide recommendations.
- Best management practices (BMPs) include the reduction of chemical use through conservative applications, reducing burn down weed applications, spot treating, and checking water pH prior to chemical applications. Crop rotations break pest and disease life cycles.
- Pre-emergent is applied in the fall to create a barrier in the soil that prevents weed seeds from germinating.
- Manulife maintains policies that support regional best management practices including regular inspections, managing and monitoring water quality and irrigation runoff, and efficient nutrient use.
- Manulife's Riparian Site Management Policy aims to prevent detrimental impacts to riparian areas while meeting or exceeding regulations.
- Lease language outlines tenant expectations regarding water quality, which includes checking with regulatory bodies before performing drainage work and obtaining necessary permits.
- Crop Year Production Records record annual applications. Water, tissue, and soil tests are considered regional best management practices.
- Tenant notes the presence of wetlands and riparian areas bordering or adjacent to property. Tenant maintains a 14- to 16-foot-wide buffer between cultivated rows and environmentally important or sensitive areas and does not apply agrochemicals to those areas. Tenant uses a ground rig instead of aerial spraying when applying agrochemicals in fields adjacent to wetland or riparian areas to avoid drift.
- Tenant uses Real-time Kinematic (RTK) systems, low-drift nozzles, and pulsating nozzles to regulate pressure and decrease pesticide drift.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 4: Crop Protection

#### 4.1 Integrated Pest Management

##### **Conformance Evidence**

- Scouting Reports
- Lease Language
- Pesticide Environmental Assessment System (PEAS) Impact Index

##### **Auditor Notes**

- Scouts regularly inspect fields to identify pest presence. Agronomists and tenants compare scouting reports with established pest and economic thresholds to determine agrochemical application timing.
- Tenant at selected site conducts pest scouts for other farms and is a Certified Crop Advisor CCA.
- Pests are controlled with agrochemical applications, selection of seeds with favorable genetics and resistance, and timely planting and applications. Timing of agrochemical applications is determined by pest life cycles.
- Common pests and diseases that are managed on sites selected are three-cornered alfalfa, flea hoppers, pod worms, thrips, spider mites, aphids, lygus, bean leaf beetles, southern rust, frogeye leaf spot, corn ear worms, thrips, loopers, grasshoppers, spider mites, nematodes, and diseases such as corn rust, common rust, tap root decline, sudden death syndrome, leaf spot, brown leaf spot, red banded stink bugs, and bull worms.
- Site selected uses a licensed third-party to scout and perform applications to save on equipment and training costs.
- Tenant employs crop rotations and inter-cropping to break the life cycles of pests and disease, reducing the need for chemical pest control and lowering the risk of developing resistant pest populations.
- Fertigation is used to include fertilizer through irrigation pivots, timed to coincide with crop needs.
- Site selected conducts herbicide applications in the fall to reduce the need for in-season applications. Tenant's goal is to use as few applications as possible to maintain healthy soil.
- Manulife lease language contains a covenant regarding Integrated Pest Management (IPM) to adopt low-input sustainable agricultural practices if those practices may be adopted without adverse impacts to returns.
- Tenant of selected site purchased drones and is pursuing licensure to use them to conduct applications. Tenant is pursuing a chemical applicator's license to manage post-emergent pests appropriately and autonomously.
- Manulife tenants who conduct applications and third-party applicators are appropriately licensed and trained. All employees on site visited maintain private pesticide applicator licenses.
- Tenants choose seeds with favorable genetics, such as resistance to pests or tolerance to heat and drought. Different modes of action are used depending on the genetics of the seed, with some seeds requiring less pesticide application.
- Site selected complies with 20% Structured Refuge requirement which provides refuge for corn pests in Bacillus thuringiensis (BT) corn. BT corn is genetically modified to be toxic to particular pests.

