

## Responsible Investing at Fiera

At Fiera Capital we have a duty to act professionally, responsibly and diligently in the best interests of our investors and stakeholders with a view to create long-term, sustainable value. We believe responsible investing is core to our ability to satisfy both our duty and mandate without sacrificing returns. Since 2009, Fiera Capital is a signatory of the United Nations Principles for Responsible Investing (UN PRI), encouraging acceptance and implementation of the principles within the investment industry. Environmental, social and governance (ESG) factors are integrated into the fundamental investment decision-making process of all our strategies.

### RESPONSIBLE INVESTMENT APPROACH SPECTRUM



**Impact investing** starts with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. Impact investments provide capital to address social and/or environmental issues. Fiera Capital offers a Global Impact Strategy with intentional and measurable alignment with the United Nation's Sustainable Development Goals (SDGs) that uses the Impact Management Project framework to construct the portfolio.



### UN Sustainable Development Goals (SDGs)



### Impact Management Project

The Impact Management Project (IMP) is a forum for building global consensus on how to measure, compare and report positive impacts. The IMP Structured Network comprises of organizations that are working together to coordinate standards of impact measurement and management. The work of the IMP provides a lens to understand the impact performance of different enterprises and investments against the SDGs. The IMP reached a global consensus that impact can be deconstructed into five dimensions:

- What
- Who
- How Much
- Contribution
- Risk

### Impact Investment Committee

Investment Objectives:

- Measurable Impact Target
- 3% Real return

Impact security selection

Portfolio allocation

Members:

**Global:** François Bourdon, Craig Salway, Gord O'Reilly

**Canada:** Vincent Beaulieu, Nicolas Papageorgiou, Nicholas Smart, Lindsay Saldanha

**US:** Jonathan Lewis, Judy Temel

## Portfolio Process

- Asset Classes**
- **Fixed Income (20-80%)**: Municipals, Green Bonds, Social Bonds, Public & Private Infra Bonds and Others
  - **Non-Traditional Income (0-30%)**: Green Real Estate, Social Real Estate, Infrastructure/Renewables, Private Debt
  - **Global Public Equity (20-60%)**: Global All Cap
  - **Non-Traditional Capital Appreciation (0-15%)**: Impact Private Equity

- Universe**
- Potential investments of the Fiera Global Impact Portfolio includes holdings across Fiera Capital mandates
  - **Ensures that the investments are adequately compensated for the amount of risk they assume**

- Research**
- Investments are initially screened **for any integration to the SDGs**
  - Investments are further screened for any **controversies** that might have a **negative impact**
  - The filtered investments are then scored between 0 and 100 according to Fiera Capital's proprietary Impact scoring system
  - Products & Services, Operations and Other Activities ( e.g. charities) with ties to specific SDGs are used to derive the final score

- Portfolio Construction**
- Investments with a Fiera Impact score **below 50** are removed
  - The remaining investments are weighted according to the 3 investment dimensions (reward, impact and risk) and size/liquidity constraints

- Reporting**
- In addition to standard performance reporting and performance attribution, several impact and ESG reporting will be done for this specific fund

## Examples

 Fiera Impact Score: **82.5**

The Hospital for Sick Children (SickKids) is Canada's most research-intensive hospital and the largest center dedicated to improving children's health in the country

### Product & Services

- Operates a children's hospital and research center in Toronto
- Targets SDGs 3

### Operations and Other Activities

- SickKids International collaborates with Canadian and international partners to improve the health of children worldwide
- Targets SDGs 17




 Fiera Impact Score: **63.3**

The global leader in high performance insulation and building envelope solutions

### Product & Services

- Fabricates insulation materials and technology to increase the energy efficiency of buildings
- Targets SDGs 7 & 11

### Operations and Other Activities

- Use recycled plastic bottles in products & recycles waste
- Goal of manufacturing products from 100% renewable sources by 2020 with 75% Net Zero Energy as of date
- Targets SDGs 12 & 13



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