

Fiera Comox
Global Agriculture Fund

2023

Sustainable Investment Report



Fiera Comox Partners

Fiera Comox Partners Inc. (Fiera Comox) is a global investment manager that manages private investment strategies in agriculture, timberland, private equity, and private credit. As of June 30, 2023, Fiera Comox had more than US\$2.5 billion in assets under management (AUM) and completed 88 investments across eight countries in private assets globally.

ESTABLISHED IN 2016, FIERA COMOX IS JOINTLY OWNED BY FIERA CAPITAL CORPORATION AND THE PARTNERS OF FIERA COMOX. THE FIRM AIMS TO DELIVER ATTRACTIVE LONG-TERM RETURNS TO ITS INVESTORS WHILE PRESERVING CAPITAL AND INVESTING RESPONSIBLY.

For more information, visit
fieracomox.com

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and Partner of Agriculture
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About This Report

This is Fiera Comox's second annual Sustainable Investment Report for its Global Agriculture Fund.

It provides an overview of our Global Agriculture Fund's sustainable investment strategy and initiatives, including progress and investment activities as of June 30, 2023. All financial figures are in USD unless otherwise noted.

We value and welcome feedback from all interested stakeholders. Please send comments or questions about this report to:

info@fieracomox.com

Message From Our CEO

At Fiera Comox, we are partnering with farmers to build a more resilient future in agriculture.

As the world's population grows, farmers have made tremendous progress in producing food more efficiently, contributing to global food security. However, continued evolution of farm practices is required as we face new and evolving challenges due to climate change and a growing population. Investing in the people, communities, and technology required to meet those challenges will be key to building a resilient food and fibre system for the long term.

Within our farm partnerships, we have seen first-hand that when agricultural operations are sustainably managed with a focus on long-term capital preservation and value creation, they can significantly mitigate the volatility of climate-induced risks, preserve and restore critical habitats, and improve soil health and water quality. The result: improved yields, reduced costs, and ultimately, strengthened resilience of farms.

Sustainable farming practices and partnerships are important parts of our value creation

Sustainable farming practices can be transformative, but they require investment, time, and partnership – and this is where Fiera Comox has a competitive advantage. Our Global Agriculture Fund invests in the future of farming by taking a long-term investment approach. We partner with our farmers, combining our expertise and financial capital with their years of experience, to implement sustainable strategies and technologies across all facets of their businesses. By doing so, we help build the resilience of our farm partners to withstand the challenges of climate change, which, in turn, fuels strong economic performance.

Our investments have allowed us to expand our assets significantly over the past six years. In 2017, we launched our Global Agriculture Fund with capital commitments of \$150 million and closed on our first investment in the first quarter of 2018. As of June 30, 2023, we have nine farm partnerships¹ and over \$1.4 billion in AUM.

Looking Ahead

Beyond sustainable farming techniques, we are also working with our farm partners to adopt industry-leading environmental, social, and governance (ESG) practices. Together, we are implementing a measurement framework to monitor key metrics and track ESG performance over time. This will help us identify best practices, drive future decisions, and, we believe, improve outcomes.

To succeed, we need the best people on our team. In October 2022, Jeff Zweig joined as Partner, Vice Chair, and Head of Natural Capital. Jeff is an international leader in the natural resources sector, bringing deep operating and commercial experience, and a strong focus on ESG across a range of commodities and geographies. We are thrilled to have him join us and support our mission.

With the expertise of our farm partners, the experience of our growing Fiera Comox team, and the continued commitment of our investors, we are well equipped to do our part in building a more sustainable food and fibre system.

Antoine Bisson-McLernon
Partner and CEO



¹ The Australian citrus partnership, our ninth partnership, is pending regulatory approval. We anticipate closing on this investment in late 2023.

Message from Our Head of Natural Capital and Partner of Agriculture

While the strength of our portfolio lies in its broad diversity, our Global Agriculture Fund benefits from the combined expertise of top-tier farmers and investors with a sustainability focus.

Whether they produce cherries in California or wheat in Australia, our partners have decades – and in many cases, generations – of experience farming their land. And, like us, they want to ensure the continued productivity and legacy of their farming business for generations to come.

We listen to the challenges facing our farmers and support them in transitioning to sustainable practices that will help maximize outcomes. As part of our Sustainable Investment Framework, we systematically review and monitor key ESG focus areas that we consider critical to sustainable farming (see page 12) throughout the life cycle of our investments. With our farm partners, we help them manage and mitigate risks in these areas by developing asset-specific plans that categorize and prioritize key ESG initiatives over short-, medium-, and long-term horizons. This could include helping them prepare for different growing seasons as temperatures rise, ensuring that proper infrastructure is in place to transform historic rainfalls from a threat to an opportunity, or building strategies to increase production of renewable energy. We see such initiatives not as a cost, but as key to creating long-term sustainable value – value that we share with our farm partners.

As the examples in this report illustrate, our partnership-based model is producing positive results. Many of our farm partners are using fewer resources to produce more crops at higher quality, time-to-market is decreasing in some instances, and profitability is growing. And we believe this is only the beginning. By coming together with our network of farmers, we can share best practices and learn from each other, which allows us to continue to evolve.

As we look back on the past year, we would like to thank our farm partners for their trust and collaboration and for committing to our mission. We are walking down this path together towards a future of sustainable farming and prosperity for our business, employees, communities, and families. We couldn't be prouder of what we have accomplished and look forward to many more years of growth.

Jeff Zweig
Partner, Vice Chair, and
Head of Natural Capital

Matthew Corbett
Partner, Agriculture



Who We Are

Fiera Comox is a joint venture between Fiera Capital Corporation (TSX: FSZ), a publicly listed leading investment management firm, and Comox Equity Partners Inc.

