



2021 Sustainable Investing Report

Investing in
a Sustainable Future

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“ Sustainable investing is not an initiative; it is a lens through which we envision the future of Fiera Capital. ”

– **Jean-Philippe Lemay**
President and Chief Executive Officer

CEO Message

Investing in a Sustainable Future

As stewards of capital, we believe we have a responsibility towards our clients to efficiently allocate their capital, thoughtful of its impact on society.

This belief forever guides our commitment to sustainable investing, which is core to our investment philosophy. As we seek to foster sustainable prosperity for all of our stakeholders, every member of our team, in every role and department, is committed to generating long-term positive outcomes that extend well beyond enhancing risk-adjusted returns on invested capital.

Acting responsibly requires looking further into the future and evaluating not just how choices made today may affect this month,



this quarter, or this year, but also what impact we may have on our communities, our world, and generations yet to come. By advocating for and investing in companies that stand for sound governance and good management of environmental and social considerations, we help support and build a more sustainable future. Through our continued commitment to environmental, social and governance (ESG) initiatives, we strive to shape a world in which ever greater numbers of people can thrive.

A key companion to responsibility is accountability. We believe that for ESG factors to be well integrated in the investment decisions we make, our investment teams must have accountability over their ESG integration processes. In releasing this Sustainable Investing Report, we are excited to reflect on our ESG practices and successes to date and are eager to continue building momentum and furthering Fiera Capital's sustainable investing journey.

Improving ESG performance is a continuous process of consideration and implementation. To that end, we have established a Global ESG Committee comprising members of Fiera Capital senior leadership and internal ESG thought leaders who collectively implement our firm's strategic objectives for responsible investing and meet regularly to review the progress made toward each initiative, set new priorities and deploy resources to ensure initiatives are well supported.

In 2021, we also created a new Sustainable Investment team that is responsible for implementing strategy and governance for ESG initiatives. This team acts as a true value creation partner and strives to empower all of our investment teams by enhancing their ability to analyze ESG implications, to understand regulatory frameworks and to prepare comprehensive reports.

These practices, among others, help to ensure that ESG remains a core aspect of our investment approach while providing our clients with the best investment opportunities.



Looking back on the last year, we have seen a continued acceleration in our efforts towards sustainable investing. From joining the Net Zero Asset Managers initiative to creating new sustainable investment solutions adapted to our clients' evolving needs, we are committed, as always, to remaining at the absolute forefront of the investment management science and to creating better investment solutions, while contributing to creating a more sustainable future.

We believe that transparency and regular reporting is critical to ensuring that our clients and our colleagues understand the importance of and our commitment to ESG.

As we move forward and look for ways to deepen our approach and processes, we are welcoming the upcoming wave of regulations. Mostly originating from Europe, these regulations will help raise standards throughout the industry and provide better alignment in terms of disclosures and easier integration.

Sustainable Investing will increasingly be seen as a key business advantage, and we are confident that Fiera Capital can continue to enhance its capabilities on that front. Truthfully, these practices align with the core values that Fiera Capital has held since our founding in 2003, and we are proud to demonstrate our commitment to them in the evolving solutions we offer clients and the processes we implement with colleagues.

Together, we are working to build a sustainable future, and the role we play as asset managers and as an organization gives us great power to achieve it. That is why, every day, we remind ourselves of the responsibility we carry.

Jean-Philippe Lemay
President and Chief Executive Officer

2021 Highlights

188.3B

total AUM
(Canadian dollars)¹

14

ESG Labelled
strategies

10

Article 8
funds²

94%

of real estate assets
achieved green-building
certification

¹ as at December 31, 2021 ² Under the EU's Sustainable Finance Disclosure Regulation (SFDR), an Article 8 Fund is defined as "a fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics" ³ Green Star criteria: Entities with more than 15 points in Management and 35 points in Performance or 15 points in Management and 35 points in Development will receive the Green Star designation. The Green Star designation is only provided for Real Estate Assessment participants. Fiera Real Estate has submitted 6 strategies for review by GRESB and each have received the Green Star rating. Green star ratings are assigned to funds meeting a minimum number of points on real estate management and performance according to GRESB's methodology

Joined the Net Zero Asset Managers initiative

Created a Sustainable Investing Team

Appointed as sub-advisor in a newly launched
Horizons Active ESG Corporate Bond ETF

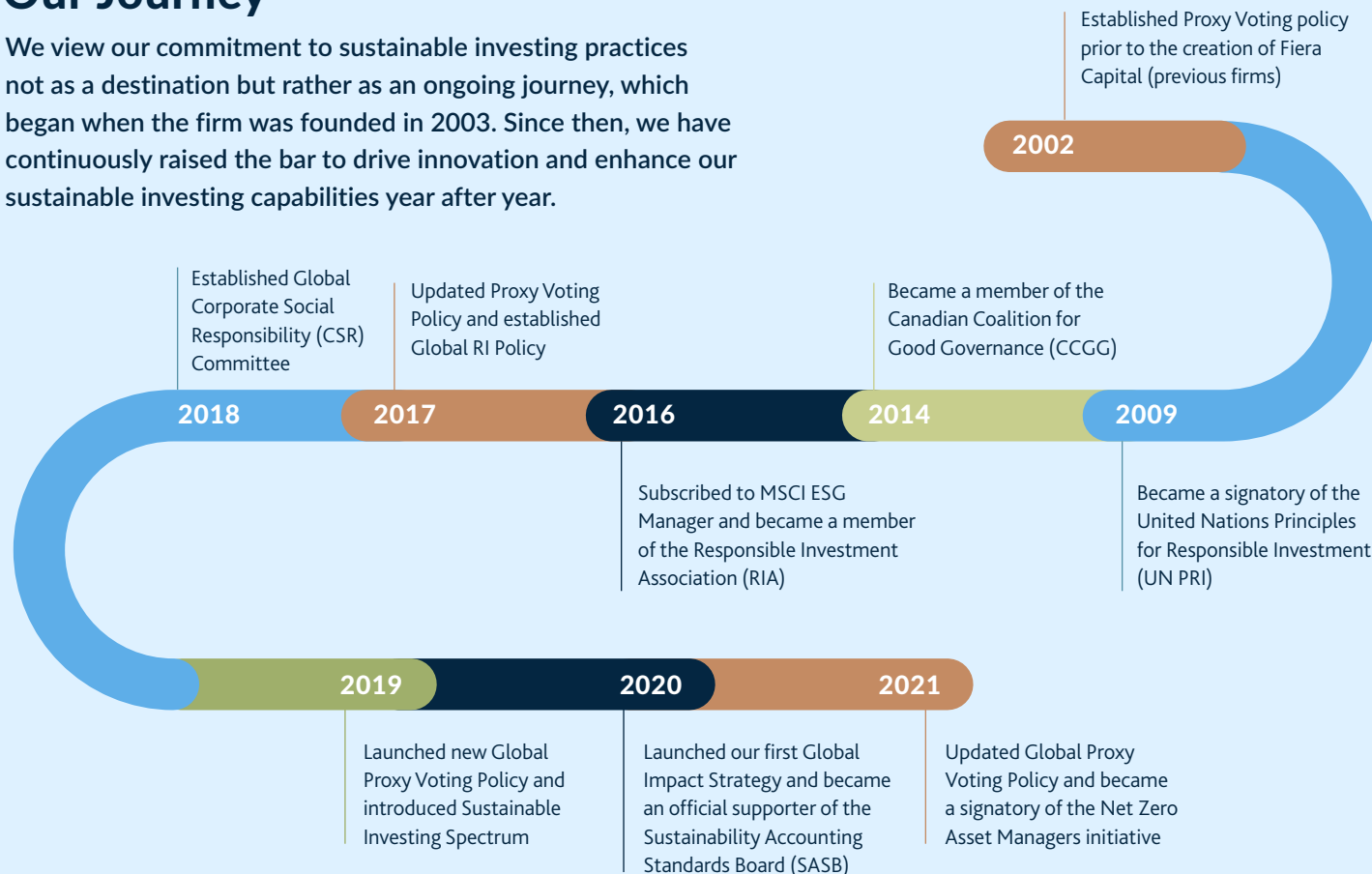
6 of our real estate strategies earned a "Green Star"
rating from the Global Real Estate Sustainability
Benchmark (GRESB)³

Fiera Infrastructure achieved 2021 GRESB scores well
above its peer group average and its own scores from
the previous year

Published first annual responsible investing report

Our Journey

We view our commitment to sustainable investing practices not as a destination but rather as an ongoing journey, which began when the firm was founded in 2003. Since then, we have continuously raised the bar to drive innovation and enhance our sustainable investing capabilities year after year.



Governance

Integrating sound governance criteria into our investment processes is part of Fiera Capital's DNA.

It entails taking a rigorous approach to risk management to achieve optimal performance within an appropriate level of risk.

ESG governance is a shared responsibility at Fiera Capital, with multiple different business divisions and functions involved to make sure that we continue to enhance our capabilities in the years to come.

Global ESG Committee

Fiera Capital's Global ESG Committee reviews the practices and initiatives relating to ESG matters and oversees their development in line with market and regulatory expectations.

The Committee is chaired by the Head of Sustainable Investing Team and includes key professionals and thought leaders from

different business functions and regions across the organization. Collectively, they implement the firm's strategic objectives related to sustainable investing.

Key Strategic Pillars



ESG
Integration



Active
Ownership



Climate



Industry
Collaboration



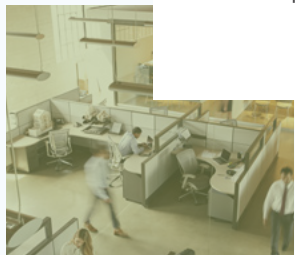
ESG Screening




Dedicated Expertise Embodied in Sustainable Investing Team

The Sustainable Investing (SI) team is responsible for implementing a more consistent, purpose-led and proactive approach to sustainability in our investing activities. Its focus is on improving support to our investment teams, enhancing transparency for clients, and ensuring that Fiera Capital complies with existing and future regulations.

