



# **UBS FARMLAND INVESTORS LLC**

**Hartford, Connecticut**

**LEADING HARVEST FARMLAND MANAGEMENT PROGRAM  
2020 AUDIT SUMMARY REPORT: 2024 SURVEILLANCE II**

**December 20, 2024**





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

<b>Company Name</b>	UBS Farmland Investors LLC
<b>Contact Person</b>	Daniel Murray
<b>Address</b>	10 State House Street, 15th Floor Hartford, CT 06103-3604
<b>Phone/Fax</b>	860-616-9203
<b>Email</b>	Daniel.Murray@ubs.com
<b>Certification Date</b>	January 24, 2023
<b>Recertification Due Date</b>	January 24, 2026
<b>Certification ID#</b>	AVERUM-LHFMS-2023-0001

- Certification Audit**    **Recertification Audit**    **Surveillance Audit**  
 **Scope Expansion**

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### INTRODUCTION

This report summarizes the results of the December 20, 2024 audit conducted on UBS Farmland Investors LLC's (UBS's) managed production agriculture properties. The audit was conducted by Matt Armstrong, Lead Auditor for Averum. Matt Armstrong has 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 the United States. Site visits were conducted by Ethan Smith and Jill Brodt, Field Auditors. All senior members of the audit team hold training certificates in ISO 17021:2015 (Conformity Assessment), 14001:2015 (Environmental Management Systems), as well as IAF MD-1:2018 (Certification of Multiple Sites). 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 2023, Averum was engaged by UBS to perform an audit of sustainability performance on 250,000 – 500,000 acres of managed agricultural operations and determine conformance to the principles, objectives, performance measures, and indicators of the Leading Harvest Farmland Management Standard 2020 (LH FMS). LH FMS objectives 1 through 13 were covered during site visits on properties in Idaho and Mississippi to represent the Pacific Northwest and Southern regions. There was no substitution or modification of LH FMS performance measures.

Throughout the course of our engagement, it was determined that gathering additional information via meetings or correspondence with government agencies, community groups, affected Indigenous Peoples and conservation organizations was not required. Information provided during the course of our audit was determined to be sufficient to address relevant indicators of the LH FMS.

### COMPANY INFORMATION

UBS Farmland Investors LLC is a US-based firm that manages farmland investments and provides investment advisory services for agricultural real estate assets. Farm operating tenants and management contractors are responsible for the day-to-day farmland management services for UBS's properties. UBS initially achieved certification for 100 percent of their agricultural properties in 2023, allowing them to engage in broader sampling and simplify the process of maintaining their certification.

During the surveillance audit, nine (9) sites in the Pacific Northwest and Southern regions combined were selected, and tenants were interviewed. 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 the sites is cotton, rice, corn, soybeans, potatoes, sugar beets, barley, canola, quinoa, alfalfa, and wheat.

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### AUDIT PLAN

An audit plan was developed and is maintained on file by Averum. An online portal was established for UBS coordinators to upload evidence and documentation securely for auditor review. An opening meeting was held on October 4, 2024, preceding site visits. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites in the Pacific Northwest and Southern regions were examined on October 16<sup>th</sup> and October 25<sup>th</sup>, 2024. Additional information was reviewed post site visits to support observations noted in the field. A closing meeting was held on December 20<sup>th</sup>, 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 auditee 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 meetings, conducting management interviews, follow-up interviews, and the 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

October 4, 2024

##### Attendees:

(UBS) Daniel Murray, Cullum Jefferies, Darren Hartman, Charles Bryan, James McCandless, Erik Roget, Mark Van-Elswyk, Barbara Missal

(Audit Team) Matt Armstrong, Ethan Smith, and Jill Brodt

##### 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

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### Closing Meeting: Conference Call

December 20, 2024

#### Attendees:

(UBS) Daniel Murray, Darren Hartman, Cullum Jefferies, Brian Duke, Mark Van-Elswyk, Barbara Missal

(Audit Team) Matt Armstrong, Ethan Smith, and Jill Brodt

#### 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): 10
  - Notable Practices: 4
- Report timing and expectations: Matt Armstrong

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### MULTI-SITE REQUIREMENTS

UBS maintains operations on multiple properties in multiple states. Sites from the Pacific Northwest and Southern regions were selected. UBS qualifies for multi-site sampling since the properties within the management system are centrally controlled and directed by regional management, with regular monitoring activities. Regional Managers are responsible for developing corrective action plans regarding LH FMS conformance and reporting them to UBS management. UBS'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
Pacific Northwest	Corn, potatoes, sugar beets, barley, canola, quinoa, alfalfa, wheat, soybean	Six (6) sites visited during audit <ul style="list-style-type: none"><li>- The Pacific Northwest region represents 25% of enrolled acreage</li><li>- One (1) Regional Manager interviewed</li><li>- Sites visited: NAP#21 Power 39, AFF#17 Aberdeen, MSI#4 Matsura, MSI#40 Rising River, AFF#63 Siddoway, NAP#525 Jefferson Homeplace</li></ul>
Southern	Cotton, rice, corn, soybean	Three (3) sites visited during audit <ul style="list-style-type: none"><li>- The Southern region represents 25% of all acreage</li><li>- Sites visited: MSI#23 Perthshire, NAP#2 Sunflower Inwood, MSI#30 Ruby Farm</li></ul>

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### AUDIT RESULTS

Overall, UBS'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 was provided to demonstrate or support conformance with LH FMS requirements. Field visits were performed on nine operating sites, with three in the Southern and six in the Pacific Northwest region. Crops were harvested prior to site inspections and fall tillage had been complete on some farm sites. Central and regional management representatives and operating tenants were present and interviewed to demonstrate UBS'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. UBS's Regional Managers served as guides, were available throughout the engagement, provided logistic support, and provided responses to evidence requests.

### KEY FINDINGS

**Previous Non-Conformances:** Auditors have identified repetitive indicators with opportunities for improvement during this audit cycle. Indicators related to pest control practices, performance review, monitoring performance, and improvement of the verifiable monitoring system will be key focus areas during Recertification. Auditors may escalate repetitive opportunities for improvement to nonconformities if necessary.

**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):** Ten (10) opportunities for improvement were identified during the audit.

1. 4.1.3 – Pest Control Practices

- a. Tenants noted nuisance animals on sites. UBS could consider installing owl boxes and/or raptor perches to support nonchemical vertebrate management.

