SCOPE

This Policy document sets out the Responsible Investing Policy relating to Bonnefield Agribusiness Fund LP I ("BAF"). The assets in scope include all assets held within the fund.

CONTEXT

Bonnefield Financial ("Bonnefield") is committed to supporting Canadian agricultural operators to achieve and maintain sustainable and successful operations. Specifically, BAF serves to provide flexible financing solutions that support the growth of Canadian agribusinesses while providing investors with attractive risk adjusted returns.

Bonnefield is guided by five core principles: integrity, collegiality, innovation, high quality, and leadership. These core values and Bonnefield's goals drive our focus on responsible investing and underpin our ESG principles and priorities.

Throughout the farmland and agribusiness investment processes, Bonnefield considers several ESG factors to identify material risks and opportunities, which is guided by recognized ESG frameworks including the Taskforce on Climate-related Financial Disclosure and the Sustainability Accounting Standards Board. While various ESG factors hold varying significance across different business types, geographies, and sub-sectors, Bonnefield has identified climate change, labour practices, and strong governance, as core ESG considerations applicable to all investments. Other ESG factors are evaluated based on their potential impact on long-term investment performance.

ROLES AND RESPONSIBILITIES

Adherence with this Policy is the responsibility of Bonnefield's Agribusiness Fund Investment Committee ("IC"). The IC is further responsible for ensuring the Investment Team incorporates material ESG factors into its investment decision-making processes. The Investment Team has the responsibility of incorporating and monitoring ESG considerations throughout the investment process from sourcing and diligence through asset management and exit. The Investment Committee has the ultimate responsibility for ensuring the RI Policy is adhered to by the Investment Team.

The Policy has been approved by the BAF IC and is the responsibility of the Bonnefield Partner responsible for BAF. The Policy will be reviewed and updated periodically.

INTEGRATION OF ESG INVESTMENT PRINCIPLES

In 2023, Bonnefield launched its agribusiness strategy that supports leading Canadian food and agribusiness operators by providing non-controlling capital for growth and expansion through flexible financing solutions, structured primarily as equity, subordinated debt, or asset sale leasebacks.

Bonnefield has integrated a thorough ESG assessment of each business in its investment process. Bonnefield is of the belief that sound ESG management practices drives long-term value for our investors. BAF incorporates ESG Investment Principles into its responsible investing approach, that ensures alignment with the fund's investment mandate. We believe that ESG Investment Principles serve two core purposes –first, they help to mitigate risks and maximize opportunities by ensuring various ESG factors are considered along with their potential impact on investment performance. Second, they promote the sustainability of our investments and uphold our core values across our investments.

Bonnefield has developed a proprietary ESG Scorecard to identify and assess sustainability-related risks and opportunities that has been informed by the Sustainability Accounting Standards Board guidance on Food and Beverage industries. This approach enables us to quantify risks through relevant industry standards, and ensure that risk mitigation measures are addressed, prior to financial close. The completed ESG scorecard is included in our deal packages presented to our investment committee to ensure that investment decisions consider the relevant sustainability risks and opportunities.

ESG INVESTMENT PRINCIPLES

Bonnefield believes the incorporation of responsible investing principles leads to better investment outcomes, and better outcomes for its stakeholders. Bonnefield has identified the following key ESG Investment Principles to guide our responsible investing approach:

1. For all investments, we will identify and assess various environmental, social, and governance factors that we believe may have a material financial impact on the investment performance. This may include monitoring of GHG emissions across its investments with a view to long-term global reductions of GHG emissions.
2. As a minority shareholder, Bonnefield maintains an active ownership role and as appropriate, will work with its Companies to develop and implement appropriate ESG issues into ownership policies and practices.
3. We align our ESG principles to a long-term investment horizon.
4. Bonnefield seeks appropriate disclosure on ESG issues by the entities with which it invests.
5. Bonnefield works with our entities with which it invests to enhance effectiveness in implementing responsible investing practices, as appropriate.
6. Bonnefield will report on our activities and progress of our ESG activities to investors.
7. Our principles are reviewed regularly and may change to align with advancements in science and approaches to ESG best practices.

IMPLEMENTATION AND MONITORING

Bonnefield has developed a proprietary ESG Scorecard to identify and assess sustainability-related risks and opportunities that has been informed by the Sustainability Accounting Standards Board guidance on Food and Beverage industries. This approach enables us to quantify risks through relevant industry standards, and ensure that risk mitigation measures are addressed, prior to financial close. The completed ESG scorecard is included in our deal packages presented to our investment committee to ensure that investment decisions consider the relevant sustainability risks and opportunities.

Following investment, the IM team will provide annual reporting on material ESG factors deemed to have a potential meaningful impact on financial performance.