Headquartered in Montreal, Canada, Fiera Comox is a global investment manager that provides long-term returns through four distinct global private investment strategies: agriculture, timberland, private equity, and private credit, with over \$2.5 billion in assets under management.²

Our agriculture strategy is focused on the developed world, with investments currently in the United States, Australia, New Zealand, and Western Europe. It is focused on building a globally diversified portfolio of high-quality agricultural assets, mainly farmland, through partnerships with farmers. Our investment team is composed of seasoned investment professionals with diverse and complementary expertise who have acquired more than five million acres of agricultural land and timberland globally over their investment careers.

We collaborate with farm partners to sustainably produce food and fibre across our global platform.

² As of June 30, 2023.

How We Operate

We believe in long-term investments and partnering with farmers in ways that support sustainable agricultural practices and land stewardship.

Through our own-and-operate approach, we aim to bring together farming expertise and corporate business experience to create a more resilient agricultural business. We carefully select farm partners who share our core values and commitment to high ethical standards. Our farm partners are equity owners and work hand in hand with our team to implement low-risk land improvement and development initiatives. This includes investing in on-farm technologies and infrastructure that mitigate yield volatility because of risks such as weather, maximize operational efficiencies, and improve the resiliency of our assets. In this way, we create value for our investors and farmers, and ultimately, the world through sustainable food production.

Many of our partners have been farming their land for generations. We complement their knowledge with investment capital and expertise in business growth and development. We also offer access to a network of other farm partners with whom to share best practices.

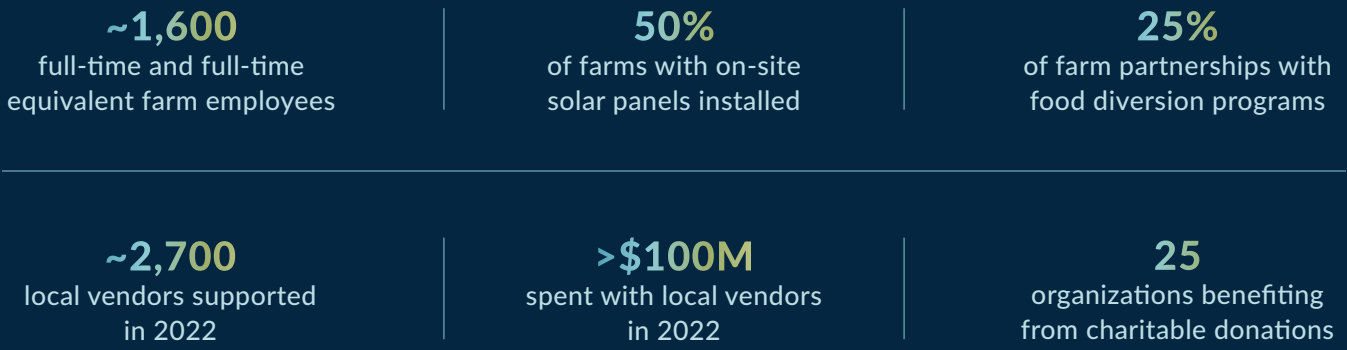
Operating Models in Agriculture

There are two main types of operating models for farmland – institutional model (own and lease), and own and operate model. The institutional model, in which an investor purchases a farm and leases it to the farmer, is the more common model. The own and operate model includes both corporate and partnership models. In the former, an investor purchases a farm and operates it with the farmer as an employee. Under the latter, an investor injects equity into a farming business, and together with the local farm owner shares in the process and reward of growing the business and creating long-term sustainable value – this is our approach at Fiera Comox.

UNLIKE CLOSED-END FUNDS, OUR OPEN-END AND PERPETUAL FUND STRUCTURE ALLOWS FOR A LONGER-TERM INVESTMENT WINDOW AND MINDSET THAT ALIGNS WITH OUR PARTNERS WHO HAVE BEEN FARMING FOR GENERATIONS.



By the Numbers³



³ As of June 30, 2023, unless otherwise stated.
⁴ Our ninth partnership, is pending regulatory approval. We anticipate closing on this investment in late 2023.

Where we operate



Washington Apples

Vertically integrated tree fruit farm

Apples / Cherries
United States (Washington)
3,600 acres; ~140M lbs of apples and ~2M lbs of cherries

California Almonds

Nut crop farm

Almonds
United States (California)
4,000 acres

California Cherries

Vertically integrated tree fruit farm

One of the largest cherry producers in the western United States
Cherries / Plums / Kiwis
United States (California)
2,600 acres; ~40M lbs of packed fruits

Vermont Maple Syrup

World's largest maple syrup producer

Maple Syrup
United States (Vermont)
18,000 acres; ~0.5M taps

Spain Tree Fruit

Vertically integrated tree fruit farm

First global GAP-certified farm in Spain
Apples / Cherries / Pears
Spain (Aragon)
840 acres; ~20M lbs of packed fruits

Australia Cotton

Institutional-grade cotton farm

Cotton / Grains
Australia (Queensland)
93,000 acres; ~40,000 bales/annum

New Zealand Dairy

Partnership in grass-fed dairy farm

Dairy
New Zealand (South Island)
11,000 acres; ~50M litres of milk

Australia Citrus

Vertically integrated citrus farm⁵

Citrus
Australia (New South Wales)
8,000 acres

Australia Row Crops

Sub regionally diversified row crop farm

Grains / Oilseeds / Pulses Australia (Victoria, South Australia, Western Australia, New South Wales)
195,000 acres, ~130,000 MT of cereals, ~38,000 MT of oilseeds, ~19,000 MT of legumes

The production volume is an average over a three-year period.
⁵ Partnership is pending regulatory approval and expected to close in late 2023.

Our Ambition

Integrate sustainable farming practices throughout the life cycle of our investments.

We have identified five ESG focus areas, as outlined below, that we consider critical to sustainable farming across our investments. These focus areas are systematically reviewed for each investment and included in our asset management and monitoring processes. Unique ESG factors and focus areas may arise based on individual investments, regions, and agricultural commodities. The investment and asset management processes also include an assessment and adoption of good governance practices, including sound management structures, adequate compensation programs, and tax compliance. As equity owners, we directly collaborate with farm partners to help them manage and mitigate risks in these areas and advance sustainable farming practices.