**Result: In Conformance**



# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Objective 4: Crop Protection (Continued)

### 4.2 Crop Protectant Management

#### **Conformance Evidence**

- Agricultural Chemical Use Policy
- Lease Language
- Safe Work Environment Policy

#### **Auditor Notes**

- Sites selected triple rinse, segregate, and have empty agrochemical jugs collected by a third-party to be reused or recycled.
- Sites selected conduct chemical handling and appropriate personal protective equipment (PPE) training. Agrochemicals are applied according to label instructions.
- Sites visited aim to keep a limited inventory of agrochemicals by ordering exactly what is needed and storing smaller amounts of excess until used or store chemicals off-site.
- Tenants store chemicals on site in a locked facility in original containers. Jugs are taken to a recycling facility.
- Manulife's Agricultural Chemical Use Policy and Safe Work Environment Policy provide guidelines for compliance, environmental consideration, appropriate oversight, safety, and IPM approaches that align with responsible and minimal chemical use.
- Lease language provides detailed instruction for expectations regarding storage and handling of agrochemicals including minimizing drift which protects employees and the public.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

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

### 5.1 Agricultural Energy Use and Conservation

#### **Conformance Evidence**

- Energy Efficiency and Air Quality Policy
- Renewable Projects
- Irrigation Pump Tests
- Pump replacement invoices
- Lease language

#### **Auditor Notes**

- Sites selected save energy on properties by using more efficient equipment including vehicles with Tier-4 engines, diesel exhaust fluid (DEF), GPS, biodiesel, and RTK systems.
- Tenants use drip oil to prevent rust, oxidation, wear, and inhibit foam to support machine efficiency and reduce demand for oil.
- Sites selected uses water efficiently with poly pipe planning software, moisture sensors, solar sensors, and timers on equipment.
- Tenants follow maintenance schedules for equipment to ensure proper and efficient operation.
- There are small solar panels on sites visited to power sensors and weather stations.
- Sites reduce tillage which leads to a reduction in agrochemical applications and passes.
- Software is used to track equipment and efficiency, species variety and production, yield maps, and map trouble spots to support targeted action.
- Manulife tracks renewable energy projects that are being considered by region and demonstrates commitment to adopting conservation technologies and renewable energy where appropriate.
- Sites within Manulife's portfolio have renewable energy projects onsite, including solar projects.
- Manulife's Energy Efficiency and Air Quality Policy supports adopting best practices that minimize emissions when economically feasible.
- Lease language contains LH FMS objectives and requires tenants to adopt low-input sustainable BMPs.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

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

**5.2 Air Quality**

**Conformance Evidence**

- Energy Efficiency and Air Quality Policy

**Auditor Notes**

- Sites selected maintain equipment inventories. Staff are trained how to operate equipment and vehicles efficiently.
- Wells and pivots have been upgraded from propane to electric motors. 13 of 24 pivots have already been upgraded, and Manulife has plans in place to reach 16 soon.
- Site selected is replacing condensers on pivots to meet new efficiency requirements from Rural Electric Association.
- Central management converted power supply to three-phase for efficient energy use on pivots.
- Tenant uses Fendt machinery that can perform a variety of tasks and provide increased fuel efficiency.
- Sites selected use cover crops and no-till farming to control erosion and maintain root structures.
- Tenant manages energy use for cost savings.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

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

**5.3 Climate-Smart Agriculture**

**Conformance Evidence**

- Climate Smart Ag USDA Building Blocks
- Irrigation Pump Tests
- Sustainability and Responsible Investing (SRI) Toolkit
- MIMTA Carbon Standards Working Group Webinar
- Regen Agriculture Programmatic Development

**Auditor Notes**

- Sites use newer equipment that requires DEF to reduce emissions and equipment that uses GPS guidance systems for tracking and auto-steer to create efficient passes and reduce emissions.
- Site repurposes crop residues to improve soil structure and increase soil organic matter.
- Manulife considers the Climate Smart Ag USDA Building Blocks while making management decisions.
- Conservation tillage reduces emissions by minimizing soil disturbances.
- Management of heavy rain events and flooding includes installation of extra drain pipes, bigger pads, bigger pipes, and keeping ditches free of debris.
- The Sunflower River bordering the property presents flooding concerns in some areas.
- Farm implements have GPS and allow tenants to map the most efficient operating routes.
- Tenant has adapted to climate impacts by changing timing, rotations, and seed types to fit new conditions.
- Manulife has an Agriculture Decarbonization Working Group dedicated to addressing climate change through identifying scalable agricultural practices to reduce emissions.
- Manulife's SRI Toolkit is a document leveraged during acquisitions to highlight sustainability issues that need to be addressed, guides due diligence, and informs Manulife's Investment Committees.
- Manulife formed a small work group dedicated to implementing regenerative agricultural practices. The program outlines Manulife's strategic adoption of regenerative practices to attract and retain investors who are committed to land stewardship and sustainability.
- Manulife's Stewardship Report demonstrates their commitment to leveraging the SRI Toolkit during due diligence.
- Manulife has identified an approach to reducing emissions within their timberland and agricultural operations.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Objective 6: Waste and Material Management

