

2026

Leading Harvest Farmland Management Standard

**COTTONWOOD AG PARTNERS
2026 SURVEILLANCE
AUDIT SUMMARY REPORT**

July 16, 2026

Cottonwood Ag Partners
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Certification Date:

September 20, 2024

Recertification Due Date:

September 20, 2027

Certification ID Number:

AVERUM-LHFMS-2026-0046

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INTRODUCTION

This Audit Summary Report was developed by Averum, an accredited third-party certification body. Averum audited Cottonwood Ag Partners' (Cottonwood) managed production agriculture properties. Averum was contracted by Cottonwood in 2026 to conduct a surveillance audit on 250,000 to 500,000 acres of managed properties to determine the effectiveness of Cottonwood's management system. Objectives 1–13 of the Leading Harvest Farmland Management Standard (LH FMS) were included in the scope of this audit. There was no substitution or modification of any indicators.

Executive Summary

Cottonwood has performed well in demonstrating its management system's conformance to the Leading Harvest Farmland Management Standard. Cottonwood's management team frequently interacts with their tenants and demonstrate an intimate understanding of relevant regional agronomic concerns and effective management strategies. Cottonwood regularly updates Leading Harvest evidence, which is supported by an efficient annual review process with inputs that show consideration for environmental, agronomic, and social factors. Tenants interviewed have adopted precision irrigation technology and have adopted best management practices (BMPs) to address regional issues, such as erosion. Cottonwood provided a copy of their first Annual Tenant Newsletter, which is a simple and creative way to reinforce Cottonwood's culture and provide reminders of resources available to tenants.

Specific Focus Areas for Next Audit:

Sustainable Agriculture Management (LH FMS Objective 1) will be a key focus area for Cottonwood's 2027 Recertification audit.

AUDIT TEAM RECOMMENDATION

Results of the audit indicate that Cottonwood Ag Partners has a management system that continues to meet the requirements of and is in conformance with the Leading Harvest Farmland Management System (LH FMS). Cottonwood's enrolled acreage is recommended for continued certification. Cottonwood's recertification audit event should take place prior to certification expiration, September 20, 2027.

Corrective Action Plan(s) Accepted:	Not applicable
Continue certification:	Yes
All NCR Closed:	Not applicable



Certification Decision

Program User: Cottonwood Ag Partners

Audit Dates: May 11, 2026 – July 16, 2026

Number of Nonconformances Raised (NCRs): Major (0) Minor (0)

Certification Date: September 20, 2024

Status: Continued

Conclusion:

Results of the audit show that Cottonwood Ag Partners has a management system that continues to meet the requirements of the LH FMS and conforms with LH FMS criteria. Cottonwood's enrolled acreage is recommended for continued certification after the provision, approval, and acceptance of corrective actions related to minor nonconformances.

Standard(s) Within Scope of Audit

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



Scope of Audit

Management system of managed acres enrolled in the Leading Harvest program, operated by tenants of Cottonwood.

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-2026-0046; September 20, 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 Tammye Schandua and Linnea Abel. The audit team has experience with Leading Harvest, are assurance providers for multiple sustainability programs, and have expertise in production agriculture on multiple crop types in the United States. Site visits were conducted by Tammye Schandua. 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

Cottonwood is a farmland investment and management firm, operating farmland in a diverse range of geographies in the United States. Farm operating tenants are responsible for the day-to-day farmland management activities for Cottonwood's properties. Cottonwood was initially certified to the LH FMS in 2021, and has continued to enroll for 100% of its agricultural properties in 2026.

Averum conducted a Recertification audit for Cottonwood in 2024. In 2025, Cottonwood transferred their certification to another Certification Body. Averum received an application for certification services from Cottonwood in 2026. Averum implemented its procedures for reviewing a certification transfer prior to conducting this surveillance audit. Since the last audit took place, there have been no other significant events related to Cottonwood's 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 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.

Cottonwood site visits were conducted on a sample basis. Cottonwood's management system provides oversight and is responsible for conformance activities of farm operations. Cottonwood's Managing Director is responsible for developing corrective action plans regarding LH FMS conformance and reporting them to Cottonwood management. Cottonwood's current review and monitoring process is effective and ongoing.



Cottonwood 2026 Surveillance Audit Plan

Audit Objectives and Criteria:

Objective: Surveillance Audit to monitor the effectiveness of Cottonwood's management system and the continuing conformance of Cottonwood's management system with the Leading Harvest Farmland Management Standard.