We collect ESG data from each of our farm assets to measure progress and performance on ESG initiatives and focus areas. In the past 12 months, we began a collaborative effort with our farm partners to develop a set of standardized key performance indicators (KPIs), which will promote consistency and good practices across our platform. We plan to further report progress on our ESG performance using the information collected on these KPIs in future reports. See page 35 for more information.



OUR AMBITION IS ALIGNED WITH SELECT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs). OUR GREATEST CONTRIBUTION IS TO SDG 2 ZERO HUNGER – THROUGH OUR SUPPORT OF SUSTAINABLE AND EFFICIENT FOOD PRODUCTION.

Our Ambition

Integrate sustainable farming practices throughout the life cycle of our investments.

CLIMATE CHANGE AND ENERGY USE



Reduce energy use and greenhouse gas (GHG) emissions by deploying climate-smart strategies that limit our contribution to climate change and increase our resilience to its impacts.

LAND AND WATER USE



Preserve land and water ecosystems through the responsible use of natural resources.

WASTE MANAGEMENT



Reduce the use of natural resources through innovative solutions that can minimize operational waste and decrease food loss.

INVESTING IN PEOPLE



Empower farmers to incorporate industry-leading talent management and health and safety practices to attract, develop, and retain highly skilled employees, and create diverse people-focused organizations.

COMMUNITY



Support the long-term sustainability of rural communities by engaging with stakeholders and investing in the local economy.



Investing in the Environment

Climate Change and Energy Use

We consider climate risk and climate change throughout the life cycle of our investments. We prioritize regions where climate risk is relatively lower for the production of a particular commodity.

Prior to making specific investments, we assess climate risk as well as the potential for changing risk. Risks we consider include unusual weather events, greater volatility of weather across the agricultural production cycle, increases in unusual heat or cold events, and imbalances between water demand and supply. We actively engage in projects and management techniques that seek to reduce negative volatility associated with weather and climate change.

Our Aspiration

Reduce energy use and GHG emissions by deploying climate-smart strategies that limit our contribution to climate change and increase our resilience to its impacts.

Why Is This Important?

Agriculture is a climate-focused industry, with both value creation and risk management inherently dependent on climate and weather. The world's growing population and increased food consumption require greater farm production. At the same time the amount of arable land is decreasing and volatile weather is increasing.

Climate-forced changes in temperature, atmospheric carbon dioxide (CO₂), ongoing drought or increased rainfall, and the frequency and intensity of extreme weather can pose a significant risk of decreased crop yields. Climate change also increases the risk of wildfires, which threaten farmlands. Temperature and precipitation changes are also expanding the occurrence and range of insects, weeds, and diseases. These negative impacts will increase the cost of producing foods, threatening global food security and the livelihood of farmers exposed to unsustainable production systems and depleted resources.

Energy management is crucial to achieving climate adaptation and resilience and can contribute to operational efficiency and cost reductions.

WITH MORE EXTREME WEATHER CONDITIONS THAN 10 OR 20 YEARS AGO, CLIMATE CHANGE IS CREATING CHALLENGES FOR FARMERS AND FORCING THEM TO ADAPT.

Key Areas of Importance:

- › CLIMATE ADAPTATION AND RESILIENCY
- › GHG MANAGEMENT
- › ENERGY MANAGEMENT

Our Approach

Based on our due diligence assessment, we work with our farm partners to manage both risks and opportunities posed by climate change. We are also building resilience within our portfolio by diversifying the types of assets and geographies in which we invest.

Addressing climate change at the asset level requires sophisticated solutions and collaboration. We leverage our farm partners' knowledge of their land and business alongside our own and third-party expertise to develop mitigation and adaptation solutions. This includes investing in farm infrastructure, technologies, and climate-smart agricultural practices proven to reduce crop vulnerability to climate-related impacts.

Within farm operations, we work with our partners to implement energy efficiency initiatives. Efforts include installing solar panels, purchasing high-efficiency vehicles and equipment that use less diesel and gasoline, and switching to LED lights in processing and packaging facilities.



IMPLEMENTATION OF CLIMATE-SMART STRATEGIES CAN REDUCE GHG EMISSIONS, BUILD RESILIENCE, AND SUPPORT LONG-TERM ASSET VALUE CREATION.



HIGHLIGHTS

2022-2023 Highlights

Conducted first climate scenario analysis

While we have always factored climate-related risks into our investment decisions, in 2022, we teamed up with an external adviser to develop in-depth modelling around different climate scenarios (various global raising temperatures and over different time periods) as part of our assessment of our new Australian citrus platform. We expect this effort to help us better understand how asset resilience may be impacted over time and by crop type.

Increased adoption of energy efficiency practices

Efficient use of energy is a priority for our farming operations. Our farm partners continue to adopt energy efficiency initiatives to reduce their overall energy consumption and invest in renewable energy.

In 2022, facing rising energy costs from the local coal-powered grid, our Queensland, Australia, cotton farm installed solar panels at high-use sites across the property. The panels are expected to produce approximately 160 megawatt hours of electricity per year – enough to power the sites where they were installed (houses, workshops, pump sites), and in many cases, displace electric generators (using hydrocarbons).

Created GHG emissions baseline

As a first step in our GHG data collection process, we developed GHG estimates for each of our assets. Moving forward, we will work with our farm partners to help them measure their GHG emissions and identify potential GHG emissions reduction pathways.

Increased use of shade cloths

Shade cloths are netting structures built over orchards like a tent that protect orchards from extreme weather conditions. In our orchards, those structures have helped increase humidity by 36%, reduce solar radiation by 30%, and lower air temperature by 3%. Shade cloth structures are now installed on more than 3,000 acres across three of our farming operations – up from 2,650 acres in 2021.



