



Fiera Infrastructure

2021 ESG Report Update

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Table of Contents

- 03 Letter from the President
- 04 ESG Matters/Fiera's ESG Approach
- 05 ESG Across the Investment Process – Investment Integration
- 06 ESG Across the Investment Process – Asset Management
- 07 GRESB as a Management Tool
- 08 Our Impact/Case Study: Domus Social Housing
- 09 Climate Management
- 11 Case Study: Cory and Net Zero
- 12 ESG Performance
- 13 Our Key Statistics/Portfolio ESG Performance and Impact



About this Report

This report pertains to Fiera Infrastructure's ("Fiera") Environmental, Social and Governance (ESG) approach and performance. Commentary regarding our ESG approach and initiatives represent those taken during the 2021 calendar year (January 1, 2021 – December 31, 2021).

The original 2021 ESG Report, published in March 2022, included performance metrics from the 2020 calendar year as our data collection process for 2021 had not yet started. After receiving feedback from our stakeholders, we have moved to publish our ESG report later in the year to reflect the practices and performance from the most recent reporting period in a more timely manner. To ensure we do not leave any gaps as we shift timing, this report has been updated to reflect 2021 calendar year performance metrics. Moving forward, we will publish our ESG report in the fourth quarter of each year.

About Fiera Infrastructure

Fiera is a leading global infrastructure investor across all subsectors of the asset class. As an alternative asset class investor, our funds have benefited from a diversified approach that recognizes the unique characteristics of the infrastructure space.

As of year-end 2021, our investments fall within seven categories:

- | | |
|---|---|
|  Energy from Waste |  Telecommunications |
|  Environmental |  Regulated Utilities |
|  Renewable Energy |  Transportation |
|  Social / Public-Private Partnership (PPP) | |

AUM (as of December 31, 2021): **USD2.7B**

Letter from the President

Much like the year prior, 2021 brought about continued global challenges, from COVID impacts to natural disasters to civil unrest. And once again, it was taken in stride by our team and our portfolio investments. As I look back on 2021, I am proud of our progress and growth.

Over the past two years, Environmental, Social and Governance (ESG) considerations have taken centre stage more than ever before. We have a long track record of ESG integration and working with our portfolio investments to continually improve their practices and performance. Our funds have a history of investing in assets that provide positive environmental and social impact, such as renewable energy and social infrastructure. However, ESG factors and approaches to managing them are quickly evolving and we need to continue to adapt to meet this ever-changing landscape. The climate imperative and transition to a low carbon economy, for example, requires us to adopt new ways to evaluate and manage our investments. In this report, we are pleased to share our approach to ESG management, performance across our portfolio and some key initiatives from 2021 that we are proud of.

One major initiative we undertook in 2021 was to formalize our commitment to achieving net zero greenhouse gas emissions by 2050 or sooner. Fiera Capital, Fiera Infrastructure's parent company, became a signatory to the Net Zero Asset Managers Initiative taking action to prevent the worst impacts of climate change. Our funds already hold many low carbon and transition-aligned investments. Portfolio investments with higher emission profiles, like our utility investments, have or are in the process of setting their own net zero targets and implementation plans.

The GRESB Infrastructure 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. 97% of our portfolio by value completed the GRESB Assessment in 2022, with results reflecting ESG management and performance data from the 2021 calendar year. Our overall GRESB performance saw another year of improvements. Our Luxembourg and Canadian funds received scores of 90 and 87, respectively, reflecting an increase of 10% and 6% from last year. We are very proud of our results and are eager to carry this momentum forward as we continue to grow.

As we look to the years ahead, there is no shortage of global challenges to address, but we are feeling inspired and motivated. We are inspired by how our people, our portfolio investments and communities have continued to persevere and thrive despite trying times, and we are motivated to continue to serve our stakeholders, striving to achieve positive impact while earning leading returns for our investors.