### 6.1 Management of Waste and Other Materials

#### **Conformance Evidence**

- Lease Language
- Agricultural Chemical Use Policy
- Hazardous Materials and Waste Management Policy

#### **Auditor Notes**

- Sites selected recycle poly pipe, totes, oil, steel, and chemical jugs through appropriate third-party vendors. Steel may be recycled onsite.
- Tenant stores chemicals on-site in a locked facility. Chemicals are in original containers and used according to label instructions.
- Tenant upgraded on-site fuel storage to double-walled containers to provide additional protection from a high water table.
- Lease language requires tenants to use agrochemicals in accordance with label instructions and federal regulations, store chemicals safely, and dispose of chemicals through a licensed handler. Waste accumulation is prohibited, as is burial, dumping, burning, or abandonment of chemicals, trash, containers, or farm machinery.
- Hazardous Materials and Waste Management Policy demonstrates Manulife's cognizance of Waste Management during all stages of management, including pre-acquisition. All properties undergo an Environmental Site Assessment. Any tracts or portions of land that reveal concerns with historic waste management are removed from the sale.
- Majority of tenants in the Delta region do not have chemical storage on property. Farms that do have on-farm storage are organized and clean.
- Tenants interviewed keep inventories low only purchase inputs that are needed at the time.

**Result: In Conformance**



**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 6: Waste and Material Management (Continued)**

**6.2 Food and Agricultural Waste Resource Recovery**

***Conformance Evidence***

- Hazardous Materials and Waste Management Policy
- Regenerative Ag Principles Inventory
- Lease Language

***Auditor Notes***

- Sites use minimal bin storage. Most crops are taken to ethanol processors or used for cattle feed, reducing the number of touches and potential post-harvest loss.
- Tenant employs resource recovery by using manure produced on-site and from neighboring farms. Sites reported reduced synthetic nutrient applications.
- Residues from cover crops and harvested corn are either incorporated into tillage or foraged by cattle.
- Sites use strip tillage to reincorporate crop residues into the soil and no-till planting directly into rye.
- Lease language encourages tenants to minimize unnecessary loss of crop residuals by applying the waste hierarchy (reuse, repurpose, recycle, convert to energy, containment, then disposal) and planning for end of life of materials.

***Result: In Conformance, Notable Practice***

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 7: Conservation of Biodiversity

#### 7.1 Species Protection

##### **Conformance Evidence**

- At-Risk Species Policy
- Biodiversity Policy
- Threatened & Endangered Species Identification Cards
- Element Occurrence Reviews
- Environmental Services Training slides
- Ecological Reviews

##### **Auditor Notes**

- Sites selected reported wildlife sightings, including black bears. Protecting bear populations is a regional initiative in the Delta Region.
- Manulife demonstrates awareness of relevant updates to threatened and endangered and at-risk species, including a petition for the Alligator Snapping Turtle to be reclassified as threatened.
- Manulife provides training for staff on threatened and endangered species, how to address wildlife concerns, and stewardship projects.
- Manulife has an Environmental Services Team that supports operations on matters related to wildlife, fisheries, and watersheds across North America. Manulife has wildlife biologists on staff to provide operational support and provide field resources such as training cards.
- Manulife maintains an At-Risk Species Management Policy to provide implementation guidance, support due diligence, and all properties to undergo biological studies and compliance with federal, provincial, state, and local regulations.
- Manulife's Biodiversity Policy outlines specific actions property managers and tenant operators may adopt to support biodiversity and stresses the importance of biodiversity within agricultural systems.
- Manulife uses biodiversity data collected by Nature Serve to inform conservation action.
- Manulife biologists support training on identification, marking, and informing staff of at-risk or endangered species in order to protect them.

