



Investing in
a Sustainable
Future

2020 Responsible
Investment Report

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“ We can and must contribute to creating a more sustainable future. ”

– Jean-Guy Desjardins

Chief Executive Officer
and Chairman of the Board

CEO Message

Investing in a Sustainable Future

At Fiera Capital, acting responsibly has always been one of our fundamental guiding principles, both as an organization and as an asset manager.

As stewards of capital, we manage assets on behalf of our clients who entrust us with great responsibility. Through this important role, we efficiently allocate capital in order to generate long-term positive outcomes that extend well beyond enhancing risk-adjusted returns. As efficient capital allocators advocating for sound governance and ethical business practices from the companies we invest in around the world, we can and must contribute to creating a more sustainable future. This, in turn, will enable economies and societies to thrive and prosper.

Our commitment to responsible and sustainable investment practices has been a journey of close to 20 years and we continue to raise the bar



year after year ever since we implemented our first proxy voting policy. Since then, we have continued to develop our responsible investment solutions to help clients meet their own sustainability goals. Sustainability is increasingly at the centre of Fiera Capital's investment approach and further embedded in our entire investment process, in line with the growing demand from clients for access to a broad range of environmental, social and governance (ESG)-focused investment solutions.

In addition to our full spectrum of responsible investing solutions, we are also able to integrate ESG principles into most of our investment strategies, from screening out specific sectors to proactively seeking out investments which will generate a positive social and/or environmental impact.

Our engagement towards responsible investment is also based on our strong conviction that organizations that understand and successfully manage their material ESG factors and associated risks tend to create more resilient, higher quality businesses and assets, and are therefore better positioned to deliver sustainable value over the long term.

At Fiera Capital, we owe much of our success to our investment teams who are highly accountable for the decisions they make. They have the necessary autonomy and flexibility to best assess materiality and integrate ESG factors in a manner that best suits their investment style or asset class. We believe this approach creates more meaningful engagement with companies we invest in on behalf of our clients with respect to sound governance and business practices, in addition to reinforcing a culture of continuous learning and improvement throughout our firm.

Our rigorous approach to risk management is also embedded in our investment processes to achieve optimal performance within an appropriate level of risk. While aiming to generate the best returns possible for our clients, we never lose sight of their chosen risk profile, goals and ambitions.

Looking ahead, we will continue to put the full strength of our organization behind our responsible investing approach and adopt best practices as they emerge, including SASB Standards and those of the Impact Management Project. They will serve as frameworks to guide



our ability to identify material sustainability issues. As an early signatory of the United Nations Principles for Responsible Investment we will continue to look for innovative ways to fulfill our responsibilities and to ensure that our investment practices continuously evolve.

As climate change tipping points loom closer than ever, our focus and investments over the next few years will largely be placed on getting better resources and tools to help identify and mitigate climate change-related risks. This includes the risks associated with transitioning to the green economy and the physical risks of the potential impacts of climate change.

We believe companies that exhibit an efficient use of resources – such as waste reduction or lower energy use – will positively impact corporate performance over time, resulting in higher margins and lower capital requirements.

We will also invest to streamline and standardize our internal processes, including automated technology solutions and leveraging our in-house data management expertise, to support long-term value creation and assess climate change risks.

We will be looking closely at the recommendations from the Task Force on Climate-Related Financial Disclosures to further develop our understanding of how our investments impact and are impacted by climate change. In 2021, we joined the Net Zero Asset Managers initiative, and committed to working proactively towards the goal of our investment strategies being managed in line with achieving net zero emissions by 2050.

Our ability to address ESG issues and global challenges collectively is more important than ever. With every investment decision, we are committed to maintaining the highest standards of responsible investing and to creating a sustainable future and a better world for all.

Sincerely,

Jean-Guy Desjardins

Chief Executive Officer and Chairman of the Board

2020 Highlights



Proxy Voting

For the third time in four years, we revised our global proxy voting guidelines to remain at **the forefront of governance best practices** and to incorporate guidelines in line with current sustainability issues.



Impact Strategy

We launched our first impact strategy, which aims to create **a positive ESG impact, while generating a financial return.**

The strategy specifically targets companies and issuers aligned with the United Nations Sustainable Development Goals (UN SDGs) and leverages a proprietary scoring system to quantify impact.



Benchmark Assessment

We participated in the annual Global Real Estate Sustainability Benchmark (GRESB) Assessment for seven of our funds and achieved **four GRESB “Green Star” rankings.** Our Fiera Real Estate Core Fund improved its score for the fourth straight year and the Long Income Fund increased its score by 118% compared to 2019. The Fiera Industrial Fund, Fiera Real Estate Investment Fund II and Fiera Real Estate Opportunity Fund V UK were submitted to GRESB for the first time in 2020.



Investment Portfolio Data

Having formally endorsed the **Sustainability Accounting Standards Board (SASB)**, we are increasingly using these standards as a guide across the firm to help identify key material ESG and sustainability considerations within our investment portfolios. In a joint effort between our Office of the Global Chief Investment Officer and the Risk and Responsible Investment teams, we paired most SASB topics with our available ESG data in order to support our investment teams in dedicating more time to data analysis rather than data collection.



