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Area One Farms Responsible Investment Policy 2026

Responsible, sustainable investing is at the core of Area One Farms' ("**Area One**") strategy and partnership model. Our mission is to help grow Canadian family farms through investment. Many family farms need to grow to make room for the next generation. That requires capital to expand, improve their land's productivity, and invest in increasingly expensive equipment, technology, and infrastructure. Area One partners with farmers ("**Farm Partners**") to achieve these goals, buying land together and owning and operating farms as partners.

Area One has been a signatory to the United Nations Principles for Responsible Investment (PRI) since 2018, measures and reports impact using the Global Impact Investing Network's (GIIN) IRIS+ framework for agriculture, and is committed to maintaining high standards of governance and transparency. This policy is reviewed at least annually and was last updated in May 2026.

1. Environmentally Sustainable Investment

1.1. Environmental Principles

Area One believes that investing in agriculture is investing in sustainability. Our Farm Partners are best positioned to steward the environment we all rely on. Farmers supply an essential public good through food, and they manage biodiverse ecosystems of crops and soils that are rich in water, organic matter, and biota. Because their livelihoods depend on the land as a renewable resource, farmers’ economic interests are aligned with soil health, biodiversity, and long-term food security.

1.2. Sustainable Farming

Area One is committed to environmental sustainability, and equally to the idea that farmers know their land best. In our experience they usually lead the way; our role is to invest behind good stewardship and share what works across Area One’s portfolio.

- We only invest in land that is suited to crop production, has a history of strong yields, or can be brought back into sustainable cultivation from disuse.
- We invest only where water is sustainable over the long term.
- Where it makes agronomic sense, our Farm Partners farm regeneratively and we back them in doing so. This includes working land on a no-till or low-till basis; today over 90% of our farms do.
- Straw and other organic waste is returned to the soil unless there is a reason not to, and cover crops are used where practical, to build soil carbon and organic matter.
- Chemicals and wastes are managed responsibly to limit their release into air, water, and soil.

- Where it suits the land, farms combine crops and cattle, using manure to build healthier soils and pasture, one of nature's best carbon sinks.
- We invest in the capital improvements that support strong environmental outcomes.
- We invest in protecting ecosystems and species, including granting or maintaining easements over environmentally sensitive areas.

1.3. Portfolio-Wide Sustainability Issues

Area One applies these principles across the portfolio. Although practices vary by location, the core sustainability issues, being soil, water, and carbon, are common to all of Area One's farms.

Area One and Farm Partners work to optimize soil health and to limit losses from environmental stress such as extreme weather, disease, and pests. Sound soil management underpins crop productivity, profitability, and the resilience of our returns.

1.4. Sustainable Water Management

Sustainable water management is central to Area One's environmental commitments. Area One invests only in areas where long-term water availability is sufficient to meet crop needs without depleting the resource. Healthy soils retain more water, and retention is improved further through reduced tillage and cover cropping. Farm Partners avoid working wet soils to reduce compaction, runoff, erosion, and ponding.

1.5. Reducing Land Degradation and Driving Restoration

Area One's soil management aims to prevent land degradation, which affects roughly a third of the world's arable land and the food security of over two billion people. Restoring degraded land raises local food and water security and supports the UN Sustainable Development Goals, and bringing that land back into production increases the food supply and biodiversity.

1.6. Reducing Our Climate Footprint

Soils are one of the planet's largest carbon stores. By drawing carbon from the atmosphere into biomass and soil, well-managed farms help mitigate climate change through carbon sequestration. Area One is committed to adopting regenerative farming practices where agronomically appropriate and maximizing carbon sequestration where possible. Since 2024, Area One has estimated the greenhouse gas emissions and carbon sequestration of its farms (Scope 1, 2, and 3) using a proprietary methodology, and reports the results in its annual Sustainability and Impact Reports.

1.7. Managing Climate Change Risk

Area One focuses on strengthening the resilience and adaptive capacity of its farms to climate-related hazards. The main climate risk to Area One's farms is adverse weather, particularly too much or too little precipitation. Area One ensures that its farms benefit from crop insurance programs to mitigate the impact of weather on yields.

2. Socially Responsible Investment

2.1. Partnership Approach

Unlike the common "sale-and-leaseback" model, in which farmers sell their land and rent it back, Area One is the only Canadian farmland investor to operate a partnership model. Farmers retain co-ownership and share in profits and capital appreciation. This alignment of interests between farmers and investors is central to how Area One invests.

