

A photograph of a vineyard with rows of grapevines under a clear blue sky. The vines are green and leafy, and the ground is dry and brown. A semi-transparent white box is overlaid in the center of the image, containing the title and subtitle. A green vertical bar is on the right side of the image, containing the year '2026'.

2026

Leading Harvest Farmland Management Standard

**AGIS CAPITAL, LLC
2026 SURVEILLANCE II
AUDIT SUMMARY REPORT**

August 3, 2026

AgIS Capital, LLC
Carl Evers
PO Box 1332
Turlock, CA
805-801-8828
cevers@agiscapital.com

Certification Date:

March 21, 2024

Recertification Due Date:

March 21, 2027

Certification ID Number:

AVERUM-LHFMS-2026-0048

Contents

Introduction	1
Executive Summary	1
Audit Team Recommendation	2
Certification Decision	3
Standard(s) Within Scope of Audit	3
Scope of Audit	4
Audit Process	5
Audit Staff	5
Company Information	5
Audit Plan	6
Multi-Site Requirements	6
AgIS 2026 Surveillance II Audit Plan	7
Key Findings	8
Audit Findings	8
Performance Measure Summary Appendix	9



3030 Cortland Circle, Salina KS 67401



INTRODUCTION

This Audit Summary Report was developed by Averum, an accredited third-party certification body. Averum audited AgIS Capital, LLC's (AgIS) managed production agriculture properties. Averum was contracted by AgIS in 2026 to conduct a surveillance audit on 10,000 to 50,000 acres of managed properties to monitor the effectiveness of AgIS's management system and conformance with the Leading Harvest Farmland Management Standard (LH FMS). Objectives 1–13 of the LH FMS were included in the scope of this audit. There was no substitution or modification of any indicators.

Executive Summary

AgIS has demonstrated its management system's continuing conformance to the Leading Harvest Farmland Management Standard. The properties we visited were well managed on their own with qualified operators. Sites visited during this year's audit were in various stages of production, including removal of vines and a site with both productive and mothballed vines, which allowed the audit team a varied perspective on ranch management and growing cycles. No significant updates or changes in management practices have impacted AgIS's management system since the last audit took place. Supporting evidence was supplemented from evidence provided to Averum by responsible personnel during previous audits.

Specific Focus Areas for Next Audit:

During AgIS's recertification, Averum will focus on AgIS's process for adapting to critical external factors and continued farmland stewardship.

AUDIT TEAM RECOMMENDATION

Results of the audit indicate that AgIS has a management system that continues to meet the requirements of and is in conformance with the Leading Harvest Farmland Management System (LH FMS). AgIS's enrolled acreage is recommended for continued certification. AgIS's recertification audit event should take place prior to March 2027 to avoid certification expiration.

Corrective Action Plan(s) Accepted:	Not applicable
Proceed to/Continue Recertification:	Yes
All NCR Closed:	Not applicable



Certification Decision

Program User:	AgIS Capital, LLC	
Audit Dates:	May 21, 2026–August 3, 2026	
Number of Nonconformances Raised (NCRs):	Major (0)	Minor (0)
Certification Date:	March 21, 2024	
Status:	Continued	

Conclusion:

Results of the audit show that AgIS has a management system that continues to meet the requirements of the LH FMS and conforms with LH FMS criteria. AgIS's enrolled acreage is recommended for continued certification.

Standard(s) Within Scope of Audit

Leading Harvest Farmland Management Standard 2025 (Objectives 1–13)



Scope of Audit

Management system of 10,000 to 50,000 acres of managed agriculture properties enrolled in the Leading Harvest program that are operated by tenants of AgIS or via third-party management contracts.

Accreditations:

Averum has been issued a Certificate of Accreditation by the ANSI National Accreditation Board and is accredited to ISO/IEC 17021-1, Conformity assessment - Requirements for bodies providing audit and certification of management systems, in accordance with the Leading Harvest Farmland Management Program (Leading Harvest 2025) requirements

Certification Number and Expiration:

AVERUM-LHFMS-2026-0048; March 21, 2027

Standard User Guidance–Leading Harvest Logo Usage:

Program users who are in good standing with enrolled acreage in the Leading Harvest Farmland Management Standard 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 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.

AUDIT PROCESS

Audit Staff

The audit was conducted by Linnea Abel, Matt Armstrong, and Adriane Barry. The audit team has experience with Leading Harvest, has expertise in production agriculture on multiple crop types in North America, and are assurance providers for multiple sustainability programs. Site visits and evidence review were conducted by Matt Armstrong and Adriane Barry. All senior members of the audit team hold training certificates in ISO 17021 (Conformity Assessment Requirements for bodies providing audit and certification of management systems) and relevant IAF Mandatory Documents, including Certification of Multiple Sites. The audit processes 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.

Company Information

AgIS is an employee-owned firm that offers sophisticated institutional investors a disciplined, private equity-like approach to agricultural investing. Farm operating tenants and management contractors are responsible for the day-to-day farmland management activities for AgIS's properties. AgIS initially achieved certification for 100% of its enrolled agricultural properties in 2021.

Since the last audit took place, no significant events have taken place that would affect AgIS's farmland management system.

