

Fiera Capital (UK) Ltd Principal Adverse Impacts Statement

MAY 31, 2022



FIERACAPITAL

Table of Contents

- 1** Principal Adverse Sustainability Impacts
- 2** Description of Policies to Identify and Prioritise Principal Adverse Impacts
- 3** Engagement Policy Summary
- 4** Adherence to International Standards
- 5** Appendix – Applicability of Statement

Fiera Capital (UK) Ltd (“Fiera Capital” or otherwise referred to as “we”/“our”) considers the principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors. This statement summarizes the way in which PAIs are factored into Fiera Capital’s investment decision process, and in particular how they are identified, factored into investment due diligence and measured. We aim to consider PAIs on sustainability factors across all our strategies, and in particular to those investment products as listed in the appendix. This statement applies as of 1 June 2022 and will be reviewed at least annually.

We take the view that organizations that understand and successfully manage their principal adverse impacts on the environment and society have the potential to create more resilient, higher quality businesses, and accordingly are generally better positioned to deliver sustainable value over the long term.

Consideration of PAIs is an important part of the investment due diligence process, in particular as a factor that contributes to an overall assessment of ESG risks (and opportunities) and in supporting the analysis of expected risk adjusted reward for a given asset, and more generally as an additional metric that contributes to more holistic investment decision-making.

1 Principal Adverse Sustainability Impacts

The PAI indicators currently monitored and evaluated include:

Theme	PAI Indicator
Greenhouse gas emissions	<ul style="list-style-type: none"> > GHG emissions > Carbon footprint > GHG intensity of investee companies > Exposure to companies active in the fossil fuel sector > Share of non-renewable energy consumption and production > Energy consumption intensity per high impact climate sector > Investments in companies without carbon emission reduction initiatives
Biodiversity	Activities negatively affecting biodiversity-sensitive areas
Water	Emissions to water
Waste	Hazardous waste ratio
Social and employee matters	<ul style="list-style-type: none"> > Violations of <i>UN Global Compact principles</i> and <i>Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</i> > Unadjusted gender pay gap > Board gender diversity > Lack of processes and mechanisms to monitor compliance with <i>UN Global Compact principles</i> and <i>OECD Guidelines for Multinational Enterprises</i> > Exposure to controversial weapons (anti-personnel mines, cluster munitions and chemical or biological weapons).
Human rights	<ul style="list-style-type: none"> > Lack of human rights policy > Number of identified cases of severe human rights issues and incidents

2 Description of Policies to Identify and Prioritise Principal Adverse Impacts

Responsibilities and Governance

The primary responsibility for conducting PAI due diligence lies with the investment teams, which are best placed to assess and consider principal adverse impacts as part of their pre-investment due diligence as well as any subsequent reviews of the investments they hold.

Support is provided by Fiera's Risk and Sustainable investment teams, which ensures that investment teams are provided with the relevant access to data, and providing support in enabling investment teams to consider PAI as part of their due diligence and in particular to identify, measure and mitigate to the extent possible PAI on behalf of our investors. This may include, for example, the provision of carbon footprint data on a periodic basis, and any other information which enables an assessment (including peer comparison) of the potential harm to the environment from an individual investment or the overall portfolio.

The Global ESG Committee, which includes representation from internal stakeholders across functions and divisions of Fiera, oversees all ESG-related activities, including the development of investment due diligence for principal adverse impacts on sustainability factors and any related disclosures at the firm level. Further support is provided by CIO office through its investment risk monitoring.

Data Limitations

Because issuer reporting on many principal adverse indicators is voluntary, data availability, quality, and standardisation varies. Accordingly, this may impact the ability to measure and consider PAI as part of investment decisions. This is particularly the case in frontier and emerging market economies in which many of our strategies invest, and also generally for smaller listed companies.

PAI data is sourced from third-party data providers. Where relevant data is unavailable from such providers, we generally engage directly with investee issuers to request enhanced disclosure or to improve our understanding of any identified areas of risk and opportunity. Other sources of information that may be accessible from time to time, such as subject matter experts, stakeholders, industry reports or specialist research, may also be used.

PAI at the Investment Strategy Level

Principal adverse impacts on sustainability factors may differ based on a number of factors, including asset class, industry, and geography. For example, a strategy investing in emerging or frontier markets where ESG practices are not as developed may automatically face a higher level of principal adverse impacts. It is for each team to tailor the PAI investment due diligence approach in line with their philosophy, to support the strategies' financial objectives and integrate into the investment processes in an optimal and appropriate way to help meet the financial goals and any stated environmental and or social objectives.