SPOTLIGHT

Sustainable Investing Spotlight

Case Study:

Record Rainfalls in California

Bring Challenges and Opportunities

In 2022, California broke records with heavy winter rains and record-breaking snow, which delivered seven more inches of water than in typical years⁶ and with large portions of the state receiving double their average precipitation. While the precipitation provided the region with abundant moisture for many years to come, it also caused extensive flooding and infrastructure damage on some farms.

Our farm partners in California are well acquainted with water challenges in the state, both managing in times of too little and too much of the resource. As a result, our partnerships have focused not only on how to implement strategies to be as efficient as possible in our use of water, but also to help ensure that they are able to manage excessive amounts. This includes investing in infrastructure and land management practices to allow for proper drainage and limit or prevent damage to crops.

Water is essential to successful food production, but excessive rainfall in a short period of time can cause significant challenges. However, if well-managed, it can create long-term opportunity instead.



SPOTLIGHT

Sustainable Investing Spotlight

Case Study: Building Climate Resiliency in Cherry Production

Cherry trees blossom and grow fruit only in climates that offer adequate chill hours (hours below seven degrees Celsius). To mitigate increasing temperatures that reduce the number of chill hours – and can potentially impair cherry production – our farm partner in California developed a patented infrastructure to induce trees into an earlier state of dormancy. This allowed the trees to collect chill hours earlier in the season, and during unseasonably warm periods, more accumulated chilling hours than orchards not covered by the technology. Orchard teams can then manipulate the infrastructure in the spring to bring trees out of dormancy earlier than they would naturally.

THIS POSITIONS OUR ORCHARDS TO PRODUCE CHERRIES IN ADVANCE OF OTHER GROWERS IN THE REGION AND CAN HELP US OBTAIN HIGHER YIELDS WHEN THE WEATHER IS CHALLENGING.



Investing in the Environment

Land and Water Use

As long-term owners and caretakers of our assets, we work with our farm partners to protect and responsibly manage land and ecosystems. This allows us to enhance the agricultural productivity of the land and use natural resources sustainably so future generations benefit from them as we do.

Why Is This Important?

The health of ecosystems directly correlates to the viability of farmland and productive yields.

Effective soil and water management can improve long-term farm productivity and viability, while water conservation can increase resilience and reduce reliance on external water supplies, supporting water quality and productivity. Ultimately, this can contribute to the productivity and profitability of farms and support appreciating land value – from both an economic and ecological perspective. In addition, sustainable farming practices can help conserve water, reduce GHG emissions and mitigate land degradation and biodiversity loss.

Our Aspiration

Preserve land and water ecosystems through the responsible use of natural resources.

Our Approach

Each farm is unique, and we work with our farm partners to make the most efficient use of their agricultural land by developing individualized nutrient and water management plans appropriate to their region and activities. Benefiting from our experience across our farm partnerships, we encourage the adoption of best practices and we help our farm partners analyze new farming methods that may help maximize production and conserve resources.

In addition, we generally avoid land conversion into agricultural use.

What are nutrient and water management plans?

Nutrient management plans are detailed documents on crop management, crop-available nutrients in the soil, and soil additives. These plans help ensure that inputs, such as fertilizers, are efficiently applied and optimally managed to achieve desired crop productivity and avoid mineral and vitamin loss by air and water.

Water management plans outline a farm's approach to water use and quality. The implementation of these plans can lead to more efficient water use, and as a result, reduced costs.

Examples of Best Practices That Increase Long-Term Farm Resilience and Productivity

▶ No-till Farming

Method for growing crops without disturbing the soil by digging, stirring, or overturning. It decreases soil erosion and helps increase the amount of water in the soil.

▶ Cover Crops

Plants that are planted to cover the soil rather than for the purpose of being harvested. They help manage soil erosion, fertility and quality, and increase microbial activity.

▶ Drip Irrigation

Micro-irrigation system that helps save water and nutrients by allowing water to drip slowly to the roots of plants and minimizes evaporation.

▶ Fallowing

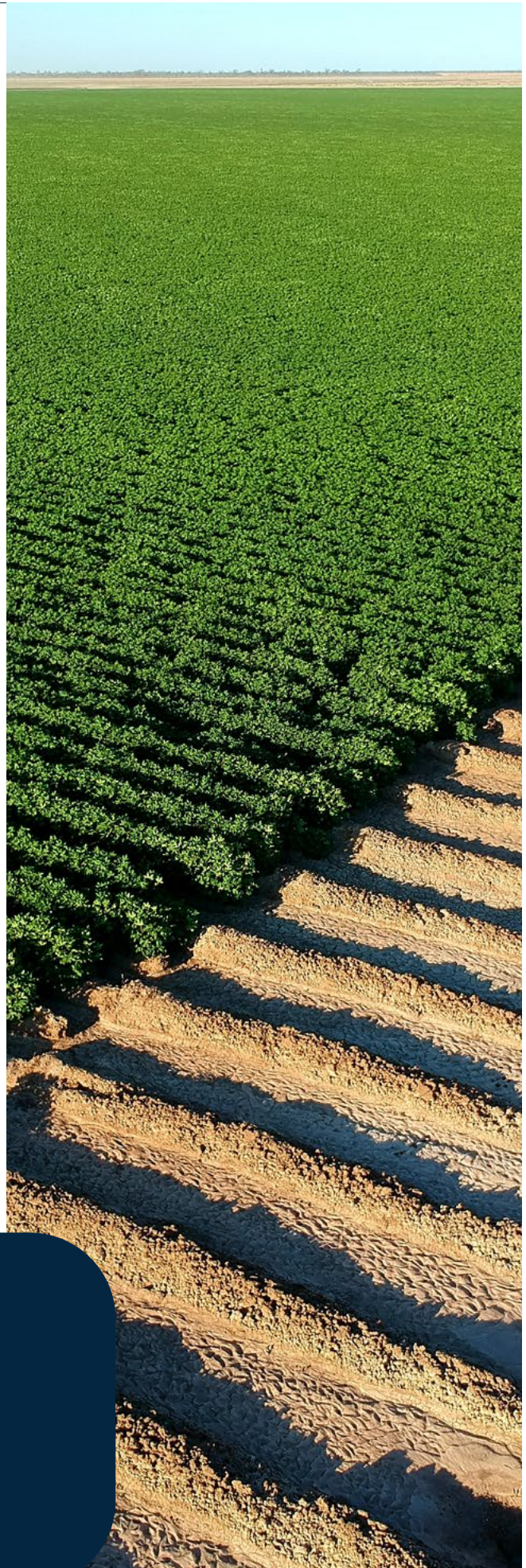
The practice of leaving a field bare for a period of time to restore soil health and structure.

