



## **PGIM Real Estate**

**Lisle, Illinois**

LEADING HARVEST FARMLAND MANAGEMENT PROGRAM  
AUDIT SUMMARY REPORT: 2025 SURVEILLANCE I

**September 19, 2025**





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## EXECUTIVE SUMMARY

**PGIM Real Estate**  
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**Certification Date:**  
July 30, 2024

**Recertification Due Date:**  
July 30, 2027

**Certification ID Number:**  
AVERUM-LHFMS-2024-0016

**PGIM Real Estate (PGIM) has performed well in demonstrating its management system's conformance to the Leading Harvest Farmland Management Standard (LH FMS). The properties we visited were well managed by qualified staff who understand present challenges and emerging issues. Central management is highly organized and maintains meticulous records of properties that demonstrate awareness of market conditions, climate impacts, and other factors that impact values, stakeholder interest, and local and agricultural communities. PGIM provided a thorough and illustrative body of evidence relevant to this year's sample region and overarching management system functions. PGIM's team is highly collaborative and responsive to support audit activities, and is greatly appreciated by the Averum team.**

## EXECUTIVE SUMMARY

(Continued)

## PGIM Real Estate

LH FMS AUDIT SUMMARY REPORT

### TEAM LEADER RECOMMENDATIONS

**Audit Dates:** August 14, 2025–September 19, 2025

**Corrective Action Plan(s) Accepted:** N/A

**Date:** September 19, 2025

**Follow-Up Visit Needed?** No

**Date:** September 19, 2025

**Proceed to/Continue Certification:** Yes

**Date:** September 19, 2025

**All NCR Closed:** N/A

**Date:** September 19, 2025

### AUDIT STAFF

**Audit Team Leader**

Matt Armstrong

**Lead Auditor:**

Linnea Abel

**Audit Team Members:**

Jill Brodt

### AUDIT SCOPE

**Standard(s) Within Scope:**

**Leading Harvest Farmland Management Standard 2020**

Surveillance of PGIM's management system of managed production farmland to monitor conformance with LH FMS Objectives 1–13, performance measures, and indicators therein.

**Accreditations:** Approval by Leading Harvest to provide certification audits

**Number of Certificates:** 1

**Proposed Date for Next Audit Event:** Second surveillance should be complete prior to August 2026.

**Audit Report Distribution:** Christopher.jay@pgim.com

## INTRODUCTION

This report summarizes the results of the 2025 audit conducted on PGIM's managed production agriculture properties. The audit was conducted by Linnea Abel, Lead Auditor for Averum. Linnea Abel has provided Leading Harvest audits since 2023, 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 Jill Brodt, Field Auditor. 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 2025, Averum was engaged by PGIM to perform an audit of sustainability performance on 50,000–100,000 acres of managed agricultural operations and determine conformance to the principles, objectives, performance measures, and indicators of the LH FMS 2020. LH FMS Objectives 1 through 13 were covered during site visits on properties in the Western region. 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 our audit was determined to be sufficient to address relevant indicators of LH FMS.

## COMPANY INFORMATION

PGIM is a global real estate asset management firm. Farm operating tenants and management contractors are responsible for the day-to-day farmland management services for PGIM's properties. PGIM initially achieved certification for 100% of its agricultural properties in the United States in 2021.

During the surveillance audit, five (5) sites in the Western region were selected, with five on-site Farm Managers included. Managers overseeing decision-making and standard compliance for sample regions were contacted for evidence requests and interviews and accompanied the site visit. 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 are walnuts, almonds, and pistachios.

**AUDIT PLAN**

Averum developed an audit plan which is maintained and on file. An online portal was established for PGIM coordinators to upload evidence and documentation securely for auditor review. An opening meeting was held August 14, 2025, preceding site visits. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites in the Western region were examined on August 20, 2025. A closing meeting was held September 19, 2025.

**Opening Meeting: Conference Call**

August 14, 2025

**Attendees**

PGIM:

Christopher Jay, Sarah Angus, Macey Graham, Jason Pucheu

Audit Team:

Matt Armstrong, Linnea Abel, Jill Brodt

**Topics**

The following topics were discussed and presented by Lead Auditor, Linnea Abel, during the opening meeting:

- Introductions of participants and their roles
- Introduction of audit team
- Status of the previous audits
- Audit plan
- Expectations of program user staff
- Method of reporting

# INTRODUCTION

(Continued)

## Closing Meeting: Conference Call

September 19, 2025

### Attendees

PGIM:

Christopher Jay, Sarah Angus

Audit Team:

Matt Armstrong, Linnea Abel, Jill Brodt

### Topics

The following topics were discussed and presented by Lead Auditor, Linnea Abel, during the closing meeting:

- Opening remarks
- Statement of confidentiality
- Closing summary
- Presentation of the audit conclusion
- Major nonconformances
- Minor nonconformances
- Opportunities for improvement (OFIs)
- Notable practices
- Report timing and expectations

### Audit Time

(Days)

Activity

Responsible

1	Opening and closing meetings	Auditor, Lead Auditor, Team Leader
1	Management interview	Auditor
1	Site visits	Auditor
2	Engagement workpapers	Auditor
2	Evidence (document) review	Auditor
1.5	Audit summary report development, review, and certification decision	Auditor, Lead Auditor

## MULTI-SITE REQUIREMENTS

PGIM maintains operations on multiple properties in the Western, Central, and Eastern regions of the United States. PGIM qualifies for multi-site sampling since the properties within the management system are centrally controlled and directed by regional management, with regular monitoring activities. PGIM's Chief Operating Officer and Portfolio Manager are responsible for developing corrective action plans regarding LH FMS conformance and reporting them to PGIM management. PGIM'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 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.

## **AUDIT RESULTS**

Overall, PGIM's agricultural operations conform to the objectives of LH FMS. Interviews and document reviews were performed to determine procedural and documentation conformance to LH FMS. Documentation was provided to demonstrate or support conformance with LH FMS requirements. Field visits were performed on five operating sites in the Western region. Visits took place late in the growing season, preceding harvest (with one site post-harvest). Yield management, irrigation efficiencies, and soil management were highlighted. Central and regional management representatives and operators were present and interviewed to demonstrate PGIM'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. PGIM's Regional Managers served as guides, were available throughout the engagement, provided logistic support, and provided responses to evidence requests.