European Standardization

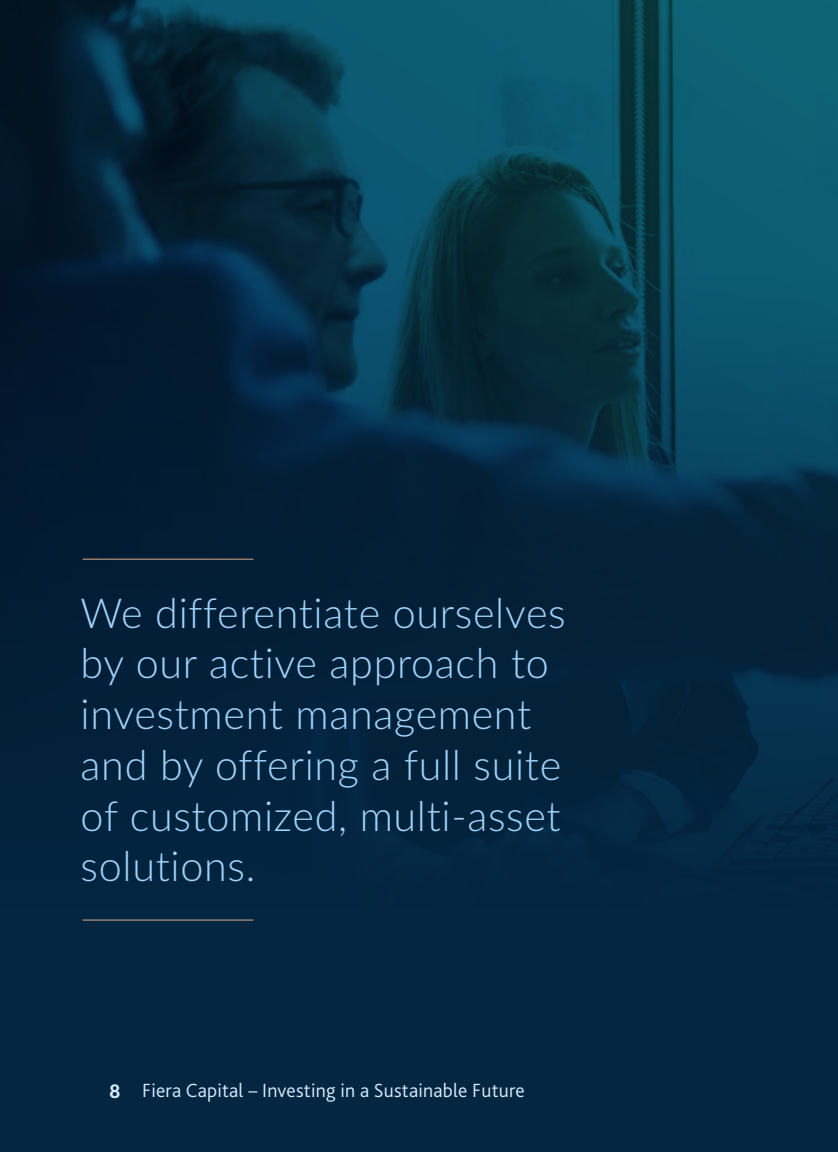
The European Union (EU) **Sustainable Finance Disclosure Regulation (SFDR)** is a new set of EU rules aiming to make sustainability profiles more transparent and comparable for funds sold throughout Europe. As a firm, we introduced SFDR and we are proud that all of our UCITS funds have been classified as Article 8, with binding environmental and social criteria integrated as standard.



Climate Change Data and Modeling

We continue to look at recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) to **further our climate change understanding.**

- We worked with a technology vendor to use climate science, data science, geospatial engineering and catastrophe modelling to better measure and respond to financial risks related to climate change issues for U.S. municipal issuers.
- Our Real Estate investment team has been investigating technologies to get a better understanding of emissions from our real estate investments.
- In 2021, we joined the Net Zero Asset Manager initiative.



We differentiate ourselves by our active approach to investment management and by offering a full suite of customized, multi-asset solutions.

Vision and Belief

Guided by our mission to create sustainable wealth for our clients, we are committed to investment excellence while striving to remain at the forefront of investment management science.

Fiera Capital is a leading independent asset management firm with a growing global presence and close to C\$179.5 billion in assets under management as of June 30, 2021.

As stewards of capital, clients from around the world turn to us to manage their assets and this comes with great responsibility that we take very seriously. We recognize that the investment landscape is constantly evolving and that responsible investing has moved well beyond just being a trend.


At Fiera Capital, our exceptional internal research capabilities and powerful technological tools are surpassed only by our outstanding people. As a research-driven investment firm, our active management model is based on disciplined, methodical analysis and the

consistent application of a rigorous investment approach, with independent research being a core tenet of our investment philosophy. This principle is the cornerstone of our approach to integrating material ESG factors into our investment processes.

Beliefs

Our ESG approach is underpinned by our strong conviction that organizations who successfully manage ESG factors create more resilient businesses and assets, and are better positioned to deliver sustainable value over the long term.

Our investment teams – operating as autonomous boutiques of investment excellence – have the independence to implement their strategies and to best assess materiality and integrate ESG factors in a manner that best suits their investment style or asset class. We believe this flexible approach creates a more meaningful discussion with companies we invest in to address specific sustainability challenges.



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.



The future of investment research will be shaped by data science and technology.

We also believe that integrating ESG assessments into our investment analysis and decision-making processes truly benefits the valuation of companies, providing a deeper understanding of business models and industry challenges, in addition to helping companies thrive over the long term.

Integrating ESG considerations into our investment activities also serves to better control inherent risks in our portfolios. Being an active, engaged and responsible investor empowers us to enhance the long-term, risk-adjusted performance of our investments, which is also part of our fiduciary duty.

Our approach also rests on the premise that the future of investment research will be shaped by data science and technology that will enable us to gain deeper insight into companies, industries and sectors we may consider investing in.

Robust Corporate Governance to Drive Performance

Applying solid governance to our investment processes is part of our DNA. This includes a rigorous approach to risk management to achieve optimal performance within an appropriate level of risk.

Over the past year, we dedicated considerable resources to further support the integration of ESG factors into our investment processes and to establish a governance structure to oversee our teams' sustainability and responsible investing activities.

The oversight and accountability for our responsible investing initiatives primarily falls under the auspices of the Office of the Global Chief Investment Officer and the Risk and Responsible Investment teams.

Our investment teams assess material ESG risk factors and integrate activities in a manner that best suits their particular investment style or asset class. They also engage with investors on material ESG issues and proactively address risks and trends through education and outreach.

Our global ESG Committee, which includes representation from internal stakeholders across functions and visions, is mandated to oversee our responsible investing initiatives. The Committee is ultimately responsible for setting clear sustainability objectives for the entire firm, in addition to monitoring and identifying sustainability and climate-related risks, trends and opportunities to advance the integration of ESG and responsible investment practices throughout the organization.