**Result: In Conformance, Notable Practice**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 7: Conservation of Biodiversity (Continued)

#### 7.2 Wildlife Habitat Conservation

##### **Conformance Evidence**

- Riparian Site Management Policy
- At-Risk Species Policy
- Biodiversity Policy
- MIMTA Contribution Summary Report
- Committee Tracking
- Threatened & Endangered Species Identification Cards
- Element Occurrence Reviews
- Regenerative Ag Principles Inventory
- Bird Box Photo

##### **Auditor Notes**

- Sites visited contain wetlands designated by the Natural Resources Conservation Service (NRCS).
- Manulife's Riparian Site Management Policy requires all biological studies and Phase I ESAs to include an evaluation for potential impacts of agriculture to riparian areas. Property managers and operators are encouraged to enhance riparian protection and other areas of properties that are susceptible to erosion.
- Property purchased by management with protected wetlands on site. Tenant does not use or manage the wetlands.
- Regional Managers are trained to identify and note ecologically important sites during due diligence.
- Manulife tracks relevant environmental and social information during property acquisition. Reports are entered into Geographic Information System (GIS) system and shared with operational team. The operational team decides whether to manage ecologically important sites or partner with conservation groups. When Manulife chooses to manage sites, experts are brought in to provide guidance on management techniques.
- Manulife's Stewardship Program demonstrates support and participation of plans and programs that manage ecologically important sites.
- Sites provide habitats for raptor and practice intercropping to increase natural enemy abundance.
- Manulife's Regenerative Ag Practices Inventory tracks regions, acreage, and practices that support temporary wildlife habitats.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Objective 7: Conservation of Biodiversity (Continued)

### 7.3 Avoided Conversion

#### **Conformance Evidence**

- Sustainability and Responsible Investing (SRI) Toolkit
- Zero Deforestation Policy
- Arcadia Farmland Management Field Certification
- Crop Maps
- Site purchase date history

#### **Auditor Notes**

- Biological studies and Phase I assessments support Manulife's awareness of ecologically important sites on enrolled farmland.
- Manulife's Stewardship Report indicate sustainability is considered throughout all stages of farmland management, including pre-acquisition.
- Manulife maintains a Zero Deforestation Policy that adheres to relevant biome or geography specific protocols. The policy states that Manulife is committed to halting global deforestation and will not engage in deforestation or purchase land on which deforestation has occurred.
- Sites visited are long-term farmland in non-forested areas.

**Result: In Conformance**

### 7.4 Crop Diversity

#### **Conformance Evidence**

- Crop Maps

#### **Auditor Notes**

- Market demands, weather, and planting calendars, drive choices for crop varieties.
- Sites visited historically have grown a variety of crops, including potatoes, rye, alfalfa, wheat, sweet corn, corn, cotton, onions, and peas. Primary production for 2024 is corn and soy.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 8: Protection of Special Sites**

**8.1 Site Protection**

**Conformance Evidence**

**Auditor Notes**

- There were no designated special sites on the properties visited this year.
- Manulife has a thorough due diligence process that includes Phase 1 Environmental Site Assessments (ESA)s to identify cultural or ecologically important sites.
- Manulife also maintains a Sustainability and Responsible Investing (SRI) toolkit that discusses the importance and process of acquiring a property.
- Manulife due diligence process involves the SRI toolkit and Phase I assessments.
- Manulife performs an ecological review on sites during due diligence and acquisition to help identify any special sites in the area of the property.
- Tenant staff are trained to avoid any designated areas by studying the site maps of the properties they work on.
- Manulife has a Farmland Web App with each site uploaded with certain layers and designations that employees can access through their phones.
- Tenants interviewed stay away from a graveyard found in the proximity of a farm.

**Result: Notable Practice**

**Objective 9: Local Communities**

**9.1 Economic Wellbeing**

**Conformance Evidence**

- Tax Strategy
- North America Business Units, Stewardship Partners Program, and Local Contributions: 2022
- MIMTA Contribution Summary Report

**Auditor Notes**

- Manulife's Tax Strategy outlines their approach to tax compliance. The strategy requires compliance with all applicable laws and regulations, including transfer pricing guidelines.
- Manulife tenants source supplies and on-farm equipment through local vendors as much as possible.
- Manulife has specific teams to deal with legal compliance regarding leases, licenses, taxes, and environmental compliance, including Spill Prevention, Control, and Countermeasure (SPCC).