Criteria: Performance measures and indicators contained in the Leading Harvest Standard 2025 and the defined processes and documentation of the management system developed by Cottonwood.

Substitution or Modification of Indicators: None

Type and Scope of Audit:

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)

Scope: Management system of 250,000 – 500,0000 acres that are operated by tenants of Cottonwood.

Key Focus Area: Leased Land Monitoring Program and Leading Harvest implementation.

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

- Caroline Orłowski - Managing Director, Head of Transactions
- Trey Sherman - Managing Director, Southern Region
- Gary Goode - Director of Property Management, Mississippi/Arkansas

Lead Auditor: Linnea Abel

Auditor: Tammye Schandua

Opening Meeting: May 11, 2026

Site Visits: June 23, 2026

Sites Visited: Bramlett, Lusk, Greenway, Hyde Bayou, Watson, Bay, McKnight, O'Reilly

Closing Meeting: July 16, 2026

Region: Delta represents 22% of acreage.

Crop Types: Corn, Wheat, and Soybeans

Audit Time: Offsite audit activities:
9.25 days, Auditor and Lead Auditor
Onsite audit activities:
1 day, Auditor

KEY FINDINGS

Audit Findings

Previous Nonconformance: Zero (0)

Major Nonconformance: Zero (0)

Minor Nonconformance: Zero (0)

Opportunities for Improvement: Zero (0)

Notable Practices: Four (4)

Notable Practices:

1. 1.1.2 Farmland Stewardship: Cottonwood's use of the ArcGIS system and corresponding Sustainability Plan Story Map showcase some highlights and accomplishments of the ag management teams across their portfolio. The Story Map is an illustrative and dynamic tool used to portray the outcomes of intensive diligence and investment into Cottonwood's farms and surrounding communities and is reinforced by corresponding documentation.
2. 9.4.1 Public Health and Safety: Cottonwood has purchased two grain bin safety tubes stored on one of their managed properties. Cottonwood has hosted grain bin safety events for local communities and invited neighboring farms to participate. Availability of these safety tubes was shared with the local community. Providing education and availability of these investments can provide timely and life-saving resources.
3. 10.1.2 Respectful Work Environment: Cottonwood has a strong safety culture which is evident in supporting policies, community contributions, inspection schedules, and enhanced safety features for property infrastructure.
4. 13.1.1 Leased-Land Program: Cottonwood provided a copy of the first edition of their annual Tenant Newsletter. In this newsletter, Cottonwood provided a reminder of available tenant resources, including their scholarship program which is available to family members of tenants as well as employees. The newsletter also introduced new Cottonwood Managers tenants who may be interacting with and briefly described the benefits of a recently completed biodiversity project. The project was completed in collaboration with the Florida Fish and Wildlife Conservation Commission to improve non-farmed wildlife areas.

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 1.1.3	1.1.2

Cottonwood demonstrates a strong and formalized commitment to responsible investment and sustainability, as evidenced by its established Responsible Investment Policy, which aligns with LH FMS Standards and reinforces accountability across both management and employees.

Cottonwood provided a copy of their Responsible Investment Policy, which includes a commitment to responsible stewardship throughout the acquisition process and ongoing land management activities.

Management integrates its agricultural sustainability objectives into its annual budgeting and forecasting processes, with clearly defined ownership for each goal and structured quarterly reviews to monitor progress and ensure continuous improvement.

Cottonwood's use of the ArcGIS system and corresponding Sustainability Plan Story Map highlights accomplishments of the ag management teams across their portfolio. The Story Map is an illustrative and dynamic tool used to portray the outcomes of intensive diligence and investment into Cottonwood's farms and surrounding communities, and is reinforced by corresponding documentation.

Management documents its existing farmland portfolio and prospective acquisition opportunities, supporting informed financial decision-making and strategic capital allocation to enhance land quality and achieve Grade A appraisal standards. Cottonwood's Responsible Investment Committee meets regularly.

Cottonwood invests in projects related to natural resource conservation. Sustainability goals and progress are documented to support long-term sustainability and responsible management of its agricultural assets. Historic capital expenditures are documented, and are often related to conservation or investments in site infrastructure.

Cottonwood provided an excel spreadsheet called "Ag Sustainability Goals Progress" that logs their progress toward sustainability goals. Goals and progress include site improvements, such as irrigation system and bin upgrades.

Cottonwood's Managing Director maintains a Leading Harvest requirement matrix. The excel document supports their internal reviews and external audits by identifying supporting documents and conformance activities.