AUDIT PLAN

Multi-Site Requirements

Multi-site organizations may be audited on a site-by-site basis (all sites visited each year) or, in some cases, on a sample basis. Multi-site certifications adhere to the requirements of International Accreditation Forum (IAF) Mandatory Document (MD) 1.

Averum conducts sampling in conformance with IAF MD 1 and including qualitative considerations such as the proximity of sites, functional management units, crop types, and previous conformance history.

AgIS site visits were conducted on a sample basis. AgIS's management system provides oversight and is responsible for conformance activities of sites in California and Washington. AgIS's President is responsible for developing corrective action plans regarding LH FMS conformance and reporting them to AgIS management. AgIS's current review and monitoring process is effective and ongoing.



AgIS 2026 Surveillance II Audit Plan

Audit Objectives and Criteria

Objective: *Surveillance Audit:* To monitor the continuing conformance of AgIS with the Leading Harvest Farmland Management Standard 2025 Objectives and Performance Measures.

Criteria: Performance measures and indicators contained in the Leading Harvest Standard and the defined processes and documentation of the management system developed by AgIS.

Substitution or Modification of Indicators: N/A

Type and Scope of Audit (Including Organizational and Functional Units or Processes to be Audited)

Type: Surveillance audit in accordance with audit standards established by the International Standards Organization framework on auditing management systems with multiple sites (ISO 17021:1-2015, IAF MD-1:2018)

Scope: Management system of 10,000 – 50,000 acres that are directly operated or contracted by AgIS.

Functional Units: Management personnel responsible for developing, implementing, and overseeing management practices that support conformance to LH FMS Objectives.

- Carl Evers provides oversight on all sites in California, including oversight of custom farmer on Yuba Beale.
- Sites visited during the 2026 audit are operated by third-party management providers. Ranch Managers were included in the audit and provided documented evidence and interview responses.

Lead Auditor:	Linnea Abel
Auditor(s):	Adriane Barry, Matt Armstrong
Opening Meeting:	May 21, 2026
Site Visits:	June 30, 2026
Sites Visited/Growers Visited:	Sonoma Woolsey Sonoma Guerneville Yuba Beale
Closing Meeting:	August 3, 2026
Region:	California represents 90.1% of all acreage.
Crop Types:	Walnuts, Wine Grapes
Audit Time:	Offsite audit activities: 5.5 days, Auditor/Lead Auditor Onsite audit activities: 1 days, Auditor

KEY FINDINGS

Audit Findings

Previous Nonconformance:	Zero (0)
Major Nonconformance:	Zero (0)
Minor Nonconformance:	Zero (0)
Opportunities for Improvement:	Two (2)
Notable Practices:	Zero (0)

Opportunities for Improvement

1. 4.2.1 Application and Storage of Crop Protectants: AgIS could choose to require all individuals conducting applications on managed properties to maintain individual Qualified Applicator Licenses. Contract management interviewed during this year's audit allows sprays to be conducted by individuals under the direct supervision of their licensed supervisor. This could avoid potential for misinterpretation of direct supervision requirements.
2. 7.3.2 Deforestation Policy: AgIS could clarify its anti-deforestation policy to include a defined cutoff date.

PERFORMANCE MEASURE SUMMARY APPENDIX

1

SUSTAINABLE AGRICULTURE MANAGEMENT

1.1: Sustainable Agricultural Stewardship

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				1.1.1 1.1.2 1.1.3	

AgIS's Environmental, Social, and Governance (ESG) Policy states their commitment to integrate concern for the environment, society, and economics into business decisions, and outlines supporting objectives. AgIS uses the policy to guide ongoing management activities and support continual improvement.

AgIS's ESG Strategy includes Leading Harvest program participation and certification, compliance with ESG regulations and climate-related disclosures, risk mitigation, and sound acquisition strategies that ensure sustainable use of natural resources and consideration for threatened and endangered species. Risk factors are categorized as environmental, social, or economic.

AgIS prioritizes water security when selecting properties for acquisition. Water usage is a significant concern in the western United States. AgIS's economic strategy is to prioritize maximizing profits while minimizing negative impacts. AgIS provided evidence of conducting cost benefit analysis for implementing solar at one of the sites visited.

AgIS provided an Operations Update 2026 that shows how the company monitors market challenges, product pricing, regulatory updates, and each property's status. AgIS also provided a financial results summary that demonstrates financial performance, including the effect of product pricing changes on revenue.

AgIS states they will not convert land, and management only considers land that is currently farmland during acquisitions. During conversions from one crop type to another, AgIS leverages third-party expertise to advise on appropriate recommendations and site design. AgIS recently fallowed a property, removed the vines, and managed vegetation with sheep while preparing the property for sale. These actions helped preserve the property's potential for future agriculture production.

Conformance Evidence:

ESG Policy
ESG Strategy
Solar Analysis
AgIS Financial Results
AgIS Operations Update 2026
Soil Analysis and Recommendations for Vineyard Re-Development

1. SUSTAINABLE AGRICULTURE MANAGEMENT

1.2 Critical External Factors

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				1.2.1	

AgIS's president conducts site visit inspections on tenant managed properties and compiles monthly and quarterly reports. The reports document the property's current practices and performance, including fertilizer applications, water use, yields, and other operational considerations that facilitate identifying critical external factors. AgIS shares monthly reports with senior leadership and prepares quarterly reports for client use.