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Objective 9: Local Communities (Continued)

### 9.2 Community Relations

#### **Conformance Evidence**

- North America Stewardship Partners Program Contribution Guidelines
- MIMTA Contribution Summary Report

#### **Auditor Notes**

- Manulife contributes money to several stewardship programs throughout the year such as the American Bird Conservancy, Pollinator Partnership and Michigan State University Forest Carbon and Climate Program.
- Manulife donates to universities, research institutions, environmental non-governmental organizations, scholarships and more.
- Tenants interviewed make anonymous donations to local projects such as soccer fields, baseball fields.
- Manulife managers strive for positive relationships in the communities they operate to attract quality tenants. Tenant Managers are regional and are connected to the Land Grant University, which offers ability to support research projects on Manulife properties.
- The North America Stewardship Partners Program Contribution Guidelines provides a structured approach Manulife uses to make contributions based on local, regional, and national contributions.
- Tenants are involved in local Farm Bureaus, involved with local religious entities, County 4H Programs, Livestock Associations, coach local sports teams, serve on local water boards, irrigation districts, and participate in agricultural education programs.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 9: Local Communities (Continued)**

**9.3 Local Communities and Indigenous Peoples**

**Conformance Evidence**

- Social Responsibility Policy
- Manulife Investment Management Due Diligence

**Auditor Notes**

- Manulife maintains a Social Responsibility Policy that contains a commitment to respect the rights of Indigenous Peoples and work with communities to promote positive social impacts.
- The policy highlights the responsibility to provide a safe place to work, respect the rights of all employees, respect the rights of Indigenous People, and engage with local communities on social impacts related to farmland management.
- Manulife ensures Indigenous People are treated fairly and in alignment with relevant international conventions.
- Manulife's Due Diligence process requires collaboration with external stakeholders to develop management plans for special property features, which may include tribal lands or sites that are ecologically or geologically important.
- Sites visited this year did not have any Indigenous communities in the area of production land.
- Manulife provided examples of their SRI Toolkit in action that demonstrate exploration of nearby Indigenous communities during due diligence using the LandMark Global Platform of Indigenous and Community Lands.
- Manulife's Neighbor Communication Process outlines several ways inquiries may reach Manulife. Tenants will provide contact information to Manulife Management where appropriate. Otherwise, inquirers can obtain ownership information through local assessor's office. Manulife's website contains contact information.
- Completed SRI Toolkits help management identify who has a direct interest in farmland operations.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

## Objective 9: Local Communities (Continued)

### 9.4 Public Health

#### **Conformance Evidence**

- Manulife Farm Services (MFS) Safety Principles
- Safe Work Environment Policy
- Social Responsibility Policy

#### **Auditor Notes**

- Operators use Safe Workplace Checklists to document inspections and potential safety concerns.
- Manulife's Safe Work Environment Policy supports safe workplaces through ongoing education, evaluation, and preventive planning. The Policy states it is operator and tenant responsibility to ensure employees receive adequate training and appropriate equipment to safely perform tasks.
- Manulife's Social Responsibility Policy incorporates health and safety programs, legal compliance, employee training, and community engagement to support safe work environments and mitigate adverse impacts to public health and safety.
- Tenant of site selected uses retardants to prevent agrochemical drift from interfering with neighboring communities. Nozzle control keeps spray targeted and reduces drift. Air induction tips keep droplet sizes consistent and provide focused application to further reduce drift.