▶ Precision Irrigation

Approach that allows the application of water and nutrients to the plant at the right time and place and in small, measured doses to provide it with optimal growing conditions.

▶ Rotational Farming

The practice of growing an alternating series of row crops in a field to promote stronger yields and healthier soils. Each crop type has its own unique nutrient requirement. By varying crops in production, rotational farming can reduce the pressure on the extraction of specific nutrients, replace essential nutrients like nitrogen back into the soil, and improve soil structure.



Key Areas of Importance:

- ▶ BIODIVERSITY AND ECOSYSTEM ENHANCEMENT
- ▶ SOIL MANAGEMENT
- ▶ WATER CONSERVATION AND QUALITY



SPOTLIGHT

Sustainable Investing Spotlight

Case Study:

Investing in Organic Cherry Production

For example, our California cherry business partnered with Fiera Comox in 2020 with a goal of expanding its organic cherry production. The expansion also involved the use of natural ground cover and cover crops to improve soil condition and water absorption by the trees. Today, the farm is one of the largest grower-shipper-packers of organic cherries in California's San Joaquin Valley.

When we enter a new partnership, we help our farm owners advance their strategic growth objectives.





Sustainable Investing Spotlight

Case Study:

Working with Stakeholders to Incentivize Water Conservation

In many parts of Washington state, water users that do not use their full allocation of water over a set number of years risk losing their allocation. This is known as a use-it-or-lose-it approach. In effect, however, such policies can have a negative effect by penalizing farms for investing in water-efficient technologies.

This was the case with our farm partner in Washington that had greatly reduced its water use over the years through improved farming practices including covering the orchards with shade cloth and irrigation efficiency. The farm and the Washington State Department of Ecology recently wrapped-up a years-long pilot. The Department of Ecology and a consultant conducted a study using two high-tech weather stations. One in an area covered by shade cloth and the other out in an adjacent uncovered area. From there, the Department of Ecology and the consultant could determine how much water shade cloth saved compared to the other improvements. They found that shade cloth improved a number of growing conditions. The coverage greatly increased relative humidity, drastically reduced wind speed, stabilized soil moisture, and cooled the air temperature.

To boost its water conservation, our farm partner also installed soil moisture monitors and a drip system that delivers water directly to the root zone of the trees. The soil monitors and drip system communicate to regulate water application in real time. This way, the trees receive only the water they need for optimum fruit production and no more. Our farm partner also removed thirsty poplar tree windbreaks, because they became unnecessary after the wind suppressing effect of shade cloth. This eliminated one irrigation need entirely. Combined, all these changes now help our farm partner to use much less water to produce fruit.

The positive results of the pilot allowed the parties to agree on an innovative water banking strategy under which the government bought back a portion of the farm's unused water rights to help meet water supply needs in the region, while our farm partner retained the other portion of unused water allocation to provide flexibility in meeting for future farming operation needs. By doing so, the state has succeeded in encouraging – rather than discouraging – efforts and investments in water conservation, a win-win for all. The Washington State Department of Ecology is now looking at expanding the program to other farms. A small innovative approach to using technology that could lead to a transformative solution of consumptive water use.





SPOTLIGHT

Sustainable Investing Spotlight

Case Study:

A Different Way to Conserve Water

In Australia, farms have traditionally used the labour-intensive practice of siphon irrigation. Within our cotton partnership, we have implemented bankless channel irrigation across ~6,900 acres of our irrigated cotton acreage. This number has grown by more than 17% over the last two years. The effort involved regrading fields to allow gravity to move water from a central canal through the field to irrigate the crop. Not only does this method use substantially less labour to manage irrigation schedules, but it also allows farms to more precisely manage water flow and direction, thus conserving water. In addition, it avoids the use of fuel-intensive pumping.



Bankless channel irrigation development required significant capital, but we are already seeing a return on our investment and a reduction in water usage per unit of output. It's a win-win for our partnership and the local community. Every drop of water saved can be used for another productive purpose such as environmental conservation.



Matthew Corbett
Partner, Agriculture



Investing in the Environment

Waste Management

Agricultural waste management is a complex process. There are many ways to manage agricultural waste, and the most appropriate method depends on the type of waste material, its location, and local laws and regulations.

Why Is This Important?

All agricultural activities, including production, post-harvest, processing, and packaging, produce waste – whether from animals, fuel, equipment, plastics, chemicals, water, or food loss. In fact, many of the processes critical to the functioning and safety of farms and the products they produce result in waste.

Improved waste management can reduce inefficiencies, increase yields, and support a farm's profitability. It can also limit negative environmental and human health impacts.

Our Aspiration

Reduce the use of natural resources through innovative solutions that can minimize operational waste and decrease food loss.

Key Areas of Importance:

- WASTE REDUCTION
- FOOD-LOSS REDUCTION

Our Approach

We take a “4-R” approach to waste – reduce, reuse, recycle, and rethink. The fourth “R” – rethink – supports our circular approach to resources. Where possible, we encourage our farm partners to look for opportunities to transform waste into an input for other processes or rethink our processes altogether in a way that eliminates or significantly reduces waste in the first place. We also challenge ourselves and farm partners to rethink or identify ways to reduce the use of chemicals in the production of fruit and other crops, where possible.