Conformance Evidence:

Ag Sustainability Goals Progress
 Responsible Investment Policy
 ArcGIS Sustainability Plan Story Map
 Leading Harvest Implementation Overview
 Budgeted Cap Ex Projects
 Responsible Investment Committee Meetings

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	

Cottonwood Ag's managers keep a log of each site visit that lists property name, region, inspector, date of inspections, and inspection highlights.

Cottonwood's Risk Management Policy describes Cottonwood's risk assessment processes and risk scoring.

The policy is shared annually with all Cottonwood Ag Partners and Cottonwood staff. Cottonwood's Responsible Investment Committee meets monthly to review progress towards achieving agricultural sustainability goals.

Cottonwood provided lists of risks that were identified related to agricultural properties in 2025 and 2026, along with mitigation controls and assigned staff.

Conformance Evidence:

Property Inspection Log
 Risk Management Policy
 Annual Responsible Investment Policy
 Quarterly Responsible Investment Committee Meeting
 Ag Risk Goals

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	

Cottonwood's lease agreements require minimum fertilizer application requirements based on the crops being planted, ensuring consistent nutrient management across all farms.

Tenants interviewed conduct soil testing on a structured three-year rotation, evaluating approximately one-third of the acreage annually using 2.5 to 5-acre grid sampling. Tenants work closely with experienced third-party consultants who provide soil analysis and nutrient recommendations and support informed decision-making.

Cottonwood often collaborates with tenants after property acquisition to share initial soil sampling costs to establish a baseline understanding regarding soil composition and fertility. A description of this program was provided for auditor review.

Tenants interviewed maintain an ongoing partnership with crop consultants. Consultants conduct weekly field scouting and provide detailed reports that include recommendations for fertilizer application and crop inputs. Tenants prioritize efficiency in response to rising fertilizer costs by applying only the necessary inputs in alignment with consultant prescriptions.

Tenants maintain application records using Excel or farm management software. Additional documentation may be retained by crop consultants. Management also conducts water testing in regions with known salinity concerns, such as Arkansas, to monitor and mitigate potential risks to crop production.

Cottonwood's Cap Ex Project List details improvements to increase input efficiency and mitigate potential for runoff, including grass waterways, tile work, drainage improvements, cover crop trials, and pivot upgrades.

Tenants interviewed incorporate crop residue back into the soil and utilize cover crops such as wheat, rape, and cereal rye. They implement no-till or minimum-till practices to reduce soil disturbance and preserve soil structure.

Tenants use specialized equipment such as chopping heads or crop stalk pullers during disking to minimize field passes and improve efficiency while retaining crop residues. Tillage practices are tailored to individual field conditions, reflecting tenants' knowledge of soil types and commitment to applying the most appropriate land management techniques.

Conformance Evidence:

Lease agreement
Soil Sampling Cost Sharing Overview
Cap Ex Project List
Land Application Records and Analysis

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	

Tenants have implemented enhanced field management practices focused on erosion control and input efficiency through the use of GPS-enabled mapping and precision application technology. Fields are mapped and integrated with equipment systems to ensure accurate input placement and consistent coverage.

Sites visited have turnrows planted with grasses, such as Bermuda and Johnson grass, to stabilize soil and reduce erosion.

Tenants interviewed utilize cover crops and varied tillage practices to mitigate soil compaction and promote overall soil health.

Site visited during this surveillance audit has been in continuous production since the 1950s and is scheduled for further improvements. Capital expenditure budgets and a historic list of investments were provided for auditor review.

Cottonwood produced plans for a land leveling project during the site visit. Cottonwood management has coordinated with the tenant to temporarily reduce cash rent while shifting production from corn and soybeans to wheat. This initiative is expected to further enhance field conditions and reduce erosion across the property.

Conformance Evidence:

Cap Ex Project List
Budgeted Cap Ex
Ag Sustainability Goal Progress

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	

Tenants interviewed utilize irrigation monitoring systems with soil moisture probes installed at multiple depths, and flow meters to optimize water application based on real-time field conditions. Cottonwood operations incorporate tailwater recovery systems to capture and reuse runoff. Water use is further supported by digital tracking through mobile applications and the implementation of variable-rate irrigation to apply water only as needed.

Cottonwood management supports these practices by hosting irrigation-focused training events, maintaining internal technical expertise, and encouraging participation in regional water conservation initiatives.

Strategic infrastructure improvements across the portfolio are documented within Cottonwood's ArcGIS Sustainability Plan Story Map. Improvements include precision land leveling on over 45,000 acres in the Delta and targeted tile drainage on approximately 19,000 acres in the Midwest.