Key ESG Pillars



Enhanced ESG Integration




Data



Proxy Voting



Impact



Engagement



Climate/
TCFD

Read more about how we manage responsible investing in our policies outlined below:

View PDF >

Global Responsible Investment Policy

View PDF >

Proxy Voting Policy

View PDF >

Sustainability Risk Policy

View PDF >

Principal Adverse Impacts Investment Due Diligence Policy

View PDF >

Engagement Policy Summary



Active Ownership, Core to Our Fiduciary Duty

We believe sound corporate governance and business practices are at the heart of generating sustainable wealth. We engage in a constructive and collaborative way with companies in our portfolio to maximize the potential for long-term value creation for our investors.

As part of our fiduciary responsibility to our clients, investment stewardship gives us the opportunity to use our voice to positively influence companies within our portfolios to adopt and implement sound ESG practices. In turn, we believe this active ownership approach will produce long-term sustainable value for our clients.

We use our ownership positions to promote good corporate governance practices, exercising our proxy voting rights and actively engaging with companies we invest in on material ESG issues. ESG performance and issues are monitored within our firm to provide insights for our voting decisions and to prioritize our engagement activities.

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



Engagement



Proxy Voting



The scope of our **engagement** spans both financial and ESG considerations, with direct engagement being our method of choice as it allows for a straightforward dialogue with a company.

This approach may evolve in an ongoing dialogue that extends beyond short-term financial metrics and long-term strategy, to include considerations such as culture, sustainability, governance practices and disclosure within a company.

Besides engaging directly with individual companies, we also consider working collaboratively in order to have a more powerful impact. We intend to be more active on that front in the future with increased participation in collaborative engagement initiatives that are in line with our active ownership principles. This may take various forms, including teaming up with other investors on specific engagement topics or joining responsible investment associations for the advancement of certain topics important to us.

Our engagement approach is guided by our **Engagement Policy**

[View PDF >](#)

Read the article by our Global Equity team **Why Corporate Governance is the Key to an ESG-friendly Portfolio**

[View PDF >](#)



Proxy voting is a crucial element in the integration of ESG factors within our investment process. We exercise our voting rights in order to maintain the highest standards of corporate governance and business practices of companies within our portfolio to maximize value creation and protect the economic interest of shareholders.

In Canada, our Proxy Voting Policy has been in effect since 2003, providing guidelines for the exercise of voting rights related to ESG issues, which includes systemic issues such as climate change. In the U.S., our Proxy Voting Policy also addresses conflicts that may arise between our interests and those of our clients. Some Fiera Capital affiliates also consult external proxy voting advisors to provide complementary analysis and recommendations.

Across the firm, we retain a record of all proxy votes in a proxy voting log to comply with the jurisdictions where we operate.

In fiscal year 2020, we voted at 1,942 meetings for a total of 22,730 management and shareholder resolutions.

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

Responsible Investment Policy

[View PDF >](#)

Proxy Voting Policy

[View PDF >](#)

Collaborating to Promote Responsible Investing

Our commitment to responsible investing entails we abide by key pledges and frameworks.

It also implies we collaborate and partner with organizations to promote robust corporate governance, as well as sound and sustainable business practices.

We support and participate in many initiatives around the world and our collaboration takes many different forms.

Organizations that promote responsible investing

United Nations Principles for Responsible Investing (UN PRI)



Since 2009, Fiera Capital has been a signatory of the UN PRI, worldwide leader in the field of sustainability. As such, we are continuously assessed on our performance and we report annually on our ESG integration approach and progress.

We are proud to have obtained above median results in several categories and to have earned an A+ in the Strategy and Governance category.

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 environment and social factors when engaging with board members.

Supporting frameworks

Sustainability Accounting Standards Board (SASB)



SASB is a framework with growing global recognition.

As an official supporter since 2020, we promote the standard internally, and it is used by an increasing number of our investment teams across the firm.

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, aiming to provide a framework for impactful sustainability initiatives.

This framework is currently used in our Global Impact Fund launched in 2020.

Climate Change-Related Risks

Climate change is a critical challenge of our time.





We monitor environmental performance, support the transition to a lower carbon economy and invest in climate change mitigation and resilience.

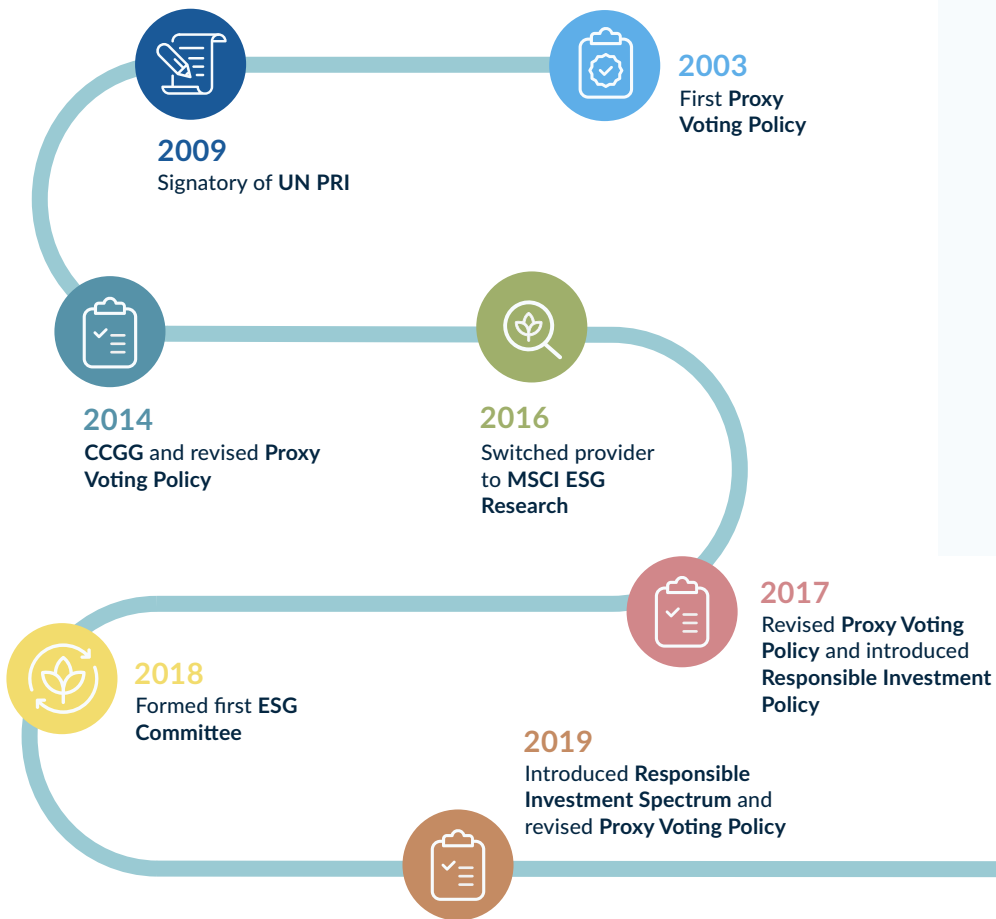
At Fiera Capital, we recognize the threats posed by climate change to business, to public health and to the livelihoods of the communities in which we operate.