**Result: In Conformance**



# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 10: Employees and Farm Labor

#### 10.1 Safe and Respectful Working Environment

##### **Conformance Evidence**

- Equal Employment Opportunity (EEO) Policy Statement
- Global Hiring Policy
- Workplace posters
- Unconscious Bias Training
- US Employment and Health and Safety Notices
- Discrimination, Harassment and Workplace Violence Policy
- Diversity, Equity, and Inclusion (DEI) Commitment

##### **Auditor Notes**

- Manulife maintains an Equal Employment Opportunity (EEO) and Global Hiring Policy. Policies outline Manulife's commitment to fair recruitment, hiring, retention, advancement, compensation, and access to training.
- Tenants engage in rigorous safety and compliance training. Manulife requires all tenants to post safety, anti-discrimination, and respectful work environment postings in shops in the respective states.
- Manulife's DEI Commitment supports growing a diverse staff to foster a workplace where differences are recognized and valued.
- Manulife's Discrimination Harassment and Violence Policy applies to all employees, provides definitions and examples of discrimination, harassment, encourages employees to report incidents, and outlines investigations and follow up procedures. Manulife will arrange additional security measures to protect employees at the workplace if necessary or provide paid leaves of absence to keep employees safe.

**Result: In Conformance**

#### 10.2 Occupational Training

##### **Conformance Evidence**

- Stewardship Introductory Training
- All Employee Meeting slides

##### **Auditor Notes**

- Tenant employees receive various occupational safety trainings, including for chemical handling, equipment usage, and respectful work environment.
- Tenant Managers meet regularly to discuss training needs and outcomes. Managers run meetings for all employees to ensure consistent messages and expectations are set.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 10: Employees and Farm Labor (Continued)**

**10.3 Supporting Capacity for Sustainability**

**Conformance Evidence**

- Manulife Investment Management Stewardship Report
- Leading Harvest Commitment
- Introductory Stewardship Training
- Stewardship Training Records
- Roles and Responsibilities - Leading Harvest (Tenant Operations)
- Lease language

**Auditor Notes**

- Manulife's Sustainable Investing and Stewardship reports contains LH FMS commitment statements.
- Lease language includes LH FMS Objectives.
- Manulife's Roles and Responsibilities list outlines LH FMS Objectives and who is responsible for implementing the standard.
- New employees receive training on LH FMS and Manulife's conformance goals.
- Manulife managers meet annually to discuss relevant findings related to LH FMS indicators and remediations to support conformance. Sustainability training is regular and ongoing.
- Manulife maintains rosters for employee Stewardship training.

**Result: In Conformance**

**10.4 Compensation**

**Conformance Evidence**

- Living Wage Table

**Auditor Notes**

- Manulife completes a living wage survey every year to determine and research living wage in each area it direct operates and sets compensation accordingly.
- Human Resources conducts surveys for fair compensation levels determined on roles, location, and responsibilities.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### Objective 10: Employees and Farm Labor (Continued)

#### 10.5 Farm Labor

##### **Conformance Evidence**

- Social Responsibility Policy

##### **Auditor Notes**

- Lease language requires compliance with laws, statutes, and regulations.  
- Manulife's Social Responsibility Policy outlines effective occupational health and safety training implementation, fair treatment, and labor law compliance expectations.

**Result: In Conformance**

### Objective 11: Legal and Regulatory Compliance

#### 11.1 Legal Compliance

##### **Conformance Evidence**

- Flash Reports

##### **Auditor Notes**

- Manulife's Water Team is plugged in to water compliance, especially in California, where they meet and discuss topics such as water quality and quantity regulations and requirements.  
- Manulife employees will work with the university extension to stay current with issues that can plague the sites in respective states.  
- Manulife's Tenant Managers and Policy Engagement team remain informed of policies that impact Manulife operations. Manulife partners with third-party lobbyists who may potentially impact legislation.  
- Flash reports provide updates on ongoing projects, regulatory inspections and preparation, training and reporting, incident reporting and efficiency.  
- Manulife has a Compliance Team with designated staff for global operations. Managers communicate with compliance experts regularly.  
- Monthly risk and compliance reports are produced and issued.  
- Site selected uses H2A labor for temporary and seasonal labor. There were no reported issues with complying with the program's requirements, and multiple temporary resources return to the farm year after year.