2. 6.1.2 -Resource Recovery

- a. Burning activities are carried out in accordance with legal requirements and local regulations. UBS could identify recycling opportunities for wood and cardboard as opposed to burning.

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### 3. 7.1.1 – Threatened and Endangered Species

- a. UBS could provide threatened and endangered species lists that are readily available for tenant and farm workers’ reference. Acquisition Analysis could include Biological Resource Assessments or diligence regarding threatened, endangered, and at-risk species to support awareness and protection programs of relevant species.

### 4. 7.1.2 – At-risk Species

- a. UBS could update Acquisition Analysis forms to include Biological Resource Assessments or research regarding at-risk species and enhance due diligence. Tenants visited were aware of vulnerable species, but UBS could improve their support to ensure all tenants within their portfolio are aware of at-risk species through uniform identification processes or enhanced due diligence.

### 5. 8.1.1 – Special Site Identification

- a. UBS could update Acquisition Analysis forms to include the identification of special sites using available natural heritage data.

### 6. 9.3.1 – Local Community and Indigenous Peoples Policy

- a. UBS's Human Rights Statement does not specifically recognize the treaty rights of Indigenous Peoples. UBS could consider including additional documentation that may illustrate how Indigenous communities and treaty rights are considered during farmland acquisition and management or expand policy language.

### 7. 12.1.2 – Monitoring Performance

In past audits, Tenant managers provided a number of on-site documents. UBS could provide additional supporting documentation to better support observations in the field and further demonstrate their oversight, tenant support, monitoring activities, and more to demonstrate performance reviews and the efficacy of UBS’s performance review program. Examples could include:

- i. Soil tests
- ii. Petiole/plant tissue tests
- iii. Water quality tests
- iv. Scouting reports
- v. IPM plans
- vi. “Red, yellow, green” performance reviews
- vii. Site maps



# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### viii. Equal Salary Certification(s)

#### 8. 13.1.3 – Communicating Leased-Land Objectives

- a. During site audits, LH language and objectives are not uniformly shared with all tenants. UBS has shared the LH Standard with select tenants as appropriate, which may make it difficult for tenants across the portfolio to align practices. LH should be shared with all tenants under a certified management system.

#### 9. 13.2.1a Process for Monitoring

- a. Monthly meetings were addressed during site visits and in interviews. UBS could provide additional documented context for monthly meetings, such as meeting agendas and/or notes. Processes could be formalized to promote consistency.

#### 10. 13.2.2 – Improvement of the Verifiable Monitoring System

- a. Demonstration of monitoring system such as red, yellow, green reports could be provided to support continual improvement and help auditors assess the improvement of UBS's tenant monitoring system and its adaptability.

**Notable Practices:** Four (4) notable practices were identified during the audit.

#### 1. 3.2.2 – Water Quality Protection

- a. UBS supported a land leveling project for a Southern site visited that facilitates appropriate water infiltration, efficiency, and protects groundwater quality.

#### 2. 5.2.2 – Airborne Dust Control

- a. Sites control dust by constructing rows after harvest, positioned at an angle to counter wind direction.
- b. Note: Grower is concerned with dust in the area. UBS could consider working with tenants to implement nonchemical methods of dust control such as reduced tillage and windbreak installation.

#### 3. 7.4.1 – Crop and Genetic Diversity

- a. Sites visited grow a wide variety of crop types. Tenants are willing to explore the best combination of rotations to mitigate pest and disease pressures and enhance soil quality.

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

### 4. 11.2.3 – Consistency with Farmland Tenant Law

- a. Tenants reported that their experience with UBS is positive, noting that UBS is straightforward to work with and permits them operational autonomy. UBS often approves requests for the purchase of new irrigation equipment or other necessary items. Tenants extend the life of equipment through diligent maintenance. "Quiet enjoyment" of the property by tenants was observed during interviews and site visits.

**Review of Previous Audit Cycle:** UBS achieved initial certification in January 2023 and completed their first surveillance in January 2024. UBS has made improvements in communicating leased-land objectives through lease amendments and continue to demonstrate positive relationships with tenants. During recertification, all previously issued Minor nonconformities and OFIs will be reviewed. OFIs that are not addressed may be escalated to nonconformities if needed.

**FINDINGS ORGANIZED BY PERFORMANCE MEASURE**

The following are summarized findings organized by LH FMS performance measure. Specific non-conformances, opportunities for improvement, and notable practices have been described in the “Key Findings” section.

<b>Objective 1: Sustainable Agriculture Management</b>
<b>1.1 Sustainable Agriculture Stewardship</b>
<b>Conformance Evidence</b>
<ul style="list-style-type: none"><li>- Farmland Stewardship Commitment</li><li>- Farmland Stewardship Objectives</li><li>- Acquisition Analysis template</li></ul>
<b>Auditor Notes</b>
<ul style="list-style-type: none"><li>- UBS maintains and regularly updates their Farmland Stewardship Commitment and objectives. Stewardship objectives use LH FMS principles and support regional best management practices improvement and the advancement of sustainable agriculture where they operate.</li><li>- UBS conducts an acquisition analysis to collect preliminary information on sites considered for purchase to ensure farms could be managed in accordance with UBS's standards.</li><li>- UBS takes weather, social, and regulatory impacts into consideration while balancing economic and environmental priorities.</li><li>- UBS supports the conservation of prime farmland through funding strategies that allow UBS to act as long-term investors. Farmland is purchased, and all sales are intended to sell properties as farmland. The Fund was initially established in 1983.</li></ul>
<b>Result: In Conformance</b>
<b>1.2 Critical External Factors</b>
<b>Conformance Evidence</b>
<ul style="list-style-type: none"><li>- Acquisition Analysis templates</li></ul>
<b>Auditor Notes</b>
<ul style="list-style-type: none"><li>- UBS considers critical external factors during underwriting and active management. Management teams are regularly available to support tenants to provide ongoing support and communication.</li><li>- Acquisition provides UBS an opportunity to identify critical factors. Analysis includes review of historic yields, property quality, potential environmental hazards, location influences, and more.</li></ul>
<b>Result: In Conformance</b>