We hope this report sheds light on our commitment, not only looking back on past successes, but to the future and our dedication to continually advance ESG within our organization, our portfolio investments and broader communities.



Alina Osorio
President



ESG Matters

Fiera seeks to continuously embed Environmental, Social and Governance (ESG) considerations in our investment decisions and management processes to support long-term value creation for investors. We believe that ESG conscious investing and portfolio investment value creation go hand-in-hand, with ESG risk mitigation resulting in inherently stronger investments.

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 at top of mind, ESG helps to frame how we approach our everyday work and helps us to understand our broader impacts, mitigate risks and identify opportunities.

Fiera's ESG Approach

Our approach to ESG starts with ESG governance, accountability, oversight and awareness. ESG considerations are then embedded across our investment management lifecycle.

Fiera's ESG Committee, chaired by our President, meets quarterly with the mandate to set ESG objectives, establish policies, oversee the implementation of our ESG program and track progress. The ESG Committee includes representation from across the business, including investments, asset management and investor relations.

Our ESG Policy outlines guiding principles, objectives, focus areas, roles and responsibilities. The policy also defines our ESG implementation strategy including integration into our investment, asset management, stakeholder engagement and reporting activities.

Our approach to ESG risk management is also detailed in fund marketing materials, in alignment with

the European Union Sustainable Finance Disclosure Regulation (SFDR), notable for our Luxembourg vehicle.

To ensure awareness of ESG factors and effective ESG integration, we conduct annual ESG training for all employees. Annual training includes Fiera's ESG program updates, an overview of recent initiatives, practical examples for leveraging our ESG tools and communication of our ESG targets. There is also an ESG global trends component whereby employees are updated on pressing global environmental and social issues.

To promote accountability, we also put employee ESG objectives in place in 2021. These objectives link ESG processes and outcomes to individual performance goals and compensation to incentivize employees to remain accountable not only for financial performance, but broader environmental and social impacts.

[A summary of the ESG Policy is publicly available here.](#) ➤

ESG Across the Investment Process

ESG across the investment process ESG factors, such as climate change, diversity, equity and inclusion, and best practices are continually evolving. For each portfolio investment, ESG management is a journey, tailored for each unique sector and context, with continual improvement as a key objective.

Therefore, effective ESG risk management and value creation requires not only consideration through the acquisition process, but also during onboarding, ongoing management and ultimately through to exit.

To support ESG integration and this end-to-end approach, Fiera developed processes and tools to support our teams to identify, review and manage ESG considerations. These tools help to systematically and consistently evaluate ESG factors.

Investment Integration ESG is embedded into our investment process from the start, with our investment strategy incorporating ESG considerations that factor into screening of any prospective investment.

Each deal that we pursue undergoes a thorough ESG evaluation using our ESG Due Diligence Guideline. The guideline prompts analysis 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 are a key factor in the decision-making process.

ESG advancement at Conterra¹

An example of effective ESG management and continued improvement in practice is Conterra Networks.

Conterra is one of the largest independent broadband infrastructure providers in the United States. Conterra has an over 14,000 route mile fiber network that serves enterprise, carrier, education and government customers in the Southeast, South Central and Western U.S.

Following our onboarding of this portfolio investment, the team at Conterra conducted a materiality assessment to determine their ESG priorities, established an ESG Committee and developed an ESG policy. They have implemented multiple ESG initiatives and have completed the GRESB Infrastructure Assessment for the past 3 years, improving the company's GRESB score by 44% between the first and second submission and an additional 25% between the second and third submission.

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

¹ Any references to specific investments are for informational purposes only and not a recommendation to buy, sell, or hold; it should not be assumed any of the holdings discussed were or will be profitable, or that the future performance will equal the performance of the holdings discussed here.

Asset Management

From onboarding to ongoing management, ESG considerations and performance evaluation enable us to manage portfolio investment risks and opportunities and enhance their positive impacts on the environment and stakeholders.