### **Region**

The Western region represents 53% of all acreage PGIM has enrolled in the LH FMS. The state of California represents 44% of all acreage, and 54% of all properties included in PGIM's LH FMS enrollment.

### **Crop**

Walnuts, almonds, pistachios

### **Properties Examined During Engagement**

Five (5) sites visited during audit.

- Placer Brewer
- Yuba Virginia
- Spartan Ranch
- Hawk Creek
- H&K Ranches



## KEY FINDINGS

FINDINGS IDENTIFIED DURING THE AUDIT	
PREVIOUS NONCONFORMANCE	Zero (0)
MAJOR NONCONFORMANCE	Zero (0)
MINOR NONCONFORMANCE	Zero (0)
OPPORTUNITIES FOR IMPROVEMENT	Two (2)
NOTABLE PRACTICES	Eight (8)

### PREVIOUS NONCONFORMANCE

Not applicable

### MAJOR NONCONFORMANCE

Not applicable

### MINOR NONCONFORMANCE

Not applicable

### OPPORTUNITIES FOR IMPROVEMENT

#### 4.1.3 PEST CONTROL PRACTICES

Sites visited report issues with vertebrate pests such as gophers and squirrels that are treated via fumigation. Additional installations of owl boxes and raptor perches may encourage natural predation of pests on sites and provide selective pest control.

#### 7.2.1 NATIVE HABITATS AND NATURAL COMMUNITIES

Auditor noted endangered species information reports provided for sites visited identified a high likelihood of monarch butterflies to be present on or near production sites. PGIM could consider the installation of milkweed habitats on non-productive acres to support monarch populations during migrations.

**NOTABLE PRACTICES****3.1.3 WATER CONSERVATION**

PGIM has identified water availability and water stress as critical climate factors to consider on assets presently and in the future. Capex reports and repair invoices demonstrate prioritization and increased use of automated or remotely controlled irrigation systems to improve water usage efficiency.

**5.3.2 CLIMATE CHANGE ADAPTATION AND RESILIENCE**

PGIM assesses current and future physical risks associated with climate change for all assets. Risk modeling is based on recent Shared Socioeconomic Pathways from the Intergovernmental Panel on Climate Change. PGIM provided asset risk reports for each property in this year's audit sample and demonstrates appropriate management considerations in ongoing budget reviews and capex reports.

**6.2.2 RESOURCE RECOVERY**

Site visited has an abundance of rocks in the soil. Small rocks are recovered via separation and repurposed as gravel on-site to stabilize access roads. Repurposed rocks support airborne dust mitigation and associated emissions reductions from transport and application from alternative sources.

**7.1.1 THREATENED AND ENDANGERED SPECIES**

Sites visited compiled endangered species information into a large poster and posted it in the on-site shop for easy reference and recognition of potentially relevant species.

**10.3.1 SUSTAINABILITY POLICY COMMITMENT**

PGIM's commitment to LH FMS is present in multiple internal modes and shared externally with stakeholders via communication including the annual plan. PGIM demonstrates awareness of Leading Harvest program developments and is supportive of sustainability principles that drive value.

**10.3.2 EMPLOYEE ROLES AND RESPONSIBILITIES FOR SUSTAINABILITY**

PGIM has a highly sophisticated and organized management system with documented structures and procedures provided for auditors to review. PGIM's staff are highly collaborative, respectful, and understanding of one another's roles and expertise in relation to supporting ongoing sustainability efforts. Multiple staff members participated in conformance efforts and supported the site visit.

## KEY FINDINGS

(Continued)

## PGIM Real Estate

LH FMS AUDIT SUMMARY REPORT

### 10.3.3 EMPLOYEE SUSTAINABILITY TRAINING

PGIM's involvement in agricultural and sustainability-focused organizations, conferences, symposiums, and other events shows a strong commitment to education and development. Combined with the support of other programs such as Project Destined and the adoption of job aids, PGIM supports the development of individuals and values competence, collaboration, and growth.

### 12.1.3 AGRICULTURAL INNOVATION

PGIM is supportive of innovative practices and carefully selects sites that are most likely to benefit from new technologies, such as the MyLand algae injection systems. Engagement with Downforce Technologies may provide insight into carbon footprints at small and wide scales to support the industry's understanding of soil carbon sequestration and carbon footprints of farms, fields, and properties.

## REVIEW OF PREVIOUS AUDIT CYCLE

During PGIM's first certification cycle and recertification audits, no nonconformances were identified.

## **FINDINGS ORGANIZED BY PERFORMANCE MEASURE**

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

### **Objective 1: Sustainable Agriculture Management**

#### **1.1 SUSTAINABLE AGRICULTURE STEWARDSHIP**

##### **Conformance Evidence**

Sustainability Policy  
2024 Annual Fund Review  
Debt Council Meeting Notes  
Sustainable Practice Initiatives

##### **Auditor Notes**

- PGIM provided a copy of its sustainability policy which is applicable to its global investment business. The policy is robust and includes descriptions of practices that support stewardship throughout its global investment portfolio. Agricultural equity investments undergo rigorous due diligence procedures and are managed and monitored for ongoing alignment with LH FMS objectives.
- PGIM’s sustainability policy is updated annually.
- PGIM provided its 2024 annual fund review, which states PGIM’s overarching environmental, social, and governance (ESG) mission is "doing the right thing for our people, the environment, and our communities."
- On-site Farm Managers consider overall profitability on sites, and PGIM Leadership frequently originates creative solutions to support site management.
- PGIM provided a synopsis of recent sustainability initiatives enacted within its agricultural portfolio. Practices include algae injection trials and using Downforce Technologies carbon measurement to support ISO 14064 compliant net zero reporting and carbon removal verification.
- PGIM’s Regional Vice President supports property assessments prior to an offer being made. The dedicated Asset Management Team will visit potential acquisitions. The Asset Manager works with the farming team to identify potential issues and capital expenditure opportunities.
- PGIM management demonstrated awareness of management challenges on sites visited, including drainage and pest management. Issues have been addressed or are actively managed.
- PGIM provided debt council meeting notes that demonstrate ongoing consideration for sustainable investments. Data and performance, sustainability risk management, disclosures and transparent reporting, and carbon and climate resilience are ongoing considerations that support long-term profitability and sustainable investment strategies.