## **Objective 2: Soil Health and Conservation**

### **2.1 Soil Health**

#### ***Conformance Evidence***

- Lease agreements
- Tenant and tenant manager interviews

#### ***Auditor Notes***

- Southern sites visited use conventional tillage, which is consistent with regional practices. 2-acre soil grid samples are taken every 2 years by a certified third-party.
- Sites visited in Idaho use minimum till and conduct soil sampling on grids or soil characteristics every 2-3 years. Tests are conducted by certified third-parties and on-staff Certified Crop Advisors (CCAs).
- Crop amendments such as fertilizers, phosphate, humic acid, zinc, compost, herbicides, and soil conditioning organics are made to reduce yield variations, support crop productivity, and balance soil nutrients.
- Agronomists support soil sampling and application decisions. Lab analysis reports and recommendations are used during discussions between agronomists and tenants to decide necessary applications.
- Sites in Idaho will work straw back into the soil during potato planting to increase soil organic matter.
- Leases outline several obligations for tenants that align with regional Best Management Practices (BMPs), including the submission of cropping plans that include tillage systems, pesticide program with rates, fertilizer amounts, and areas of crop to be planted.
- Leases provided require tenants to utilize a crop rotation designed to produce the best yield outcomes. Language is intended to be flexible and support farmers' autonomous decision-making appropriate to each property.
- Sites visited use recommendations from crop consultants provided via written reports and maintain records of amendments and applications.
- John Deere Ops Center is used to record chemical applications.
- Sites visited use variable rate applications when possible.
- Sites visited create formal Nutrient Management Plans (NMPs) with agronomists or retain records of recommended applications and rates as informal NMPs. Informal NMPs are dependent on the most recent soil results.
- Tenant interviewed has observed major advantages to adding compost tea to sites including soil health results and crop yield.
- Growers interviewed are using technology farming apps such as AgWorld and Trimble Ag to log applications. AgWorld is used to log fertilizer applications. Tenant has over ten years of records. Photos are taken weekly during growing season and used to compare during subsequent growing seasons.
- Weekly petiole samples taken during the growing season support adjustments to recommended application rates.

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

### **2.1 Soil Health (Continued)**

#### ***Auditor Notes (Continued)***

- Annual growing plans are established; yearly goals based on yield are determined and evaluated at the beginning of the season and re-evaluated weekly for potatoes during growing season.
- Contractors scout and send recommendations via mail twice per week during growing season. Tenants make final application decisions. Tenant interviewed makes an application plan ahead of the growing season and uses Excel to record.
- Third parties assist with creating fertilizer prescription maps, using variable rate applications with some straight rates prescribed to supplement consistent phosphorus deficiencies.
- Tenants interviewed use cover crops and practice some no-till and minimum till practices when weather allows.
- Tenant will apply cover crops aerially to prevent soil compaction.
- Tenants use crop residue management practices appropriate to the region and crop. Sugar beets and potato crop residues are incorporated, straw from wheat shafts is baled during the first year of back-to-back wheat and reincorporated after a second rotation of wheat.
- Tenant interviewed prefers to chop and desiccate the potatoes instead of chemical application to stop growth. It is considered a standard practice to kill vines well before harvest to improve equipment efficiency and avoid vines getting caught in equipment.

***Result: In Conformance***

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

### **2.2 Soil Conservation**

#### ***Conformance Evidence***

- Lease agreements
- Tenant and tenant manager interviews

#### ***Auditor Notes***

- Sites visited level land to mitigate erosion. There is no highly erodible land (HEL) on property.
- Cover crops used include a mix of broomrape, oats, and rye when compatible with crop rotation and weather. The soil on select sites is very sandy. The interviewed tenant plants winter wheat as a cover crop to effectively prevent erosion.
- Tenants interviewed participate in the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) for cover crop with a wheat mix and drainage plans.
- Tenant interviewed is working with the Corps of Engineers to address drainage issues due to proximity to nearby river.
- Sites manage compaction by reducing the number of trips across the farm, ensuring moisture is optimal before entering the site, scheduling irrigation to avoid impediment to equipment, and using mechanical methods such as deep rips to prevent compaction.
- Post-harvest tillage passes at sites visited are done at an angle to create ridges. If wind blows soil, it will deposit into the next furrow as opposed to blowing off the site.
- Tenant interviewed moves sand that has drifted back into the sites in the fall. Tenant has a 15-year plan to have the same soil profile across all the sites and uses the sandy deposits as an effort to create uniformity.
- Leases require crop plans, which require tenants to identify appropriate tillage systems.
- The tenant establishes wheat crops before the onset of windy winters to stabilize the soil, reduce dust, and prevent erosion. This initiative-taking approach ensures the farm does not contribute to the region's excessive dust.
- Sulfur applications are used to adjust soil acidity.
- Lava flows are present on the visited site. To avoid compaction, minimal tillage is practiced. Sandy soils in some areas are not prone to compaction.
- Parts of the selected site previously experienced soil fatigue due to monocropping by a former tenant. With proper management and crop rotations, these areas have recovered over time.

***Result: In Conformance***

## **Objective 3: Water Resources**

### **3.1 Water Use**

#### ***Conformance Evidence***

- Groundwater and flowmeter consulting fee invoice
- Tenant and tenant manager interviews

#### ***Auditor Notes***

- Tenants interviewed monitor soil moisture visually through crop inspections and field scouting, with hand and shovel tests, and soil moisture probes. Moisture readings are taken as scheduled. The tenant crew scouts sites regularly to determine needs.
- Sites visited use soil moisture probes and pipe planner to precisely place poly pipe. Wells are metered and irrigation rates are recorded. Metered wells upload data to apps to support water usage tracking. Water usage often fluctuates dependent on rainfall.
- Southern sites source water from groundwater and surface water pumped from nearby river. Surface water is permitted through the Yazoo Mississippi Delta Joint Water Management District (YMD) Water District, which is part of Mississippi Department of Environmental Quality (MDEQ).
- Pacific Northwest sites primarily use surface water from canals and groundwater. Water allotments are in place, and tenants interviewed consider allotments to be sufficient to support crop health. Tenants have the authority to purchase additional water.
- Southern sites visited use 60" beds and 30" rows and apply less water relative to regional farmers to avoid oversaturation of crop, in an effort to reduce runoff and support more efficient management during rain events.
- UBS contracts with a water consultant who is used to navigating regional water issues such as rights and availability. They are knowledgeable of the changing water regulations in the region and aware of historical water rights.
- Tenant has taken some areas out of production due to inefficient irrigation.
- YMD is the water management district through the Mississippi DEQ, and they collect data regarding water usage on sites visited in the Southern region. Sites use land leveling to conserve runoff and water use.
- Sites visited reduce water usage by prioritizing crops with the highest need and following agronomist recommendations. There are currently no water quality concerns. Tenants interviewed average three water applications per year.
- UBS places major value on properties with senior water rights when surveying to purchase.
- UBS has made significant investments on more modern water systems that can be controlled remotely to improve efficiency across all sites. All sites have had flowmeters installed.
- Sites visited in Idaho comply with water usage regulations. Water requests are made 24 hours in advance for the water canal.
- Tenants interviewed are involved in regional water management agencies. Selected tenants serve on the regional Canal Board and attend Water Board meetings to remain aware of local regulations and regional changes to BMPs.
- Tenants adjust irrigation equipment to reduce evaporation. Tenant designed planting to create a canopy and is able to save water by design.