Our process begins at onboarding where we communicate our expectations for ESG management and reporting to our portfolio investments. Once onboarded, ESG oversight is embedded into regular asset management discussions and reporting. Material ESG risks, opportunities, and strategies, such as the transition to net zero emissions, are discussed at the Board level.

The asset management team specifically engages with portfolio investments on ESG matters multiple times throughout the year. We use the annual GRESB Infrastructure Assessment and ESG reporting cycle as a catalyst for continual improvement in ESG practices and ongoing dialogue (see details on [page 7](#)). This annual process enables our own monitoring of ESG key performance indicators (KPIs) and evaluation of important ESG impacts, such as greenhouse gas emissions (see [pages 9 and 12](#)).

Tool	Purpose
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 Fiera's 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 Fiera's 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 greenhouse gas 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

GRESB as an ESG Management Tool

A key component of Fiera's ESG program is our approach to collaborative engagement with portfolio companies; GRESB plays a critical role in this approach. We communicate our commitment to ESG and require GRESB participation in Q1 each year. We then use GRESB as a way to work with portfolio investments and operators to identify ESG improvement opportunities. Initial discussions on improvement often take place upon completion of the GRESB Assessment in Q2. Data and management

practices reported through GRESB are combined with our supplemental ESG Information Requests in Q3 to evaluate overall portfolio performance and impacts. Following GRESB results in Q4, we reconnect with portfolio investments again to confirm plans are in place to improve practices and close gaps. In 2021, we hosted calls with all portfolio investments that participated in GRESB to review GRESB performance and discuss ESG improvement plans for 2022. Moving forward, we will continue to use GRESB to monitor ESG progress and drive improvements. See our GRESB results on [page 12](#).

Asset GRESB & ESG Engagement Process

Review Results

OCT-DEC

> Meet with the asset team to:

- Discuss progress made on ESG initiatives during the year
- Identify ESG initiatives to action for the next year
- Communicate GRESB expectation

Action Plan and Analysis

JUN-AUG

- > Meet with asset team to review opportunities and recommend improvement actions such as:
 - Management systems
 - Policies and procedures
 - Performance tracking
 - Target setting
- > Aggregate and analyze ESG performance data, follow-up on any issues