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

**1.1 SUSTAINABLE AGRICULTURE STEWARDSHIP**

**Auditor Notes**

- PGIM typically acquires sites that are already developed into farmland. It may develop new sites depending on the time required, profit return of the crops, and investor interests.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						1.1.1
						1.1.2
						1.1.3

**Objective 1: Sustainable Agriculture Management**

**1.2 CRITICAL EXTERNAL FACTORS**

**Conformance Evidence**

Annual Business Plan  
Monthly Operations Call Tracking Log

**Auditor Notes**

- PGIM's Asset Manager interviewed has added a "Leading Harvest" line item to the annual budget to create a more standardized approach to funding sustainability practices. Participation in the Leading Harvest program has influenced management practices, including increased use of soil amendments, cover crops, and other measures outlined in LH FMS.
- The new budget line will also support additional initiatives such as owl boxes, MyLand algae injection trials, training opportunities, new site development, and beneficial plantings.
- The intention is to attach defined tracking metrics for each initiative along with the intended outcomes.
- PGIM's annual business plan shows consideration for relevant external factors, including potential tariff impacts, water availability, and permanent and commodity markets.
- PGIM's Asset Management team holds monthly operations calls to review work plans for farms and farming operations.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						1.2.1



**FINDINGS ORGANIZED BY  
PERFORMANCE MEASURE**

(Continued)

**Objective 2: Soil Health and Conservation**

**2.1 SOIL HEALTH**

**Conformance Evidence**

Soil Samples  
Soil Maps  
Soil Amendment Invoices  
Tissue Samples  
NMPs  
Budget worksheets

**Auditor Notes**

- PGIM requires that soil analysis and tissue analysis be taken each year and chooses farm management companies that practice the analysis on this necessary cadence.
- Third-party pest control advisors (PCAs) may be used to decide location of the samples and where to pull, which is especially important when evaluating new potential farming sites.
- PGIM sites visited apply soil amendments as needed to maintain and enhance soil productivity. Applications include gypsum and compost. Site visited applied approximately 900 tons of compost in 2024.
- PGIM conducts soil analysis during due diligence to determine the soil type and soil quality. Ongoing soil health monitoring takes place.
- Farm Manager on site oversees 25 acres enrolled in California Department of Food and Agriculture (CDFA) programs, and several local Resource Conservation District (RCD) programs on three-year contracts. They plan to apply for a grant to continue compost application.
- Conservation practices include minimal to zero tillage, strip spraying, and mowing.
- PGIM sites maintain budget worksheets that track past and anticipated costs related to maintaining soil health.
- Sites visited reuse crop residues. Prunings and leaves are shredded and returned to the soil, helping to maintain soil health.
- Established orchard blocks visited use minimum tillage. Cover crops are seeded during development stages and may be reseeded as needed until orchard is established. PGIM tracks cover crop costs in budget worksheets.
- Farm Managers typically seed cover crops in every other row. They use "seeds for bees" cover crops and clover in hopes to keep noxious weeds down and take a "no-till" approach to site management.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						2.1.1
						2.1.2
						2.1.3
						2.1.4

Objective 2: Soil Health and Conservation  
2.2 SOIL CONSERVATION

Conformance Evidence

Soil Surveys  
Budget Worksheets  
Soil Surveys

Auditor Notes

- Sites visited are mostly flat with little to no potential for erosion. Soil compaction is avoided by restricting equipment entry on wet soil and well-timed irrigation applications. PGIM sites with compaction are deep ripped to break up soil.
- PGIM provided invoices for soil amendments, including compost and gypsum. Amendments increase soil organic matter and enhance water infiltration and nutrient availability. PGIM tracks soil amendments in budget worksheets.
- Site visited struggles with flooding. Nearby housing developments have reduced the available land for rainwater infiltration, so drainage ditches have been established and berms constructed or expanded to retain water in canals. The team has also buried drip lines to prevent them from floating away each year.
- Farm Managers use gypsum and CAN-17 fertilizer to increase calcium levels on a site that struggles with calcium mobility. Sulfuric acid is no longer applied, as it lowers soil pH excessively and increases detrimental boron availability to the trees.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						2.2.1
						2.2.2

## FINDINGS ORGANIZED BY PERFORMANCE MEASURE

(Continued)

### Objective 3: Water Resources

#### 3.1 WATER USE

##### Conformance Evidence

Water Budget Worksheets  
Weekly Irrigation Scheduling Reports  
Pump Tests  
Water District Map  
Soil Moisture Records  
Repair Invoice

##### Auditor Notes

- Water usage is measured with flow meters, with back-up wells available if needed. Data is reported back to the water district for internal records. Flow meters were observed during site visits.
- All groundwater use is metered and reported to the appropriate groundwater sustainability agency. PGIM provides maps for sites that clarify its irrigation district.
- Sites visited maintain records of water usage, pump tests, and weekly irrigation reports based on soil moisture readings.
- Best management practices (BMPs) for the crops at this site emphasize precise irrigation management, including avoiding overwatering and applying only the volume of water required to meet tree demand based on soil moisture monitoring and evapotranspiration data.
- PGIM sites conduct pump tests to support improved water usage efficiency.
- The Spartan Farm Manager is a board member of a partner supplier linked to the Yuba Water Agency. They are highly knowledgeable of local water resources and are actively engaged with regional agencies.
- Site operators use soil moisture readings to inform irrigation decisions.
- Spartan has abundant surface water supplied through a partner supplier of the Yuba Water Agency, sourced entirely from the Yuba River. Soil moisture monitoring devices are in place, and irrigation schedules are created by the Farm Manager. The water district requires a full 24-hour allocation, so water use is carefully planned to ensure demand matches supply.
- Site visited is divided into seven irrigation sets, each equipped with four-foot probes, evapotranspiration monitors, and a weather station. The Simios irrigation management tool is used to set the weekly irrigation schedule. Canal water is used primarily, with wells serving only in major drought years. Usage is tracked through both flowmeters and Simios.
- PGIM prioritizes water availability and conservation on sites and provided examples of capital expenditure to demonstrate site improvements.
- Site visited has a reservoir for storage and the ability to take Yolo County water and well water as needed. PGIM provided an invoice related to reservoir repair for auditor review to support efficient use of water.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
					3.1.3	3.1.1 3.1.2