### **Objective 3: Water Resources (Continued)**

#### **3.1 Water Use (Continued)**

##### ***Auditor Notes (Continued)***

- UBS owns all the irrigation equipment at the sites. UBS partners with tenants to agree on the manufacturer during equipment replacement, to ensure parts are compatible. Requests for upgrades and improvements to irrigation equipment are well received by UBS.
- Tenant interviewed performs maintenance on pivots or will contract maintenance.
- Sites work with a third party to perform pivot system calibration.
- Idaho site visited irrigate in the fall to establish deep moisture prior to spring planting.

**Result: *In Conformance***

#### **3.2 Water Quality**

##### ***Conformance Evidence***

- Land leveling remittance
- Tenant and tenant manager interviews

##### ***Auditor Notes***

- Sites visited test irrigation water annually to conform with Good Agricultural Practices (GAP) audit requirements.
- Sites use third-party certified crop advisor (CCA) to scout fields 2 times per week during the growing season to support application BMPs that mitigate infiltration of agricultural inputs into groundwater.
- Sites visited have been able to reduce chemical usage by cross-spraying, and using upgraded equipment to avoid over-spraying. Both practices are intended to maximize efficiency and avoid overapplication.
- Tenant interviewed will be implementing "See & Spray" precision ag technology on sprayers for all crops in the 2025 season.
- Tenant interviewed did not require any spray applications for their hay crop in 2024.
- Sites visited have designated wetlands and riparian areas on properties. Tenants establish buffers to protect water quality.
- UBS provided a remittance agreement detailing payment for land leveling of a Southern site visited. Land leveling projects facilitate appropriate water infiltration, efficiency, and groundwater quality protection.

**Result: *In Conformance, Notable Practice (See Key Findings 3.2.2)***



## **Objective 4: Crop Protection**

### **4.1 Integrated Pest Management**

#### ***Conformance Evidence***

- Annual Evaluations
- Lease agreements
- Tenant and tenant manager interviews

#### ***Auditor Notes***

- Field scouting is done daily or weekly depending on the crop stage, and is performed by agronomists, tenants, or third-party CCAs. Crop scouts monitor pest counts and thresholds that would require corrective action. Consultant emails twice a week mentioning pests found during scouting.
- CCA uses threshold recommendations based on university guidelines.
- Scouting findings are recorded in a crop diary. Crop consultant also takes notes and provides them in a digital format.
- Tenant interviewed is a Certified Crop Scout with a CCA license. Tenants and Farm Managers maintain appropriate licensure such as pesticide applicator licenses (PALs) and chemigation license to conduct chemical applications and are aware of common pests. Tenants attend chemical classes to learn about new products.
- Tenant interviewed uses drone technology to conduct more efficient applications.
- Crop consultants generate scouting reports and use an app to document applications and target pests.
- Tenant is aware of restricted pesticide lists and does not use restricted materials.
- UBS does not review pesticide applications, but regional managers may request data as needed. Growers are transparent with UBS regional managers on applications made. Budget meetings discuss the cost of applications made.
- Tenants report voles as a nuisance. Raptor perches or owl boxes for vertebrate pest control are not present on the site selected.
- Specific tissue samples are conducted depending on the crop.
- Tenants consider the pest lifecycle when deciding whether to treat the entire site to determine efficacy of pesticides.
- Sites use technology such as John Deere Operations Center (JD Ops) and Nutrien to log usage and track yield results.
- Leases require lessees to strictly follow label instructions for crop applications and handle and dispose of materials appropriately.
- Sites avoid crop loss through crop scout recommendations. This proactive approach helps in early detection and management of pest issues, preventing excessive crop loss.
- A tenant follows and shares a written chemical protocol adapted from their previous role with Simplot. This ensures that chemicals are used effectively and safely, reducing the risk of crop protectant resistance and pest build-up.
- Sites conduct aerial applications and use rates based on threshold pressure. Drone application supports more precise application and timing at reduced rates. This precision helps in targeting pests effectively while minimizing the risk of resistance and spread.

## Objective 4: Crop Protection (Continued)

### 4.1 Integrated Pest Management (Continued)

#### **Auditor Notes (Continued)**

- Select tenants use beneficials to outnumber anaerobic numbers (nematodes) within the soil. Compost tea is used regularly each year with professional input to create the best combination of recipe for the site. These practices enhance soil health and biological control, reducing pest populations and the need for chemical interventions.
- Tenants are prototyping a Soil Algae application in the upcoming years. Hydrogen peroxide is also used. These innovative practices can help in managing soil health, pest populations, and prevent excessive crop loss.
- Tenants make decisions on applications that are applied by in-house applicators or qualified third-party applicators. Agronomists make application determinations, and fertilizer representatives make recommendations. This ensures that applications are based on expert advice, reducing the risk of resistance and pest build-up.- Chemicals with residual effects are selected to reduce the number of trips across the farm.
- Sites visited document IPM in a farm log or diary. Farm Managers keep records of applications and crop performance following the application and retains records for many years for reference.

**Result: In Conformance, Opportunity for Improvement (See Key Findings 4.1.3)**

### 4.2 Crop Protectant Management

#### **Conformance Evidence**

- Lease agreements
- Tenant and tenant manager interviews

#### **Auditor Notes**

- Sites visited with designated storage have proper signage, containment, and lockup.
- Chemicals are applied by the tenant who is licensed, permitted, and trained. Staff are also trained, personal protective equipment (PPE) is available, and its use is encouraged.
- Sites visited use in-house applicators to make most applications, while acid and fumigation applications are outsourced for efficiency.
- Sites purchase chemicals in bulk, which are stored at an off-site designated area.
- Empty containers are triple rinsed and recycled or disposed of, picked up by the vendor, or picked up by the State.
- Tenant holds a custom applicator license and participates in training to keep the license up to date.
- Leases require crop protectants to be stored appropriately and used in accordance with label instructions, and be used with care to protect farm workers and nearby communities and prevent any damage to crops or adjacent properties.