Implementation of AgIS's ESG Strategy is supported through documented diligence activities. AgIS commissioned an agricultural science and remote sensing organization to survey irrigated acreage and evaluate Groundwater Sustainability Agencies (GSAs) as part of its due diligence process. AgIS provided a copy of the analysis and recommendations used to assess potential permanent planting sites and classify the water security of those acres. AgIS uses consultants that provide guidance on water policies in the area.

AgIS considers economic factors and water availability critical external factors that impact management decisions. AgIS has made the decision to induce a dormant state or "mothball" blocks on some of the sites visited. This practice allows AgIS to maintain the biological asset and reduce management requirements while market prices are low.

AgIS meets annually with their operational staff to identify lessons learned to reduce future risk. AgIS presented a copy of the slide deck titled "Lessons Learned" to the audit team for review. The deck includes lessons such as cover crop selection, strategic use of herbicide and mowing schedules, pollination management to communicate that "every decision - from cover crops to equipment, sprays, and pollination - should consider long-term value over short-term cost reductions".

AgIS's contract farm managers assess information and determine top focus areas for the year with their team.

The vineyard visited has a Risk Management Plan that identifies risk mitigation efforts, including insurance coverages, diversification of contract types and grape varieties, and follows best practices for reducing risk as identified by the California Sustainable Winegrowing Alliance (CSWA).

Conformance Evidence:

Lessons Learned
ESG Strategy
Risk Management Plan

SOIL HEALTH AND CONSERVATION

2.1: Soil Health

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				2.1.1 2.1.2 2.1.3 2.1.4	

Sites visited conduct regular soil sampling. Walnuts are tested annually and the vineyard conducts soil tests every three years. Sites visited conduct additional tissue and leaf sampling throughout the year.

Licensed pest control advisors (PCAs) and crop advisors administer soil and tissue tests and provide recommendations after field visits are conducted.

Contract managers develop formal soil health plans based on recommendations and site management needs. AgIS provided soil analysis, nutrient recommendations, and Irrigation And Nitrogen Management Plan (INMP) worksheets.

On the walnut property visited, AgIS works with independent crop consultants to write and document nutrient management plans (NMPs) with activities scheduled weekly and monthly. The crop consultants develop field visit reports that are provided to AgIS for review. Reports include observations from site visits and are informed by soil tests and leaf sampling to guide recommendations for the year. This year is the first year there will be a walnut harvest.

The vineyard visited has an INMP developed and implemented by the contract management company.

Sites visited conduct applications of gypsum to maintain and improve soil conditions. Soil amendment receipts were provided as evidence.

The sites visited plant cover crops, incorporate residues, and mulch prunings back into the soil. AgIS provided a photo of the cover crop being incorporated back into the soil as well as a brush shredding timecard and cover crop seed invoice. The walnut site visited also grows hay that is green chopped and provided for the dairy next door with remaining green waste reincorporated into the soil on site.

Conformance Evidence:

Brush shredding timecard
Crop residue photo
Plant analysis reports
Soil analysis reports
Cover crop seed invoice
INMP Worksheet
Soil amendment receipts
Field visit reports

2. SOIL HEALTH AND CONSERVATION

2.2: Soil Conservation

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				2.2.1 2.2.2	

The walnut site visited was converted from rice to walnuts in 2021 after acquisition. The property sits higher than neighboring properties and does not have any runoff susceptible areas. Site management acquired permits and repaired a levee on the site 3-4 years ago to correct a break in the canal on site. Trees have matured enough to eliminate wind erosion concerns.

Site management applies gypsum and sulfate of potash (SOP) and limits field passes to reduce compaction issues. Other activities to reduce soil compaction include staying off soil when wet, using aerial application of crop protectants, and delay mowing.

The vineyard site visited is moderately level and does not experience much soil erosion. Sonoma County required the site to acquire an agricultural erosion-control and site development permit (VESCO) for a development related to their subsurface drainage system. The permits are meant to support soil erosion mitigation and best management practices. The site uses cover crops and straw mulch.

AgIS recruited a biologist to assess invasive eucalyptus trees and a riparian site on the vineyard. A permit is required for removal or alterations of a riparian site. AgIS received the appropriate permit and remediated the eucalyptus trees to develop a native habitat for birds.

In 2025, a site included in this year's sample conducted an erosion assessment on the property and received an erosion control recommendation by a third party.

Conformance Evidence:

Erosion Control Recommendation
VESCO Permit

WATER RESOURCES

3.1: Water Use

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				3.1.1 3.1.2 3.1.3	

AgIS prioritizes acquiring locations with high water security, and contracts with service providers to assess water quality and demand on site. The sites visited are not currently subject to water restrictions, which aligns with their water security and acquisition priorities.

The walnut site visited is a member of the Butte-Yuba-Sutter Water Quality Coalition. The site relies on surface water for irrigation. The site maintains an irrigation schedule for mature walnuts that was submitted as evidence and uses micro-irrigation with fan emitters. Irrigation jets are capped to keep applied water directly in the root zone.

The vineyard site visited uses a combination of ground and surface water for irrigation, administered by a drip irrigation system. Site management measures water usage and AgIS provided irrigation records and meter readings as evidence.