As a global asset management firm, we are supporting the transition to a lower carbon economy, and investing in climate change mitigation and resilience. In addition, we closely monitor the risks posed by climate change when making investment decisions. We strongly believe these decisions will contribute to our firm's success and the sustainability of our clients' investments.

We encourage enhanced disclosure on climate change risks by companies in which we invest on behalf of clients. As an asset manager, we are committed to steadily enhancing disclosure about how we manage climate change related financial risks. We are constantly working on ways to get better emissions data and coverage to help fully understand the underlying climate-related risks within our portfolio.

In certain asset classes and instrument types, where coverage is more difficult (like in the U.S. municipal market and in our real estate investment portfolio), we developed alternative solutions to measure financial risks posed by climate change using climate science, data science, geospatial engineering and catastrophe modelling. We will continue to explore such technologies and solutions in 2021 to increase coverage in all of our asset classes.





A Responsible Investing Journey

Our commitment to responsible investing is not just focused on a particular destination or finite timeline.

Rather, it is a journey that dates back to the founding of our firm in 2003, with the establishment of our first Proxy Voting Policy. Throughout the years, we have continuously strengthened and more deeply embedded our sustainability values in our culture and investment process.

Our solid foundation has allowed us to integrate ESG factors across our investment spectrum, in order to address diverse investor needs and objectives with respect to responsible investing. Our independent

investment team structure also results in different approaches and strategies when it comes to ESG considerations. **We approach sustainable investing in four main ways, as shown on page 22.**

Our Responsible Investment Spectrum illustrates our various sustainability approaches:

APPROACH	ESG INTEGRATION	SUSTAINABLE INVESTING		
		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				

Responsible Investment Spectrum

ESG Integration



We systematically **incorporate ESG factors into our investment processes** in order to identify potential risks and opportunities, in addition to improving long-term, risk-adjusted returns.

Sustainable Investing



We **apply negative and positive screens** to include or exclude companies based on a specific set of values. This also includes thematic investing, which involves investing with a focus on broader ESG themes such as climate change.

Negative/Ethical Screening



We **apply ethical filters to exclude** companies from the Reference Index who derive more than 10% of their revenues, either directly or indirectly, from the following:

- > Adult entertainment
- > Alcohol
- > Cannabis
- > Military contracting
- > Gambling
- > Tobacco
- > Nuclear power
- > Firearms

Impact Investing

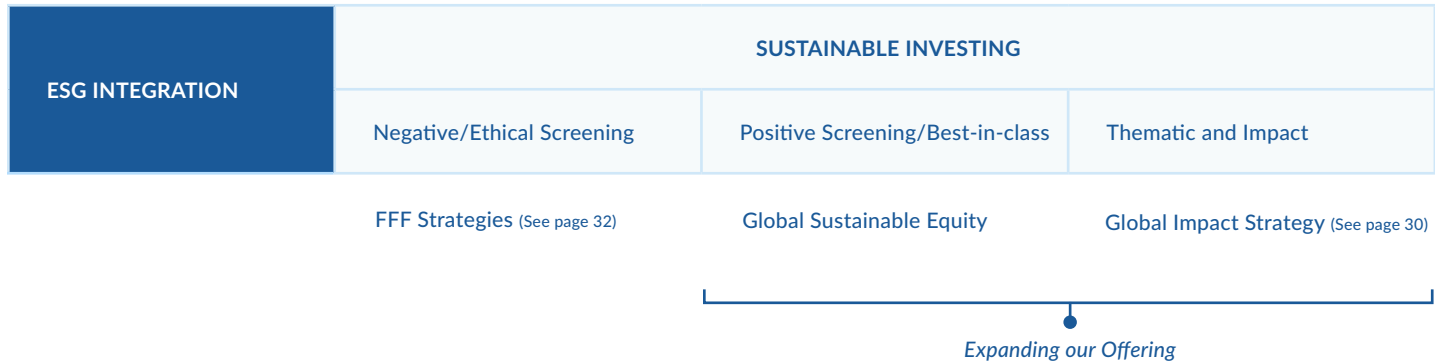




We **invest in companies** that intend to generate a measurable, positive social or environmental impact.

As we strengthen our ESG research and analysis capabilities across the firm, we are also launching different sustainability initiatives.


For example, we developed an internal and proprietary impact scoring methodology that we use as part of our impact investment strategies. We also made great strides to address the impact of climate change across our different investment strategies, taking into account the various

approaches within our spectrum. For instance, we now offer Fossil Fuel Free (FFF) strategies erring on the exclusion side of our spectrum, as opposed to our Global Sustainable and Impact Strategies, erring more on the right-hand side of the spectrum.





We integrate specific ESG considerations into our investment processes in a number of ways, including through ESG assessments of potential new investments and ongoing oversight and influence of ESG topics in companies.



We evaluate a range of material ESG factors, including some of the following topics:

Environmental Risks

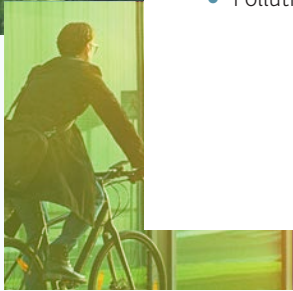
- Climate change
- Natural resources
- Pollution and waste

Social Risks

- Internal social factors, such as human capital considerations
- External social factors, such as management of product safety, quality and liability
- Poor safeguards on personal data and IT security (of employees and/or customers)
- The absence of appropriate and effective safeguards for employment related risk

Governance Risks

- Lack of diversity at board or governing body level
- Inadequate external or internal audits
- Infringement or curtailment of rights of (minority) shareholders
- Bribery and corruption
- Lack of scrutiny of executive pay



Sustainable Investing in Action



**PUBLIC
MARKETS**



As an independent asset management firm with a growing global presence, we offer the full suite of public market investment capabilities to our clients around the world. We believe there are multiple approaches to managing stocks, bonds and alternative investments.