**Result: In Conformance**

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

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

#### 5.1 Agricultural Energy Use and Conservation

##### **Conformance Evidence**

- Management interview
- Tenant and tenant manager interviews

##### **Auditor Notes**

- Sites visited use global positioning system (GPS), JD Ops, precision planting, real-time kinematic (RTK) technology, and GreenStar software. Precision ag technology supports variable rate applications with some equipment tracking software.
- Tenant interviewed owns a drone for chemical application and has experimented with using it for seeding cover crops.
- Sites use backflow valves and variable frequency drives on pumps to increase efficiency.
- Sites use updated JD equipment with warranty and service provided by the vendor, who maintain records.
- Sites visited follow maintenance schedules based on equipment manufacturer recommendations. All equipment is on a Preventive Maintenance schedule, including pivot systems.
- Renewable energy production is currently not a viable option for UBS management to develop on ag land. Available acreage is dedicated toward crop production.

**Result: In Conformance**

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

**5.2 Air Quality**

***Conformance Evidence***

- Management interview
- Tenant and tenant manager interviews

***Auditor Notes***

- Sites visited reduce trips across the farm to conserve fuel and reduce emissions by minimizing the number of passes needed for field operations.
- Tenant interviewed uses aerial applications to increase efficiency and reduce the number of ground passes.
- Sites visited use new equipment that is upgraded with Tier 4 engines designed to meet stringent emissions standards, significantly reducing pollutants compared to older engine models. Tractors use diesel exhaust fluid (DEF) to reduce emissions.
- Equipment is rotated to maintain efficiency and reduce wear and tear that can lead to higher emissions.
- Tenant interviewed hired a consultant to measure the carbon footprint of the operation to understand and reduce the operation's overall emissions.
- Drivers are trained to use efficient routes which reduces fuel consumption and emissions.
- Sites visited use tractors with John Deere Link, which allows managers to oversee operations and communicate with drivers. This system helps reduce idle time, lowering emissions.
- Sites use radios to communicate and redirect drivers as needed.
- Sites visited use water trucks to control dust at staging areas and on roadways. Gravel or dust suppressants such as mag chloride are applied to roads as needed to control dust.
- Tenant interviewed adapts their growing plan to prevent excessive dust and adjusts the planting schedule to meet harvest and seeding needs.
- Sites visited avoid dust in the fields by building up rows post-harvest. Rows are at an angle to deflect wind and avoid sand blowing away.

***Result: In Conformance, Notable Practice (See Key Findings 5.2.2)***

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

### 5.3 Climate-Smart Agriculture

#### **Conformance Evidence**

- Farm Tour Booklet
- Tenant and tenant manager interviews

#### **Auditor Notes**

- Sites visited use minimal tillage and cover crops to maintain soil structure and organic matter.
- Tenant interviewed has been involved in carbon programs, and works with Delta Wildlife.
- Site visited uses a custom harvester for all harvests, which reduces the need for multiple pieces of machinery and fuel consumption.
- Operators have achieved awards related to limiting idle time for trucks for multiple years. Reducing idle time reduces fuel consumption and emissions from trucks.
- Sites visited use ag technology including soil moisture monitoring devices, precision-planting technology, land-leveling, JD Ops Center, Green Star, GPS, RTK, and GPS maintained water way drainage.

**Result:** *In Conformance*

## Objective 6: Waste and Material Management

### 6.1 Management of Waste and Other Materials

#### **Conformance Evidence**

- Farm Tour Booklet
- Tenant and tenant manager interviews

#### **Auditor Notes**

- Sites visited use designated community pick up locations to dispose of poly pipe. Third-party service providers will pick up pipe within one week and recycle or return to the supplier.
- Waste and recycling from farm is picked up by third-party providers.
- Site appeared tidy and well cared for. Select sites have dumpsters present.
- Sites with chemical storage triple rinse empty chemical containers and send back to suppliers for recycling or appropriate disposal.
- Sites visited recycle used oil, batteries, light bulbs, and tires when possible. Used oil is also reused to heat shop present on site visited. Air filters are cleaned and reused by site visited.
- Sites visited may burn wood or cardboard with appropriate permits. UBS could identify recycling opportunities for wood and cardboard as opposed to burning.
- Sites with chemical storage aim to avoid storing excess inventory.
- Leases require tenants to appropriately use, store, and handle agricultural chemicals and hazardous materials safely and in compliance with environmental laws and regulations. Tenants are prohibited from disposing of toxic or hazardous materials on premises.

**Result:** *In Conformance, Opportunity for Improvement (See Key Findings 6.1.2)*

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

**6.2 Food and Agricultural Waste Resource Recovery**

***Conformance Evidence***

- Management interview
- Tenant and tenant manager interviews

***Auditor Notes***

- Sites visited report no excessive crop loss. Southern crops are taken to central locations for storage. Cotton is ginned locally, and other commodity crops including grain are put on a barge or elevator within twenty miles of sites.
- Idaho sites store crops immediately. Sugar beets are kept in ventilated piles for storage. Potatoes are stored in climate-controlled piles or potato cellar. Site visited has grain bins and a new potato cellar onsite. Quinoa and wheat are stored in silos.
- Sites visited use chicken litter when available as fertilizer and during land forming.

