

# Sustainable Investment Policy

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# Introduction

Our Sustainable Investment Policy (“Policy”) outlines our commitment to sustainable investing, describes our core beliefs and how environmental, social, and governance (ESG) factors are integrated into our investment processes. This Policy applies to all our strategies and funds.

## Defining ESG

ESG refers to a broad set of environmental, social and governance factors.

**Environmental factors** capture both the impact of a company’s activities on the ecosystem and the ecosystem’s impacts on the company. **Social factors** focus on the impact that a company has on a community or society as a whole, as well as the impact of a community or society on the company. **Governance factors** relate to how the business is managed and its systems, processes and controls for overseeing strategy and risk.

The list of ESG factors that are material to each business can vary based on considerations such as industry, sector and geography. Common ESG factors that we consider might include, but are not limited to:

 Environmental	 Social	 Governance
<ul style="list-style-type: none"><li>• Climate change and carbon emissions</li><li>• Pollution and waste management</li><li>• Biodiversity</li><li>• Energy efficiency</li><li>• Water scarcity</li></ul>	<ul style="list-style-type: none"><li>• Health and safety</li><li>• Diversity, equity and inclusion</li><li>• Human capital management (including labour standards, employee engagement, human rights)</li><li>• Community relations</li><li>• Product safety</li><li>• Supply chain risks</li></ul>	<ul style="list-style-type: none"><li>• Board composition</li><li>• Bribery and corruption</li><li>• ESG management</li><li>• Executive compensation</li><li>• Lobbying and political contributions</li><li>• Cybersecurity</li><li>• Whistleblower programs/ protection</li></ul>

# Our Beliefs

At Fiera Comox, our sustainable investment approach is aligned with our fiduciary responsibilities to our clients and reflects our commitment to act as a good steward of capital.

At the core of our sustainable investment approach is the belief that identifying, monitoring and managing ESG factors contributes to better long-term investment performance. ESG integration in our investment activities helps us mitigate risks and capitalize on opportunities by directing capital towards strong-performing investments and ensuring effective oversight and stewardship of our assets. This allows us to make better informed decisions.

# Our Commitments

Fiera Comox considers ESG factors in all our investment management processes.

Ultimately, our goal is to be good stewards of capital and build valuable, long-lasting and successful businesses. To deliver on this goal we commit to:

## ▶ Upholding high ethical standards

We operate our business and approach all our relationships with integrity, respect and honesty.

## ▶ Being a trusted partner

We work to cultivate and maintain open and constructive relationships with our partners and investments. These relationships allow us to work with our investments to improve financial and ESG performance.

## ▶ Embedding ESG in decision-making

We seek to minimize negative and maximize positive environmental and social outcomes in conjunction with our goal to deliver strong returns to our clients.

## ▶ Striving for industry leadership

We strive to position ourselves among the leaders in our industry as we continuously improve and adapt our approach to reflect best practices. We understand that the investment and ESG landscape is rapidly changing; we believe that leadership is a journey that requires us to learn and evolve over time.

# Our Sustainable Investment Approach

Our sustainable investment approach applies across all our investment strategies – agriculture, private equity, and private credit – to provide consistent and comprehensive identification, monitoring and management of material ESG factors.

ESG is considered at every stage of our investment process, including:

## Sourcing and Screening

Prior to undertaking any potential investment, we conduct preliminary screening to identify potential ESG risks. We will not make investments in high controversy sectors, including controversial weapons<sup>1</sup>, adult entertainment, tobacco and cannabis.

## Due diligence

ESG risk analysis is fundamental to our due diligence and investment decision-making process. Our investment teams carry out ESG analysis during due diligence to identify ESG risks and opportunities with guidance from our Head of Sustainable Investment. Where needed, we bring in specialized external ESG advisors to help dive deeper on specific issues. We generally focus on the most material ESG issues for a company and its sector, using the Sustainability Accounting Standards Board (SASB) sector guides as a starting point to focus our research.

## Investment decision-making

An analysis of relevant ESG findings is included in the Investment Committee memorandum for all investments. When potential ESG risks or areas for improvement are identified in due diligence, those will be included in our asset management plan. There are instances where we will decide not to pursue investment opportunities due to heightened ESG risks which cannot be properly managed or mitigated.

## Asset management and stewardship

We monitor our investments for material ESG issues and assess opportunities to generate value. We regularly engage with our investee companies and partners across all asset classes with a view to improve relevant ESG practices. We believe that through this ongoing dialogue, we can encourage sustainable corporate conduct and enhance long-term overall performance.

In addition to these investment integration activities, we seek to measure the ESG performance of our investments over time. We recognize that the materiality of ESG factors varies across companies, industries and geography. Agriculture, private equity and private credit investment strategies carry unique constraints, risks and opportunities, and therefore require a unique, flexible approach. We believe that our flexible approach helps build ownership for ESG integration within each strategy, leading to a more effective process and better outcomes.

<sup>1</sup> For the purposes of this Policy, are deemed controversial weapons: anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons.

# ESG Governance

Fiera Comox's ESG governance approach helps us meet our commitments.

We embed ESG responsibility across our organization and at all levels of decision-making. Our Chief Executive Officer (CEO), Head of Sustainable Investment and other members of the Management Investment Committee are responsible for communicating the importance of sustainability and ESG considerations, overseeing processes and reviewing this policy annually.

Our Head of Sustainable Investment is responsible for overseeing ESG integration in all strategies, promoting alignment with industry best practice and building our team's ESG awareness and capacity over time. Our investment teams and strategy heads are responsible for integrating ESG into every stage of the investment process and doing so in a manner consistent with their strategy's approach and framework.

Our Management Investment Committee reviews the ESG considerations of all proposed investments and has a collaborative discussion on the due diligence findings, regardless of deal size. When investments require the approval of the Board Investment Committee, a review of ESG considerations and the analysis of relevant ESG findings are also included in the Investment Committee memorandum.

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## Industry Alignment

We are committed to the Principles for Responsible Investment (PRI) to which we are a signatory through our parent company, Fiera Capital.

We have developed our ESG approach in alignment with the PRI's six principles. We look to industry standards and frameworks (e.g., SASB, United Nations Sustainable Development Goals (SDGs)) to inform our approach and align with best practice.

### Policy Administration

This policy is approved by Fiera Comox Board of Directors. The Board reviews this policy every two years and updates as required.

**Last Updated: August 10, 2022**

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