The vineyard contract manager conducts water quality tests twice annually and adjusts applications accordingly.

Sites visited use soil moisture probes and tensiometers to inform irrigation decisions. The vineyard contract manager uses local evapotranspiration (ET) sensing and modeling technology. The vineyard visited also relies on a weather station to measure daily reference ET for water demands.

AgIS provided a Water Management Plan that includes strategies to manage water use. Site management reviews the document annually and updates it as needed to support ongoing water management.

Conformance Evidence:

Water Quality Coalition Membership Dues
Irrigation Records
Meter Readings
Weather Station ET Records
Water Management Plan



3. WATER RESOURCES

3.2: Water Quality

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				3.2.1 3.2.2	

The walnut site visited is a member of Butte-Yuba-Stutter Water Quality Coalition. The coalition manages regulatory compliance for agriculture and supports water quality monitoring and management.

Site management monitors water needs daily and alerts irrigators when water or chemical applications are needed. Independent crop consultants scout fields weekly and make recommendations. Contract management staff conduct scouting and adjust timing of management events based on in person observations. AgIS provided the field visit reports as evidence for these weekly visits.

Site management states that chemical use has been reduced as the trees have matured and shade out weeds.

Site management closely monitors wind to avoid drift during sprays. Fill stations have backflow protections to protect water quality. District canals have a 30-foot buffer on either side.

AgIS provided a Water Management Plan in evidence for the vineyard visited that aims to maximize soil moisture storage from winter rainfall through deep tillage and mineral or organic amendments prior to planting. Site management reviews the Water Management Plan annually and updates it as needed to support water quality conformance.

A PCA scouts the vineyard weekly and addresses issues as they are identified to support pest, weed, and irrigation management. AgIS provided Integrated Pest Management (IPM) reports as evidence. Scouts look for signs of pest pressure, weeds, and irrigation issues.

The vineyard visited conducts water quality analysis as provided in evidence. The site is also Fish Friendly Farming Certified for environmental and community beneficial practices and habitat restoration. Fish Friendly certifications require water quality protection standards to be implemented.

Conformance Evidence:

Water Quality Coalition Membership Dues
Field Visit Reports
Water Management Plan
IPM Reports
Water Quality Analysis
Fish Friendly Farming Certification

CROP PROTECTION

4.1: Integrated Pest Management

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				4.1.1 4.1.2 4.1.3	

Sites visited monitor and manage key pests including powdery mildew, mealybugs, nematodes, phylloxera, and vertebrates (primarily gophers). Sites visited perform scouting on a regular basis to identify pest concerns and document pest applications.

AgIS provided various pest management plans and an IPM report into evidence for the vineyard visited. Pest Management Plans are tailored to each type of pest and include information on preventative measures, treatments, and review cadence. Some plans provided also provide consideration for soil testing and worker safety. The plans use University of California (UC) guidance to support pest management conformance.

The walnut site visited contracts independent third-party crop consultants to perform pest scouting and submitted evidence related to their field visits.

Site management sets traps and uses population thresholds to guide pest management decisions. The contract manager puts 5-gallon buckets of water out to deter coyotes from biting irrigation lines. Site management controls dust mites by implementing speed restrictions and dust prevention.

Site management uses specialized farm management business software (AgCode) for management and monitoring activities.

AgIS provided pesticide use reports for auditor review. Site management keeps and maintains product use reports and recommendations for management staff to reference, and equipment applies product at appropriate rates.

Conformance Evidence:

IPM Reports
Pest Management Plans
Field Visit Reports
Pesticide Use Reports



4. CROP PROTECTION

4.2: Crop Protectant Management

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
			4.2.1		

The walnut property visited stores chemicals onsite prior to application in a secured location. Site management triple rinses empty containers, removes labels, and takes the containers to either recycling events or local recyclers.

Site management holds tailgate training for chemical use and sponsors Spraysafe training for staff in the language that the applicator uses. Site management supervisors maintain Qualified Applicator Licenses (QALs). Individual sprayers operate under the daily supervision of their licensed supervisors, which is acceptable under California regulations.

The vineyard site conducts applications with contract management staff who receive documented safety training. The site’s Weed Management Plan includes worker safety reviews when working with agrochemicals. No agrochemicals are stored on site.

Conformance Evidence:

Weed Management Plan Pesticides Handler Training Records

ENERGY USE, AIR QUALITY, AND CLIMATE CHANGE

5.1: Agricultural Energy Use and Conservation

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				5.1.1 5.1.2	

Sites visited have electric lift and well pumps. Sites use variable rate irrigation throughout the growing season to conserve water and energy.

AgIS hired a third-party to conduct pump efficiency testing and energy consumption to support energy efficiency. Pump data sheets were provided for auditor review.

AgIS is considering solar development opportunities for a site visited. The analysis conducted to determine feasibility was provided for auditor review.

The vineyard observes an annual maintenance schedule based on equipment operating hours to support efficient equipment performance. Vehicles use renewable diesel. The site also avoids peak electricity demand times and irrigates outside of peak times.