- Sites have Occupational Safety and Health Administration (OSHA) posters in English and Spanish for employees to review and access safety procedures.  
- Manulife has these postings in each state that they operate in with legal language to adhere to the state's applicable laws.  
- Manulife provided copies of Water Permits acquired for site visit regions.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

**Objective 11: Legal and Regulatory Compliance (Continued)**

**11.2 Legal Compliance Policies**

**Conformance Evidence**

- Social Responsibility Policy
- Quiet Enjoyment Support Document
- Global Hiring Policy

**Auditor Notes**

- Manulife's Global Hiring Policy and Discrimination Harassment, and Violence Policy support diversity, equity, and inclusion, provide opportunities for accessibility and accommodation requests during any stage of the hiring process to support anti-discrimination and equal employment opportunities, and is applicable to global company locations.
- Manulife's Social Responsibility Policy states that Manulife and its employees shall comply with all applicable international, federal, provincial, state, and local laws regarding occupational health and safety and shall strive to operate in a manner consistent with relevant United Nations (UN) conventions that have been ratified by countries in which Manulife operates. The Policy highlights safe work environments where all employees, Indigenous people, and local communities' rights are respected. Manulife ensures Indigenous people are treated fairly and in a manner consistent with relevant international conventions.
- Manulife's Stewardship Principles support responsible environmental, social, and corporate practices in alignment with International Labour Organizations (ILO) conventions.
- Manulife allows tenants to operate as they wish in accordance with the lease requirements on sustainability performance.
- Tenant practices may differ due to regional requirements and personal preference. Manager reviews and farm visits support consistency with legal requirements.
- Tenants on site visits explicitly mentioned their ability to engage in "quiet enjoyment".
- Manulife provided a document that supports lease provisions and emphasizes good intentions to avoid any form of harassment or oppression of tenants.

**Result: In Conformance**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

### Objective 12: Management Review and Continual Improvement

#### 12.1 Farm Review and Continual Improvement

##### **Conformance Evidence**

- Continual Improvement Process
- Management System Description
- Sustainable Agriculture Program Annual Management Review
- Flash Reports
- Sustainable Agriculture Program Annual Management Review
- Environmental and Social Management System

##### **Auditor Notes**

- Manulife has identified a continual improvement process for employee performance evaluation. Manulife employees set goals at the start of the year with their manager. Mid-year, these goals are formally reviewed and analyzed. At the end of the year, the goals are reviewed in totality and the review directly ties into employee bonuses. The continual improvement process directly addresses and refers to findings and objectives from the LH FMS.
- Manulife has identified metrics related to safety, sustainability, goal setting and project performance that are associated with bonus scores.
- Manulife explicitly states their steps for monitoring performance related to the LH FMS in their Continual Improvement Process document.
- The process leans heavily on LH FMS audits and the findings that are generated after the audit is conducted.
- Manulife performs internal audits called Readiness Reviews, which are included in the performance review.
- Manulife employees attend agriculture-related conferences throughout the year such as the Agri-Tech Summit and The Internet of Things for Precision Agriculture.
- Resource teams attend conferences and webinars related to agricultural innovations and work with Tenant Managers to learn of opportunities for improvement, such as improvements to mapping systems, data collection and storage, and streamlined reporting.
- Audit Opportunities for Improvement are recorded internally and logged into a register that Manulife's central office looks at throughout the year, and formally in a management review meeting held annually. Audit findings are reviewed, and discussions focus on audit feedback response.
- Reports are generated and distributed to all agriculture staff to increase accountability.

**Result: In Conformance, Notable Practice**

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

### Objective 12: Management Review and Continual Improvement (Continued)

#### 12.2 Support for Sustainable Agriculture

##### **Conformance Evidence**

- Support for Sustainable Agriculture
- Committee Tracking

##### **Auditor Notes**

- Manulife supports Sustainable Agriculture by providing land, money, or sharing on-farm data.

**Result: In Conformance**

### Objective 13: Tenant-Operated Operations

#### 13.1 Leased-Land Management

##### **Conformance Evidence**

- Performance Measure Surveys
- Property Inspection Reports
- Readiness Review
- Lease Language
- Lease Addendum for Sustainability

##### **Auditor Notes**

- Language in lease agreement calls out specific practices related to water, soil, and management of hazardous material.
- Tenant Managers, BMPs are based off publications by Land Grant Universities.
- If items are not up-to-par, especially as it relates to infrastructure, preventing BMPs, Manulife Tenant Managers discuss solutions.
- Lease language explicitly states that the lessee shall use due diligence and farming practices, consistent with the highest-quality farming practices in the County.
- Lease language directly quotes and refers to the LH FMS for specified objectives.
- Sustainable agriculture principles are included as addendums to leases
- Leading Harvest objectives are present in lease terminology.
- Lease language specifically states the tenant's responsibility to provide a safe and respectful working environment and to contribute to the economy and well-being of their respective community.
- Lease language also states the tenant's responsibility to comply with all local, state, and federal laws and regulations.