***Result: In Conformance***

**UBS FARMLAND INVESTORS LLC**

LH FMS AUDIT SUMMARY REPORT

December 20, 2024

**Objective 7: Conservation of Biodiversity**

**7.1 Species Protection**

**Conformance Evidence**

- Acquisition Analysis : Preliminary Information form
- UBS Statement on Nature
- Climate and Nature Report

**Auditor Notes**

- Idaho sites visited report pheasant populations are slightly threatened by coyotes. Pheasants are listed as a secure species on the NatureServe database, although Idaho Fish and Game's website reports populations are declining.
- Tenant interviewed is involved with efforts to reestablish pheasant populations with regional conservation groups for tree line planting.
- Idaho sites are not aware of threatened or endangered species but are aware of hunting restrictions. Tenants express awareness of local biodiversity including coyotes, foxes, antelope, deer, elk, and pheasants.
- Tenant interviewed expresses awareness of sage hens, which have hunting restrictions due to population decline. Tenant shares information about restrictions and biodiversity in the area with the crew. The Greater Sage-Grouse is a species of concern on the NatureServe database. It is not clear how UBS confirms all tenants are aware of at-risk species for all sites within their portfolio.
- UBS's Statement on Nature describes their use of a sustainability and climate risk (SCR) policy framework that focuses on forests and biodiversity.
- UBS's Climate and Nature Report states UBS will not do business when a proposed transaction will threaten endangered species.
- Farm leases require compliance with environmental laws, and acquisition analysis forms were provided. Forms do not include analysis or due diligence regarding threatened, endangered, or at-risk species awareness or verification.
- Good Agricultural Practices (GAP) audit includes documentation of animals. GAP audit results were not provided for auditor review.
- Growers in the Pacific Northwest region are knowledgeable of particular species of concern and work with local agencies on some projects including to conserve habitat, including planting tree lines to promote bird populations.
- UBS could provide information to tenants regarding training or research about at-risk species in the region.

**Result: In Conformance,**

**Opportunity for Improvement: 2 (See Key Findings 7.1.1 and 7.1.2)**

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

**7.2 Wildlife Habitat Conservation**

**Conformance Evidence**

- UBS Statement on Nature
- Tenant and tenant manager interviews

**Auditor Notes**

- Sites visited do not have any conservation reserve program (CRP) areas.
- The Army Corps of Engineers maintain river drainage. Tenant engages with local agencies regarding biodiversity in the area.
- Natural wetlands are located in and around property. Tenants work with the Natural Resources Conservation Services (NRCS) to protect wetlands.
- Tenant visited has planted a new tree line to increase bird population. They are working with neighbors to install a tree line between the growing site and the home.
- Tenants frequently observe wildlife. Sites are surrounded by lava flow areas with brush, small trees, and other plants that provide wildlife habitat. Tenants demonstrate care for the land and region.

**Result: In Conformance**

**7.3 Avoided Conversion**

**Conformance Evidence**

- UBS Statement on Nature
- SCR Policy Framework
- Acquisition Analysis

**Auditor Notes**

- Sites visited have been long term farmland. No land has needed to be retired. Sites visited will rotate to hay if necessary to mitigate disease or pest pressures.
- UBS's Sustainability Climate Risk (SCR) Policy Framework was developed to support UBS ability to identify and mitigate negative impacts to climate change, loss of biodiversity, human rights infringements, and other environmental, social, and governance (ESG) matters. The framework clarifies UBS's commitment to avoiding deforestation and other policies that combat habitat fragmentation.
- UBS's Statement on Nature clarifies its refusal to engage in certain activities that endanger animal species and contribute to deforestation and forest degradation.

**Result: In Conformance**



**UBS FARMLAND INVESTORS LLC**

LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

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

**7.4 Crop Diversity**

**Conformance Evidence**

- Tenant and tenant manager interviews

**Auditor Notes**

- Southern sites rotate cotton, rice, corn, and soybeans. Rotation decisions factor in economics of each crop.
- Idaho sites rotate corn, potatoes, sugar beets, barley, canola, quinoa, alfalfa, wheat, and soybeans, dictated by economics, soil health, and fertilizer needs. Sites visited grow a significant variety of crops and crop types.
- Rotations are designed to mitigate pest and disease pressures and promote soil health.

**Result: In Conformance, Notable Practice**

**Objective 8: Protection of Special Sites**

**8.1 Site Protection**

**Conformance Evidence**

- Acquisition Analysis

**Auditor Notes**

- Sites visited are not aware of any natural heritage or special sites near properties.
- UBS takes third-party managers' existing knowledge into consideration during the underwriting process to determine their ability to recognize and preserve the unique qualities of sites.
- UBS's Acquisition Analysis forms do not specify the identification of special sites.

**Result: In Conformance. Opportunity for Improvement (See Key Findings 8.1.1)**

**Objective 9: Local Communities**

**9.1 Economic Wellbeing**

**Conformance Evidence**

- Approach to Tax Matters document
- Management Interviews
- Tenant and tenant manager interviews

**Auditor Notes**

- Tenants participate in H2A labor program, and workers return for multiple years. Tenants express difficulty finding local labor. H2A workers participate in safety and hygiene trainings.
- Sites obtain fertilizer and chemicals supplies locally.
- UBS provided a document called "Our Approach to Tax Matters" which outlines their commitment to meeting federal, state, and local tax obligations.

**Result: In Conformance**

**9.2 Community Relations**

**Conformance Evidence**

- Washington Apple Education Foundation donor invoice and request
- Tenant and tenant manager interviews

**Auditor Notes**

- Tenants interviewed are involved in local farm agencies, including the Farm Bureau Member, the Cotton Council, local water association boards, 4H, Future Farmers of America (FFA), Feeding America.
- Tenants interviewed are involved with local schools and sports programs. They make donations to support programs and have served as coaches. Tenant donates potatoes to local food banks and the Black Foot Food Pantry.
- UBS provided an email and an invoice from the Washington Apple Education Foundation, a donation recipient.

**Result: In Conformance**

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

**9.3 Local Communities and Indigenous Peoples**

**Conformance Evidence**

- Human Rights Statement
- Management interviews

**Auditor Notes**

- UBS provided an updated Human Rights Statement that highlights UBS's responsibility to uphold the International Bill of Human Rights and the principles located in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- UBS's Human Rights Statement is based on United Nations Guiding Principles (UNGP), and has a robust implementation structure.
- UBS's Human Rights Statement and Acquisition Analysis form do not directly address the treaty rights of Indigenous Peoples.
- Tenants visited are aware of nearby reservation (Fort Hall) and the Shoshone-Bannock Tribes. Tenant employs tribal members and has leased land (non-UBS) from the local tribe for several years. Tenant interviewed sponsors local Shoshone Tribe events.
- Growers in both regions visited communicate regularly with neighbors. Complaints have not been received.

**Result: In Conformance, Opportunity for Improvement (See Key Findings 9.3.1)**

**9.4 Public Health**

**Conformance Evidence**

- Health and Safety Statement
- Management interview
- Tenant and tenant manager interviews

**Auditor Notes**

- UBS maintains a Health and Safety Statement that states compliance with health and safety standards and relevant restrictions.
- Tenants and UBS Human Resources coordinate safety training. Tenants report no safety incidents in recent years.
- Signage is posted on fields during spray activities to raise awareness.
- Attendance is documented for safety trainings. H2A workers are included in safety training meetings.