The SI team works closely with the investment teams and distribution channels to improve and support ESG capabilities across the firm. It also collaborates with the Risk Management team on various ESG projects, to further support the investment teams with respect to ESG-related data projects and reporting.





“ We have a duty to act professionally, responsibly, and diligently, in the best interests of our investors and stakeholders, and with a view to creating sustainable long-term value. ”

Sustainable Investing Philosophy

We take the view that organizations which understand and successfully manage material environmental, social and governance (ESG) factors, along with the associated risks and opportunities, tend to create more resilient, higher-quality businesses and assets, and are therefore better positioned to deliver sustainable economic value over the long term.

More specifically, we believe that material ESG factors can influence the investment risk-return profile and quality of real and financial assets and investments.

Incorporating ESG factors into our security analysis is core to our ability to fulfill our fiduciary duty and exercise our mandate without sacrificing returns.

We believe that embedding ESG assessments into our investment analysis and decision-making processes yields significant benefits, providing a deeper understanding of business models and industry challenges, and serves to better control inherent risks in our portfolios. Being an actively engaged steward of client capital empowers us to enhance the long-term, risk-adjusted performance of our investments, which is also part of our fiduciary duty.

At Fiera Capital, we lead by example. We have a long history of commitment to responsible investment. Our firm has been a signatory of the United Nations Principles for Responsible Investing (UN PRI) since 2009, encouraging acceptance and implementation of the principles within the investment industry.

Sustainable Investing Objectives

Our sustainable investing efforts are guided by:

➤ Efficient Capital Allocation

We want to contribute to a more sustainable future through efficient capital allocation and be thoughtful of the impact of the capital we manage on behalf of our clients may have

➤ Financial Prosperity

We aim to create sustainable prosperity for our clients and partners.
We are looking to create outcomes that extend well beyond enhancing risk-adjusted returns

➤ Enhanced Investment Analysis

We aim to remain at the forefront of investment management science. We believe **integrating ESG factors leads to better understanding of the risk and return profiles of our investment opportunities**

➤ Transparency

We aim to increase our communication and transparency to our clients and stakeholders on ESG risks and opportunities by increasing the quality of our reporting



ESG Integration

Fiera Capital offers a diverse range of investment strategies across asset classes and risk spectrum using a wide variety of investment styles. There are multiple approaches to managing portfolios of securities and assets and we recognize there is a vast variety of approaches for considering environmental, social and governance risks and opportunities within our investment decisions.

We believe that for ESG factors to be well integrated within the investment decisions we make, investment teams must be accountable for their ESG integration processes.

This belief guides the way our investment teams implement their strategies, conduct materiality assessments, and integrate ESG factors in a manner that best suits their respective asset class, investment style, and geography.

Implementation Principles

➤ **Materiality**

Focus on materiality and sustainability risks that may impact performance

➤ **Adaptability**

Adaptability of approaches to meet our clients' specific needs

➤ **Accountability**

Accountability over the ESG integration process and analysis

➤ **Active Ownership**

Active owners through thoughtful engagement and proxy voting



ESG Screening

At Fiera Capital, we recognize the sustainability risks and adverse impacts associated with certain sectors and industries.

While we do not have a firm-wide exclusion guideline, exposure to controversial and non-ethical industries is monitored by the Global ESG Committee. We, however, recognize our clients and partners may be looking to create outcomes that extend well beyond enhancing risk-adjusted returns.

We believe ESG screening can be a useful approach to further adapt and tailor investment solutions to their evolving needs, beliefs, and values. As such, we do offer negative and ethically screened strategies, such as our ethical strategies and fossil fuel strategies which restrict exposure to controversial and fossil fuel-free strategies, respectively.

Controversial Industries

Controversial industries are identified by harmful products or services for people or the environment or if the product or service is considered unethical.

We recognize risks associated with the following controversial industries:

- Adult entertainment and gambling
- Alcohol, tobacco, and cannabis
- Firearms, defense and military contracting

We apply ethical filters in our ethical strategies to exclude companies who derive more than 10% of their revenues, either directly or indirectly, from the industries listed above.

Coal & Other Fossil Fuels

The most important measure we can take to limit global warming is to bring down emissions from fossil fuels.

Among fossil fuels, coal contributes the most to greenhouse gases per unit of energy output, making it a target for investors, activists, and governments looking to address the issue of climate change. We recognize that market participants have a major role to play in preventing the coal sector's expansion and supporting their exit from it.

While we do not have a firm-wide exclusion guideline on coal and other fossil fuels, we do offer strategies that restrict or limit exposure. For example, our fossil fuel-free strategies (FFF) do restrict exposure to the companies involved in the energy industry as well as companies in the utilities sector that generate power from fossil fuel

Active Ownership

At Fiera Capital, we believe that sound corporate governance and solid business practices are key to generating sustainable wealth.

Accordingly, we frequently engage in a constructive and collaborative way with companies in our portfolios, urging them to adopt and implement sound ESG practices that are likely to produce sustainable added value for clients.

As well as engaging directly with companies, we are able to exercise our proxy voting rights to good effect to help drive positive change with respect to sustainability-related issues.

▶ At Fiera Capital, our active ownership approach is twofold:





Engagement

Fiera Capital has a long track record of active – and effective – dialogue with entities in which we invest on behalf of clients.

Over the years, we have learned that the best outcomes generally are derived from direct dialogue, either with representatives of the company in question, or with service providers we collaborate with. Either way, we work proactively to help bring about continuous improvement in matters related to sustainability and overall performance.

The scope of our engagement generally spans financial as well as ESG factors. We empower our investment teams to implement engagement practices they deem most appropriate for their particular investment style, addressing topics and issues that are relevant to the investment in question.

When engaging with companies, portfolio managers may wish to address ESG issues on a proactive basis to raise awareness on particular issues, and/or proceed on a reactive basis, to discuss matters that have already occurred in order to ascertain how management has, or intends to, address them. Ongoing dialogue



Engagement

typically extends beyond short-term financial metrics and earnings to address management's long-term strategy, and may include considerations such as a firm's corporate culture, sustainability, governance practices and disclosure.

We encourage companies to recognize the importance of ESG factors and support their efforts to improve transparency and disclosure. In addition to engaging with companies, we engage with financial market service providers to encourage the implementation of sustainable investing practices.

Recognizing that working in concert with others is sometimes more impactful, Fiera Capital aspires to participate more frequently in collaborative-type engagement initiatives that are in line with our active ownership principles and are present in the various jurisdictions in which we operate.



Proxy voting is a crucial element in the integration of ESG factors into our investment process.

We exercise our voting rights in a manner designed to help achieve and maintain the highest standards of corporate governance and business practices for companies within our portfolios, in order to maximize value creation and protect the economic interest of shareholders. Our Proxy Voting Policy has been in effect since 2002 prior to the creation of Fiera Capital, providing guidelines for the exercise of voting rights related to ESG issues. Some Fiera Capital affiliates also consult external proxy voting advisors to provide complementary analysis and recommendations. Throughout the firm, we retain a record of all proxy votes in a special log, to comply with regulations in the jurisdictions where we operate. We also keep records of any votes cast against our Proxy Voting Policy and the associated rationale.

In 2021, we issued a revised Proxy Voting Policy incorporating improvements designed to better represent our beliefs and practices regarding voting on proposals related to systemic environmental and social issues, as well as on corporate governance matters.

We invite you to consult our **Proxy Voting Policy** to learn more about Fiera Capital's approach to integrating material ESG assessments into our investment processes.

Proxy Voting Policy

[Read more >](#)



As well, our former U.S. Proxy Voting Committee pivoted to become the Global Proxy Voting Committee, in order to hold all regions to the same governance standards. The committee has representation drawn from investment leadership, compliance and operations across the organization, along with sustainable investing professionals. Its roles and responsibilities include providing oversight and thought leadership for proxy voting throughout Fiera Capital.

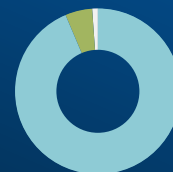
In 2021, we voted in

1,272 meetings across **47** different countries

During which we voted in favour of

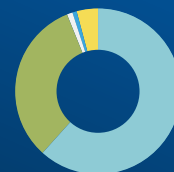
29 environmental proposals

Proxy Voting Statistics



Management Proposals

Voted **13,185**



Shareholder Proposals

Voted **389**

% Aligned with Management

94%

44%

% Aligned with Fiera Proxy Voting Policy

99%

96%

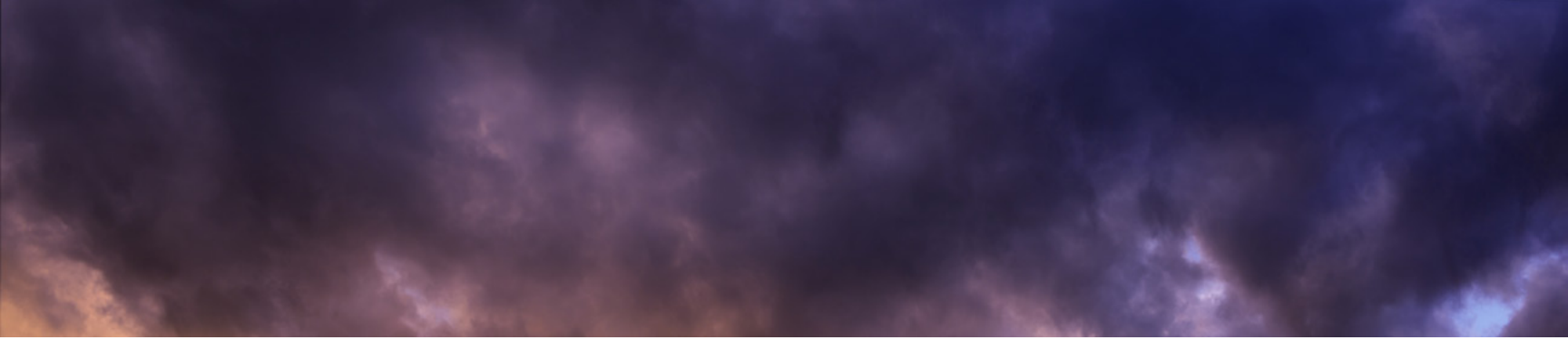
● for
 ● abstain
 ● do not vote
 ● against
 ● withhold

Climate Change

“ Climate change is the single greatest threat to a sustainable future but, at the same time, addressing the climate challenge presents a golden opportunity to promote prosperity, security and a brighter future for all. ”

Ban Ki-Moon, Former Secretary-General of UN





Climate change continues to be at the forefront of many countries' and governments' consciousness and decision-making.