Early Engagement

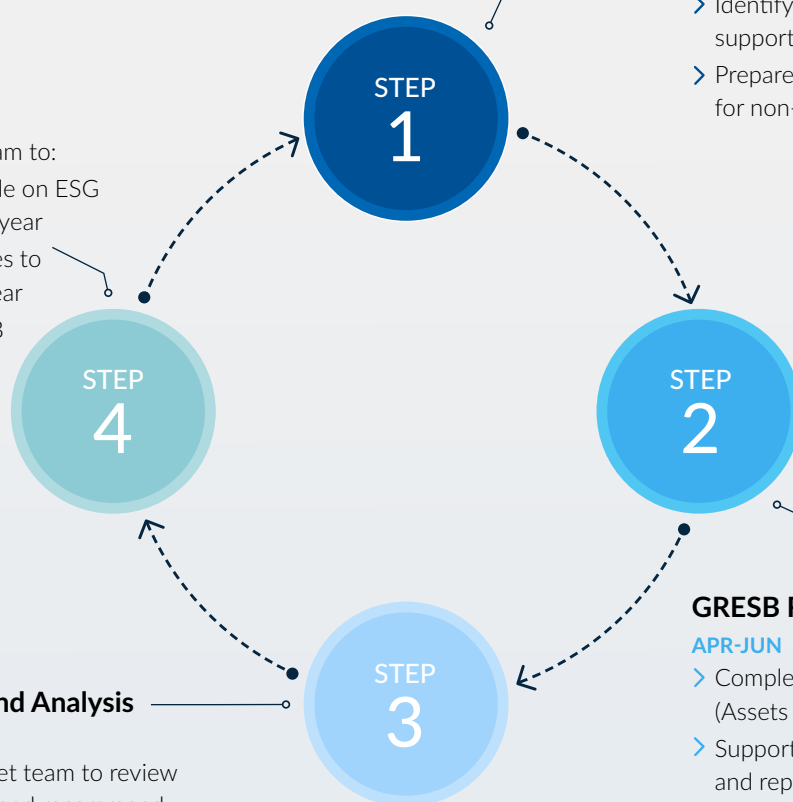
JAN-FEB

- > Communicate intent for asset to participate in GRESB
- > Identify assets requiring external support to complete
- > Prepare ESG Info Request for non-GRESB assets

GRESB Reporting

APR-JUN

- > Complete GRESB Assessments (Assets and Fiera)
- > Support asset teams with GRESB and reporting, where needed
- > Collect completed responses, data and ESG Info Requests



Our Impact

Infrastructure investments often provide social, economic, and, sometimes, environmental benefit by addressing critical needs, such as clean energy, connectivity, healthcare, or housing. Through our investment decisions and active management, we can seek to maximize positive benefits while minimizing negative impacts. We believe doing this helps create resilient investments that create value for all stakeholders across long time horizons. Along with many of our fund investors, we increasingly want to identify where we provide enhanced, positive impact in addition to our leading financial returns.²

CASE STUDY



DOMUS SOCIAL HOUSING³

In 2021, Fiera Infrastructure invested in Domus Social Housing (“Domus”). Domus provides supported accommodation to vulnerable residents through long-term leases with regulated housing providers, who work with local authorities under UK Central Government directives to provide housing and support services. The investment addresses the social housing supply imbalance in the UK by providing quality accommodations in the areas most at need.

The United Nations

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a globally recognized set of 17 objectives that, if achieved, will address many of the greatest economic, social, and environmental challenges faced by society.

In 2021, we undertook an exercise to evaluate how our portfolio investments align with the SDGs and identify SDGs where we believe we can focus our efforts to achieve added impact. While we have identified multiple SDGs that our assets naturally align with, four SDGs, 7, 9, 11, and 13 stood out as well aligned with our investment focus in renewable energy, utilities, and social infrastructure. Two additional SDGs, 5 and 8, were identified as priorities for us internally and for how our portfolio investments are managed. These SDGs are ones we wish to actively support through inherent investment alignment and active management.



Source: sdgs.un.org/goals

Moving Forward

We aspire to further enhance our focus on impact and the SDGs. In this report, we identify a case example where investments, actions, or performance monitoring support specific SDGs. Moving forward, we seek to use the SDGs as an additional lens to assess impacts by better aligning our tools and performance monitoring with specific SDG goals and targets.

² Past performance is not necessarily indicative of future results.

³ Any references to specific investments are for informational purposes only and not a recommendation to buy, sell, or hold; it should not be assumed any of the holdings discussed were or will be profitable, or that the future performance will equal the performance of the holdings discussed here.

Climate Management

Fiera has a long track record of investing in assets that address the impact of climate change such as renewable energy. In recent years, the urgency to address the climate crisis has increased and so has our focus on climate management across our portfolio.

Climate management considerations are embedded throughout our ESG management processes. Applying the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations as a guide, our climate management practices include:

Governance

Our ESG Committee, which includes executive leadership from across the organization, is responsible for overseeing climate risks and opportunities. They receive updates on portfolio climate metrics, including greenhouse gas (GHG) emissions and additional climate-related figures through GRESB. Material climate considerations are also included in all Investment Committee memorandums, where material. In 2021, our team's ESG training included a focus on climate trends and investor management frameworks.

Strategy

Our opportunities to support the transition to a low carbon economy include investments in renewable energy and investments that reduce system GHG emissions, such as landfill gas capture. For some of our portfolio investments, energy efficiency and using clean energy sources presents an opportunity to reduce emissions. Climate-related risks in our portfolio can include increased pressure and cost to reduce emissions in alignment with national and global goals. These are some of the reasons that we committed to the Net Zero Asset Managers Initiative in 2021 and will be integrating net zero considerations across our portfolio and investment processes moving forward.