**Result: In Conformance**

**MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT**

LH FMS AUDIT SUMMARY REPORT

July 30, 2024

---

**Objective 13: Tenant-Operated Operations (Continued)**

**13.2 Leased-Land Monitoring**

**Conformance Evidence**

- Performance Measure Surveys
- Property Inspection Reports
- Readiness Review

**Auditor Notes**

- Tenants are typically monitored through quarterly inspections that cover LH FMS objectives. Each area is given a rating of good, fair, or poor along with comments on anything the managers need to note.
- Tenant Managers hold regular and informal meetings and phone calls throughout the year. An open line of communication is available to tenants.
- Tenant evaluations are used to identify areas for improvement on sites for potential capital additions.
- Management uses LH FMS audit findings to identify areas for improvement on certain sites or in regions.
- Manulife’s Senior Certification and Stewardship Specialist conducts Readiness Reviews to supplement quarterly reports.
- Tenants communicate with Manulife managers regarding practice changes, required repairs, and capital improvement projects if needed.
- Management conducts an annual board meeting, reviews budget processes, and regular internal audits for sites with participation from all Tenant Managers.

**Result: In Conformance**

**CONCLUSIONS**

Results of the audit indicate that Manulife has implemented a management system that continues to meet the requirements of and remains in conformance with the LH FMS. Manulife’s enrolled acreage is recommended for continued certification to the Leading Harvest Farmland Management Standard 2020.

# MANULIFE INVESTMENT MANAGEMENT, TIMBERLAND AND AGRICULTURE MANAGEMENT

## LH FMS AUDIT SUMMARY REPORT

July 30, 2024

Summary of Audit Findings		
<b>Program User</b>	Manulife Investment Management, Timberland, and Agriculture Management	
<b>Audit Dates</b>	March 11, 2024 – July 30, 2024	
<b>Non-Conformances Raised (NCR):</b>	<b>Major</b> 0	<b>Minor</b> 0
<b>Follow-Up Visit Needed?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Date(s)</b>	
<b>Audit Report Executive Summary</b>		
<p>Manulife demonstrated their continued conformance to the Leading Harvest Farmland Management Standard and distinguishes itself through the cultural implementation of Leading Harvest objectives. Manulife’s package of conformance evidence shows a thorough and consistent use of practices that align with LH objectives. Manulife invests considerable time and resources into the preservation of ecologically important sites and species awareness, including specially designated experts on staff. The properties we visited were professionally managed, and Managers are professionally qualified for their roles and take initiative to address challenges and emerging issues. Documentation was thorough and illustrative, and continuously provided in a timely manner by staff. Interview subjects were transparent and expansive in their responses. All parties have been generous with their time and are appreciated.</p>		
Team Leader Recommendations		
<b>Corrective Action Plan(s) Accepted</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	07/30/2024
<b>Proceed to/Continue Certification</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	07/30/2024
<b>All NCR Closed</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	07/30/2024
Standard(s) Audited Against		
Leading Harvest Farmland Management Standard 2020 (Objectives 1 through 13)		
<b>Audit Team Leader</b>	<b>Audit Team Members</b>	
Matt Armstrong	Jacques Werleigh, Nick Banach, Holly Salisbury, Linnea Abel	
Scope of Audit		
Management of production farmland on direct and tenant operated properties.		
<b>Accreditations</b>	Approval by Leading Harvest to provide certification audits	
<b>Number of Certificates</b>	1	
<b>Certificate Number</b>	Averum-LHFMS-2023-0006	
<b>Proposed Date for Next Audit Event</b>	TBD	
<b>Audit Report Distribution</b>	Natasha Wise: NLWise@MIMTA.com	