Objective 3: Water Resources  
3.2 WATER QUALITY

Conformance Evidence  
Soil and Water Surveys  
Irrigation Suitability Analysis

Auditor Notes

- Sites visited test irrigation water annually to meet food safety compliance requirements.
- Sites use sand filters, media filters, and screen filters when needed, depending on water conditions.
- Sites visited use conservation tillage practices. Sites with established orchards practice no-till. Reduced tillage mitigates soil disturbances and negative impacts on water quality.
- PGIM provides surveys and suitability analyses regarding irrigation water quality.
- Sites visited do have waterways, including canals, creeks, and a river. Large buffer areas are present between planted orchards and the waterways to provide protection.
- Sites visited submit Product Use Reports (PURs) to regulatory agencies as required by law.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						3.2.1
						3.2.2

## FINDINGS ORGANIZED BY PERFORMANCE MEASURE

(Continued)

### Objective 4: Crop Protection

#### 4.1 INTEGRATED PEST MANAGEMENT

##### Conformance Evidence

Scouting Reports  
Pest Control Advisor Recommendations  
Produce Use Reports  
Budget Worksheets

##### Auditor Notes

- Farm management crews and PCAs scout fields regularly to monitor for pest presence.
- Sites visited manage common pests including navel orange worms, ants, codling moths, squirrels, and gophers.
- Sites visited use winter sanitation practices to reduce pest populations.
- Walnut site visited manages codling moths with selective pesticides that preserve beneficial insects.
- PGIM provides scouting reports from third-party service providers that outline observations of pest pressures, crop conditions, and potential treatment options.
- The site with squirrel pressure manages populations using fumigation, trapping, and placement of owl boxes. Additional owl boxes and raptor perches may increase natural predation of vertebrate pests.
- Farm Management has had to replant drainage areas affected by beavers multiple times, and relies on trapping and relocation to prevent recurrence.
- Pest management practices include chemical spray applications (both ground and aerial), application of ant bait, and high priority of winter sanitation practices.
- Sites use nonchemical methods including pheromone disruptors when economic conditions allow. PGIM staff may recommend the use of pheromone puffers as part of a targeted Integrated Pest Management (IPM) strategy to Farm Managers.
- PGIM's policy is to conduct weekly trap counts on sites to inform pest management strategies and monitor for effectiveness. Budget worksheets project anticipated activities.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
				4.1.3		4.1.1 4.1.2



## FINDINGS ORGANIZED BY PERFORMANCE MEASURE

(Continued)

### Objective 4: Crop Protection

#### 4.2 CROP PROTECTANT MANAGEMENT

##### Conformance Evidence

Produce Use Reports  
Budget Worksheets  
Management Agreements  
Safety Data Sheets

##### Auditor Notes

- Sites visited report product usage to the appropriate regulatory agencies via PURs.
- Farm management crews conduct ground spray applications. Training is conducted as required.
- Applicators triple-rinse empty chemical containers before disposal through county recycling events, pick-ups by chemical vendors, or transport to the dump.
- PGIM provides management agreements that require third-party service providers to handle, store, ship, apply, and dispose of chemicals in strict compliance with the United States Department of Agriculture and CDFA regulations.
- PGIM provides safety data sheets (SDS) for some hazardous agricultural materials used on sites. Materials have safety warnings appropriate to the state of California (Prop. 65).

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						4.2.1

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

#### 5.1 AGRICULTURAL ENERGY USE AND CONSERVATION

##### Conformance Evidence

Pump Tests

##### Auditor Notes

- Farm Managers review PG&E bills during the winter to evaluate energy consumption, verify it aligns with irrigation usage, and ensure the rate does not require adjustment.
- Pump efficiency tests are conducted on irrigation pumps every one to three years to ensure energy efficient operations.
- Some solar panels are located on weather stations or soil moisture panels of the sites visited. Sites visited do not have additional renewable energy projects.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						5.1.1 5.1.2

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

5.2 AIR QUALITY

Conformance Evidence  
Management Interview

Auditor Notes

- Farm Managers oversee the maintenance of equipment and use both internal mechanics and third-party vendors for maintenance and repairs.
- PGIM does not own any of the farming equipment used on the sites.
- Operators apply gravel or water as needed to control airborne dust at the sites visited. Crew members are instructed to maintain slow speeds to minimize particulates. Speed limits were observed at some sites.
- Farm Managers indicated that disciplinary measures are enforced when crew members exceed speed limits, ensuring adherence to dust control protocols.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						5.2.1
						5.2.2

Objective 5: Energy Use, Air Quality, and Climate Change  
5.3 CLIMATE-SMART AGRICULTURE

Conformance Evidence

Amendment Invoices  
Asset Risk Reports  
Multi-Peril Crop Insurance Records  
Climate Model Onboarding and Instructions

Auditor Notes

- Sites visited use minimal tillage after orchard establishment. Reduced soil disturbance supports soil health improvement, reduces erosion and nutrient runoff potential, and may support carbon sequestration.
- Farm Managers oversee equipment maintenance performed by internal mechanics and third-party vendors.
- PGIM does not own any of the farming equipment used on the sites. Most drivers are long-term employees with experience in making efficient passes. Operators are trained on new machinery by the equipment suppliers.
- Some sites have equipment with GPS-enabled technology to support efficient routes to minimize passes.
- PGIM farm teams select new crop varieties with drought tolerance. Soil moisture monitoring is in place to ensure efficient irrigation.
- PGIM provides asset risk reports that explore and document potential climate risks and likelihoods of climate change scenarios for each property visited. The assessments identify potential climate risks in different time periods and can support farmland management decisions.
- PGIM maintains multi-peril crop insurance (MPCI) coverage to provide protection from crop loss due to weather events.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
					5.3.2	5.3.1

Objective 6: Waste and Material Management  
6.1 MANAGEMENT OF WASTE AND OTHER MATERIALS