PAI Investment Due Diligence

Prior to making any investment decision, our investment teams conduct investment due diligence on the proposed investment position. This investment due diligence will evaluate a variety of factors including an assessment of the PAI against the sustainability indicators specified above. The investment teams are responsible for identifying and evaluating additional sustainability indicators that may be material for their strategy or investment.

PAI as Part of the Investment Phase

Following a review of its PAI due diligence, each investment team has full discretion as to what decision to take in respect of such potential investment opportunity, in accordance with their stated investment philosophies and processes. Such decision may include the following:

- > Making a decision not to invest in or to divest from the proposed investment. This may be the case, for example if the PAI indicators for a particular potential investment are materially greater than their peers.
- > Making a decision to invest based on a favourable risk reward assessment and diversification benefit
- > Making a decision to invest, but with a limited position size or trimming an existing position.
- > Making a decision to invest, but with an intention to engage with the management of the issuer and improve their business from a sustainability perspective.

3 Engagement Policy Summary

Fiera Capital is committed to achieving excellence in capital allocation across the multiple dimensions involved in this process including ESG and other responsible investing considerations.

We are committed to engage in a constructive and collaborative way with our prospective or existing investees to maximize the potential for long-term value creation. The scope of our engagement spans both financial and environmental, social, and governance factors.

We allow our investment teams to implement the engagement practices they deem most appropriate for their investment style, and to select the engagement topics they deem most material to the investment in question.

Typically, the objectives of our ESG-related engagements on PAI include:

- > Gaining better risk and opportunity analysis and insight both pre and post investment
- > Seeking better disclosure of PAIs;
- > Raising awareness (either formally or informally) with management of PAI considerations and concerns;

> Encouraging improved management or mitigation of the PAI in question, including seeking more information regarding steps the investee company is taking (or planning to take) to improve the business from a sustainability perspective.

Note that several factors such as materiality, investment style and peer performance may impact the need for investment teams to engage, or not, on specific PAIs. For example, some investment teams' investment processes and style may favour issuers whose PAIs are already favourable with regard to their peers, and where minimal engagement on PAIs is required. Furthermore, some PAIs may be less relevant and material for certain industries than others. Similarly, risk mitigation practices set forth by investee company may be adequate from an absolute and/or relative perspective, and therefore lessens the need to engage.

Fiera Capital's approach to engagement is embedded in Fiera Capital's [Global Responsible Investment Policy](#), for which please refer to for further information.

4 Adherence to International Standards

We believe that part of being a responsible investor is to actively contribute and collaborate with other players in the investment value chain to further develop the field.

We therefore endorse or sign relevant standards and statements and are active members and signatories of various networks and Responsible Investment initiatives. Furthermore, we consider a range responsible business conduct codes and internationally recognized standards for due diligence and reporting.

Fiera Capital Corporation, for which Fiera Capital (UK) Limited is a subsidiary, is a signatory of the following normative codes and initiatives:

- > United Nations Principles for Responsible Investment (UN PRI)
- > Net Zero Asset Manager Initiative (NZAM)

- > Canadian Coalition for Good Governance (CCGG)
- > A signatory to the *Declaration of Institutional Investors on Climate Related Financial Risk*
- > Global Real Estate Sustainability Benchmark (GRESB)
- > Sustainability Accounting Standards Board (SASB)
- > Impact Management Project (IMP)
- > Carbon Disclosure Project (CDP)
- > Task Force on Climate-related Financial Disclosure (TCFD)

5 Appendix – Applicability of Statement

Umbrella	Sub-Fund
Magna Umbrella Fund plc	Fiera Capital Global Equity Fund
	Fiera Capital US Equity Fund
	Magna Eastern European Fund
	Magna Emerging Markets Fund
	Magna EM Income and Growth Fund
	Magna New Frontiers Fund
	Magna MENA Fund
	Fiera Atlas Global Companies Fund
Oaks Emerging Umbrella Fund plc	Oaks Emerging and Frontier Opportunities Fund
	Fiera Oaks EM Select Fund

Note this policy may also apply to certain segregate accounts to which Fiera Capital acts as Investment Manager. Such accounts are not listed in this policy.

fiera.com



FIERACAPITAL