Conformance Evidence:

Pump Data Sheets
Solar Analysis

5. ENERGY USE, AIR QUALITY, AND CLIMATE CHANGE

5.2: Air Quality

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				5.2.1 5.2.2	

The walnut site visited uses smaller equipment with tier 4 engines, diesel exhaust fluid (DEF), and regeneration cycles that reduce emissions. Harvesters, shakers, and sweepers use tier 4 engines.

Site management uses speed controls, and water and gravel applications as primary dust management practices. AgIS provided timecards related to road watering as evidence.

The walnut site visited maintains a shop and staff or local dealers perform maintenance on an hourly schedule. Site management uses JC Connect to monitor equipment status and location and track service hours. Site management uses full synthetic oil on equipment to extend service hours between oil changes. Site management installs GPS/Greenstar units to support efficient passes and route control.

The vineyard visited requires annual maintenance based on hours operated for their large equipment fleet.

The vineyard site visited uses Dust-Off as a dust management practice and provided maps showing the roads where site management applies Dust-Off.

Conformance Evidence:

Water Roads Timecard
Dust Mitigation Map

5. ENERGY USE, AIR QUALITY, AND CLIMATE CHANGE

5.3 Climate Smart Agriculture

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				5.3.1 5.3.2 5.3.3	

Sites visited keep maintenance logs for equipment. Management uses equipment that runs on DEF and is GPS-enabled to support equipment efficiency climate-smart operations.

Sites visited reincorporate cover crops and prunings into the soil. AgIS provided a cover crop photo and brush shredding timecard into evidence for these practices. The walnut site plans to reincorporate shells and husks into the soil after this first year's harvest.

The contract manager for the walnut site visited indicated that the primary regional threats are heat and water management. Site management selected walnut varieties with heat tolerance in mind to reduce climate-related production risk. Chilling events can affect walnuts more severely than almonds and may contribute to alternate bearing. Thunderstorms and hail also pose significant risks during late spring. Site management intentionally plans orchard design and orientation to reduce negative weather impacts and maximize available sunlight.

The vineyard visited is susceptible to early spring frost, a notable climate risk that is mitigated through the use of onsite fans. Management will address excessive heat events with increased irrigation and wait to conduct certain on-farm practices if it is too hot. The vineyard visited also uses a weather station to measure daily reference ET, which helps site management determine irrigation needs.

Conformance Evidence:

Brush Shredding Timecard
Crop residue photo
Weather Station ET Records

WASTE AND MATERIAL MANAGEMENT

6.1: Management of Waste and Other Materials

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				6.1.1 6.1.2 6.1.3	

The walnut site collects and recycles used oil and oil filters from shops on a schedule. DEF is purchased in smaller containers to reduce the amount of waste and risk of using degraded fluid. Non-recyclable materials such as tree covers are collected at the end of their useable life and disposed of in dumpsters.

Management crews triple rinse, slash, and recycle plastic containers appropriately.

Site management reuses tree stakes and irrigation lines.

The site that was converted from rice production has retained concrete materials and invited local producers to reuse the materials for use on their own rice properties.

AgIS provided a recycle day flyer for plastic chemical containers in evidence applicable for the surrounding area of the sites visited.

AgIS provided steel recycling invoices for the vineyard site visited that was recently fallowed and put up for sale. AgIS also provided a recycling receipt for the walnut site visited.

The walnut site visited has a 1000-gallon diesel tank, equipped with GPS and a tank monitor. The fuel tank is appropriately contained.

Conformance Evidence:

Recycle Day Flyer 2026
Invoice for Steel Recycling
Recycling Receipts

6. WASTE AND MATERIAL MANAGEMENT

6.2: Food and Agricultural Surplus and Waste Resource Recovery

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				6.2.1 6.2.2	

The walnut site visited will have their first harvest this year. The site will use catch frames from pistachio operations in the first two years of harvest to reduce additional equipment passes and reduce waste during walnut harvest until walnut trees are too mature to be compatible with the frames used during pistachio harvest. Once walnut trees are mature, management will apply plant growth regulators to maximize yields.

Wine grapes are most susceptible to excessive crop loss from heat waves or frost. Site management mitigates the potential for crop loss with increased irrigation and on-site wind machines. The vineyard does not store harvested grapes onsite. The grapes are delivered to processing facilities immediately post-harvest.

Sites visited mulch cover crop residue and prunings and reincorporate them into the soil annually. AgIS provided a brush shredding timecard and crop residue photo as evidence.

The contract manager at the walnut site visited has applied with the California Department of Food and Agriculture (CDFA) for compost reimbursements and have been approved.

Conformance Evidence:

Brush Shredding Timecard
Crop residue photo

CONSERVATION OF BIODIVERSITY

7.1: Species Protection

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				7.1.1 7.1.2	

AgIS has conducted biological resources assessments (BRAs) for the sites visited during this year's audit and provided them for review. The BRAs include a review of special-status species listed by the United States Fish and Wildlife Service (USFWS), National Marine Fisheries Service, California Department of Fish and Wildlife, and the Western Bat Working Group within a 5-mile radius of the property.

Site management expressed awareness of identified species that have potential to occur on properties and are known to live on properties. Giant garter snakes live within a 5-mile radius of their property but are known to prefer neighboring rice fields. Long horned elderberry beetles and elderberry shrubs are protected and not disturbed.