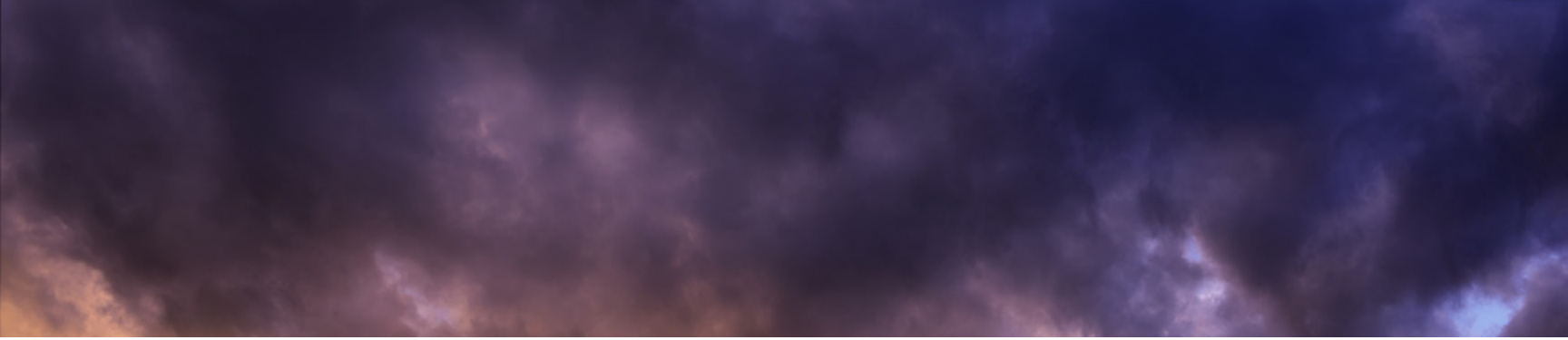
It is incumbent on all of us to contribute to the achievement of credible, recognized global carbon-reduction targets, while staying ahead of changing environmental regulations and, in the process, creating sustainable returns for our investors.

As a global asset management firm, Fiera Capital supports the transition to a lower-carbon economy.

We encourage our portfolio management teams to closely analyze climate-related risks, where material, when making investment decisions.

We also continue working on ways to access more and better emissions data that will help us fully comprehend the underlying climate-related risks within our portfolios.





Net Zero Asset Managers (NZAM) Initiative

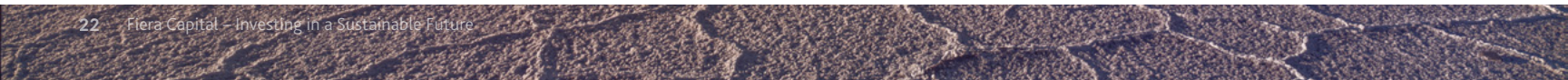
In August 2021, Fiera Capital joined the NZAM initiative, which brings together an international group of asset managers committed to playing a more active role in battling climate change. We are dedicated to working proactively towards the goal of reaching net zero greenhouse gas emissions by 2050 or sooner, and to supporting broader efforts to limit global warming to 1.5 degrees Celsius.

In 2021, one of our significant climate-related projects involved initiating the setting of interim decarbonization targets. Significant effort was put into defining the proper methods and metrics required to produce credible and robust targets. Fiera Capital will disclose the interim targets in Q3 of 2022.

Task Force on Climate-Related Financial Disclosures (TCFD)

The Financial Stability Board's TCFD is a globally recognized initiative charged with providing guidance on managing and disclosing climate risks and opportunities. It aims to provide reliable climate-related financial information so that financial markets can accurately appraise and price climate-related risks and opportunities. We believe that TCFD's sector-specific disclosure standards serve as useful guidance for companies to identify, manage and report on climate-related risks. As such, we have incorporated this guidance into the firm's proxy voting policy.

Fiera Capital is now an official supporter of the TCFD and will issue its first TCFD report in 2022, underscoring our commitment to continuous improvement with respect to identifying and managing climate-related risks and opportunities.



Industry Collaboration

Fiera Capital interacts and participates in a number of industry working groups focused on ESG reporting standards.

We believe that an integral part of our role as a responsible investor is to actively contribute and collaborate with other players in the investment value chain to further develop the field. Accordingly, we have endorsed or signed onto a number of relevant standards and statements, and are active members and signatories of various networks and sustainable investing initiatives.

As well, we recognize and adhere to several responsible business codes of conduct, along with internationally recognized standards for due diligence and reporting.

Canadian Coalition for Good Governance (CCGG)



CCGG promotes good governance practices among public companies in Canada, with a strong focus on independent board members of corporations. CCGG is increasingly focusing on environmental and social factors when engaging with board members.

Carbon Disclosure Project (CDP)



We are a signatory to the CDP, a project that aims to collect and share information on greenhouse gas emissions and climate change strategies.

Global Real Estate Sustainability Benchmark (GRESB)



GRESB is the most recognized global ESG benchmark for real assets. More than 100 institutional investors, representing approximately \$22 billion in assets under management, use GRESB data to monitor their investments and make decisions that lead to a more sustainable industry.

Impact Management Project (IMP)



IMP is an initiative backed by many foundations, asset owners and asset managers around the world, which aims to provide a framework for impactful sustainability initiatives. This framework is currently used in our Global Impact Fund, which was launched in 2020.

Net Zero Asset Managers Initiative (NZAM)



As an investor signatory since June 2021, Fiera Capital is committed to supporting the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit global warming to 1.5 degrees Celsius. We are also committed to support investments aligned with net zero emissions by 2050 or sooner.

Responsible Investment Association (RIA)



The RIA is Canada's membership association for Responsible Investment. Members believe that the integration of environmental, social and governance factors into the selection and management of investments can provide superior risk-adjusted returns and positive societal impacts.

Sustainability Accounting Standards Board (SASB)



SASB is a framework with growing global recognition. As an official supporter since 2020, we promote the standards internally, and it is used by an increasing number of Fiera Capital investment teams.

Task Force on Climate-Related Financial Disclosures (TCFD)



We are an official supporter of TCFD. The task force's recommendations provide a foundation for climate-related financial disclosures for all companies, encouraging them to report on the climate-related risks and opportunities most relevant to their particular businesses.

United Nations Principles for Responsible Investing (UN PRI)



UN PRI is an investor initiative focused on incorporating ESG into investment processes. Fiera Capital was an early adopter of responsible investment and signed the UN PRI in 2009. As a signatory, we are continuously assessed on our performance and required to report annually on our ESG integration approach and progress.

Sustainable Investing Spectrum

We believe that the real-world application of our sustainable investing philosophy can take various forms.

To set the foundation for meaningful dialogue on the subject, and to address diverse investor needs and objectives, we have developed our own Sustainable Investing Spectrum, which groups these practical applications into families of sustainable investing approaches. These approaches are mapped according to the prioritization of financial and sustainability objectives in the strategy. We also recognize that more than one approach can be utilized in a given investment strategy.

This guidance is employed by our investment teams in the management of their particular strategies, with the expectation that each strategy takes at least an ESG integration approach, meaning that ESG-related risks and opportunities are considered when making investment decisions, in a manner that best suits the investment style of the strategy.

Other approaches can then be employed in addition to ESG integration depending on the desired sustainability profile and objective of the strategy.

Our Sustainable Investing Spectrum illustrates our various sustainability approaches:

APPROACH	ESG integration	Negative/Ethical Screening	Positive Screening /Best-in-Class	Thematic and Impact
RISK AND RETURN PROFILE	Sole Focus	Primary Focus	Dual Focus	
IMPACT PROFILE	None	Secondary Focus		
CLIENT OBJECTIVES	<div>RETURNS ←──</div>			

ESG Integration



We integrate ESG factors into our investment analysis and decisions to **better manage risks and improve returns**. It is often used in combination with **screening and thematic investing**.

Positive Screening and Best-in-Class Approach



A positive screening and best-in-class approach can also be applied to limit exposure to ESG laggards, while favouring ESG leaders and companies with demonstrably sustainable business practices that can help maintain or enhance the intrinsic value of an enterprise today, without compromising its ability to create added value in the future.

Negative and Ethical Screening



Some of our strategies **employ negative screens** to address investors' specific needs and values. For instance, we have strategies that negatively screen exposure to fossil-fuel industries to limit negative impacts on climate change. On the other hand, **ethical screens** can also be applied to **restrict exposure to controversial industries** such as adult entertainment, alcohol, firearms, gambling, military contracting, nuclear power, tobacco and cannabis.

Thematic and Impact Investing



Fiera Capital also invests in companies that are committed to **generating a measurable, positive social and/or environmental impact** while still delivering satisfactory financial returns.