Cottonwood documents additional investments in upgraded pivot irrigation technology, including automated pump controls, and advanced system components that contribute to measurable gains in water efficiency within their Cap Ex Project List.

Water quality and risk mitigation are addressed through regular well testing in vulnerable areas, with results tracked and maintained within a centralized GIS system. Collectively, these efforts support a comprehensive approach to improving water use efficiency, conservation, and long-term agricultural sustainability.

Conformance Evidence:

Water Permit Records
ArcGIS Sustainability Plan Story Map
Cap Ex Project List



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	

Cottonwood leases require the adoption of Integrated Pest Management (IPM) practices, which support the overall reduction of inputs used on sites and mitigate potentially negative impacts to water quality. Leases also require tenants who conduct their own sprays to maintain valid pesticide applicator licenses and document expiration dates. Information used to support application determination was shared with the auditor during site visits.

Cottonwood conducts training on Spill Prevention, Control, and Countermeasures Training (SPCC) and the applicable regulations.

Tenants interviewed collaborate closely with crop consultants who conduct weekly field scouting and provide detailed reports on weed pressure, insect activity, and soil moisture conditions to guide precise input decisions. Chemical applications are primarily performed using ground rigs, with aerial application utilized when field conditions limit equipment access.

Cottonwood provided summaries for each county in Arkansas where they have properties. Summaries include consideration for regulatory, water quality, policy, and transfer requirement risks and document the relevant water authority and reporting requirements.

Cottonwood has implemented conservation and water management practices to reduce soil erosion and improve resource efficiency. These efforts include the installation of grassed waterways, flumes, and drop pipes, along with precision land leveling across approximately 45,000 acres in the Delta region.

Irrigation efficiency is supported by advanced infrastructure upgrades, including improved sprinkler packages, GPS-enabled end gun shutoffs, digital control panels, and automated pump systems, resulting in significant water savings and more precise application. Tenants also utilize GPS technology to ensure inputs are applied strictly within field boundaries, while maintaining buffer zones adjacent to CRP land to protect environmentally sensitive areas.

Conformance Evidence:

Monthly Inspections
Lease agreements
Land Application Analysis
County Water Summaries
SPCC Training PowerPoint
Cap Ex Project List

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	

Tenants implement a structured, consultant-led approach to pest management, working closely with experienced crop advisors to monitor pest pressures, evaluate treatment thresholds, and guide application decisions based on regional expertise. Lease agreements require tenants to apply IPM practices.

Wildlife pests, including deer and hogs, are managed through appropriate permitting and population control measures as needed.

Chemical applications are limited to recommended products and rates, with strict adherence to label requirements related to timing, temperature, wind, and moisture conditions to ensure safe and effective use.

Crop consultants provide regular scouting reports and detailed application instructions to support precise and efficient treatment decisions.

Applications are thoroughly documented through spreadsheets or farm management systems, and applicators maintain required licenses and continuing education to ensure ongoing regulatory compliance and adherence to best management practices.

Property inspections conducted by Cottonwood management are maintained in a central log. The property name, region, inspector, date of inspection, and inspection highlights are included. Inspection highlights include remarks on recent applications when relevant.

Conformance Evidence:

Lease agreements
Property Inspections



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	

Tenants interviewed apply chemicals themselves when utilizing ground rigs. For aerial applications, tenants will hire licensed pilots who are certified in both aviation and chemical application. Leases require appropriate licensure and regulatory compliance.

Tenants will triple rinse and properly store empty totes, which are then picked up by recyclers or returned to input vendors for potential credit.

Property managers inspect properties three times a year. Frequent property inspections support Cottonwood’s ability to provide appropriate oversight.

Conformance Evidence:

Lease agreements Property Inspections
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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	

Cottonwood documents their commitment to energy efficiency and resource optimization through multiple operational initiatives. The ArcGIS Sustainability Plan Story Map describes energy conservation projects, including the conversion of irrigation wells from diesel to electric power.

Cottonwood has updated grain bins to include monitoring systems across several storage facilities to optimize fan usage and reduce associated propane consumption.

Cottonwood supports renewable energy efforts by maintaining wind turbine lease agreements across multiple farm properties and exploring additional leasing opportunities.

Tenants interviewed track energy and fuel usage related to irrigation systems and machinery and equipment usage. Tenants interviewed utilizes advanced irrigation management systems to monitor and manage water usage more efficiently.

Cottonwood's ArcGIS Sustainability Plan Story Map describes site improvements that have contributed to significant energy usage reductions. Examples include land-leveling, automation, and precision technology. Completed projects are documented in the Cap Ex Project List.