The contract manager at the vineyard visited communicated that tiger salamander are a known endangered species within the direct perimeter of the property. AgIS provided a photo of an exclusion fence erected on the vineyard to protect tiger salamanders.

Conformance Evidence:

Biological Resource Assessments (BRAs)
Tiger salamander ports photo

7. CONSERVATION OF BIODIVERSITY

7.2: Wildlife Habitat Conservation

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				7.2.1 7.2.2 7.2.3	

AgIS uses biological resource assessments (BRAs) to identify native habitats.

As part of the remediation process for invasive eucalyptus trees on a site, AgIS recruited a biologist and received appropriate permitting for altering a riparian site. A habitat for native and migratory birds was designed by the biologist and established on site.

The vineyard visited also has bird boxes and raptors perches in the trees surrounding the property, supporting onsite habitat observations.

Conformance Evidence:

Biological Resource Assessments (BRAs)

7. CONSERVATION OF BIODIVERSITY

7.3: Avoided Conversion

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
			7.3.2	7.3.1 7.3.3	

AgIS provided Vineyard and Orchard Erosion and Sediment Control (VESCO) permits as supporting evidence for the vineyard visited. These permits indicate whether an orchard or vineyard development is new or a replanting.

A site visited this year was previously a vineyard, and was fallowed to prepare the property for sale. AgIS has used sheep to manage vegetation after vine removal. Photos of grazing sheep and an invoice for vine removal were provided for auditor review. AgIS does not convert forests or natural communities to farmland or farmland to any other land use.

AgIS conducts targeted acquisitions of existing farmland and uses due diligence procedures to avoid purchasing lands that have been converted from natural forests.

AgIS has a written Anti-Deforestation policy that is shared with employees during onboarding. AgIS considers the necessity for policy revisions during annual leadership meeting.

Conformance Evidence:

VESCO permits
Invoice for vine removal
Photo of grazing sheep
Anti-Deforestation Policy

7. CONSERVATION OF BIODIVERSITY

7.4: Crop Diversity

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				7.4.1	

Both sites visited grow cover crops that are mulched - along with prunings - and incorporated back into the soil to support crop diversity and soil health conformance. AgIS provided a photo of the cover crop being incorporated back into the soil as well as a cover crop seed invoice.

Site management selected walnut varieties with heat tolerance in mind to reduce climate-related production risk.

Conformance Evidence:

Crop residue photo
Cover crop seed invoice

PROTECTION OF SPECIAL SITES

8.1: Special Site Management

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				8.1.1 8.1.2	

AgIS provided a site plan map that identifies special sites. None were identified on sample sites.

AgIS's Indigenous Peoples Policy includes that in the event future projects are located near Special Sites, AgIS will take appropriate steps to coordinate with local communities and Indigenous Peoples to ensure AgIS conducts projects in a manner consistent with their needs.

Conformance Evidence:

Site Plan
Indigenous Peoples Policy

LOCAL COMMUNITIES

9.1: Economic Well-Being

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				9.1.1	

AgIS employs around 20 full-time employees in managerial and leadership positions. The contract managers hire farm labor contractors (FLCs) and contracted crew workers as needed to support site operations.

AgIS manages regulatory compliance from the main office in Turlock to support legal and operational conformance. AgIS's Risk and Compliance Manager provides compliance updates at yearly meetings and is the main contact for compliance and risk issues that emerge.

AgIS provided evidence of property tax bills.

Both sites visited have vendors that are relatively local.

Conformance Evidence:

AgIS Capital Winter 2025 Meeting Agenda
Property Tax Bills



9. LOCAL COMMUNITIES

9.2: Community Relations

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				9.2.1	

The contract company for the walnut site visited sponsors community events, local sports leagues, Farm Bureau projects and field days, in school demonstrations and education events, scholarship programs at county fairs, food drives, and holds annual vendor lunches. Community organizations have recognized site management for its contributions and donations.

The contract company for the vineyard visited are members of the Sonoma County Winegrowers. The contract management company will be a sponsor at some local events, the farm bureau, and auctions for kids.

AgIS has participated in a local parade with a float and has supported the local harvest festival. In Washington State, AgIS also hosts a SMART Orchard event on its property to provide educational opportunities for attendees.

Conformance Evidence:

Management Interview

9. LOCAL COMMUNITIES

9.3: Local Communities and Indigenous Peoples

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				9.3.1 9.3.2 9.3.3	

AgIS maintains an Indigenous People Policy that AgIS shares with new employees during onboarding to support awareness of local community and Indigenous Peoples' considerations. The policy recognizes and requires respect for the rights of both local communities and the treaty rights of Indigenous Peoples.

The walnut site visited is in a rural and remote area, with limited interaction with neighbors.

The vineyard site visited has a website that people can gather their contact information from. Property ownership records and contact information for AgIS is available from the county.

Conformance Evidence:

Indigenous Peoples Policy
Vino Farms website



9. LOCAL COMMUNITIES

9.4: Public Health

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				9.4.1	

The contract manager at the walnut site visited holds Spray Safe trainings. Site management identifies and provides translators and facilitators for staff with language needs to support public health and safety communication. There are gates on the property to prevent entry from trespassers. The walnut site visited is in a rural area and there is no public presence or neighbors near the property.