Sustainable Finance Disclosure Regulation (SFDR)

As a firm, we successfully complied with the Sustainable Finance Disclosure Regulation (SFDR), a new set of European Union rules aimed at making sustainability profiles more transparent and consistent for funds sold throughout Europe. We are proud to note that all of our Irish-based 'Undertakings for Collective Investment in Transferable Securities' (UCITS) mutual funds have been classified as Article 8 under the SFDR, with binding environmental and social criteria set as standard.

ESG factors are integrated into the fundamental investment decision-making process of each of these funds. Fiera Capital is of the view that well-governed companies generally are those that demonstrate high environmental and social standards, such as respect for their employees, for human rights and for the communities in which they do business.

Material ESG factors that can positively or negatively impact the intrinsic value of a company are taken into consideration in our fundamental investment analysis. While pursuing the applicable investment policy and strategy for a given fund, we seek to identify and promote various environmental and social characteristics. Such characteristics are reflected in the binding ESG investment criteria, found **here**.

They include, but are not limited to, energy use and carbon emissions, in particular a reduction in the use of coal; and the principles of the United Nation's Global Compact, including the support for and protection of human rights, the elimination of all forms of forced and compulsory labour, and the elimination of discrimination and all forms of corruption. Other environmental and/or social factors may also be promoted, as determined on a per investment basis that takes into account considerations such as the industry, sector and geography.

Outlook: 2022 and Beyond



As our journey towards achieving excellence in capital allocation continues, we are cognizant of the important contribution sustainable investment practices will bring to this strategic initiative.

Our global approach to ESG issues across a broad range of endeavours acts as a self-enforcement mechanism, whereby practices implemented under the Sustainable Finance Disclosure Regulation (SFDR) in Europe can be applied to other regions, while knowledge acquired from active membership in industry initiatives can be shared across investment platforms and teams.

By leveraging the intellectual capital of the entire organization to support sustainable investing, we are accelerating the pace of development of applications in this area, which we have identified as being of critical importance in terms of meeting our commitment to clients. We are confident that our sustainable investing journey – though well over a decade old – will lead to further improvements and noteworthy new achievements in 2022 and beyond.



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► PUBLIC MARKETS

Simon Steele
FCISI

Senior Vice-President & Senior
Portfolio Manager

“Sustainability-linked opportunities and risks should form part of an integrated and holistic investment appraisal encompassing all aspects of the investment case and should not be treated as a separate bolt-on to the research process.”

➤ Global Equity

LOCATION

London, Hong Kong, Sydney

ASSET CLASS

Global Equity

Integration

ESG factors are explicitly integrated into the team's research process through the Wealth Creation Pillar framework.

Our research efforts seek to identify relevant ESG factors that are then complemented using MSCI ESG data, Credit Suisse Holt and SASB materiality metrics. We then analyze the impact of these factors across the four pillars of the wealth creation framework.

We apply exclusions, which include tobacco producers and distributors, manufacturers of controversial weapons and other business activities deemed unethical. We identify and anticipate risks of poor governance practices through our proprietary governance scorecard. Each company is given a rating on several corporate matters such as board alignment, shareholder value and ownership structure.



Sustainable Finance Disclosure Regulation (SFDR)



Achievement

The flagship strategy was declared as meeting the provisions set out in Article 8 of the SFDR.

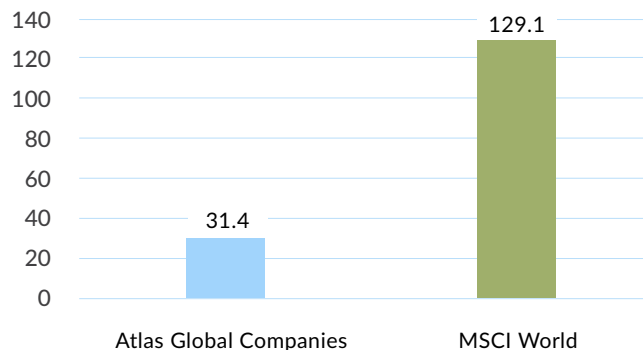


Reporting

As part of our responsibilities as managers of an Article 8 Fund under the SFDR, we will start reporting on our *Principal Adverse Impacts* in 2023.

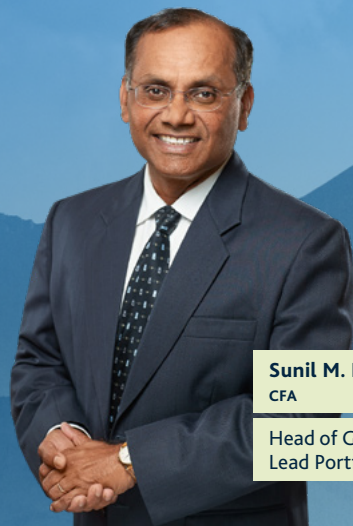
Carbon Risk

Weighted Average Carbon Intensity (tCO₂e/\$M Sales)



Based on MSCI ESG data as of December 31, 2021

As long-term investors, we are acutely aware of the risks that climate change presents to society, the global economy and long-term investors. Consequently, we explicitly target a lower level of aggregate portfolio carbon intensity compared to our investment universe. This is consistent with our objective to achieve sustainable superior risk-adjusted returns for our clients over the long run.



Sunil M. Reddy
CFA

Head of Growth Equities
Lead Portfolio Manager

“ At our core, we are active managers who focus on owning great companies with sustainable potential growth and returns. Our belief is that we need to understand ESG considerations in order to really know companies. ”

➤ U.S. Growth Equity

LOCATION

Dayton

ASSET CLASS

U.S. and International Equity

Integration

We believe there are benefits to both investors and the global community in pursuing an investment process that incorporates ESG factors. We consider ESG metrics as part of our process to identify quality companies.

To properly vet and consider holdings, we need to understand ESG considerations. We continue to assert that the most value creation will be achieved through a combination of data, analysis, thought and discussion. There is a clear alignment of our fundamental research process that focuses on thematic investing with emerging and stable growth companies and our ESG factors. Over the long term, these companies are delivering necessary and valuable goods and services to help their clients and are creating an overall improved global community.

While growth is important, it is only one attribute, and how a company delivers continuous growth is equally important. This includes creating a strong culture that attracts top talent, investing in its people and operations, providing value and treating

Stewardship

The team uses proxy voting as a means of supporting shareholder-friendly practices at investee firms with the aim of ensuring and growing shareholder value.

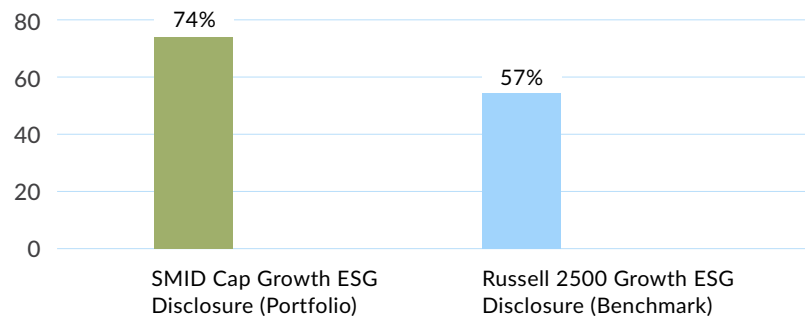
In addition to proxy voting, we also engage with companies to drive improvement over time. As active managers, we believe the combination of our proxy voting policy and our ability to engage with management positions us well to be able to invest in quality companies and foster sustainable returns over time.

Notably, current investments that do not screen well from an ESG perspective, are reviewed on a quarterly basis with the expectation of improvement. If a company does not demonstrate progress over time or has no initiative in place to drive improvement, then appropriate actions will be discussed by the investment committee.

customers fairly, operating responsibly, positively contributing to the community, being environmentally responsible, and taking a long-term approach to growing the business. We believe quality companies that focus on these areas in order to deliver growth will create a more defensible business model for years to come.

ESG Disclosure

A key measure by which we can understand if companies are acting in a manner consistent with the team's philosophy and approach is through the lens of disclosure.



ESG Disclosure here is defined as the proportion of companies in our portfolios that report on their sustainability efforts and risks. *For illustrative purposes only.*
As at December 31, 2021



Stefan Böttcher

Senior Portfolio Manager

“ Our role as emerging market investors has always been to support well-governed businesses in countries undertaking a clear socio-economic reform program. ”

➤ Emerging and Frontier Markets

LOCATION

London

ASSET CLASS

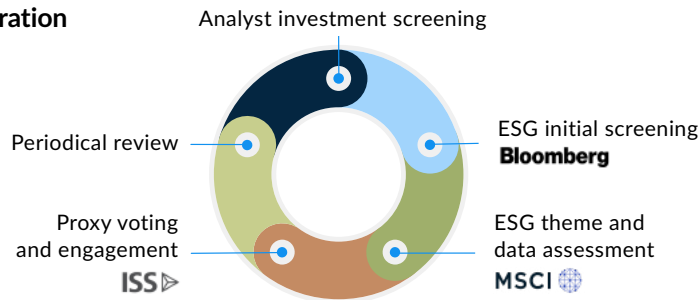
EM and Frontier Equity

Philosophy

We strongly believe that sustainability risks represent a serious threat to organizations, their employees, their communities and consequently, their shareholders.

We are stock pickers – we aim to identify well-managed companies, with robust business models where shareholder interests are respected, that can generate attractive returns on invested capital as well as sustainable growth in earnings and cashflow.

Integration



Sustainable Finance Disclosure Regulation (SFDR)



Achievement

The flagship strategy was declared as meeting the provisions set out in Article 8 of the SFDR.