Our independent investment team structure allows us to offer a diverse range of investment strategies across asset classes and risk spectrums using a wide variety of investment styles. This flexible approach also leads to more meaningful discussions with the companies we invest in, while reinforcing a culture of continuous learning throughout the firm.

Active ownership is a key element of our fiduciary duty to our clients. As such, we use proxy voting rights and engagement with companies in which we invest on behalf of our clients, in order to address ESG considerations and contribute to positive change.

“ Our approach to integrating ESG assessments into our investment processes highlights the many benefits of increasing our knowledge of our portfolio companies, better controlling the risk of our investments and helping companies improve over the long term. ”

– Anik Lanthier

President and Chief Investment Officer, Public Markets

SPOTLIGHT

Spotlight on Engagement: An Example from the Integrated Fixed Income Team

By directly engaging with the companies we invest in, we effect change by identifying opportunities to a company's management and make recommendations that better align with investor interests.

As a major shareholder in our portfolio companies, we often have direct access to their executive teams. Through this direct and regular engagement with the C-suite, we can gain greater clarity on the company's strategic direction and intention on mitigating ESG-related risks.



At the height of the COVID-19 pandemic, we identified sectors and companies that could potentially be impacted and we frequently engaged with their management teams to review ESG risks related to the pandemic.

One example is our direct engagement with a leading owner of long-term care and retirement residences, one of the most at-risk demographics.

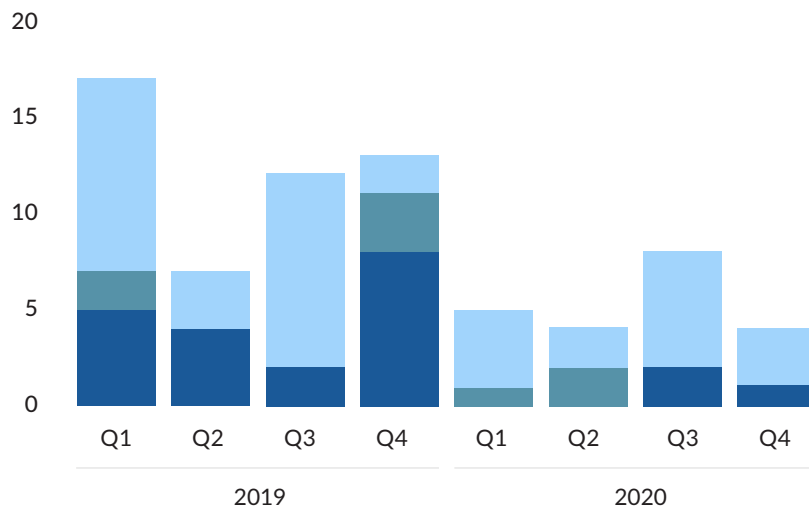
We kept in close contact with company management to discuss pandemic-related impacts on their operations, including the health and well-being of tenants and staff, as well as potential financial risks. We advocated for greater transparency regarding their facilities and management's response to the pandemic, while ensuring the company was taking all necessary steps to protect tenants and staff from virus spread. As a result, the company has improved disclosures and regular communications with all stakeholders while maintaining a solid credit record.

While our framework starts with the identification of ESG-related risks, we believe that ongoing and frequent engagement with our company portfolio management teams help to maximize long-term shareholder value for our clients, while aligning with ESG goals.



Number of Management Meetings

Track engagement and monitor outcomes



Breakdown by Area of Engagement

- Environmental ~30%
- Social ~12%
- Governance ~58%

Our Integrated Fixed Income team looks at ESG factors in this engaging whitepaper, **ESG Everyday**

[View PDF >](#)



Climate Risk Assessments

Case Study on U.S. Municipals

Our U.S. Fixed Income team has developed a model to estimate risks that may arise as a result of climate change.

This tool allows for scoring ESG risks for states, cities, countries, school districts, water, sewer and electric utilities, health care and higher education issuers of tax-exempt bonds in the U.S. Having integrated this risk model into our overall credit analysis, we can then give a score to an issuer and weight material data factors based upon the issuer's sector. For example, a state government will tend to have a greater weighting towards social factors, whereas an electric utility will lean more toward environmental factors. Governance is generally weighted at the highest percentage for all sectors.

Supported by an external supplier, we created a tool 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 a country's GDP and property value at risk due to climate catastrophes, such as coastal flooding.

Ultimately, we can then ask ourselves if climate risks are reflected in bond pricing. As none of this disclosure is yet required, this tool will help us generate more robust environmental evaluations.

Using the tool we developed, we can ask:

- How and when will issuers be able to **quantify, address and communicate** climate risk?

- How do they **mitigate risks** and how much disclosure do they have about it?

- How **well prepared** are different states to deal with climate change?

Global Impact Strategy

Impact investing aims to generate positive, measurable social and environmental impact alongside a financial return.

We continuously improve ESG integration within our investment decisions. In this regard, we also recognize that we need to do more to offer our clients strategies that not only screen out harmful investments but that also target investments with positive societal contributions in the form of impact investing strategies.

Introduced in February 2020, our Global Impact Strategy is the first strategy on the right side of our investment spectrum that seeks to invest in companies that have a positive social and environmental impact. It is aligned with the UN SDGs, using the IMP framework to construct impactful portfolios.

IMP is a forum for building global consensus on how to measure, compare and report positive impacts with respect to sustainability. The IMP Structured Network comprises organizations working together to coordinate standards related to impact measurement and management, and provides a lens to better understand the impact performance of different enterprises and investments against UN SDGs. IMP reached a global consensus, with impact broken down into five key dimensions:

What > Who > How Much > Contribution > Risk

Methodology

- 1 Identification of companies** with high revenue alignment with at least one UN SDG underlying target. Needs at least 50% revenue alignment.
- 2 Evaluation of impact** for both revenue and operations of the company. Based on the dimensions put forward by the IMP framework.
- 3 Determine Fiera Impact Score** based on input and calculation methodology. Scores $\geq 50/100$ are eligible for investments.