Conformance Evidence  
Waste Invoices  
Recycling Invoice

Auditor Notes

- Sites produce minimal waste. Most “waste” is produced during redevelopment projects. On-site Farm Managers direct crew to remove waste and use dumpsters at the main shop area, or take it directly to the dump.
- Site visited has storage cages with triple-rinsed chemical containers, which were awaiting pickup from the county for proper disposal.
- Site visited repurposed old pipeline during redevelopment.
- Repurposed metal and wooden stakes were observed during the site visits.
- The PGIM Capital Agricultural Property Services (CAPS) Manager expects on-site Farm Managers to choose products that can be reused or repurposed when possible.
- Select sites have sulfuric acid tanks at irrigation pumps. The tanks are double-walled and refilled on site by vendor.
- Sites visited typically do not store any regulated materials on site. Instead, they utilize nearby shop areas where locked storage areas are available. Regulated materials are managed by the contracted Farm Managers.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						6.1.1
						6.1.2
						6.1.3

**Objective 6: Waste and Material Management**

**6.2 FOOD AND AGRICULTURAL WASTE RESOURCE RECOVERY**

**Conformance Evidence**

Compost Application Invoices

**Auditor Notes**

- On site Farm Managers reduce crop loss by managing timely harvests. Harvest must be completed before damp weather sets in since wet, heavy, and cold soil can impede operations. During orchard development, careful selection of varieties and rootstocks suited to the growing area is essential.
- To ensure harvest is completed timely, PGIM carefully selects Farm Managers who are highly familiar operating within site geographies and can coordinate labor and equipment efficiently.
- Harvested crops are sent to hullers shortly after harvest. Local hullers provide basket trailers for holding the crop and are called when ready for pickup.
- Sites visited apply compost to build soil organic matter and enhance soil health and fertility.
- PGIM has increased the frequency of site visits, allocated capital expenditure, and provided additional resources including water management support and independent PCAs to mitigate potential crop loss.
- PGIM will not renew farm management contracts with on-site managers if they experience recurrent issues with preventable crop loss.
- Sites visited incorporate almond shells into the soil to build organic matter and enhance carbon content.
- Almond hull applications were made on select blocks as a trial to replenish soil potassium, suppress weeds, support nutrient cycling, and provide ground cover. The practice served as a cost-effective alternative to potassium fertilizers, which increased in price following COVID. Hull application is dependent on year-to-year availability from local hullers.
- The site visited has very rocky soil. Site management uses an aspirator during harvest to separate the rocks from the almonds, preventing their delivery to the off-site huller. The recovered rocks are then repurposed on-site as ground reinforcement, improving site infrastructure and reducing the cost of purchasing gravel.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
					6.2.2	6.2.1



Objective 7: Conservation of Biodiversity

7.1 SPECIES PROTECTION

Conformance Evidence

Endangered and Threatened Species Overviews

Auditor Notes

- The PGIM Portfolio Manager created endangered species lists for each site visited using data gathered from U.S. Fish and Wildlife Service reports and Nature Serve database. The lists include detailed information about the potential species that may be found in the region, description of the species, and colored photos for examples.
- Farm Management on sites demonstrated an awareness of PGIM’s endangered species list. Farm Managers that were interviewed indicated that crew is informed of the list and information is translated into Spanish as needed.
- PGIM requests that sightings of included species be documented with dates and locations and reported to PGIM staff. If an endangered, threatened, or at-risk species is identified, the management team will assess site details and determine if management adjustments are needed.
- Site visited had the endangered species list made into a large poster located in the on-site shop.
- PGIM site’s specific endangered species lists include information regarding potential at-risk species.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
					7.1.1	7.1.2

**Objective 7: Conservation of Biodiversity**  
**7.2 WILDLIFE HABITAT CONSERVATION**

**Conformance Evidence**

Site Maps  
Phase I Environmental Site Assessments  
Wetlands Maps

**Auditor Notes**

- Farm properties feature areas adjacent to canals and creeks. Large buffer areas are present between planted zones and the waterways. Site maps indicate presence of creeks, canals, and reservoirs.
- PGIM conducts Phase I Environmental Site Assessments (ESAs) during due diligence that document physiological features of sites.
- Site visited has a natural habitat area that runs along Cache Creek. PGIM has been approached by the Yolo County Resource Conservation District (RCD) to purchase that area to establish a natural habitat corridor. PGIM is a willing participant and has no concerns with the sale.
- Site visited has a slough area that is left unmanaged to support natural conditions near the Bear River.
- PGIM’s due diligence process is designed to identify the presence of ecologically important sites.
- Site visited contracts with a beekeeper to place hives for pollination services.
- Bee and owl boxes on properties are regularly maintained by site crews. Many of these appear to be occupied, supporting both the pollinator activity and natural pest control.
- Auditor noted endangered species information reports provided for sites visited identified a high likelihood of monarch butterflies to be present on or near production sites. PGIM could consider the installation of milkweed habitats on non-productive acres to support monarch populations during migrations.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
				7.2.1		7.2.2 7.2.3

Objective 7: Conservation of Biodiversity

7.3 AVOIDED CONVERSION

Conformance Evidence

Sustainable Agriculture Policies and Procedures

Auditor Notes

- Sites visited are long-standing farmland areas. At Spartan Ranch, some blocks are in their second year of hay production before redevelopment begins to enhance soil conditions, following the former operator.
- PGIM confines redevelopment projects to the existing farm footprint and does not extend beyond it.
- PGIM is not aware of any acquired farmlands being converted from forestland. New acquisitions are usually existing farmland.
- PGIM’s sustainable agriculture policies and procedures contain a commitment to zero deforestation and defines allowable tree removals and relevant forest types.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						7.3.1 7.3.2

Objective 7: Conservation of Biodiversity

7.4 CROP DIVERSITY

Conformance Evidence

Budget Worksheets

Auditor Notes

- With the exception of some hay being planted at Spartan prior to redevelopment, all sites feature permanent crops. Crop rotation is not an available practice on sites.
- The Spartan ranch was previously planted with walnuts. When PGIM acquired the land in 2024, it removed the existing walnuts and will farm the site for two years with hay to rest the soil before replanting walnuts.
- During redevelopment projects, the PGIM farm team selects rootstock and crops best suited for site conditions (soil types, available water, disease resistant).