Conformance Evidence:

Cap Ex Project List
ArcGIS Sustainability Plan Story Map

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	

Tenants interviewed use modern equipment integrated with management software to track equipment location, idle time, and field passes, supporting improved operational efficiency and oversight. Descriptions of air quality control practices are outlined in Cottonwood’s Leading Harvest Implementation Overview.

Staff receive training prior to each major season to ensure proper and effective use of equipment.

Properties visited have not experienced issues with airborne dust. Established tree lines minimize dust-related concerns.

Cottonwood provided estimates for GHG emission reductions related to completed projects in their ArcGIS Sustainability Plan Story Map.

Conformance Evidence:

Leading Harvest Implementation Overview
ArcGIS Sustainability Plan Story 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	

Tenants interviewed maintain equipment maintenance schedules and detailed records for each unit, with machinery that uses diesel exhaust fluid (DEF), GPS, and autopilot technology to enhance precision and performance.

Advanced irrigation technologies, including upgraded pivot systems, GPS-enabled end-gun shutoffs, digital controls, and automated pump systems, contribute to significant water savings, with management estimating approximately 9 million gallons conserved per pivot annually. In rice-producing regions, row rice practices are utilized on approximately 66% of suitable acreage, reducing water usage by an estimated 30% compared to traditional methods.

Cottonwood's ArcGIS Sustainability Plan Story Map includes estimates regarding fuel savings and GHG reductions related to completed improvement projects. Cottonwood has completed land-leveling projects and converted to long rows to reduce equipment turns and fuel usage in the Delta.

Cottonwood supports sustainability and education through initiatives such as climate seminars, regenerative agriculture tours, and tenant-led research trials, alongside financial support for sustainability efforts and cover crop adoption.

Tenants interviewed have participated in seed research trials and have adopted technology such as growth regulators to improve crop performance and resilience. Operational decisions, including planting, spraying, and harvesting, are adjusted based on weather conditions. Applicators evaluate environmental factors such as wind, temperature, and inversion risk to ensure safe and effective use.

Conformance Evidence:

ArcGIS Sustainability Plan Story Map

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	

Tenants interviewed demonstrate waste management and appropriate materials handling through structured recycling and storage processes. Used oil is collected in totes and removed by recyclers once full. Solid waste is managed through designated dumpsters. Agricultural materials such as polypipe and scrap metal are recycled or repurposed.

Tenants only purchase inputs as needed and minimize on-site chemical storage. Any unused chemicals are securely stored by vendors for future use. Used plastic totes are triple-rinsed and disposed of through local recycling programs.

Leases prohibit tenants from dumping waste or committing waste to leased properties. Frequent property inspections are documented by Cottonwood management.

Conformance Evidence:

Lease agreements
Property Inspections

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	

Tenants interviewed routinely adjust combine settings during harvest to minimize crop loss. Following harvest, tenants deliver the majority of harvested crops to the river for transport via barge, maintaining only minimal on-farm storage.

Cottonwood has invested in grain bin repairs and the installation of monitoring sensors to protect stored grain quality. Site visited had grain bins under construction. Improvements are documented in Cottonwood's Cap Ex Project List.

Lease agreements prohibit the removal of forage or crop residues and restrict burning activities without prior written consent from the property owner, with compliance monitored through property manager inspections conducted three times annually.

Tenants interviewed utilize chicken litter as a nutrient source. Litter is tested to ensure appropriate and agronomically sound application rates and safety.

Conformance Evidence:

Grain Bin Photos
Cap Ex Project List
Lease agreements

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	

Cottonwood’s use of ArcGIS supports their ability to implement, advance, and document biodiversity initiatives across its portfolio. A recently completed biodiversity project was highlighted in their inaugural tenant newsletter to encourage tenant engagement and input on potential biodiversity projects.

Cottonwood’s Sustainability Plan Story Map includes descriptions of biodiversity projects, including the establishment of a wildlife corridor.

Cottonwood’s Senior ArcGIS Specialist provided a demonstration of Cottonwood’s use of the ArcGIS system. Cottonwood uses ArcGIS during acquisition and ongoing management. Layers are built into the system and used to identify potential species at risk and their habitats. Layers used include information from the United States Fish and Wildlife Service (USFWS), Department of Natural Resources (DNR), Threatened & Endangered species, critical habitats, and other appropriate resources relevant to their regions.