The contract manager at the vineyard site visited holds weekly tailgates and safety trainings with contract employees. The vineyard site visited uses no trespassing signs, fences, and gates to prevent unauthorized entry and support public health conformance.

AgIS provided evidence of Safety, Hazard, and Accident Reporting forms that are used for disciplinary actions related to corrective actions and to maintain a safe work environment.

Conformance Evidence:

Safety, Hazard, Accident Reporting Forms

PERSONNEL AND FARM LABOUR

10.1: Safe and Respectful Working Environment

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				10.1.1 10.1.2	

AgIS conducts sexual harassment trainings via AgSafe at their yearly meeting.

AgIS has an Equal Employment Opportunity (EEO) Policy that was provided during previous audits conducted by Averum. AgIS has not updated the policy.

AgIS's Safety Compliance Officer conducts safety trainings at least quarterly, but sometimes ad hoc. The contract managers report injuries through the compliance officer, who reports the information to others as needed to support safety oversight.

AgIS provided evidence that both contract management companies maintain an anti-harassment policy, one within an Employee Handbook and the other as a stand-alone policy.

AgIS maintains a Statement of Inclusion shared with new employees during onboarding process. The Statement of Inclusion was provided during previous audits conducted by Averum. AgIS has not updated the policy. The Statement of Inclusion states AgIS is committed to attracting the best talent available and empowering associates to be their authentic selves. The statement encourages employees to "come to work as they are".

Conformance Evidence:

AgIS Capital Winter 2025 Meeting Agenda
Equal Employment Opportunity (EEO) Policy
Employee Handbook
Policy Against Sexual Harassment and Other Workplace Harassment
Statement of Inclusion

10. PERSONNEL AND FARM LABOUR

10.2: Occupational Training

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				10.2.1	

AgIS provided evidence of various safety standard operating procedures (SOPs) related to PPE, heat illness prevention, injury prevention, etc. Contract management companies developed and uses these SOPs to support occupational training and safety conformance.

AgIS provided records of bilingual safety training. AgIS also provided evidence of the required trainings FLC management companies require employees to complete, including the frequency of those trainings. Trainings include emergency response, pesticide handling, harassment prevention, violence prevention, and other relevant topics.

Both contract managers at the sites visited have safety tailgate meetings at least weekly to discuss current events and safety during the growing season.

Conformance Evidence:

Safety SOPs
Training records
FLC required trainings

10. PERSONNEL AND FARM LABOUR

10.3: Supporting Capacity for Sustainability

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				10.3.1 10.3.2 10.3.3	

AgIS's ESG Policy includes LH FMS as a key component of implementing sustainability.

AgIS's president provides an annual update of LH at the Annual Meeting. During this meeting, the operational staff also identify lessons learned to reduce future risk, as provided in evidence. Lessons learned include cover crop selection, herbicide and mowing alignment, pollination management, etc. AgIS briefs property service crews on LH FMS to support implementation awareness and conformance.

AgIS senior leadership meets twice annually to provide and receive internal updates and to meet with stakeholders. AgIS president shares OFIs, notable practices, and trends with parties during the annual meetings.

AgIS provided an Operations Update June 2026 slide deck that included evidence of keeping the operational team up to speed with Leading Harvest activities and updates.

Conformance Evidence:

ESG Policy
AgIS Capital Winter 2025 Meeting Agenda
Lessons Learned
AgIS Operations Update 2026

10. PERSONNEL AND FARM LABOUR

10.4: Compensation

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				10.4.1	

AgIS utilizes FLCs for harvesting and the contract management company predetermines wages to support compensation oversight. AgIS maintains a legal contract with FLCs to ensure protections.

Conformance Evidence:

Management Interview

10. PERSONNEL AND FARM LABOUR

10.5 Farm Labour

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				10.5.1	

AgIS's Risk and Compliance Manager audits the FLCs that support site operations. AgIS maintains FLC contracts and documents FLC license numbers to support farm labor conformance.

AgIS provided an Audit Checklist for FLCs in California that includes verification of relevant compliance, pay, and safety training.

AgIS provided evidence of training FLC management companies require employees to complete, including the frequency of those trainings. Trainings include emergency response, pesticide handling, harassment prevention, violence prevention, and other relevant topics.

Conformance Evidence:

Farm Labor Contractor Verification
 FLC Audit Checklist
 FLC required trainings

LEGAL AND REGULATORY COMPLIANCE

11.1: Legal Compliance

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				11.1.1 11.1.2 11.1.3	

AgIS provided policies and procedures for contract farm employees in the contract managers' Employee Handbooks. AgIS Risk and Compliance Manager will audit the properties to ensure contract managers are following guidelines.

AgIS provided evidence of maintaining liability insurance as well as the verification IDs and expiration dates of their FLC management companies.

AgIS posts Occupational Safety and Health Administration (OSHA) notices in the office at its headquarters.

AgIS contracts with compliance consultants to ensure AgIS is up to date with emerging law and regulations. They also contract with health and safety educators to conduct compliance trainings at their annual meeting.

The contract managers on the sites visited are legally bound, through a VESCO permit, to follow agriculture best management practices for their site including a subsurface drainage system, cover crops, and straw mulch.

The vineyard visited is a Certified California Sustainable Winegrower, a voluntary third-party certification that includes independent verification of compliance with applicable environmental and pest management regulations, along with implementation of broader sustainability practices that exceed minimum legal requirements.