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						7.4.1

## FINDINGS ORGANIZED BY PERFORMANCE MEASURE

(Continued)

### Objective 8: Protection of Special Sites

#### 8.1 SITE PROTECTION

##### Conformance Evidence

PGIM Property Due Diligence Assessment Example  
Sustainable Agriculture Policies and Procedures  
Site Maps

##### Auditor Notes

- PGIM conducts American Land Title Association surveys, Phase 1 ESAs, biological wetland assessments, soil and water assessments, and other regionally specific assessments during the due diligence phase for new properties.
- Assessment findings are used to identify any special sites or biologically sensitive areas. Suitability and potential or necessary site improvements are identified during due diligence.
- PGIM's sustainable agriculture policies and procedures outline due diligence procedures and describe how title research, the National Register of Historic Places, Farm Service Agency records, and other resources support due diligence procedures and identify potentially culturally or historically significant sites.
- Third-party assessments are used to identify and map any special sites within the farm site. Site maps include locations of any creeks or reservoirs.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						8.1.1
						8.1.2

### Objective 9: Local Communities

#### 9.1 ECONOMIC WELL-BEING

##### Conformance Evidence

Tax Invoices

##### Auditor Notes

- Farm Managers rely on a mix of internal and farm labor contractor (FLC) crew members. Many internal crew members are long-standing employees, with multiple generations of the same families working on the farms, reflecting strong retention and stability. New hires are typically recruited through word of mouth and referrals from current employees.
- Fertilizer and chemicals are supplied to the site by local vendors.
- PGIM provided tax records for auditor review.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						9.1.1

(Continued)

## 9.2 COMMUNITY RELATIONS

Project Destined Slide Decks  
Project Destined Agendas  
Project Destined Assignments  
Project Destined Student Site Visit Attendance Log  
Chamber of Commerce Sponsorship  
Salute to Ag! Sponsorship and Placemat Winners

- PGIM leadership is actively engaged in the agricultural industry, serving on numerous boards, committees, and advisory groups, including the CA Citrus Board, CA Cotton Alliance, Center for Land-Based Learning, Farmland Capital Alliance, and the California Ag Leadership Alumni Council.
- PGIM hires paid interns annually through a recruiting program for its real estate and agriculture teams. Ag team openings are launched each spring, with candidates selected for summer positions (June–August). Interns rotate through different teams, complete office-specific projects designed by managers, and present a research project to the PGIM team.
- PGIM regularly hires interns as full-time employees post-internship, further demonstrating their commitment to providing jobs in agriculture.
- PGIM provided slide decks for sessions regarding its partnership and sponsorship of a program called Project Destined. Project Destined is a nonprofit that partners with businesses to create training and development opportunities for young people from underserved communities.
- PGIM provides a model of asset values for citrus properties that include current critical factors for consideration. The Citrus Investment Case Study was a project shared with Project Destined program participants.
- PGIM provides proof of sponsorship for a local Chamber of Commerce’s “Salute to Agriculture” event. The event included presentations from County Future Farmers of America members and recognition of art contest winners.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						9.2.1



**FINDINGS ORGANIZED BY  
PERFORMANCE MEASURE**

(Continued)

**Objective 9: Local Communities**

**9.3 RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES**

**Conformance Evidence**

Sustainable Agriculture Policies and Procedures  
Due Diligence Assessment Template

**Auditor Notes**

- PGIM’s sustainable agriculture policies and procedures state its commitment to respect the treaty rights of Indigenous Peoples and the rights of local communities.
- PGIM’s due diligence assessment template considers proximity of Indigenous Peoples lands and research into historical significance.
- Sites visited are located in small, rural communities where most neighbors are familiar with the property managers. Neighbors are encouraged to contact Farm Managers if issues arise.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						9.3.1
						9.3.2
						9.3.3

**Objective 9: Local Communities**

**9.4 PUBLIC HEALTH**

**Conformance Evidence**

Management Agreements  
Safety Training Attendance Records

**Auditor Notes**

- Sites have “No trespassing” signs that are posted at entrances. Minimal equipment and supplies are left on site to deter theft, which is an issue in the region.
- Sites visited have safety training binders and emergency preparedness binders available to crews.
- Farm Managers oversee safety training for crew members.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						9.4.1

Objective 10: Personnel and Farm Labor

10.1 SAFE AND RESPECTFUL WORKING ENVIRONMENT

Conformance Evidence

Sustainable Agriculture Policies and Procedures  
Management Agreements  
Safety Training Attendance Records  
California Regulatory Information

Auditor Notes

- PGIM leadership participates in the internal PGIM Diversity Recruiting Council.
- PGIM’s policy states it does not and will not discriminate against employees or applicants under any applicable law pertaining to protected characteristics. All management decisions are made without regard to any protected characteristics and are based only on valid job requirements. Retaliation is prohibited against anyone who may report unlawful discrimination or harassment.
- Management agreements require management companies to satisfy the requirements of all applicable laws, including Occupational Safety and Health Act (OSHA) and the Fair Labor Standards Act.
- PGIM provides copies of regulations regarding social and labor laws applicable in California, including rights to leave and accommodations.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						10.1.1
						10.1.2

Objective 10: Personnel and Farm Labor

10.2 OCCUPATIONAL TRAINING

Conformance Evidence

Equity Agriculture Investment Team Organization Chart  
Training Logs  
Safety Programs  
Training Calendars  
Injury and Illness Prevention Plans

Auditor Notes

- On-site Farm Managers oversee safety training for both crew members and FLCs.
- PGIM provided an organization chart that maps and identifies individuals responsible for supporting agriculture investments and farm management.
- PGIM CAPS management team requests safety training records annually from Farm Managers for verification.
- Farm Management conducts safety trainings in Spanish and English.
- Crew members receive quarterly training regarding OSHA requirements supplemented by the Farm Manager who provides additional seasonal training.
- PGIM provided records of attendance for safety training for all sites visited and copies of safety programs covered during training. Safety programs include topics such as appropriate use of personal protective equipment, emergency action planning, appropriate use of machinery, and more. Sites maintain injury and illness prevention plans (IIPPs).