Property Managers, Investment Committee members, and relevant management staff have access to information retained in ArcGIS, including wildlife and pollinator habitats and projects related to Leading Harvest implementation.

Conformance Evidence:

Tenant Newsletter
ArcGIS Sustainability Story Map
ArcGIS System

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	

Across its portfolio, Cottonwood reports approximately 30,000 acres of non-tillable land in its Sustainability Plan Story map that support native habitats and natural ecosystems.

Management utilizes an ArcGIS system to identify and monitor environmentally sensitive areas, including wetlands and forested regions, with updates automatically incorporated as new data becomes available. Tenants are notified of relevant site considerations as needed.

In addition, tenants participate in conservation programs administered by the Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA), including Environmental Quality Incentives Program (EQIP) and Conservation Reserve Program (CRP) initiatives, supporting broader stewardship and sustainability objectives.

Cottonwood's Responsible Investment Policy includes their commitment to manage farmland in a manner that maintains agricultural production while conserving biological diversity.

Conformance Evidence:

Responsible Investment Policy
ArcGIS Sustainability Plan Story Map
ArcGIS System

7. CONSERVATION OF BIODIVERSITY

7.3: Avoided Conversion

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

Cottonwood provided an updated Responsible Investment Policy, which contains their commitment to zero-deforestation. The commitment contains definitions that align with Leading Harvest's U.S. Glossary for natural forests and deforestation and an appropriate cutoff date.

Cottonwood has implemented a structured due diligence checklist that clearly defines relevant subject areas, associated tasks, descriptive details, and due diligence objectives, while also identifying both primary task leads and supporting contributors.

Cottonwood has committed to avoiding the acquisition of any land previously classified as natural forest that has undergone deforestation since 2014, reinforcing its focus on responsible land stewardship and sustainable investment practices.

Cottonwood's ArcGIS system used during due diligence includes layers that support responsible land acquisition. Layers include United States Forest Service Services types, cropland information from the United States Department of Agriculture (USDA), Critical Habitats, and Threatened & Endangered Species.

Conformance Evidence:

Responsible Investment Policy
Due Diligence Checklist
ArcGIS System/Maps



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	

Tenants interviewed practice crop rotations on their farms. Rotations include corn, soybeans, wheat, cotton, and rice. Crop rotations vary based on soil conditions and market volatility.

Crops planted and their conditions are documented by Cottonwood staff within Cottonwood's Property Inspection log.

Conformance Evidence:

Tenant interviews
Property Inspections

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	

Cottonwood incorporates the verification of special sites as part of its Due Diligence checklist, with the ArcGIS specialist serving as the lead responsible for this process.

Sites visited did not have special sites. All supporting documentation is maintained within the ArcGIS system, which includes UNESCO World Heritage Sites and U.S. Historic Site layers to support acquisition due diligence.

Cottonwood’s Responsible Investment Policy states its commitment to manage farms with geologically or culturally important aspects in a manner that considers its unique qualities.

Conformance Evidence:

Responsible Investment Policy Due Diligence Checklist ArcGIS System Overview
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LOCAL COMMUNITIES

9.1: Economic Well-Being

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

Cottonwood’s Leading Harvest Implementation Overview states they are in compliance with applicable tax requirements; filings are subject to review by external advisors.

Capital expenditure projects are generally contracted with local vendors.

Cottonwood has historically engaged college interns as part of its staffing practices. Some interns have been hired into full-time positions.

Employees are geographically distributed across regions in which Cottonwood operates.

Tenants purchase most of the inputs and variable costs from local vendors within the community to contribute to local economies.

Conformance Evidence:

Local Employee List List of Taxes Paid Leading Harvest Implementation Overview



9. LOCAL COMMUNITIES

9.2: Community Relations

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

Cottonwood maintains an internally administered college scholarship program available to employees and eligible tenant family members, including children and grandchildren. Annual disbursements approximate \$25,000.

Cottonwood has facilitated multiple grain bin safety and rescue training sessions for tenants and members of the surrounding communities.

Tenants interviewed are actively involved in local boards and community organizations, demonstrating strong engagement within the communities they operate in.

Conformance Evidence:

Scholarship Program
Grain Bin Safety Rescue Training

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	

Cottonwood demonstrates a commitment to supporting the economic viability and overall well-being of rural communities through the creation of employment opportunities, implementation of local procurement practices, and ongoing community contributions.

Cottonwood's Responsible Investment Policy states their commitment to prioritize community health and safety while respecting land and resource rights of local communities and Indigenous Peoples.

As part of its due diligence process, Cottonwood conducts thorough reviews of title documentation to verify land ownership and identify potential community concerns.