**Result: In Conformance**

**UBS FARMLAND INVESTORS LLC**

LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

**Objective 10: Employees and Farm Labor**

**10.1 Safe and Respectful Working Environment**

**Conformance Evidence**

- DEI Impact Report
- Code of Conduct
- Responsible Supply Chain Standard

**Auditor Notes**

- UBS is an Equal Opportunity Employer (EOE) and has established goals to increase female and racial and ethnic minority representation at the Director level and above within certain divisions.
- UBS's Code of Conduct establishes their commitment to maintaining a safe, gender equitable, and professional work environment. UBS expects its employees to treat all team members with respect, and firmly prohibits bullying, discrimination, or harassment.
- UBS provided their Responsible Supply Chain Standard which requires supply chain partners to observe non-discrimination policy, encourages suppliers to promote diversity, treat employees humanely, and promote health and safety.
- Tenants participate in GAP audits, which include safety elements. UBS does not request copies of audit results.
- UBS's DEI Impact Report demonstrates commitment to a safe and gender equitable work environment.

**Result: In Conformance**

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

**10.2 Occupational Training**

**Conformance Evidence**

- Responsible Supply Chain Standard
- Code of Conduct

**Auditor Notes**

- UBS maintains a Health and Safety Statement and Code of Conduct that establishes UBS's commitment to providing a safe working environment.
- UBS's Responsible Supply Chain Standard clarifies expectations for contract management companies requirements to provide safe and healthy work environments and training, and UBS's Code of Conduct states their commitment to promoting the health, safety, and well-being of all workers.
- Sites visited have adopted technology to monitor speed and location of equipment to maintain safety such as safety cameras.
- Trainings are held in English and Spanish, with all documentation available in both languages. UBS has an in-house translator available.
- Safety training includes heavy equipment operation, applications, and safe chemical handling. Attendance is documented.
- Tenant interviewed provides additional optional training.
- Pivot handlers attend two trainings per year through the pivot manufacturer.
- Tenant schedules safety and education trainings with appropriate staff.

**Result: In Conformance**

**10.3 Supporting Capacity for Sustainability**

**Conformance Evidence**

- Organizational Chart
- Farmland Stewardship Commitment

**Auditor Notes**

- UBS's Farmland Stewardship Commitment establishes its commitment to LH FMS principles and their implementation on managed properties.
- UBS has staff dedicated to the implantation and administration of LH FMS principles on managed properties.
- UBS takes a full-team effort approach with a horizontal structure and defined roles to support LH FMS conformance. LH FMS drives daily decision-making.
- UBS is developing a formalized course for farmland asset managers and employees involved with farmland management on LH FMS objectives.
- UBS communicates sustainability topics with UBS staff and tenants that align with LH FMS objectives and performance measures.

**Result: In Conformance**

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

**10.4 Compensation**

**Conformance Evidence**

- Management interview
- UBS DEI Impact Report

**Auditor Notes**

- UBS's DEI Report states they are Equal Salary certified. Certification requires UBS's ability to demonstrate they pay their female and male employees equally for the same job or for jobs of the same value.

**Result: In Conformance**

**10.5 Farm Labor**

**Conformance Evidence**

- UBS Code of Conduct and Ethics

**Auditor Notes**

- Sites visited use labor provided by H2A Program and meet program requirements.  
- UBS's Code of Conduct and Ethics states their commitment to obeying laws, rules, and regulations.

**Result: In Conformance**

## **Objective 11: Legal and Regulatory Compliance**

### **11.1 Legal Compliance**

#### **Conformance Evidence**

- Management interview
- Human Rights Statement
- Code of Conduct

#### **Auditor Notes**

- Sites visited have Safety Managers and internal Human Resources staff.
- Sites visited have bilingual staff who translate when necessary.
- UBS's Code of Conduct expresses their commitment to obeying the laws, rules, and regulations of areas where they live and do business.
- UBS retains an inhouse legal counsel to address issues brought to them by local council.
- Sites visited have Occupational Safety and Health Administration (OSHA) posters at work sites. Safety data sheets are posted.

**Result: In Conformance**

### **11.2 Legal Compliance Policies**

#### **Conformance Evidence**

- Human Rights Statement
- Code of Conduct
- Management interview
- Tenant and tenant manager interviews

#### **Auditor Notes**

- UBS employees provide quarterly attestations to Code of Conduct and UBS' compliance policies.
- UBS maintains a Human Rights Statement that outlines the company's responsibility to uphold (at minimum) the International Bill of Human Rights, and the principles located in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- Tenants interviewed feel free to operate as they wish and maintain rights to the property such as the right to refuse entry. UBS Regional Managers communicated the desire to allow tenants to operate the sites with autonomy and little oversight from UBS.
- UBS frequently approves requests for purchase of new irrigation equipment and other needs.
- The right of "Quiet enjoyment" by the tenants was apparent during site visits and interviews.

**Result: In Conformance, Notable Practice (See Key Findings 11.2.3)**

**UBS FARMLAND INVESTORS LLC**

LH FMS AUDIT SUMMARY REPORT

December 20, 2024

**Objective 12: Management Review and Continual Improvement**

**12.1 Farm Review and Continual Improvement**

**Conformance Evidence**

- Annual Property Evaluations
- Management interviews

**Auditor Notes**

- UBS evaluates tenants annually. Regional Managers are involved in discussions that include improvements, ESG considerations, farm value, capital investment of the farm over the past 10 years, and recommendations.
- Annual Evaluations include high-level ESG and LH FMS considerations.
- UBS is open to providing capital investment to tenants. UBS addresses issues as they arise to prevent long-term issues or loss of capital.
- Capital expenditure requests are submitted by Regional Managers to the Chief Financial Officer (CFO), and the request is reviewed and discussed.
- Tenant interviewed shared that UBS was able to support their capital expenditure request for drip irrigation system.
- UBS has acquired generational sites and tries to acquire sites adjacent to existing properties to expand current tenant operations.
- UBS has established a performance review program for Tenant Managers.
- Reviews are conducted twice per year, and performance is graded on a "red, yellow or green" basis to support LH FMS conformance.
- Third-party property management contractors provide regular inspection reports to UBS Regional Managers.
- Regional Managers communicate frequently with lessees on farm management issues, including the efficacy of third-party managers. Issues that arise are discussed internally and appropriate actions are taken to support progress in achieving LH FMS conformance.