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						10.2.1

**Objective 10: Personnel and Farm Labor**

**10.3 SUPPORTING CAPACITY FOR SUSTAINABILITY**

**Conformance Evidence**

2024 & 2025 Training, Research, & Industry Involvement

Leading Harvest Training Attendance Log

Annual Plan

Job Aids (SCARF and SEEDS Models)

Leading Harvest Program Training Slide Deck

Sustainable Agriculture Policies and Procedures

Leading Harvest Training Acceptance Log

Sustainability and Leading Harvest Training

Performance Objective Setting

**Auditor Notes**

- PGIM releases annual sustainability progress reports, which include environmental stewardship statements.
- PGIM's sustainable agriculture policies and procedures state its commitment to Leading Harvest. Leading Harvest commitments and updates are also included in the sustainability policy.
- PGIM leadership staff demonstrates a clear understanding of their responsibilities under the LH FMS and convey their ability to delegate tasks effectively to maintain program conformance.
- PGIM managers provide training regarding Leading Harvest certification, enrollment, and updates.
- PGIM's members are participants in a wide variety of continuing education opportunities related to sustainability in agriculture. The participants and events attended are outlined in the 2024 & 2025 Training, Research, & Industry Involvement document. Participants include PGIM's Chief Investment Officer, Chief Operating Officer, the Director of Finance, Portfolio Manager, Asset Managers, the Director of Acquisitions, Director of Ag Underwriting, Research and Technology, Farm Managers, Investment Analysts, and more. Memberships and team activities are outlined and cover a multitude of topics and industries relevant to sustainable management within PGIM's portfolio.
- PGIM has adopted job aids based on the SCARF and SEEDS communication models. The SCARF model stands for Status, Certainty, Autonomy, Relatedness, and Fairness, and supports conversations regarding creating a positive impact and supporting collaborative relationships. The SEEDS Model stands for Similarity, Expedience, Experience, Distance, and Safety, and supports individual's ability to create awareness of and manage their own biases.
- PGIM staff frequently attend or support symposiums and conferences as panelists. PGIM tries to rotate who attends the meetings to expand exposure and experience. The team finds value in sharing information across regions and will typically share information during weekly and monthly meetings.
- PGIM utilizes a contracted water consultant that provides informational training to develop a greater understanding of Sustainable Groundwater Management Act and other regulatory topics related to water rights and protection.
- Farm Managers maintain continuing education units to stay up to date with requirements for valid PCA Licenses, Certified Professional Agronomist, and Certified Crop Advisor licenses.

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

**10.3 SUPPORTING CAPACITY FOR SUSTAINABILITY**

**Auditor Notes**

- The Portfolio Manager hosted a meeting with involved PGIM staff to provide an update on current status of the Leading Harvest certification. PGIM sustainable agriculture policies and procedures were discussed during the training.
- PGIM provided a copy of its 2025 performance objectives, which outlines goals and the expectation to align with strategic and business priorities. Management is expected to meet regularly with staff they are directly supervising, conduct regular staff meetings, provide performance appraisals and feedback, and support sustainable goal setting.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
					10.3.1 10.3.2 10.3.3	

**Objective 10: Personnel and Farm Labor**

**10.4 COMPENSATION**

**Conformance Evidence**

Compensation Structure

**Auditor Notes**

- Individual Farm Managers set compensation rates for internal crew and base rates on cost of living in the region of the farm.
- PGIM provided a compensation structure document for review, and base salaries are reviewed annually.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						10.4.1

Objective 10: Personnel and Farm Labor

10.5 FARM LABOR

Conformance Evidence

Safety Programs  
Sustainable Agriculture Policies and Procedures  
Management Agreements

Auditor Notes

- On-site Farm Managers employ a mix of full-time staff and FLCs and are responsible for selecting and monitoring FLCs. Their contracts with PGIM include requirements for insurance coverage, proper licensure, and compliance by all contracted workers.
- PGIM farm management team members request FLC safety training records annually to be reviewed.
- PGIM’s sustainable agriculture policies and procedures state it does not use FLCs directly, although third-party contracted management providers may use FLCs. Management agreements require legal compliance with all applicable laws.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						10.5.1

Objective 11: Legal and Regulatory Compliance

11.1 LEGAL COMPLIANCE

Conformance Evidence

New Hire Checklist  
Safety Data Sheets  
Regulatory Information  
Sustainable Agriculture Policies and Procedures  
Compliance Center Screenshot  
Organizational Chart

Auditor Notes

- PGIM’s new hire checklist includes signature of receipt of relevant regulatory information.
- PGIM provides copies of regulatory information shared in new hire checklists.
- SDS information is made available by On-site Farm Managers to the internal crew (and FLC) members.
- The PGIM team evaluates the performance of Farm Managers to post necessary legal information during the initial "interview" phase with prospective Farm Managers.
- PGIM has a legal compliance department who provides and monitors compliance training, outlined in its organizational chart. PGIM uses a platform called Axonify and an intranet called Compliance Center to track the completion of annual compliance training attestations.
- PGIM’s sustainable agriculture policies and procedures document describes compliance procedures.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						11.1.1
						11.1.2
						11.1.3



Objective 11: Legal and Regulatory Compliance

11.2 LEGAL COMPLIANCE POLICIES

Conformance Evidence

Compliance Manual  
Making the Right Choices  
Employee Handbooks  
Sustainable Agriculture Policies and Procedures  
Lease Language

Auditor Notes

- PGIM maintains a compliance manual applicable to relevant business units. The manual contains compliance policies.
- PGIM has a code of conduct called “Making the Right Choices,” that all employees are expected to adhere to. The document contains a commitment to the International Labor Organization’s core conventions.
- PGIM provides copies of employee handbooks in effect at sites visited and its compliance manual. Compliance expectations regarding applicable federal, state, and local regulations are clear.
- PGIM provides copies of agricultural leases during recertification that clearly state the tenants’ right to quiet enjoyment.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						11.2.1
						11.2.2
						11.2.3

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

**12.1 FARM REVIEW AND CONTINUAL IMPROVEMENT**

**Conformance Evidence**

Leading Harvest Training Attendance Logs  
Budget Worksheets  
Sustainable Agriculture Policies and Procedures  
Strategic Reviews  
Annual Business Plans  
Annual Fund Review  
Monthly Operations Calls  
Soil and Water Test Results  
2025 Capex Updates  
Performance Objective Setting