Cottonwood management is accessible through its website, which features a publicly available contact inquiry form for external stakeholders.

Conformance Evidence:

Responsible Investment Policy
Due Diligence Checklist
Company 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

Lease documentation for Cottonwood includes provisions requiring tenants to implement regionally appropriate best management practices to support occupational health and safety.

Cottonwood's ArcGIS Overview describes safety practices implemented in this year's site visit region.

Cottonwood has purchased two grain bin safety tubes stored on one of their managed properties. Cottonwood has hosted grain bin safety events for local communities, and invited neighboring farms to participate. Availability of these safety tubes was shared with the local community. Providing education and availability of these investments can provide timely and life-saving resources.

Conformance Evidence:

Lease agreements
ArcGIS Sustainability Plan Story Map
Grain Bin Safety Rescue Training

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

Cottonwood's Employee Handbook affirms that the organization is an equal opportunity employer in compliance with applicable federal and state laws, consistent with constitutional provisions.

Cottonwood's Employee Handbook outlines the company's commitment to principles established by the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. It includes an equal employment opportunity policy, prohibiting discrimination based on race, religion, color, sex (including same sex), national origin, citizenship status, uniformed service member status, pregnancy, childbirth and related medical conditions, age, genetic information, disability or handicap, or any other status protected under applicable laws.

Cottonwood conducts annual respectful workplace training to promote a culture of inclusion, respect, and compliance across the organization.

Equal Opportunity practices are extended and notated to applicants who apply to Cottonwood's scholarship program.

Cottonwood has a strong safety culture which is evident in supporting policies, community contributions, inspection schedules, and enhanced safety features for property infrastructure, such as grain bin safety features.

Conformance Evidence:

Employee Handbook
Scholarship Application
ArcGIS Overview Sustainability Plan
Lease agreements

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	

Cottonwood's Employee Handbook was reviewed and indicates the existence of a workplace safety program. The handbook states that workplace safety is established as a priority for employees, visitors, and tenants.

Tenants are expected to demonstrate a commitment to operating safely and responsibly, maintain a safe working environment, and comply with all applicable federal, state, and local laws, statutes, and regulations as requirements of the lease.

Tenants interviewed conduct regular trainings throughout the growing season, including frequent tailgate trainings aligned with seasonal activities.

Conformance Evidence:

Employee Handbook
Farm Leases

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	

Cottonwood maintains a Responsible Investment Policy that is accessible to all members of the organization and distributed annually.

Cottonwood has assigned specific responsibilities to staff to support compliance with LHS FMS standards, supported by a formal review process to monitor adherence and ensure required procedures are consistently followed. A structured due diligence checklist supports accountability by outlining roles and expectations during due diligence.

Cottonwood's Employee Handbook describes professional development programs and supports continuous learning. Career development opportunities include a variety of methods such as temporary assignments across roles or projects, self-directed learning, participation in conferences, seminars, workshops, and industry associations, as well as enrollment in accredited academic or certification programs. These initiatives are designed to support both individual employee growth and overall organizational objectives.

Conformance Evidence:

Responsible Investment Policy
Due Diligence Checklist
Employee Handbook

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	

Cottonwood maintains a compensation structure that compensates employees and salaries at rates exceeding applicable minimum wage requirements. Cottonwood provides a benefits package to all employees.

Cottonwood performs annual employee performance evaluations and offers performance-based bonus opportunities across all levels of the organization.

Tenants interviewed use a mix of domestic and H2A labor and fulfill the requirements for each of the employee types.

Conformance Evidence:

Employee Benefits Overview

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	

Cottonwood tenants are required by lease language to demonstrate a commitment to operate safely and responsibly, provide a safe working environment and comply with applicable federal, state and local laws, statutes, and regulations.

Sites visited are not using farm labor contractor (FLC) labor.

Conformance Evidence:

Lease agreements

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	

Cottonwood maintains dedicated internal legal and human resources functions, led by a Chief Counsel and an HR Manager, respectively.

Cottonwood’s Employee Handbook provides accessible information relevant to legal compliance to management staff. Relevant policies, procedures, and supporting documentation are centrally housed and distributed through an internal ADP-hosted employee portal.

Tenants interviewed and Cottonwood management maintain required postings within their offices, such as Occupational Health and Safety Administration (OSHA) notices and posters, permits, licenses, and regulatory records to ensure these materials are readily accessible for employees and for review by inspectors.