With our support, our farm partners develop waste management plans that include activities from waste generation to proper disposal. Depending on the farm, plans can consist of a process for handling and disposing of hazardous waste and wastewater and the appropriate use and storage of agricultural chemicals and equipment gases, fluids, and fuels. Our farm partners also monitor the disposal and recovery of waste, particularly hazardous waste, and work to convert non-renewables to reusable or recycled material.

We also look for innovative ways to reduce food waste. One example is using shade cloths in fruit orchards. Not only are they effective at battling the effects of climate change, but they also mitigate wind damage by reducing the amount of fruit that ends up on the ground and the risk of sunburn caused by solar radiation on fruit.



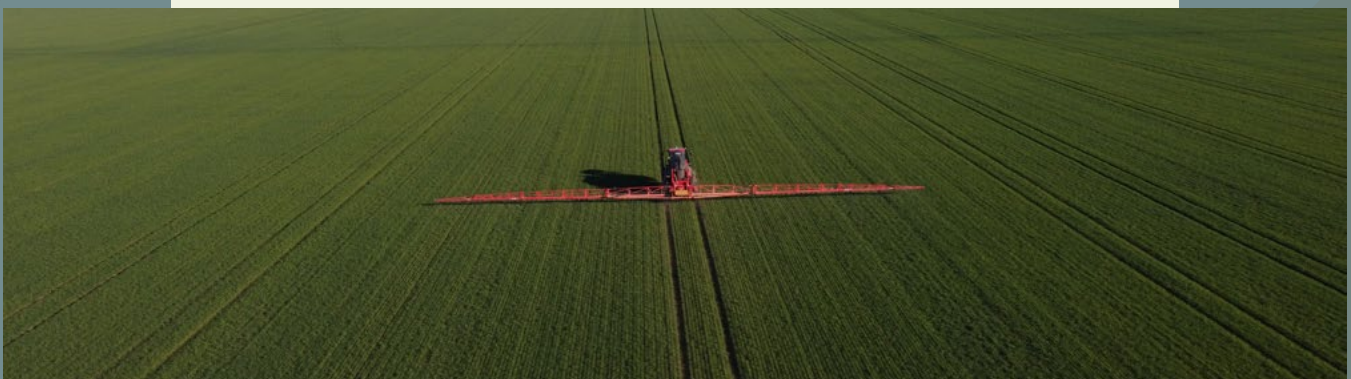
HIGHLIGHTS

2022-2023 Highlight

Increased use of precision camera spray technology across our assets

Today, two of our farm partnerships have invested in the technology, which can scan a field and detect areas requiring herbicide. Compared to a traditional blanket spray, precision camera spray technology can reduce significantly the amount of spray required, as well as reduce costs.

Since 2021, we have used precision camera spray over 180,000 hectares of land. Based on our experience, the rate of herbicide application went down by ~85-90%. From 2.5 litres per hectare with traditional blanket spray, we have used with precision camera spray less than 0.3 litre of herbicide per hectare on average.





SPOTLIGHT

Sustainable Investing Spotlight

Case Study:

Investing in New Ways to Reduce Waste

In 2022, we enabled our farming partner to invest in a new highly automated cherry-packing technology that has materially improved the efficiency and effectiveness of sorting and grading of the fruit. By working closely with the equipment manufacturer, our farm partner was able to modify the standard equipment to optimize how the fruit is handled and processed.

The new equipment also helps ensure that cherries being packed are of the appropriate grade and quality standard.

AS A RESULT, LESS FRUIT IS LOST OR DAMAGED, ALLOWING THE FARM TO SELL MORE PREMIUM-QUALITY FRUIT AT A HIGHER PRICE AND REDUCE THE AMOUNT OF FRUIT THAT MUST BE DISCARDED.



Investing in People

Our farm partnership model reinforces a vested interest in maintaining a positive work environment. We believe that if our farm partners' employees thrive, so will the business.

Why Is This Important?

Great farming doesn't happen by itself: it takes hard-working, well-trained people.

Farming requires deep subject matter expertise and is also labour-intensive. In today's tight labour market, attracting and retaining the best people through effective talent management is a competitive advantage. Farming also includes health and safety risks, which, if not properly managed, can result in injuries and increased costs.

Our Aspiration

Empower farmers to incorporate industry-leading talent management and health and safety practices to attract, develop, and retain highly skilled employees and create diverse people-focused organizations.

Key areas of importance:

- LABOUR PRACTICES
- HEALTH AND SAFETY
- OWNERSHIP

Our Approach

Evaluating labour practices, employee programs, health and safety processes, and employee satisfaction is a core part of our due diligence process for all investments. We view robust processes, practices, and track records as a strong indicator of how a business broadly addresses ESG risks and management. For any prospective farm partner, a demonstrated commitment to good labour practices and health and safety is critical before we will move forward.

When evaluating labour practices, we look for:

- > Fair wages and benefits
- > Comprehensive health and safety practices
- > Training and development

Once on board, we work with our farm partners to strengthen health and safety training and awareness for all employees and contractors to avoid workplace injuries. Throughout the life cycle of an investment, we closely monitor health and safety performance, including through periodic third-party audits at some operations, and include the topic at all board meetings. We also work with our farm partners to implement fair compensation that meets, and in many instances exceeds, market and minimum wages. Additionally, we enforce a zero-tolerance policy for child or any form of enslaved labour.



SPOTLIGHT

Sustainable Investing Spotlight

Case Study: Required Health and Safety Training

Health and safety training across all our partnerships is a priority for Fiera Comox and our farm partners. The types of required, ongoing training for employees across each partnership may vary depending on the type of farming operation and an employee's work environment and required job duties, but will consist of a combination of the following:

- ✦ VEHICLE USE
- ✦ FIRST AID AND CPR
- ✦ ACCIDENT PREVENTION
- ✦ CHEMICAL HANDLING
- ✦ HEAT ILLNESS AND COLD WEATHER TRAINING
- ✦ NIGHT WORK SAFETY
- ✦ EQUIPMENT SAFETY
- ✦ FOOD SAFETY

In California, our farm partners also work with a third party to conduct training twice a year, in both English and Spanish, on tractor and pesticide safety. For employees who work in orchards, this training is critically important to protect not only themselves, but also the employees around them. The training is intended to reduce the frequency and severity of workplace injuries, help ensure proper use of equipment, and compliance with all legal occupational requirements.