Conformance Evidence:

Employee Handbooks
Certificate of Liability Insurance
Farm Labor Contractor License Verification
AgIS Capital Winter 2025 Meeting Agenda
VESCO permits
Certified California Sustainable Winegrowing Certificate

11. LEGAL AND REGULATORY COMPLIANCE

11.2: Legal Compliance Policies

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				11.2.1 11.2.2 11.2.3	

AgIS's ESG Policy has been a signatory of the United Nations Principles for Responsible Investing (UN PRI) since 2017. State laws where AgIS sites are located address workers' rights to organize, collectively bargain, remain free from forced or compulsory labor and discrimination, and protect against the use of child labor.

AgIS's ESG Policy states they will comply with relevant laws and regulations that protect human rights, occupational health and safety, and abide by environmental and business best practices.

Employees acknowledge that they have received, read, understand, and agree to comply with AgIS's Code of Ethics to support legal compliance policy conformance.

Lease agreements include language that indicate that lessee shall farm the premises and care for, operate, cultivate, and harvest the crops, indicating autonomy.

Conformance Evidence:

ESG Policy
UN PRI Signatory List
Code of Ethics
Lease Agreements

MANAGEMENT REVIEW AND CONTINUAL IMPROVEMENT

12.1: Farm Review and Continual Improvement

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				12.1.1 12.1.2 12.1.3 12.1.4	

AgIS provided their June 2026 Operations Update that included updates regarding risk management/compliance, Leading Harvest Activities, on-farm activities, crop prices, and performance of crops.

AgIS provided capital expenditure (CapEx) budgeted and actual financial results to show performance and investments across sites. AgIS leadership will discuss outcomes with contract managers on challenges, opportunities, and successes throughout the year.

AgIS provided an Employee Performance Review template with evaluations related to work quality, technical skills, and development opportunities. The review template was provided during previous audits conducted by Averum. AgIS has not updated the review process for 2026.

AgIS meets annually with their operational staff to identify lessons learned to reduce future risk, as provided in evidence. Lessons learned include cover crop selection, herbicide and mowing alignment, pollination management, etc. AgIS communicates in the deck that "every decision - from cover crops to equipment, sprays, and pollination - should consider long-term value over short-term cost reductions".

AgIS president reviews the results of the Leading Harvest Report annually with the company leadership and the board. During this discussion they determine next steps, especially if there were any OFIs or non-conformances determined. AgIS sends the report to employees and posts it on LinkedIn to support communication of continual improvement activities.

AgIS is considering data analysis opportunities to enhance efficiency across operations related to yields, inputs, etc. Ariel sprays are currently used at select sites to reduce compaction.

Conformance Evidence:

AgIS Operations Update 2026
AgIS Financial Results
Employee Performance Review Templates
AgIS Capital Winter 2025 Meeting Agenda
Lessons learned

12. MANAGEMENT REVIEW AND CONTINUAL IMPROVEMENT

12.2: Support for Sustainable Agriculture

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				12.2.1	

AgIS participates in collaborative agricultural research and science-based sustainability programs, including a partnership with Sustainable Conservation and other collaborators to conduct a Whole Orchard Recycling trial evaluating the use of manures and cover crops, as discussed in the 2024 Sustainability & Responsible Investing Report.

AgIS supports the Water Education Foundation that holds educational events, tours, and stakeholder engagement opportunities, which provide access to leading water experts and to California's complex water systems.

Conformance Evidence:

Sustainability & Responsible Investing Report 2024

TENANT/LEASED OPERATIONS

13.1: Leased-Land Management

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				13.1.1 13.1.2 13.1.3 13.1.4	

Lease agreements establish requirements and expectations for tenants to operate sites safely and comply with legal requirements and regulations.

Lease agreements require tenants to farm in a manner consistent with standard farming practices for the types of crops produced. The lease language requires tenants to comply with independent third-party orchardist or viticulturist recommendations to maintain the health and productivity of the orchards and vineyards. AgIS provided evidence during a previous Averum audit of an LH FMS memo that summarizes discussion of BMPs and provides the LH FMS Guidance and Standard for tenant review.

Conformance Evidence:

Lease Agreements LH FMS Memo

13. TENANT/LEASED OPERATIONS

13.2: Leased-Land Monitoring

Previous Audit Nonconformance	Major Nonconformance	Minor Nonconformance	Opportunities for Improvement	In Conformance	Notable Practice
				13.2.1a 13.2.1b 13.2.2	

AgIS's president conducts site visit inspections on tenant managed properties and compiles monthly and quarterly reports. The president shares monthly reports with senior leadership and prepares quarterly reports for client use.

AgIS reviews and discusses tenant performance throughout the year during site visits and reviews tenants' yields to determine next year's budget and expected performance.

AgIS contracts third party agronomists to perform audits on properties to identify recommendations that they will share with tenants. The lease language requires tenants to comply with recommendations.

AgIS relies on university research, such as from UC Davis, in the case of the sites visited, to keep up to date with best management practices. The president communicated they use the university data to benchmark against their own.

Conformance Evidence:

Monthly Operations Updates
Quarterly Operations Memos
Lease Agreements