**Auditor Notes**

- The budgeting process provides the foundation for reviewing all farm operations and is captured in budget worksheets prepared for each property.
- Budgets begin with yield and revenue projections, including an analysis of prospective yields for each block. Expenditures are broken down into key categories such as cover crops and soil amendments, weed control, pest management, and fertilizer.
- All spray applications are budgeted in advance, which allows adjustments when commodity prices are low and provides flexibility to trial new practices when prices are high. In years of higher profitability, soil amendment investments are prioritized.
- Budget worksheets project costs for labor activities, including pruning, shredding, and handling.
- PGIM maintains standardized budget worksheet templates that are tailored to align with client preferences.
- PGIM leadership conducts site visits to support performance reviews. Visits are usually scheduled to coincide with activities, including well drilling, on-farm issues, redevelopment, or in anticipation of removal decisions.
- Managers hold calls with on-site farm teams and operators to communicate farm updates and coordinate site visits.
- PGIM's sustainable agriculture policies and procedures describe monitoring processes and procedures. Site visits are conducted to identify required maintenance or enhancement of sustainable practices at the property level. Farm records are collected and compiled annually to support budget worksheet developments and annual business plans.
- PGIM provided strategic reviews that review net operating incomes, yields, and revenues.
- PGIM's annual fund review shows consideration for long-term economic growth and stability.
- Meetings are scheduled twice a month for Farm Managers and Asset Managers to review schedules and current concerns, while quarterly meetings cover budgets, capital expenses, and overall performance with input from accounting and the Chief Financial Officer. The diversity of crops in the western region is noted. PGIM's acquisitions process is clearly documented, allowing management to track site improvements and capital spending, with ongoing updates provided for review.

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

**12.1 FARM REVIEW AND CONTINUAL IMPROVEMENT**

**Auditor Notes**

- PGIM farm team members attend a variety of industry group meetings and seminars where technological innovations and significant industry happenings are shared.
- PGIM leadership is anticipating using AI capabilities to facilitate note taking and meeting summaries in the near future.
- PGIM provided capital expenditure updates as of July 2025. Capital expenditure is also reflected in budget worksheets.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
					12.1.3	12.1.1 12.1.2 12.1.4

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

**12.2 SUPPORT FOR SUSTAINABLE AGRICULTURE**

**Conformance Evidence**

Downforce Technologies Proposal

**Auditor Notes**

- PGIM will have a few trials in place through MyLand algae injection systems, and anticipates adding additional acreage and crop types into the trials.
- A pilot project is underway through Downforce Technologies to measure soil carbon and biomass using satellite imagery.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						12.2.1

Objective 13: Tenant-Operated Operations

13.1 LEASED-LAND MANAGEMENT

Conformance Evidence

Lease Agreements  
Tenant Engagement Overview  
2023–2025 ESG & Leading Harvest Goals and Objectives

Auditor Notes

- PGIM hosts an annual symposium with tenants to support collaboration and education on BMPs that support LH FMS objectives.
- PGIM Farm Managers engage weekly with tenants and visit farms four–six times per year. Farm Managers discuss crop mixes, planting plans, improvement projects, harvests, and lease negotiations. Asset Managers meet with tenants two–four times per year and discuss crop status, weather, input decisions, market conditions, and capital projects.
- PGIM provided an outline for a Leading Harvest workshop to summarize tenant practices. The workshop focused on lease negotiation and execution, site visits, farm tenant and Asset Manager communication, data collection, and capital improvement oversight.
- PGIM has updated its lease language to support LH FMS, which contains a commitment to applying agricultural practices consistent with regional agricultural BMPs.
- PGIM’s leases require tenants to apply good farming and sound business practices regarding property management. Capital agricultural property leases require tenants to follow recognized BMPs relevant to their locale and comply with all applicable laws, rules, regulations, statutes, guidelines, and directives.
- PGIM’s agricultural lease language clarifies PGIM’s use of LH FMS as a framework to support sustainable agriculture investments.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						13.1.1
						13.1.2
						13.1.3
						13.1.4

**Objective 13: Tenant-Operated Operations**

**13.2 LEASED-LAND MONITORING**

**Conformance Evidence**

Tenant Engagement Overview  
Tenant Practices Summary

**Auditor Notes**

- PGIM provided a summary of practices that outline PGIM’s standard operating procedures for tenant management. Tenant management begins with tenant selection. PGIM has practices to support lease negotiation, site visits, data collection, and oversight of improvement projects.
- PGIM collects annual harvest reports and crop input summaries that include seed selections, fertilizer, and pesticide applications.
- PGIM Farm Managers regularly visit new and established properties to review operating practices. PGIM leadership, including portfolio management, senior executives, and Regional Managers, engage with tenants.
- Asset Managers visit properties at least twice annually to ensure quality control of harvested crops. Farm Managers visit sites at least four times per year and communicate with tenants weekly throughout the growing season.
- Site visits are documented in weekly reports for investor clients. PGIM provides updates on relevant factors and communicates with tenants at least monthly.
- Qualitative reviews of tenant performance are conducted during lease renewals or budget reviews.
- Management meetings address tenant concerns and review business effectiveness.
- PGIM’s management team monitors market dynamics such as crop prices that may impact tenant finances.
- PGIM communicates with tenants regarding input decisions, market conditions, capital projects, lease negotiation, planting progress, and crop harvest progress.

RESULT	NONCONFORMANCE			OFI	NOTABLE PRACTICES	IN CONFORMANCE
	PREVIOUS	MAJOR	MINOR			
						13.2.1a 13.2.1b 13.2.2

## CONCLUSION

**Results of the audit show that PGIM has a management system that continues to meet the requirements of, and is in conformance with, LH FMS 2020. PGIM's enrolled acreage is recommended for continued certification.**

## 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 LH FMS 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 express permission from Averum.

## SPECIFIC FOCUS AREAS FOR NEXT AUDITS

PGIM's second surveillance should be completed prior to the end of August 2026. Key focus areas for PGIM's second surveillance audit will include native habitats and natural communities.