Conformance Evidence:

Internal employee website (ADP) Screenshot Employee Handbook Farm Leases
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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	

Cottonwood’s Employee Handbook includes policies to address compliance with applicable social and labor laws and regulations. Policies address key areas including civil rights, equal employment opportunity, anti-discrimination and anti-harassment practices, workers’ compensation, fair wage standards, Indigenous Peoples’ rights, right-to-know provisions, prevailing wage requirements, workers’ rights to organize, and occupational health and safety.

In addition, tenants are required to display OSHA posters to ensure employees are informed of workplace rights and safety standards.

Cottonwood’s lease agreements further reinforce its commitment to responsible operations by upholding operators’ rights under the covenant of quiet enjoyment, in accordance with all applicable national, state, and local laws and regulations.

Conformance Evidence:

Employee Handbook
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	

Cottonwood’s Responsible Investment Committee conducts regular meetings where property management teams provide detailed progress updates on each property and project. Property inspection reviews are presented to the investment team.

Investment projects are further evaluated through a formal proposal process, where each project must be presented to investors and include key details such as project classification (Growth or Maintenance), capital requirements, developed acreage, and an overall project description.

Tenants operate under one-year lease agreements, establishing clear expectations for maintaining strong farm management practices, while long-term tenant retention demonstrates consistency and stewardship across properties.

Cottonwood collaborates with tenants to conduct trials on cover crops and emerging agricultural technologies, including tools such as Pattern Ag, to support continuous improvement and innovation.

Cottonwood conducts an annual review of its Leading Harvest Initiative to evaluate current performance, identify areas for improvement, and set objectives for the upcoming year. Progress toward these objectives is monitored through quarterly Responsible Investment Committee meetings, reinforcing accountability and ongoing performance management.

Conformance Evidence:

Investment Committee Meeting Progress Updates
Leading Harvest Implementation Overview
Property Inspections
Annual Sustainability Goal Progress
Employee Handbook
Cap Ex Project List

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	

Cottonwood has conducted trials with tenants related to cover crops and various agricultural technologies, including Pattern Ag. Pattern Ag is an ag-tech company that strives to provide analyses of soil biology to help farmers manage crop risks.

Cottonwood's Soil Sampling Cost Sharing program supports tenants' ability to make prescriptive management decisions.

Tenants interviewed participate in multiple research trials alongside local vendors and Mississippi State University, helping evaluate new practices, products, and technologies to improve overall farm performance.

Goals are maintained and updated year over year related to sustainability. Goals are tagged with the relevant LH FMS Objective(s) and have identified the personnel responsible for the project. Goals that were not completed in 2025 were rolled over when appropriate onto the 2026 progress tracker to show an ongoing commitment to completing goals.

Conformance Evidence:

Soil Sampling Cost Sharing Overview
Ag Sustainability Goal Progress

TENANT/LEASED OPERATIONS

13.1: Leased-Land Management

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

Cottonwood managers conduct property inspections at least three times per year. Inspections are documented in a Property Inspection Log that captures key details including the property name, region, inspector, inspection date, and a summary of findings.

Leases require tenants to implement and adhere to established best management practices and operate in alignment with Leading Harvest. Leases also require adoption of generally accepted agricultural practices. Tenants are obligated to maintain safe and responsible operations by providing a safe working environment and adhering to all applicable federal, state, and local laws, regulations, and statutes.

Cottonwood provided a copy of the first edition of their annual Tenant Newsletter. In this newsletter, Cottonwood provided a reminder of available tenant resources, including their scholarship program which is available to family members of tenants as well as employees,. The newsletter also introduced new Cottonwood Managers who tenants may be interacting with and briefly described the benefits of a recently completed biodiversity project. The project was completed in collaboration with the Florida Fish and Wildlife Conservation Commission to improve non-farmed wildlife areas.

Conformance Evidence:

Property Inspections
Tenant Newsletter
Lease agreements

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 13.2.12	

Cottonwood managers conduct property inspections three times annually and holds annual meetings with tenants to maintain strong oversight and engagement.

Cottonwood provides periodic safety training to support the ongoing development of employee knowledge and competency.

Tenants interviewed operate under one-year lease agreements, which establish clear expectations for maintaining high-quality farm management practices. Tenants have long-term continuity managing the same properties despite annual renewals.

Property Managers provide regular feedback to guide and inform capital expenditure decisions for the upcoming year.

Cottonwood's Responsible Investment Policy includes a commitment to promote the application of agricultural BMPs on tenant operated sites.

Conformance Evidence:

Property Inspection Log
Tenant Newsletter
Responsible Investment Policy