**Result: In Conformance, Opportunity for Improvement (See Key Findings 12.1.2)**



**UBS FARMLAND INVESTORS LLC**

LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

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

**12.2 Support for Sustainable Agriculture**

**Conformance Evidence**

- Washington Apple Education Foundation donor invoice and request
- Management interviews

**Auditor Notes**

- Tenant interviewed is demoing Exact Apply technology and considering purchasing a machine in 2025.
- Tenants participate in crop trials and test plots to identify potential farm practice improvements. Tenants interviewed are participating in Delta Pine test plots and soil moisture and yield trials with Mississippi State University. Tenant interviewed is working with John Deere to test for efficiency improvements.
- UBS supports the Washington Apple Education Foundation.

**Result: In Conformance**

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

### Objective 13: Tenant-Operated Operations

#### 13.1 Leased-Land Management

##### **Conformance Evidence**

- Farm Management Service Agreement
- Lease and Security Agreement
- Tenant and tenant manager interviews

##### **Auditor Notes**

- Farm Management Service Agreements require Farm Managers to support LH FMS conformance and recommend BMPs for managing soil health, water conservation, crop protection, energy use, air impacts, climate change impacts, waste and material management, conservation of biodiversity, and personnel and farm labor to lessees.
- Leases provided require tenants to care for and cultivate crops in accordance to the best standards available within their respective county.
- UBS shares LH FMS requirements with tenants as appropriate. It is not clear to auditors how UBS can confirm tenants will meet LH FMS requirements outside of annual audits without further demonstration and documented conversations. UBS should share LH FMS requirements with all tenants under a certified management system.
- Tenants indicate that UBS supports BMPs and encourages them to be good stewards of the land.
- UBS holds regularly scheduled meetings with tenants and meet with tenants in person at least once per year.
- UBS's Farmland Stewardship Commitment expresses their commitment to upholding LH FMS objectives. It is not clear how goals beyond the implementation of BMPs are communicated to tenants, or how frequently goals beyond yield are discussed.
- Farm evaluations capture Leading Harvest conformance efforts. Evaluations are completed with varying levels of assistance from farm tenants.
- Leases are signed to and agreed upon by tenants and require tenants to farm premises in accordance with best standards in their respective counties.

**Result: In Conformance, Opportunity for Improvement (See Key Findings 13.1.3)**

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

**13.2 Leased-Land Monitoring**

***Conformance Evidence***

- Management interview
- Lease and Security Agreement
- Management interviews
- Tenant and tenant manager interviews

***Auditor Notes***

- Central management's agent conducts monthly inspections of properties during growing season. Copies of inspection reports were not provided for auditor review.
- UBS visits with their third-party managers monthly.
- UBS expresses a hands-off approach to tenant management. Annual Evaluations support ongoing conversations and confirm reviews take place, but UBS could provide additional context.
- Interview responses from UBS management and tenants indicate tenants interviewed are qualified to manage properties effectively under LH FMS requirements. Auditors relied heavily on interview responses and on-site confirmations to indicate conformance, leading to longer observation lists and audit reporting.
- Annual review of production and practices includes a forward-looking annual planning meeting for the upcoming crop year.
- Tenants reported having an annual review meeting and planning meeting for upcoming crop year. UBS and third-party managers support tenants with planning for the upcoming growing year.
- UBS collaborates with tenants on capital expenditure and improvement projects.
- UBS would discontinue agreements with farmers who are tardy, argumentative, lack appropriate care of farmland, or otherwise perform poorly.

***Result: In Conformance, Opportunity for Improvement: 2 (See Key Findings 13.2.1a and 13.2.2)***

## UBS FARMLAND INVESTORS LLC

### LH FMS AUDIT SUMMARY REPORT

December 20, 2024

---

## CONCLUSIONS

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

## STANDARD USER GUIDANCE

**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.

## SPECIFIC FOCUS AREAS FOR NEXT AUDIT

UBS will need to complete recertification prior to January 24<sup>th</sup>, 2026 to maintain certification. Averum would like to plan site visits for June 2025 to conduct site visits earlier in the growing season. UBS will need to demonstrate their ability to provide an effective monitoring system that confirms tenants' ability to achieve and conform to LH FMS requirements based on this audit cycle's findings. UBS could increase support and information shared with tenants, including species protection information. OFIs that are not addressed may be escalated to nonconformities if needed.

# UBS FARMLAND INVESTORS LLC

## LH FMS AUDIT SUMMARY REPORT

December 20, 2024

Summary of Audit Findings					
<b>Program User</b>	UBS Farmland Investors LLC				
<b>Audit Dates</b>	October 4, 2024 – December 20, 2024				
<b>Non-Conformances Raised (NCR):</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"><i>Major</i></th> <th style="width: 40%;"><i>Minor</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	<i>Major</i>	<i>Minor</i>	0	0
<i>Major</i>	<i>Minor</i>				
0	0				
<b>Follow-Up Visit Needed?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>Date(s)</i>				
<b>Audit Report Executive Summary</b>					
<p>UBS performed well and was able to demonstrate their continued conformance to the Leading Harvest Farmland Management Standard. UBS was able to successfully demonstrate conformance to LH FMS amidst a change in responsible staff, which indicates a commitment to align with LH FMS requirements. The properties we visited were professionally managed, and tenants have positive relationships with UBS Management. Demonstration of conformance could be strengthened throughout the Standard by increasing the number of recent documents relative to farmland management provided for auditor review. Few farm-specific documents were made available for auditor review, which increases the need for interview responses, limits UBS's ability to highlight positive practices, and creates opportunities for improvement. Repeat OFIs that are not addressed during recertification audits may be escalated to nonconformities if needed. All interview subjects were transparent and expansive in their responses and acted in good faith. 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"/> 12/20/2024				
<b>Proceed to/Continue Certification</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> 12/20/2024				
<b>All NCR Closed</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> 12/20/2024				
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	Jill Brodt, Ethan Smith, Holly Salisbury, Linnea Rash				
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-2023-0001				
<b>Proposed Date for Next Audit Event</b>	TBD				
<b>Audit Report Distribution</b>	Daniel Murray: Daniel.Murray@ubs.com				