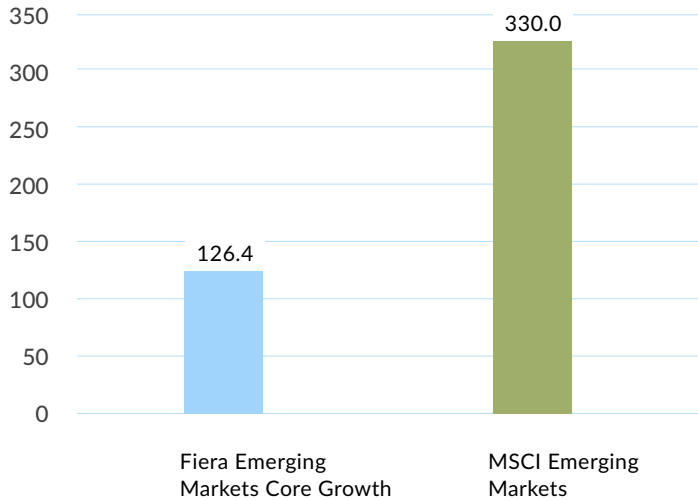


Reporting

As part of our responsibilities as managers of an Article 8 Fund under the SFDR, we will start reporting on our *Principal Adverse Impacts* in 2023.

Carbon Risk

Weighted Average Carbon Intensity (tCO₂e/\$M Sales)



Based on MSCI ESG data as of December 31, 2021



Nessim Mansoor
CPA, CA, CFA

Head of Canadian Large
Cap Equities

“ We believe ESG integration helps us better identify high-quality sustainable businesses who will build shareholder value over the long term. ”

➤ Canadian Large Cap Equity

LOCATION

Toronto

ASSET CLASS

Canadian Equity

Integration

The long-term approach of the team is rooted in a quality investment philosophy. The intent of this approach is to invest in businesses with the mindset of a long-term owner.

We aim to own profitable, well-established companies with durable, defensible attributes, which can consistently generate good returns on investment for many years.

We integrate sustainability factors directly into fundamental research process. When thinking about sustainability, we are thinking about people, the responsibility of a company in society, environmental performance and objectives, the leadership and long-term planning and the investments required to build resilient and successful companies over time. This aligns with a long-term investment approach allowing us to better assess quality, capital allocation, operational aptitude, culture and long-term business durability. To support this integration, we developed an internal risk management database, SHEL B, which allows us to track more than 60 qualitative and quantitative data points related to the five SASB dimensions.

Stewardship

Our engagement philosophy is built on being active owners and rests on the important relationships we have built over the years.

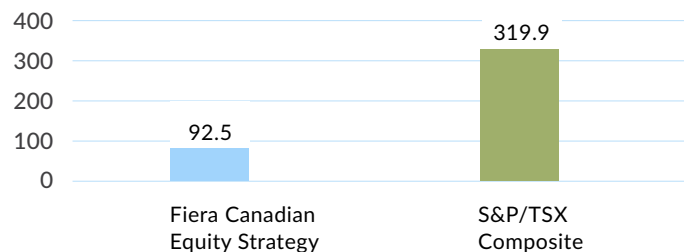
As long-term investors on behalf of our clients, we want to encourage business leaders to behave well with respect to all stakeholders whether it be employees, customers, communities, shareholders, suppliers, or the environment. We believe this will build resilient and successful businesses and contribute to long-term success for shareholders. If you treat employees well, focus on client needs, invest in the future of the business, and operate responsibly in the community, the business has a much higher chance of succeeding and growing well into the future.

Engagement Topics by SASB and Non-SASB Dimensions (139 Total)

Operational (Non-SASB) Total	43	30.9%
Leadership & Governance	7	5%
Business Model & Innovation	27	19%
Environment	29	21%
Human Capital	24	17%
Social Capital	9	6%
SASB Total	96	69.1%

Carbon Risk

Weighted Average Carbon Intensity (tCO₂e/\$M Sales)



Based on MSCI ESG data as of December 31, 2021



Marc Lecavalier
M.Sc., CFA

Senior Portfolio Manager

“ The goal of integrating ESG factors into our investment process is to identify potential risks and opportunities and improve long-term, risk-adjusted returns. ”

➤ Canadian Small Cap Equity

LOCATION

Montreal

ASSET CLASS

Canadian Small Cap Equity

Integration

ESG factors are systematically integrated into our investment process. They are evaluated in the initial phase of investment and are monitored constantly during the rest of our holding period.

We use the MSCI ESG rating when available to score our holdings. When no MSCI ESG rating is available, we assess our own ESG risk profile and score.

Over time, we monitor the rating evolution of each of our holdings as well as the score of the portfolio. We compare our ratings per sector versus those of our benchmark to identify where we can improve.

A company being identified as having poor ESG practices and/or high ESG risk will be discussed thoroughly. We will engage directly with management to better understand the current situation and what action plans can be implemented to resolve the situation.

Stewardship

Proxy voting is an important way for us to help protect the best interests of our clients. We make each voting decision independently, generally in accordance with the Fiera Proxy Voting Guidelines.

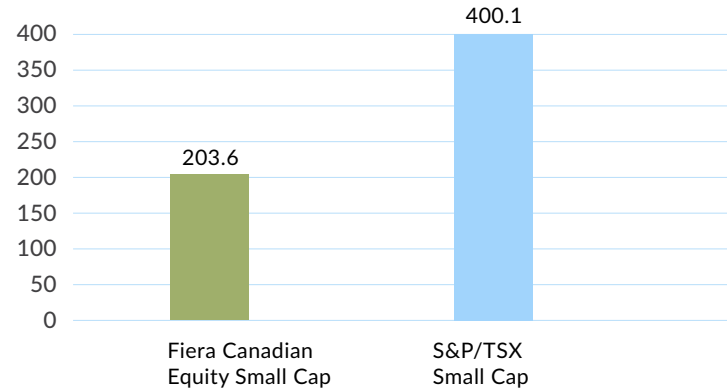
We also **consult ISS** as an additional source of independent opinion regarding voting recommendations to further help us in our decision process.

In terms of engagement, we **meet and dialogue privately with the management team** of our portfolio companies on a regular basis. Our goal is to build a constructive relationship and share our concerns whenever they may arise, regarding ESG factors or other matters.

The **purpose of engagement is to seek better disclosure of ESG risks**, encourage more effective management of ESG factors and possibly seek a commitment for change and improvement.

Carbon Risk

Weighted Average Carbon Intensity (tCO₂e/\$M Sales)



Based on MSCI ESG data as of December 31, 2021

- We are committed to integrating climate change into the investment process.
- We encourage our holdings to disclose their impact on climate change.
- We encourage our holdings to measure and disclose their current emission footprints when possible. We also discuss the emission goals and targets that they should aim for over the mid to long term and monitor their progress.



Michael Chan
BEng, BSc, MBA, CFA

Senior Portfolio Manager

“ We have always held the belief that we are investing in a business and not just a stock. For us, ESG principles have always been integrated into our fundamental investing process. ”

➤ Core Canadian Small Cap Equity

LOCATION

Toronto

ASSET CLASS

Canadian Small Cap Equity

Integration

Our fundamental research process starts with the classic industry analysis, with the use of Porter's Five Forces framework. As a result, we consider ESG factors that generate both risk and opportunities that can affect the long-term attractiveness of an industry.

The evaluation of ESG considerations is integral to our investment process and influences our company forecasts, valuation estimates as well as portfolio weightings.

We believe that some of our companies are not only good investments from a financial standpoint, but also have a positive impact on society. For example, several of our portfolio companies' products and services support key sustainability attributes including human capital development and employee safety.



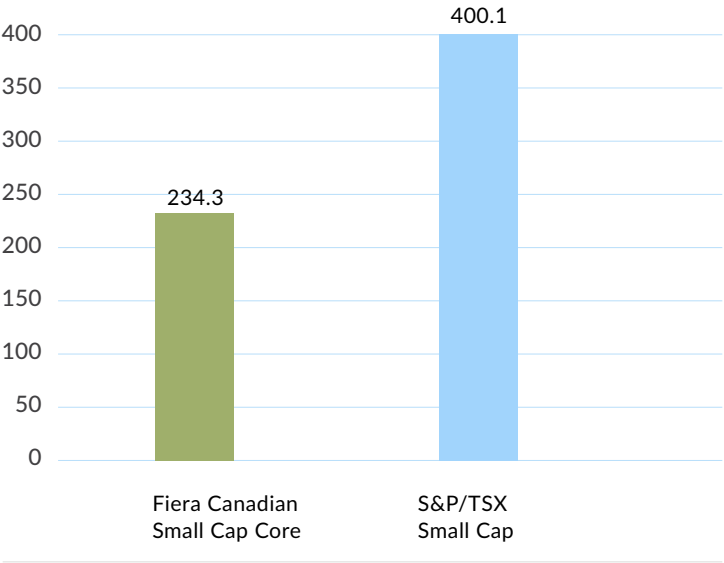
Board independence and diversity are important long-term considerations in our evaluation of a company. We believe the analysis of management incentives has some predictive value in regard to long-term performance. As such, we have integrated a discussion of executive long-term compensation into our fundamental research process, for each of our portfolio companies.



The team uses ISS and Fiera Capital's policy as a guideline for our **proxy voting**. We review each item in the meeting on a case-by-case basis and the final decision is sometimes based on additional interaction with management and unique aspects of a small cap company.

Carbon Risk

Weighted Average Carbon Intensity (tCO₂e/\$M Sales)



Based on MSCI ESG data as of December 31, 2021

➤ Active Fixed Income

LOCATION

Montreal & Toronto

ASSET CLASS

Canadian Fixed Income

Integration

The team collects and aggregates relevant datasets to help enhance the integration of ESG considerations into the investment process.

As new appropriate datasets are identified, they are added to the team's database, which then feeds all investment decisions and reporting tools. We integrate up-to-date provincial and municipal datapoints, which are not available in the most common subscription-based datasets. In addition, we apply negative and positive filters in the issuer selection process for all portfolios and favour best-in-class approach within each sector.