Please read our related article:
**Impact Investing;
A third Factor to the
Risk/Return Mindset**

[View PDF >](#)



Impact Investing: A Third Factor to the Risk/Return Mindset

How Fiera Capital builds values-driven investment strategies

The Fiera Impact Score

At Fiera Capital, we have adopted IMP's guidance so that it can be used to quantify a company's impact in the form of the Fiera Impact Score (FIS).

We use the FIS to rate each investment opportunity to determine its suitability in the impact strategy.

FIS Model

The FIS model is built around the idea that companies may contribute to UN SDGs in two ways:

- ▶ **1** Through the **products and services** they sell.
- ▶ **2** Through the **operations and activities** in which they engage.

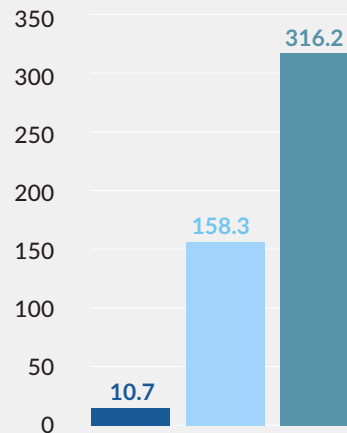
Fossil Fuel Free Strategies and Carbon Monitoring

Science shows that to mitigate the impacts of climate change, we must move to eliminate our reliance on fossil fuels and shift the world's energy choices toward a more sustainable path.

In response, we developed two Fossil Fuel Free (FFF) strategies, the FFF Canadian Equity Strategy and FFF Ethical Canadian Equity Strategy (refer to our Responsible Investment Spectrum on page 22), to screen new and existing investments for climate risk and to divest investments from stocks that contribute to fossil fuel generation.

Using our Canadian Equity FFF Strategy, our goal is to construct a portfolio with a materially lower carbon footprint without sacrificing long-term returns. To achieve this objective, the focus is placed on high-quality valued businesses with a strong emphasis on capital preservation. Energy and utilities are two sectors which are systematically excluded from this strategy.

Carbon Risk



Tonnes CO₂ equivalent per million USD in sales

- Canadian Equity FFF
- Canadian Equity
- S&P TSX

Sustainable Investing in Action



PRIVATE MARKETS



“ The uniqueness of each portfolio inherent in private markets implies they come with their own intricacies and specific challenges when considering ESG factors. Given the long-term horizon of the portfolios, the integration of material ESG factors throughout our investment process is of the utmost importance. ”

– **John Valentini**

President and Chief Executive Officer,
Fiera Private Alternative Investments

“ Through real assets investing, we can generate positive social and environmental impact, while creating stable and long-lasting returns for our investors. ”

– **Marc-André Desjardins**

Chief Investment Officer,
Fiera Private Alternative Investments

In private markets, our globally diversified platform provides differentiated and sustainable risk and return attributes to our clients through agriculture, infrastructure, real estate and private debt strategies.

Often geographically fixed and closely linked to local communities and the environment, these real assets are typically held for longer terms compared to other types of investments.

We believe ESG risk mitigation also results in inherently stronger investments in the real asset space, and we continuously embed ESG factors in our investment decisions. To support our process, we have developed ESG investment tools (for most of our strategies) to systematically identify, review and manage these considerations.

Tool	Purpose
Investment Team	
ESG Due Diligence Guideline	<ul style="list-style-type: none"> • Systematically integrate ESG into investment analysis • Outline ESG topics to facilitate analysis and ensure thorough evaluation • Ensure consistency in processes • Inform ESG section of Investment Committee memos and onboarding considerations
Asset Management Team	
ESG Onboarding Guideline	<ul style="list-style-type: none"> • Systematically integrate ESG considerations into the transition from the investment team to the asset management team • Communicate ESG expectations to assets and drive improvement from the start of ownership • Embed key ESG items into contracts/agreements and asset plans • Prepare assets to participate in other parts of our ESG program (e.g., GRESB)
Portfolio Investment ESG Reporting Guidelines	<ul style="list-style-type: none"> • Establish ongoing dialogue with portfolio investments • Understand their approach to ESG management, risk, improvement opportunities • Build internal ESG capacity and share best practices between portfolio companies
Annual ESG Information Request	<ul style="list-style-type: none"> • Collect key performance indicators across all assets such as GHG emissions, energy use, presence of ESG policies, waste generation • Align data collection with the GRESB Infrastructure Assessment • Require all portfolio companies to complete if they do not participate in GRESB • Measure portfolio-level ESG impact



Infrastructure Portfolio 2020 Key Statistics

67%

have conducted a materiality assessment

92%

have a health and safety policy

100%

of assets include ESG in board updates

92%

have an environmental compliance policy

8,851

direct jobs supported by Fiera assets

Infrastructure

While each asset is unique, our well-diversified infrastructure portfolio is composed of public-private partnerships, renewable energy, utilities, telecommunications and transportation assets.

When it comes to ESG matters in infrastructure, thinking short-term is not an option. As a long-term investor, we not only consider an asset's current ESG impact, but also carefully evaluate what its ESG performance will be 10, 15 or 20 years down the road.

Our robust data collection process, which covers a range of ESG indicators, allows us to understand portfolio company performance over time.



Cory Waste-to-Energy Facility

Infrastructure Case Study

Cory, a resource management, recycling and energy recovery company, which operates a waste-to-energy facility located in the UK, 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 to the facility instead of trucks.

In 2020, Cory **improved its GRESB score by 15%**, resulting in a score of 83 and a second place ranking in its peer group. Beyond GRESB, the company has many sustainability-related achievements and plans.



Received planning consent for the Riverside Energy Park to expand its service to further **divert waste from landfill**



Received external assurance for its **GHG emissions data**



Implemented a **sustainability reporting software** solution to help monitor and reduce energy consumption



Purchased **100% renewable energy** across all sites (excluding a small amount of electricity procured from the Port of Tilbury)

Read more about our infrastructure
ESG investment approach

[Visit site >](#)



2020 Portfolio Environmental Performance

726 MWh

1% reduction in electricity

17 M

square foot increase in green certified space

98%

certification rate for our Canadian portfolio

88%

certification rate for our global portfolio

559

metric tonnes of waste diverted from landfill

46%

waste diversion rate for our Canadian portfolio

Real Estate

Real Estate investments are monitored based on their direct impact on climate change.