Our investment strategy and active asset management approach targets these opportunities and risks. We believe investments in efficiency and net zero planning in the short term will position us to play a role in the transition to the low-carbon economy and provide stable returns over the medium and long term.

The physical effects of a changing climate, such as increased incidents of extreme weather, can also present risks to our portfolio investments. Physical risk considerations are evaluated during investment decisions and management practices at our portfolio investments are monitored as part of the GRESB Infrastructure Assessment process.



Risk Management

Climate change is always a key consideration in due diligence and climate risks and management approaches are evaluated annually through the GRESB Infrastructure Assessment. In 2021, we started integrating questions on climate management and net zero into our annual ESG engagement calls with portfolio investments to ensure alignment with our fund's strategy. We collect climate-related performance metrics, such as GHG emissions, for each asset annually. Climate matters, such as net zero plans, are discussed and reviewed at the Board level for portfolio investments with larger environmental footprints.

Metrics and Targets

We track TCFD recommended carbon footprinting metrics for investment managers as well as additional climate-related portfolio metrics through the GRESB Infrastructure Assessment. Emissions data is collected on an annual basis and portfolio-wide metrics are calculated using the Partnership for Carbon Accounting Financials (PCAF) standard. We have been collecting portfolio emissions data since 2019 and seek to continually improve data completeness and accuracy.

NET ZERO ASSET MANAGERS INITIATIVE



In 2021, Fiera Capital became a signatory to the Net Zero Asset Managers initiative. At Fiera Infrastructure, we are proud to be able to contribute to this initiative. As part of this commitment, we plan to set our interim target to highlight our commitment to mitigating our climate impacts, ensuring we work proactively to reach the goal of net zero greenhouse gas emissions by 2050 or sooner.

Greenhouse Gas Emissions^{4,5}

2021
financed
emissions

120,700 tCO₂e

Carbon
footprint
(per US\$1M
invested)

36 tCO₂e

⁴ Figures include Scope 1 and Scope 2 emissions reported by all portfolio investments for January 1, 2021 – December 31, 2021. Figures follow TCFD reporting guidelines.

⁵ As a part of our work to align with emissions reporting best practice, we have updated our methodology since the release of our 2020 financed emissions and carbon footprint figures. As such, 2020 figures previously reported are not directly comparable to 2021 figures.

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the GHG emissions associated with their loans and investments.

Financed emissions are GHG emissions generated as a result of financial services, investments and lending by investors and companies that provide financial services. These emissions fall under scope 3, category 15 of the Greenhouse Gas Protocol. They are calculated by multiplying an attribution factor (in our case, the outstanding value of equity held / the total equity + debt value of that investment) by the investment's total emissions.

tCO₂e refers to metric tonnes of carbon dioxide equivalent. Carbon dioxide equivalent is a standard unit for counting GHG emissions.

CASE STUDY



CORY AND NET ZERO

Cory is a resource management, recycling and energy recovery company, which operates an energy from waste (EfW) facility in the United Kingdom. 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 addition to these benefits, Cory is committed to addressing the need to fully transition to a net zero economy and has implemented a strategy to meet this challenge.

Cory's Net Zero Commitment and Decarbonization Strategy

Over the past few years, Cory continues 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.

Cory's decarbonization plans are based on two primary levers:

- Removing fossil carbon (plastics) from the waste stream prior to entering their facility (i.e., decarbonizing the waste input upstream)
- Using carbon capture technology to capture emissions created through their operations before being released into the atmosphere

Removing Plastics from Waste

Plastics represent a significant portion of Cory's emissions. While these waste contributions are upstream of Cory's operations and beyond the organization's control, Cory actively assesses the status of and advocates for less plastics being produced, more plastics being recycled, and less plastic ending up in residual waste. With several initiatives in place by both government and industry peers, Cory closely tracks and supports regulation and industry progress that will impact its journey to net zero.