Leveraging our presence in the Canadian market to influence issuers on best practices is core to the team's investment philosophy. Consequently, we participate heavily in green bond issuances in order to contribute to the energy transition. We also monitor the ESG, Sustainable Development Goals (SDG) and carbon intensity scores of our portfolios and the indices, which are made available to our clients upon request.



Charles Lefebvre
CFA, FRM

Senior Portfolio Manager

“ Our objective is to ensure financial stability for our clients by driving sustainable action to our community and the environment. We employ a proactive and reactive framework to seek the greatest outcome financially and socially. ”

Stewardship



Assessment

The team meets on a regular basis with issuers (50 in 2021) and has developed an internal set of questions that addresses the three key pillars (environmental, social, governance) and the Sustainable Development Goals (SDG).



Internal Score

Answers are stored in the team's database, internally scored for each key factor (positive, neutral, negative) and adjusted by sector coverage.

Tailored ESG Solutions

In addition to the integration of ESG considerations in all its strategies, the team does offer the possibility of overlaying additional filters to create solutions tailored to clients needs.

Standard Filters (all strategies)	Additional Filters (upon request)
Negative Screening: Exclusion of issuers with low or downward-trending ESG rating	Ethical Screening: Exclusion of issuers with practices or in industries that are considered unethical
Positive Screening/Best-in-Class: Identification of ESG leaders by industry	Controversy Screening: Exclusions based on severeness of controversy
Sustainable Investments: Inclusion of green and sustainable bonds	Climate: Fossil-fuel exclusions or emissions reduction targets/ constraints

Future Development

Sustainable investing is in constant and rapid change, and we aim to further enhance our capabilities in the future. Furthermore, it is our ambition to launch new strategies, such as a green & sustainability-linked bond strategy, to further contribute to a more sustainable future.



Philippe Ouellette
M.Sc., CFA

Senior Portfolio Manager

“ ESG factors are integrated into the fundamental investment decision-making process as we believe that organizations that successfully manage these considerations create more resilient businesses. ”

➤ Credit-Oriented Fixed Income

LOCATION

Montreal & Toronto

ASSET CLASS

Canadian Fixed Income

Integration

We take a holistic approach to sustainable investing by integrating ESG factors into our corporate credit framework.

We leverage ESG data as well as an internal ESG score that has been developed in recent years to drive our analysis. By including ESG factors and data from the internal database in the investment process, we seek to gain greater insight into a company's ability to manage risks and to create sustainable value over the long term. When we believe there could be a material impact on the business or financial profile of an issuer, we factor it into the assessment of the issuer's securities, and we update our evaluation of the required returns to compensate for these additional risk factors.

Engagement

We regularly engage with issuers on ESG-related topics and actively track engagement and the potential outcomes. We believe that engagement can improve issuer performance and reduce their risk profile, while better aligning

New Solutions

In 2021, the team was appointed as sub-adviser for an ESG strategy launched by our partner Horizons ETF (HAEB ETF). This strategy employs multiple approaches and exclusions.

ETHICAL SCREENING Issuers with more than 10% of earnings from adult entertainment, alcohol, cannabis, firearms, gambling, military contracting and tobacco are excluded.

MINIMUM ESG SCORE Issuers with weak ESG score (below BBB, based on Fiera ESG scoring methodology) are excluded.

TARGETED PORTFOLIO ESG SCORE At least 50% of the portfolio is invested in issuers that score within the top third of their universe, which is to be achieved by using our proprietary calculation methodology.

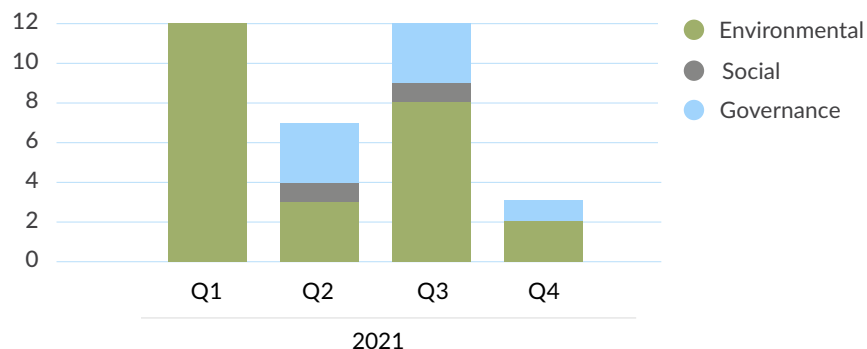
MAXIMUM SECTOR EXPOSURE Exposure to fossil fuel industry kept below benchmark at all times.

CARBON FOOTPRINT Target a lower portfolio carbon footprint than the benchmark.

the issuers' behaviour with the clients' interests. We actively and continuously participate in funding discussions with corporate issuers, which gives us significant exposure to management teams, and the nature of these discussions gives us the right levers for engagement.

ESG data is used to support engagement, which leads to constructive interactions with management teams and gives us valuable insights that then flow into the investment thesis. Furthermore, the team continues to participate actively with other industry participants in further developing ESG integration within the Canadian Fixed Income market. A key focus area in 2021 has been on ensuring ESG data availability continues to grow and that the quality of information is also improving.

Number of ESG Engagements Breakdown by Area of Engagement





Judy Wesalo Temel

Senior Vice President,
Director of Credit Research

“ Our value add is integrating ESG metrics into the credit analysis process, to gauge risks outside of traditional credit analysis. ”

➤ U.S. Tax Efficient Fixed Income

LOCATION

New York

ASSET CLASS

U.S. Fixed Income

Integration

We have performed an ESG analysis on over 6,000 public sector entities including: state and local governments, hospitals, colleges and universities, airports, toll roads, and water and sewer utilities.

We also calculated ESG scores for the vast majority of our corporate credits, both high-grade and high-yield. These scores include environmental, social and governance sub scores.

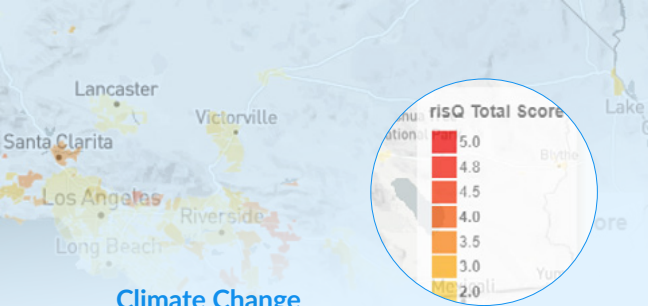
Municipal Model Description

Issuer ESG Score

As part of the **credit review process** that our team undertakes for primary and secondary offerings, we calculate issuers' ESG scores based on a host of quantitative and qualitative factors.

Factors and Weightings

We have unique ESG models for each sector within the municipal market to



Climate Change

For several years, the team has been working with RisQ, a climate data supplier.

RisQ provides data using climate science, data science, geospatial engineering and catastrophe modelling to measure financial risks posed by climate change

Historical climate events are used to quantify an entity's GDP and property value at risk due to adverse climate related events, such as coastal flooding, wildfires, or extreme droughts.

RisQ can overlay these risks with its precise mapping of municipal bond issuers. As none of this disclosure is currently required by market regulators, this tool provides important data points previously overlooked. It allows us to get a better picture of credit risks and determine if bonds are accurately priced in the market.

which we assign a set of factors and weightings. Depending on the sector, a model might have anywhere **from 10 to 20+ factors**.

Adjustments

We improve our models by **identifying new factors, new data, or by adjusting the weights** for existing factors. This is particularly true for environmental and social factors where there are increasingly more metrics and data points to analyze.

Corporate ESG Model

Factors and Weightings

Issuers are broken down into their respective sectors where they have a set of **20 to 30+ factors** with varying weights.

Calculations

With the **Fiera Factor Scores (1 to 5)** and their respective weights in hand, we then calculate the issuers' overall ESG scores as well as scores for each sub-category (environmental, social and governance).



Peter Osborne
CFA

Senior Portfolio Manager

“ Although most infrastructure assets are inherently ESG friendly, our philosophy goes beyond the typical approach of limiting downside risks and aims to focus on the potential upside from favourable ESG attributes – both from a financial and a sustainable perspective. ”

➤ Infrastructure Debt

LOCATION

Montreal & Toronto

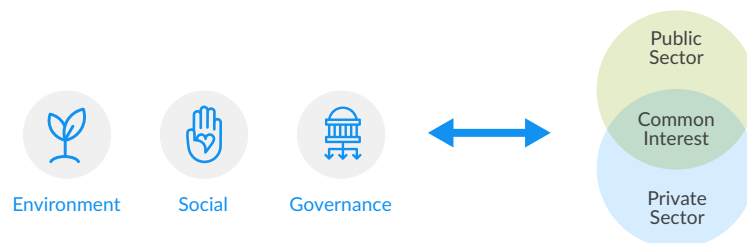
ASSET CLASS

Infrastructure Debt

In-House ESG Framework

We developed an internal scoring framework for project financing focused on the unique features of these highly structured financings.

For each class of project (social, transportation, energy), we identify key environmental, social and governance factors that can contribute to successful long-term operating performance or lead to a negative outcome. Our scoring mechanism highlights the projects that exhibit areas of vulnerability or have specific features that mitigate a potential weakness. The scoring mechanism can be viewed in absolute terms or in relation to projects of a similar nature.





➤ Global Equity (StonePine Asset Management)

LOCATION

Montreal

ASSET CLASS

Global Equity

Integration

As long-term owners of our portfolio companies, we view ESG matters as pillars of our approach to investing and believe that we can best manage them through active ownership.