Our well-established ESG programs span the entire real estate investment lifecycle. ESG factors are systematically embedded in our strategy, policies and practices, asset management, portfolio management and stakeholder engagement activities. We work closely with property managers to identify opportunities to further improve performance and set a consistent operational standard.

Our real estate strategy framework is grouped under two pillars: organization sustainability and portfolio sustainability.

Fiera Real Estate's ESG Strategy Framework: Organization and Portfolio Sustainability

Organization Sustainability	Governance	<p>Manage sustainability within the organization</p> <ul style="list-style-type: none"> • Oversight, objectives and performance evaluation • Policies and procedures for investment, development and asset management
	Engagement	<p>Interact with key stakeholders</p> <ul style="list-style-type: none"> • Investors, employees, partners, tenants and property managers
Portfolio Sustainability	Asset Management	<p>Embed sustainability in asset management</p> <ul style="list-style-type: none"> • Contracts and agreements • Asset planning, budgeting and reporting • Asset and property manager performance management
	Performance	<p>Improve portfolio sustainability performance</p> <ul style="list-style-type: none"> • Environmental metrics: energy, water, waste, GHG emissions and certifications • Social metrics: tenant engagement and satisfaction surveys, health, well-being and community programs



Automatic Data Harvesting Initiative

Real Estate Case Study

Collecting sustainability data from tenants, particularly on assets where the landlord has limited to no control, remains a challenge for landlords.

In an effort to close this data gap and to support our tenants' sustainability agendas, our UK team introduced a tenant engagement initiative across the Fiera Real Estate Long Income Fund UK portfolio. This initiative included a tenant focus group with tenant representatives across the portfolio to discuss ESG collaboration and how data can support them in identifying efficiency and cost-saving opportunities. The focus group was a success, with many tenants signing up to participate in a smart technology pilot project.



Automatic data harvesting used to gather data directly from tenant's utility suppliers for greater accuracy



We plan to **share data and key takeaways with our tenants** to support their ESG objectives and performance improvement

Read more about our real estate
ESG investment approach

[View PDF >](#)



Agriculture 2020 Key Statistics

~18,500
acres of
USDA certified
organic farmland
producing maple
syrup, cherries,
cherry plums,
and kiwis

**Largest
producer**
of organic maple
syrup globally

**Largest
organic** cherry
plum producer in
the U.S.

Sustainable
Cropping and
Cover Crop
Practises

Implementation
of **water
conservation**
infrastructure

Agriculture

Our land-centric agriculture strategy is a key differentiator for Fiera Capital. The strategy focuses on capital preservation while providing investors with stable, attractive long-term returns through exposure to a globally diversified portfolio of assets located in the core agricultural regions of the world.

Responsible investing and sustainability risk management is a driving force throughout the investment cycle for the agriculture strategy. A diverse array of ESG considerations, many inherent to the asset class, are factored into the strategy including climate change, natural resource utilization, environmental protections, health and safety, animal welfare, good citizenship, and land rights, among many others.



Lassen Land Company

Agriculture Case Study

Lassen Land is one of the world's largest contiguous almond orchards spanning more than 4,000 acres in the northern Central Valley of California.

With our farming partners, we are in the process of redeveloping the Lassen Land orchards and completing significant upgrades to the property's irrigation infrastructure. The orchard redevelopment includes a full reset of the orchards using a new rootstock with greater yield potential and the ability to more efficiently utilize water.

In lockstep with the orchard redevelopment, the irrigation infrastructure has been fully re-engineered to improve water delivery efficiency, reduce utilization, and improve water quality. The combination of this new rootstock with the upgraded irrigation infrastructure will provide for a meaningful reduction in the amount of water required per almond.



Orchard reset with **best-in-class rootstock** to improve yields and water use efficiency



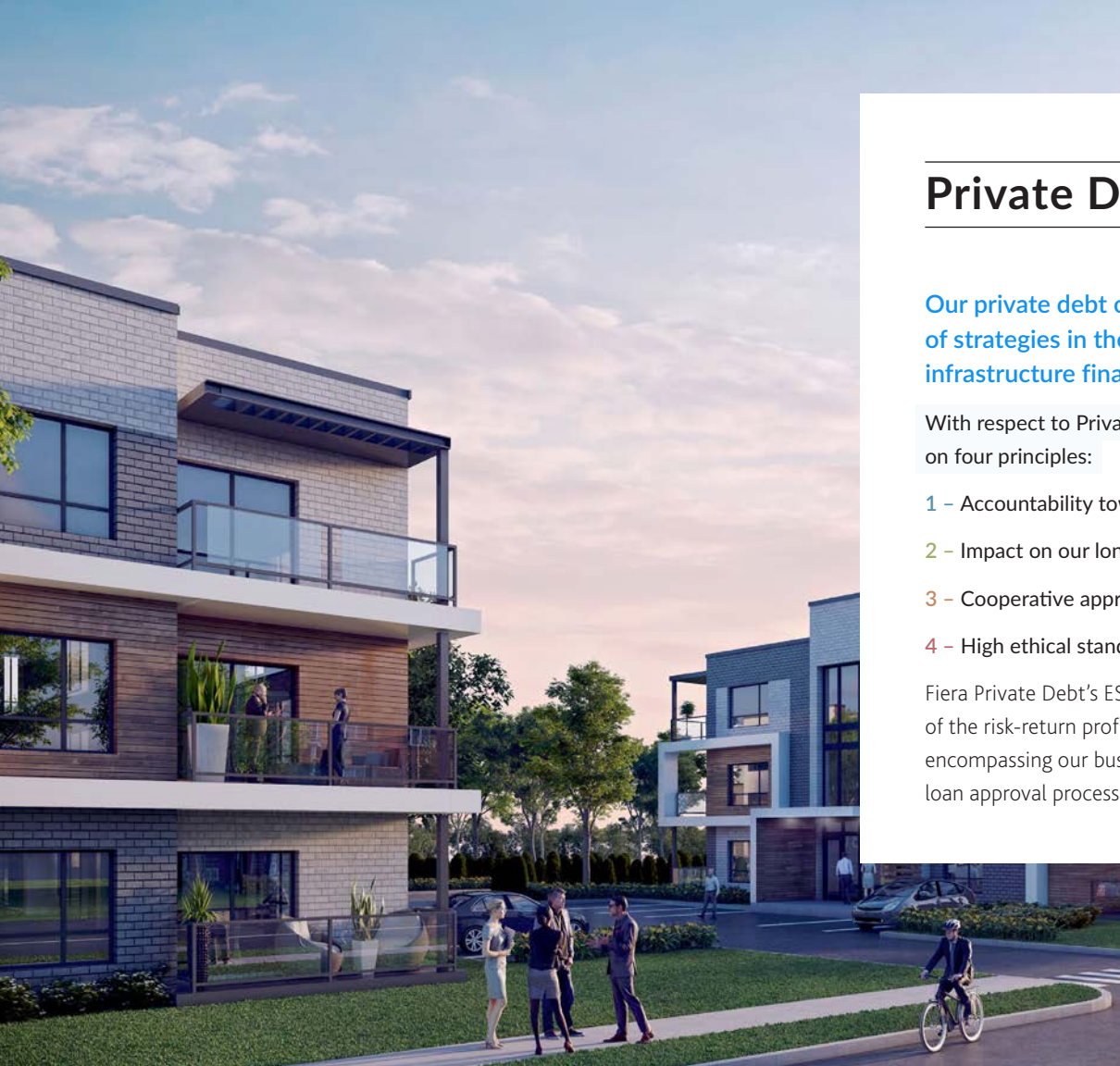
Industry-leading irrigation redevelopment focused on reducing consumption and increasing use and utilization efficiency