Topics Covered

Tractor Safety

- Pre-shift inspections
- How to start a tractor safely
- Mounting and dismounting tractors correctly
- Dangers of power take-offs
- CalOSHA's Nine Rules for Operators
- How to identify potential tractor hazards

Pesticide Safety/Worker Protection Standards

- Definition of pesticides
- Routes for contamination
- Proper use of personal protective equipment
- First aid and decontamination
- Storage and disposal of containers
- Safety Data Sheet discussion for any chemicals in use
- Globally harmonized system pictograms





Investing in the Community

Our investments support not only our farm partners, but also the vibrancy of the local communities in which our farms have been a part for generations.

Why Is This Important?

Community can be broadly defined to include stakeholders and interested parties who can affect or be affected by a company's activities. Consulting, cooperating, and engaging with stakeholders, including interested Indigenous Peoples, is essential to a company's success.

Business thrives when communities are resilient and have the resources they need to thrive. Strong communities attract families, workers, and businesses that provide essential resources and services. They support vibrant economies. And they help educate children and provide them with the skills they need to obtain life-sustaining jobs.

Support from local communities is also essential for businesses to operate effectively over the long term, including their ability to attract and retain qualified workers.

Our Aspiration

Support the long-term sustainability of rural communities by engaging with stakeholders and investing in the local economy.

Our Approach

Together through our farm partners, we support local communities in three ways: creating and maintaining local jobs, supporting local suppliers, and contributing to local non-profit organizations, charities, and other community initiatives.

Job Creation

- > Combined, our farming assets employ more than 1,600 full-time and full-time equivalent farm workers in roles ranging from orchard or field operations to finance, accounting, information technology, and human resources. To support their continued development, many of our partnerships help their employees obtain work-related certifications and specific technical training.

Local Suppliers

- > By supporting and expanding our work with small businesses and local suppliers, we are strengthening the economic base of our communities. In 2022, our partnerships supported 2,700 local vendors, including local branches or subsidiaries of multinational businesses.

Community Support

- > Our farm partners supported 25 local civic and non-profit organizations through sponsorships and charitable donations in 2022.

Key areas of importance:

- COMMUNITY ENGAGEMENT AND SUPPORT
- INDIGENOUS PEOPLES RELATIONS
- LOCAL ECONOMIC IMPACT

Our Approach to Sustainable Investment

Our approach to sustainable investing is guided by our Sustainable Investment Policy, which applies to all our strategies and funds.

It includes four core commitments:



Our Framework

We seek to identify, monitor, and manage material ESG factors for each investment and across each asset's life cycle through our Sustainable Investment Framework, as outlined below. Doing so promotes the adoption and implementation of good practices, creates value for our farm partners, supports risk and opportunity management, and advances sustainable farming practices.



1. Sourcing

Prior to undertaking any potential investment, we conduct preliminary screening to confirm that the opportunity does not present potential ESG issues that could have significant financial, legal, ethical, or reputational implications. In addition to the high-controversy sectors that Fiera Comox avoids, our agriculture strategy also avoids investments in regions with weak labour regulations, ambiguous land ownership, and transfer law. We do this by investing primarily in developed markets where there are strong labour regulations, land title is clear, and the ownership rights of the land are enforceable by and opposable to third parties.



2. Due Diligence

During due diligence, our Agriculture Investment Team, with guidance from the Head of Sustainable Investment, conducts an in-depth assessment of a potential asset looking at each of our five core ESG focus areas and any other relevant material ESG factors from a risk and opportunity lens. We use our proprietary ESG due diligence tools to support comprehensive and consistent identification and evaluation of material ESG factors.

Our Agriculture Investment Team reviews ESG findings arising from due diligence with our Head of Sustainable Investment. We also work with external advisers, when required, to support our diligence and subject matter expertise.



3. Investment Decision

Once due diligence is complete, our Agriculture Investment Team presents its investment recommendation to our Management Investment Committee (MIC). All Investment Committee memorandums require a summary of ESG findings, including material risks, mitigating measures, opportunities to integrate ESG-related terms and conditions into our agreements, and proposed governance structure. The MIC debates the risks and merits of the proposed investment and flags any issues that should be addressed before closing. Fiera Comox's Head of Sustainable Investment is a voting member of the MIC, providing leadership in all areas of ESG related to the committee's activities. When investments require the approval of the Board Investment Committee, a review of ESG considerations and the analysis of relevant ESG findings are also conducted.



4. Asset Management and Monitoring

Post-closing, we integrate key ESG findings from our due diligence assessment into our onboarding, asset management, and monitoring processes. This includes an asset-specific 100-day plan, one-year plan, and long-term plan, which categorize and prioritize key ESG initiatives over short-, medium-, and long-term horizons. We communicate our expectations for ESG management to our farm partners and work collaboratively with them to identify and monitor existing and emerging ESG risks, while also identifying opportunities through the establishment of a long-term ESG action plan.

We monitor ESG performance of our assets in each of our five ESG focus areas and measure progress on ESG action plans through quarterly board updates and regular meetings with farm partners. We encourage our farm partners to leverage their expertise and experience to bring forward issues and ideas for discussion and collaborative problem-solving. Together with our farm partners, we identify ESG initiatives and, where appropriate, provide capital to finance them.

Example of ESG Action Plan:

1

100-Day Plan

- > Develop asset-specific ESG policy, define ESG governance, define and establish KPIs to track ESG progress and performance

2

One-Year Plan

- > Develop an energy efficiency strategy, including generation of on-site renewable energy (solar panels) to reduce carbon emissions and reliance on electricity grid

3

Long-Term Plan

- > Explore alternatives to recycling and upgrading residual organic waste



5. Exit

Our Agriculture Investment Team will work with our farm partners to prepare an ESG performance assessment outlining key improvements made and value generated as a direct result of our collaborative efforts and investment.