A material portion of our fundamental research is dedicated to evaluating corporate governance, which we think of as the “soul” of a corporation. We believe governance starts at the top, permeates all aspects of a firm’s culture, and ultimately determines its integrity, ethics and fairness with all stakeholders.

In addition to governance, which may be readily measured and compared across industries, our assessment of a company’s sustainability is tailored to each business since relevant factors will vary based on their industry-specific realities. To achieve this, we employ a materiality framework to systematically identify, measure, and document how companies perform from a range of industry-specific sustainability-related standpoints. The framework employs qualitative and quantitative components to render a holistic view of a company’s management of the risks associated with each stakeholder group.



Nadim Rizk
MBA, CFA

Chief Executive Officer, Chief
Investment Officer & Lead
Portfolio Manager, StonePine
Asset Management

“ We will always strive to support decisions promoting long-term sustainable profitability and oppose those borrowing from future profits to fund current ones. ”



Stewardship

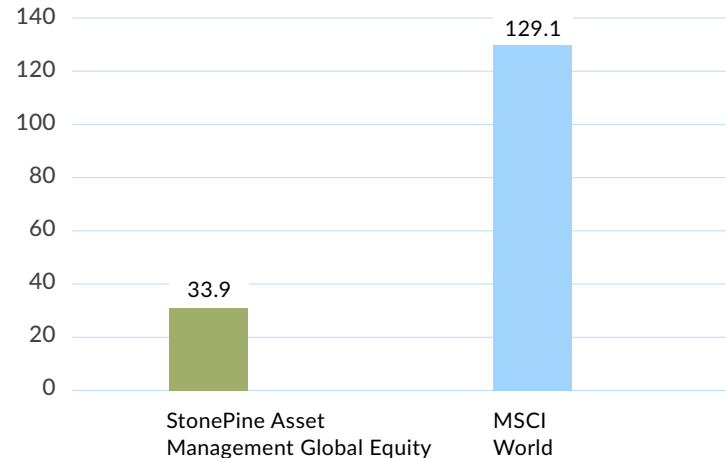
What we call our “time edge” is earned by keeping abreast of strategic initiatives and corporate changes over the years.

Consistently, we go through proxy circulars, engage in an ongoing dialogue, and build long-standing relationships with management teams – and often board members, who come to know us as trusted partners who focus on long-term value creation.

Historically, our investment team has been most active concerning matters of executive compensation structure, capital allocation strategy, equity issuance decisions, board independence, employee wellness and safety, and environmental disclosures.

Carbon Risk

Weighted Average Carbon Intensity (tCO₂e/\$M Sales)



Based on MSCI ESG data as of December 31, 2021

Fiera Capital Corporation entered a sub-advisory partnership with StonePine Asset Management Inc. ("StonePine") in 2022. StonePine is a private, employee-owned investment manager.



➤ PRIVATE MARKETS



Jessica Pilz

Global Head of ESG,
Fiera Real Estate

“ As stewards of our clients’ capital, it is our responsibility to use our innovation capabilities, influence and privilege to drive positive environmental and social change in a fair and just way. We believe that these ambitions are essential to preserving the long-term value and resilience of the funds we manage. ”

➤ Real Estate

LOCATION

Montreal, Toronto, London

ASSET CLASS

Real Estate

Responsible

People

- Foster a best-in-class team
- Advance diversity, equity and inclusion

Planet

- Reduce energy and water consumption and production of waste
- Support biodiversity
- Integration of ESG factors throughout the supply chain

Communities

- Maximise positive social community impact

- Reduced energy by **6%** and saved over **6 million litres** of water
- Canadian offices diverted over **380 metric tonnes** of waste from landfill
- Increased our global green building certification rate to over **17 million sq. ft**
- Conducted a company **DE&I assessment** and developed action plans to better embed these considerations into our processes
- Trained **100%** of employees on ESG considerations
- Raised over **C\$120,000** for charity

Resilient	
Climate	<ul style="list-style-type: none"> Proactively support the transition to a low carbon economy Integrate climate risk and opportunity management into operations
Governance	<ul style="list-style-type: none"> Maintain strong corporate governance Advance digitization and data systems

- Achieved **Planet Mark sustainability certification**
- Reduced GHG emissions by **5%** globally
- Developed a **net zero carbon pathway** for FRE UK Long Income Strategy
- Partnered with two **climate change data providers** to support physical and transitional risk analysis
- Developed a proprietary **ESG resilience scorecard** to support investment and acquisition teams

Engaged	
Collaboration	<ul style="list-style-type: none"> Work with stakeholders to meet mutual goals and promote best practices Contribute to industry ESG collaboration
Transparency	<ul style="list-style-type: none"> Disclose ESG practices according to stakeholder expectations Participate in standards and initiatives

- Achieved **Living Wage Employer** Accreditation for FRE UK Long Income Strategy
- Engaged with tenants on ESG at **79%** of properties
- Incorporated green lease⁴ clauses into **72%** of new leases in FRE Canada CORE Strategy and FRE Canada Industrial Strategy
- Participated in GRESB for the fifth consecutive year, increasing scores, and **achieved "Green Star" status**⁵ across all six fund submissions

⁴ A green lease is a standard form lease with additional clauses ("green clauses") included which provide for the management and improvement of the Environmental Performance of a building by both owner and occupier(s). Such a document is legally binding and its provisions remain in place for the duration of the term. ⁵ Fiera Real Estate has submitted six strategies for review by GRESB and each have received the Green Star rating. Green star ratings are assigned to strategies meeting a minimum number of points on real estate management and performance according to GRESB's methodology.



Alina Osorio

President, Fiera Infrastructure

“ We believe that ESG conscious investing and portfolio investment value creation go hand in hand, with ESG risk mitigation resulting in inherently stronger investments. ”

➤ Infrastructure

LOCATION

Toronto, New York, London

ASSET CLASS

Infrastructure

ESG Philosophy

We seek to continuously embed ESG considerations in our investment decisions and management processes to support long-term value creation for investors.

We recognize our ability to have an impact on various stakeholder groups – our employees, investors, portfolio investments and the communities in which they operate. With this in mind, ESG considerations help to frame how we approach our everyday work and helps us to understand our broader impacts, mitigate risks and identify opportunities.

Summary of Processes

ESG Integration is embedded into our investment process from the start, with our investment strategy incorporating ESG considerations that factor into screening prospective investments. Each deal that we pursue undergoes a thorough ESG evaluation using our ESG Due Diligence Guideline. The guideline prompts analysis

Canada Vehicle

2021 GRESB component	Performance	Change from 2020
 Management Score	28 30	+2
 Performance Score	54 70	+18
 GRESB Score	82 100	+20
 Global Ranking	44 106	44 75

Luxembourg Vehicle

2021 GRESB component	Performance	Change from 2020
 Management Score	28 30	+2
 Performance Score	54 70	+11
 GRESB Score	82 100	+13
 Global Ranking	42 106	36 75

of ESG factors, including strengths, risks, opportunities, as well as deal and asset management implications. A summary of our analysis is included in our Investment Committee memos and is a key factor in the decision-making process.

GRESB Infrastructure Asset Assessment

The GRESB Infrastructure Asset Assessment continues to be a key tool in our ESG program.

We use GRESB to monitor and benchmark ESG practices and performance across our portfolio. More of our portfolio investments completed the GRESB Assessment in 2021 than ever before – representing **98%** of our portfolio by value. Our overall GRESB performance also improved. Both strategies received **a score of 82, increasing by 13% and 20%** from 2020 for our Luxembourg and Canadian strategies respectively.

The improved Management Score is a direct result of continued efforts to formalize ESG processes across the business, including due diligence, management, and reporting activities. **The improved Performance Score for both strategies and their respective investments is both in part due to increased asset participation as well as investments' continued integration of ESG practices.**



In 2021 Cory moved its entire river fleet from marine gas oil to **run on biofuels**. This will result in a reduction of net carbon dioxide emissions by over 90% from Cory's river operations.

In 2020 Cory initiated a project to install **37 electric vehicle charging points** across 6 sites.

Supported⁶ **7 community projects** with grants from its new Community Fund.

⁶ As at December 31, 2021

Case Study

Cory

Cory is a resource management, recycling, and energy recovery company, which operates an energy from waste (EfW) facility in the United Kingdom. The asset continues to be a sustainability leader in the portfolio.

In addition to integrating best practices for managing ESG issues, Cory's business contributes to a more circular economy, ensuring there is no waste from waste, and reduces emissions by using barges to transport waste by river to the facility, saving 100,000 road vehicle movements a year.

Cory is planning to make a significant investment in its operations and river infrastructure over the coming years. This includes Riverside Energy Park, which will be constructed alongside the existing facility in Belvedere and will include an EfW facility which will process 655,000 tonnes of non-recyclable waste into enough electricity to power 140,000 homes each year. Over the past few years, Cory continued to move the needle with respect to ESG – committing to net zero carbon emissions by 2040 and issuing a decarbonization strategy detailing their plan to achieve the goal.



Antoine Bisson McLernon
MBA, BCom, CFA

Partner and Chief Executive
Officer, Fiera Comox

Matthew Corbett
MBA, BSc

Partner, Agriculture,
Fiera Comox

“ We are committed to creating long-term value for our investors, partners, and the communities in which we live and operate. We continuously collaborate with our farming partners to sustainably produce food and fiber across our global platform. ”

➤ Global Agriculture

LOCATION

Montreal

ASSET CLASS

Agriculture

Integration

The Fiera Comox Global Agriculture strategy targets high-quality farmland assets with a long history of production in stable geographies with limited greenfield development.

Our ability to identify, assess and manage sustainability risks is critical in securing and preserving our social license to operate and our capacity to deploy capital.

Sustainability Implementation Protocol

Identification Identify and analyze opportunities to improve sustainability or potential sustainability risks utilizing both internal and expert third-party resources.