>35% reduction in water required per almond



~1,900 megalitres of water conserved annually; enough water to fill 950 Olympic-size swimming pools



Private Debt

Our private debt offering includes a wide range of strategies in the real estate, corporate and infrastructure financing space.

With respect to Private Debt, our ESG approach is based on four principles:

- 1 – Accountability toward our investors and stakeholders
- 2 – Impact on our long-term performance
- 3 – Cooperative approach individually adapted to each loan
- 4 – High ethical standards

Fiera Private Debt's ESG policy provides a clear vision of the risk-return profile of every funding opportunity, encompassing our business development, due diligence and loan approval processes.



Affordable Housing

Direct Lending Case Study

Access to decent and affordable housing has become critical in many parts of the world.

With the Redhill project, we participated in the financing of an affordable housing development in Auckland, New Zealand, through a secured loan. The development will ultimately provide more than 200 affordable homes in a market where there is a significant shortage.

As the New Zealand government reviews and aligns policies to support residential home construction and ownership, we have increased our involvement in funding similar developments for affordable housing in South and West Auckland.

With this project and others, we will continue to focus on these initiatives as we help to contribute to the United Nations Sustainable Development Goal 11, which has been set to ensure everyone has access to safe and affordable housing, including access to basic services like water sanitation and transportation. Through our measures, we are also helping local governments reach their social housing goals.



Development will ultimately provide over **200 affordable homes** in a market where housing is undersupplied



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



We provided a **first lien facility of ~NZD 30 million** with underlying collateral over 100 lots



The facility was **repaid upon settlement** of the underlying lots



Claresholm Solar

Infrastructure Debt Case Study

Our financing supported the development of Claresholm Solar, the largest solar power facility in Canada and winner of the North American Solar Deal of the Year for 2020 (as named by Proximo).

The growth of renewable electricity generation represents a crucial component of global and regional climate change initiatives. We continue to actively pursue opportunities to support the growth of renewables across North America by providing debt financing to clean energy infrastructure projects.

The Province of Alberta is one area that is undergoing a rapid clean energy transition, with a stated goal to phase out coal-fired generation and have 30% of its power come from renewable sources by 2030. These objectives are making Alberta one of the fastest growing regions in North America for renewable energy investment. Our financing for Claresholm Solar supported the construction and operation of a critical renewable energy facility which will play a major role in reducing GHG emissions.



Financing the construction and operation of a **solar power facility** in the Province of Alberta



Project generates **132MWac of renewable energy**, displacing approximately 149,000 metric tonnes of CO₂ per year when compared to conventional electricity sources



We provided **long-term debt** as part of a CAD 115 million senior secured debt facility



Project reached **commercial operation** in April 2021

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▶ Contact Us

info@fieracapital.com | fiera.com

North America

Montreal

Fiera Capital Corporation

1981 McGill College Avenue
Suite 1500
Montreal, Quebec
H3A 0H5

T 1 800 361-3499

Toronto

Fiera Capital Corporation

200 Bay Street
Suite 3800, South Tower
Toronto, Ontario, Canada
M5J 2J1

T 1 800 994-9002

Calgary

Fiera Capital Corporation

607 8th Avenue SW
Suite 300
Calgary, Alberta
T2P 0A7

T 403 699-9000

New York

Fiera Capital Inc.

375 Park Avenue,
8th Floor
New York, New York
10152

T 212 300-1600

Boston

Fiera Capital Inc.

One Lewis Wharf
3rd Floor
Boston, Massachusetts
02110

T 857 264-4900

Dayton

Fiera Capital Inc.

10050 Innovation Drive
Suite 120
Dayton, Ohio
45342

T 937 847-9100

Europe

London

Fiera Capital (UK) Limited

Queensberry House, 3 Old
Burlington Street, 3rd Floor
London, United Kingdom
W1S 3AE

T +44 (0) 207 409 5500

Frankfurt

**Fiera Capital (Germany)
GmbH**

Walther-von-Cronberg-Platz 13
Frankfurt, Germany,
60594

T +49 69 9202 0750

Asia

Hong Kong

**Fiera Capital (Asia)
Hong Kong Limited**

Suite 3205, No. 9
Queen's Road Central
Hong Kong

T 852-3713-4800

Singapore

**Fiera Capital (Asia)
Singapore Pte. Ltd.**

6 Temasek Boulevard
#38-03, Suntec Tower 4
Singapore 038986