Our Sustainable Investment Journey

2017

- > **Created Fund: \$150M AUM**
- > Adopted ESG Policy

2019

- > Converted siphon irrigation to bankless channel in Australia
- > Made significant water efficiency upgrades at our Australian properties
- > Began water efficiency projects at California almond farm

2020

- > Supported solar infrastructure development and continued bankless channel development at our farms in Australia
- > Continued development of shade cloth infrastructure in Washington
- > Implemented camera spray technology in Australia

2021

- > Purchased additional camera spray technology for Australia row cropping farm
- > Developed additional bankless channel in Australia
- > Developed shade cloth infrastructure in California and continued development in Washington

2022

- > Developed additional solar infrastructure at our farms in Australia
- > Realized organic conversion of a significant portion of our cherry orchards in California
- > Hired Head of Sustainable Investment to support and drive our ESG efforts
- > Reviewed ESG Policy (Sustainable Investment Policy) to reflect the sustainable nature of our practices
- > Developed ESG framework and due diligence tools for agricultural assets
- > Brought onboard external subject matter experts on climate change and ESG value creation due diligence
- > Published inaugural Sustainable Investment Report

2023

- > **Fund on June 30, 2023: +\$1.4B AUM**
- > Rolling out ESG KPIs, implemented tool to track ESG performance, and hosted ESG training sessions with our farm partners
- > Reviewed our sustainable investment processes to be aligned with article 8 of the European Sustainable Finance Disclosure Regulation

2024

- > Further enhance disclosure on ESG performance

Governance Structure

Our CEO, Management Investment Committee, and Head of Sustainable Investment oversee our Sustainable Investment Framework and review our Sustainable Investment Policy every two years.

Our Head of Sustainable Investment also leads sustainability implementation across the organization, promotes alignment with industry best practices, and is a member of Fiera Capital's Private Markets Sustainable Investing Committee. Our investment teams and strategy heads are responsible for integrating sustainability into every stage of the investment process.

Strengthening Board Knowledge on ESG

During the first half of 2023, our Head of Sustainable Investment facilitated multiple ESG educational sessions with the boards of directors and executive teams of each of our farm partnerships. Those sessions covered ESG market trends, value creation, and our approach to sustainable investment and how it translates into daily farming operations. We will continue to keep our farm partnership boards and executive teams apprised of ongoing ESG developments and emerging issues relevant to our sector.

Looking Ahead

Q&A with Our Head of Sustainable Investment, Stéphanie Lachance

► What makes your role at Fiera Comox unique?

A growing number of asset managers have functions dedicated to sustainable investment. What I believe makes my position so meaningful is that I am a partner and a voting member of the Management Investment Committee (MIC), which means I have a voice in every investment decision the firm makes. This ensures that ESG is firmly embedded in our investments and the actions we take.

► What is the next step in the firm's sustainable investment journey?

We are moving from qualitative to quantitative by creating a core set of standardized KPIs that we will measure across our entire portfolio. We already collect ESG data from our assets, but in some cases they vary. By having consistent metrics, we will be in a better position to identify best practices and work towards continuous improvement. We are also rolling out a data collection system to each of our assets that will better allow us to monitor, compare, and disclose data moving forward, as well as make better-informed decisions.

► This represents a significant investment. Why is it so important?

This is a critical part of our maturity as an asset manager and will make our ongoing due diligence and assessment of our assets more rigorous, as well as create a structured path for continuous improvement. Additionally, it will help ensure we are all speaking the same language when it comes to our understanding of ESG and what we are working to achieve. Ultimately, it's all about tracking and measuring the good practices that our farm partners are currently implementing.

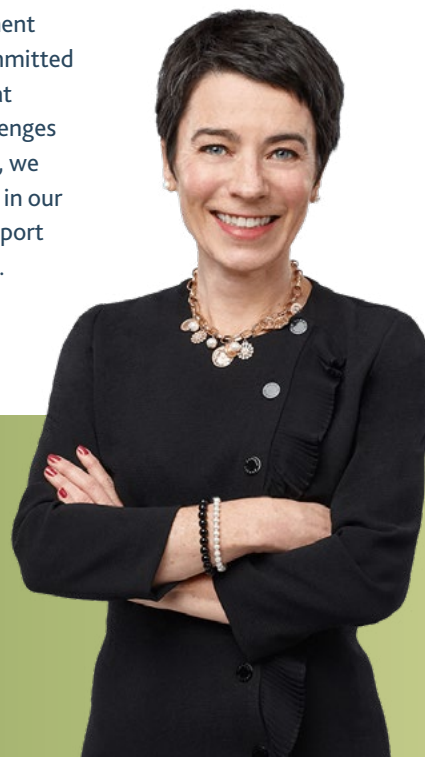
We want to support the best practices based on tangible results and replicate these positive practices across our portfolio.

► How are you developing KPIs?

Our starting point is our five ESG focus areas and our Sustainable Investment Framework (see pages 12 and 31). Everything we measure will be aligned with these. This is very much a collaborative process with our farm partners. We must ensure that these KPIs are truly meaningful and that they are measuring the right outcomes that will drive the change we want to see. We are talking with our farmers to understand what they are already collecting and where there are commonalities across assets. Once finalized, the ESG KPIs will be presented to the boards of directors and executive teams of each farm partnership to help ensure a successful implementation. We believe this is the best way to build a solid foundation for the future.

► How will you share the data?

We will share quarterly updates with the boards of directors of each farm partnership and with the Fiera Comox MIC. We will also provide updates to our external stakeholders in future sustainable investment reports. We are committed to sharing both what works and the challenges we face. In doing so, we hope to help others in our sector who also support sustainable farming.



Stéphanie Lachance
Partner, Head of Sustainable Investment

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