Management Analyze potential opportunities to mitigate or eliminate sustainability risks and develop a plan to address them, where possible.

Monitoring Routine monitoring of existing risk factors and for new or evolving risk factors, or opportunities to improve sustainability. Analyze potential risk factors or opportunities with the support of internal or expert third-party resources.



Case Study

California Specialty Tree Fruit

Our California fruit tree farm partnership is primarily involved in the production of cherries and ranks among the leading cherry grower-packer-shippers in the state.

It has a strong focus on innovation and sustainability, which is demonstrated through the implementation of sustainable farming practices and the use of innovative on-farm technology.

The company's increased production of organic cherries is a good example. Statewide, only about 1% of California's cherry production is certified organic. Based on estimates of organic cherry acreage currently in production, **the company's organic cherry crop could potentially account for up to 10% of the state's total organic cherry production in 2022.**

While organic cherries command a healthy price premium over conventionally grown cherries at retail, the production of organic cherries also improves the sustainability profile of our asset by eliminating the use of synthetic agrochemicals (pesticides, fertilizers and herbicides), which materially reduces our environmental impact.

In 2022, the company will have more than **100 acres devoted** to growing organic cherries

More than **10%** of the company's total cherry production **will be organic** in 2022

As at December 31, 2021



Bradley Mashinter
MBA, BAA, CFA

Partner & Head of Private
Equity Comox

Maxime Pelletier
MBA, BCom

Partner,
Private Equity,
Fiera Comox

“ Recognizing the importance of ESG across the investment lifecycle, we are committed to integrating these considerations into every step of our investment decision-making process in order to best serve investors and stakeholders. ”

➤ Global Private Equity

LOCATION

Montreal & Toronto

ASSET CLASS

Private Equity

Integration

We purposely seek to identify potential ESG issues during the sourcing and due-diligence stages of our investment decision-making process.

Identifying ESG risks and opportunities early on enables us to focus on our due diligence efforts and affords us the opportunity to potentially decline investments that appear to be inconsistent with our vision. During the subsequent monitoring and management stage, we strive to identify any potential ESG issues that ought to be addressed with the management of the company in question.



Sourcing



Due Diligence



Management
and Monitoring



Case Study

Project Green

In 2021, the Fiera Comox Glacier Private Equity Strategy acquired a minority stake in a U.S.-based sustainable energy finance company, Project Green, which owns and finances sustainable energy projects in the U.S. and Europe.

Project Green promotes significant Environment, Social and Governance attributes by investing in projects with **low carbon emissions and fostering best practices surrounding employee equity.**

Project Green partners with technology providers across renewable energy, energy efficiency, transportation, waste and water sectors to create a **more efficient market for clean energy** by matching utilities, customers and vendors.

As at December 31, 2021



Environment

- Portfolio of 2,000+ operating assets diversified across technologies, segments and partners
- Investment in projects with extremely low carbon emissions resulting in 43 million metric tons of CO₂e avoided and 11 million tons of organic waste diverted from landfills



Social

- Score of nearly 100% employee satisfaction in its latest survey



Governance

- Diverse management team: 56% women or visible minorities
- Governance committee appointed to review ESG best practices



Justin Tawil

Vice President, Risk Management and Co-Chair, Fiera Private Debt Responsible Investment Committee

Katherine McElroy

Senior Director, Infrastructure Debt US LLC and Co-Chair, Fiera Private Debt Responsible Investment Committee

“ Our mandate is to generate the best returns possible for our clients within the risk constraints of our investment policies. Responsible investing is core to our ability to satisfy our mandate without sacrificing returns. ”

➤ North American Private Debt

LOCATION

Montreal, Toronto, New York

ASSET CLASS

Infrastructure and Corporate Private Debt

Integration

With inherent differences in our distinct private debt strategies, each North American Private Debt investment team is responsible for the continuous development of an ESG Framework to systematically identify and consider material ESG factors.

Each Framework includes:

- Formal list of **ESG exclusions/screens**
- **ESG due diligence** checklist and guidelines tailored to the investment strategy
- Formal **integration** into investment memos, decisions and tracking

2021 Highlights

Q2

Strategic ESG review with consultant, Quinn & Partners

Q3

New Responsible Investment Policy drafted and signed. Establishment of Fiera Private Debt Responsible Investment Committee.

[View Summary ➤](#)

Q4

Development and implementation of ESG Frameworks for each investment strategy

Engagement

As a private credit investor, our investment teams directly originate debt investment opportunities with borrowers and their advisors.

In this role – and often as the sole lender in a debt facility – our investment teams are well placed for active, thoughtful ESG engagement with our borrowers.

Select examples of our ESG engagement with borrowers have included:



Borrower ESG Questionnaire

A list of questions, informed by the SASB Materiality Map, sent to a prospective borrower during the due diligence phase prior to making an investment



ESG Covenants

Loan documentation incorporating ongoing ESG covenants to support continued ESG engagement for the life of the debt investment



Antoine Bisson McLernon
MBA, BCom, CFA

Partner and Chief Executive
Officer, Fiera Comox

Mathieu Desforges
LL.B, MBA

Partner, Head of
Private Credit, Fiera Comox

“ We believe that integrating ESG factors into our investment process generates differentiated insights and leads to better decision-making. ”

➤ Global Private Credit

LOCATION

Montreal

ASSET CLASS

Private Credit

Integration

We integrate ESG factors within the framework of our investment decision-making process and manage our portfolio companies responsibly with a view towards long-term sustainability. We align ESG integration with our fiduciary duty to serve investors and stakeholders.

ESG Framework

- Ability to **identify, assess and manage** sustainability risks is critical in our investment cycle to manage the risk profile of the strategy
- Seek to identify ESG issues during the **sourcing and due diligence stages** in order to include ESG-related loan covenants in loan agreement to mitigate ESG risks or decline transactions early on, where applicable
- During the **monitoring stage**, we identify potential issues which should be addressed by the company
- At the time of exits and refinancings, evaluate whether changes were made to the borrower's business model or practices impacting its ESG rating



Our investment will support Lumio's management team in growing its sustainability mission.

Solar is one of the safest and cleanest forms of energy production.

The key highlights identified (right) were the main drivers motivating the investment team and Investment Committee to make the largest investment in the Strategy at the time of the transaction.

Case Study

Lumio

In December 2021, the Fiera Comox Private Credit Opportunities Strategy completed its investment in Lumio, one of the leading residential solar panel installers in the United States.



Environment

Lumio's residential solar power system is a clean, renewable energy source that requires minimal maintenance, reduces dependence on community power grids, and contributes to the reduction of greenhouse gas emissions.



Social

Lumio's main solar panel supplier is a signatory to the SEIA's Forced Labor Prevention Pledge aimed at avoiding use of forced labour for solar production.



Governance

Lumio's management team is in the process of developing a diversity, equity, and inclusion policy. Many employees are eligible for stock-based compensation, ensuring employees benefit from the company's success.



Peter Li

Vice President,
Fiera Capital (Asia)

“ We believe that ESG factors can impact investment performance and must be considered in our evaluation. Our belief is that the capital we manage can do more than just deliver strong risk-adjusted returns, it can also help support global sustainability initiatives. ”

➤ Asia Credit Investment Opportunities

LOCATION

Hong Kong

ASSET CLASS

Private Credit

Integration

Our research and active engagement is at the core of our investment approach.

For our investment teams to properly complete their due diligence, they consider material ESG factors in their investment process, and ESG analysis is integrated throughout all strategies.

Investments are first screened against our Exclusion List and we are attuned to common ESG red flags which may impact an investment. Investment teams then proceed to a diligent review of each investment's material ESG issues, using ESG checklists or scorecards, and weigh the risks and opportunities.

Post-investment, our portfolios are monitored for ongoing ESG performance, and we engage with management on specific ESG topics where appropriate.



Financed a housing development that will provide close to **400 affordable homes** in the undersupplied Auckland market

We provided first lien credit facilities totalling **~NZD 127 million**. The first construction facility was repaid, and the follow-on facility is financing construction of the second stage of the project

We expect to fund projects that increase the **availability of housing** in New Zealand, contributing to UN SDG 11: Sustainable Cities and Communities

As at December 31, 2021

Case Study

Project Cypress

Access to affordable and decent housing is important to communities, but remains a challenge in many parts of the world.

In the Cypress project, we financed a two-stage affordable housing development in Auckland, New Zealand, through two secured loans. The development will provide close to 400 affordable homes in the undersupplied Auckland residential real estate market.

The New Zealand government has responded with policies intended to alleviate the housing shortage, and during this time we have increased our involvement in funding affordable housing developments in Auckland.

Through projects such as Cypress, we continue to help local governments reach towards their social housing goals.

In addition, such projects also contribute towards advancing the United Nations Sustainable Development Goal 11, which aims to achieve sustainable cities and communities, through the provision of safe and affordable housing among other community goals.

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Fiera Real Estate Investments Limited ("Fiera Real Estate"), a wholly owned subsidiary of Fiera Capital Corporation is an investment manager of real estate through a range of investments funds.

Fiera Infrastructure Inc. ("Fiera Infra"), a subsidiary of Fiera Capital Corporation is a leading global mid-market direct infrastructure investor operating across all subsectors of the infrastructure asset class.

Fiera Comox Partners Inc. ("Fiera Comox"), a subsidiary of Fiera Capital Corporation is a global investment manager that manages private alternative strategies in Private Credit, Agriculture and Private Equity.

Fiera Private Debt Inc. ("Fiera Private Debt"), a subsidiary of Fiera Capital Corporation provides innovative investment solutions to a wide range of investors through two distinct private debt strategies: corporate debt and infrastructure debt.

Please find an overview of registrations of Fiera Capital Corporation and certain of its subsidiaries by following [this link](#).

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