Cory Carbon Capture Project

Where emissions cannot be reduced, Cory intends to leverage carbon capture and storage technology. The technology will capture up to 50% of remaining emissions from Cory's energy from waste process. By 2030, this has the potential to deliver 1.4 million tonnes of CO₂ savings per annum – providing a significant contribution to reducing the carbon emissions of the several million people Cory services in London and the Southeast England. As one of our larger sources of portfolio emissions, Cory's commitment will be a significant contributor to meeting our own net zero target. For more information on Cory's net zero target and plans, see Cory's 2020/2021 [Sustainability Report](#).

ESG Performance

PRI

Fiera Capital signed onto the PRI in 2009 and has completed the Infrastructure Reporting Framework since 2018. In 2020, we maintained our A rating.

In 2021, Fiera Infrastructure reported to the updated PRI Reporting and Assessment Framework. We are proud to announce that the Fiera Infrastructure response received a score of 4 stars. Given PRI updated its framework and scoring, we cannot compare 2021 results to 2020 scores. We will continue reporting to PRI in 2023.



GRESB

Supported by global pension funds and investment managers, GRESB launched in 2009 and is the global standard for evaluating ESG performance of real asset portfolios and investments.

GRESB is aligned with international ESG reporting frameworks, such as the Principles for Responsible Investment (PRI), the Sustainable Accounting Standards Board (SASB), and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In 2022, a record 652 assets and 166 infrastructure funds participated in the 2022 GRESB Infrastructure Assessment, a 17% and 11% increase respectively, over 2021.

Fiera Infrastructure participated in GRESB for a fourth year, improving our Management Score and expanding asset participation. 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 funds and their respective investments is both in part due to increased asset participation as well as investments' continued integration ESG practices.



Note
2022 GRESB scores reflect 2021 calendar year ESG management, performance and data.

Canada vehicle

GRESB scoring component	Performance	Change from 2021
 2022 Management Score	30 30	+2
 2022 Performance Score	57 70	+3
 2022 GRESB Score	87 100	+5
 Global Ranking	55 117	44 106

Luxembourg vehicle

GRESB scoring component	Performance	Change from 2021
 2022 Management Score	30 30	+2
 2022 Performance Score	60 70	+6
 2022 GRESB Score	90 100	+8
 Global Ranking	41 117	42 106

Our 2021 Key Statistics

65%

of investments have conducted
a materiality assessment

100%

of investments have at least one key
ESG policy in place (health & safety,
environmental, employee)

100%

of investments include
ESG in board updates



9,444

direct jobs supported by
Fiera investments (total)



6,426,420 MWh

renewable energy generated by Fiera
investments (total), equivalent to
the electricity used by over 255,000
Canadian homes per year

76%

of investments have a diversity
& inclusion policy/statement



42%

of those are tracking diversity
and inclusion metrics

Portfolio ESG Performance and Impact

Performance measurement is an important part of Fiera Infrastructure's ESG Program. We monitor material ESG metrics through regular investment reporting and annually collect a full set of ESG data. We track ESG data from all portfolio investments in one of two ways: the GRESB Asset Assessment or our Annual ESG Information Request. The objective is to have portfolio investments participate in GRESB, however for those that have challenges participating, we developed a tool to collect ESG information and enable performance measurement across the portfolio. The data collection process allows us to understand portfolio company performance over time and aggregate the data to understand fund impact and risk exposure (e.g., greenhouse gas emissions).

We collect data on many environmental, social and governance indicators, including:

- Energy use and generation
- Greenhouse gas emissions
- Water use
- Waste generation
- Health and safety metrics
- Diversity and inclusion metrics
- Presence of governance policies
- Biodiversity and habitat



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