Area One's goal is to empower farmers with a clear path to land ownership through long-term, secure funding. By partnering with experienced local farmers, Area One helps expand operations, supports succession planning, and delivers the benefits of scale.

Area One was founded by Joelle Faulkner (Founder and CEO), herself from a multi-generational farming family. She built the model to keep farmers as farmland owners, enabling them to build equity and support prosperous families and rural communities.

2.2. Social Impact on Farmers and Rural Communities

Area One's partnership model is designed to benefit farm families and preserve the family-farm landscape. Its benefits include:

- **Lower Risk Capital** – By eliminating or reducing burdensome debt servicing or lease payments, this approach enhances the financial stability of farm families.
- **Path to Ownership** – Scaling farms enables multi-generational involvement, and Area One safeguards the family's right to buy out our stake, keeping ownership and returns in local farmers' hands.
- **Equity Upside** – Farmers gain from the appreciation of co-owned land, an opportunity lost if they merely sell and lease their property. This creates wealth in rural communities across Canada.
- **Value Creation** – Achieved through capital investment, land improvement, and farm expansion, these investments enhance farmers' businesses, enable higher wages, and often double employment.
- **Mentorship, Development and Networks** – Sharing of best practices contributes to ongoing growth.

2.3. Food Supply as a Public Benefit

Farming supplies an essential public good through food. Area One's activities increase the supply and security of food and support the UN Sustainable Development Goal on reducing hunger. Area One also restores previously farmed land back into row-crop production.

2.4. Labour Standards

Area One upholds the core conventions of the International Labour Organization (ILO), including the abolition of child and forced labour and human trafficking, the elimination of workplace discrimination, and freedom of association and collective bargaining.

All employees, Farm Partners, and stakeholders must report any suspected labour violation. Reports can be made confidentially or anonymously through Area One's whistleblowing channel.

2.5. Diversity and Inclusion

Area One is committed to an inclusive workplace that values diversity and promotes equal opportunity. Discrimination based on race, ethnicity, gender, sexual orientation, disability, religion, or any other protected characteristic is prohibited. All employees, partners, and stakeholders are expected to uphold these principles with mutual respect, dignity, and fairness.

2.6. Human Rights

Area One adheres to international human rights standards, including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact's Ten Principles. It maintains a zero-tolerance approach to modern slavery and human trafficking.
All Farm Partners, employees, and team members must report any suspected human rights violation through Area One's confidential reporting channels.

3. Governance

Area One is committed to ethical decision-making, good governance, transparency, and accountability across its investment, asset management, and farming activities. Our operator-partnership model gives farmers local decision-making authority and aligns their interests with those of investors, which we believe produces stronger governance. Area One conducts active stewardship of its investments through direct, ongoing engagement with Farm Partners. Operations Directors provide mentorship, assist with environmental and operational practices, and share best practices across the portfolio throughout the holding period.

At the fund level, Area One provides regular reporting and full disclosure to investors, including annual Sustainability and Impact Reports and semi-annual financial reports. Governance is conducted in compliance with each fund's Limited Partnership Agreement, this Responsible Investment Policy, and Area One's other policies.

Area One applies clear investment exclusions. It invests only in farmland and associated farming and agricultural businesses, and will not knowingly invest in any business that is in material violation of the UN Global Compact's Ten Principles, or in sectors prohibited under its fund agreements such as cannabis.

Area One reviews its responsible investment policies annually and reports each year through its PRI submission.

Area One is independent and has no parent organization.

This Responsible Investment Policy is reviewed at least annually to keep it current with Area One's practices, investor expectations, and evolving responsible investment standards. All employees, partners, and stakeholders are required to uphold Area One's values and act in line with our policies.

3.1. Investment Committee

Area One's independent Investment Committee ("**IC**"), whose members have extensive investment and agricultural experience, is responsible for approving:

- investment decisions of the Area One investment funds, including approving new partnerships and setting parameters for approvals;
- recommendations to exit investments;
- changes to Area One's frameworks or parameters for investor reporting, investments, valuations, compliance or risk management;
- material decisions in asset management.

Responsible Investments and Investor Fiduciary Duties

Area One's responsible investment approach is directly linked to its fiduciary duties to investors. Because farmland values and returns depend on environmental sustainability, sound governance, and strong farm partnerships, managing environmental, social, and governance factors is inseparable from protecting and growing investor capital.