



**RESPONSIBLE INVESTING
REQUEST FOR INFORMATION**

Firm Name: Fiera Private Debt
Completed By: Theresa Shutt
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PREAMBLE

In accordance with Queen's University's Responsible Investing Policy, as approved in May 2017, we require all of Queen's External Investment Managers to take due regard of environmental, social, and governance ("ESG") factors in making investment decisions. Managers will be asked to engage where appropriate and report to the University on their ESG activities on an annual basis.

Link to Responsible Investing Policy:

<http://queensu.ca/secretariat/sites/webpublish.queensu.ca.uslclwww/files/files/policies/board/Responsible%20Investing%20Policy.pdf>

To assist with our due diligence, we request that you respond to the following questions no later than August 21, 2020.

Note: Responses to this questionnaire will be posted in full on Queen's website.

GENERAL

1) Please provide your ESG-related policies.

Fiera Private Debt has a formal ESG policy, which is subject to review every year or as required. As it happens, the policy is currently under evaluation as our Risk Management team completes amendments. Once the updated ESG policy is finalised and approved by the Board, we will make it publicly available for all to consult. Meanwhile, here are the key drivers that underpin our Responsible Investing (RI) Policy.

1. Systematically identify and consider material environmental, public health, safety, and other social and governance issues associated with potential investments.
2. Establish cooperative and transparent dialogues with our investors, stakeholders and the management teams in charge of the company's we finance or invest in.
3. Align compensation and other policies at the portfolio company level with the interests of our investors.
4. Comply with all applicable laws.
5. Respect the human rights of those affected by our financing and investment decisions.
6. Uphold high ethical standards by, among other things, not investing or participating as a lender in certain activities or geographies and encourage strict policies that prohibit bribery and other improper payments.

7. Promote the adoption of similar principles within the companies with fund or invest in.

2) Are sustainable investing and ESG factors integrated into your investment process and portfolio management decisions? If yes, please provide details.

All our investment funds have ESG considerations integrated within each asset allocation. Aside from the core guideline set forth by our policy, we also seek to do business with companies that share our values along with those that respect and understand the environmental, social and governance standards that is expected of them. Aside from positive returns on our investments, we also are interested in doing business with companies seeking a long-term constructive impact on society. As such, we are proactive with regards to gaining a deeper understanding of every company we deal with in relation to sustainability and ESG culture. With that said, ESG factors does play an important part in our investment decisions as our duty towards our investors is to ensure that we do not allocate funds or support entities which do not meet our standards of environmental, social and governance while supporting those who have ESG upside.

3) a) Are you a signatory to the UNPRI?

Yes

b) If you are signatory to other coalitions, please list them.

We are not signatory of any other coalition.

c) Indicate any other international standards, industry guidelines, reporting frameworks, or initiatives that guide your responsible investing practices.

Our firm's ESG policy is influenced by both the UN's Principle for Responsible Investment commitment as well as the Sustainability Accounting Standard Board (SASB) which is a platform that enables businesses around the world to identify, manage and communicate financially-material sustainability information across 77 different industries.

4) Please describe how ESG oversight and integration responsibilities are structured at your firm, including the process for escalation of key ESG issues. How do you obtain ESG information/data (e.g. public information, third party research, reports and statements from the company, direct engagement with the company)?

ESG is taken into consideration within every step of our investment process. From the early stage of client analysis all the way through to debt reimbursement, ESG examination is incorporated within each stage of the investment life cycle. ESG is not limited to risk mitigation solely but is also considered when seeking investment opportunities. This is most prevalent in funds allocated to companies within the renewable energy industry as well as those that are investing in new technology to improve their carbon footprint.

As for the process:

The first and most important step in relation to ESG analysis is that which is done in the preliminary analysis within the pre-deal cycle stage. This step involves assessing whether the prospect respects our firms' standards with regards to ESG and overall risk appetite. It involves a quick and decisive decision which also takes into consideration our fundamental firm values (i.e.: no involvement in

criminal activity, labour exploitation, environmental destruction, etc.). If we decide to move forward, we then go into the information gathering phase.

Steps within the information gathering phase include:

- 1- Completing a background research inquiry on the company in relation to ESG factors.
- 2- Gathering ESG information on the company by initiating discussions with all levels of management and if possible, employees of the entity.
- 3- Enhancing our ESG analysis by consulting, 3rd party providers, be it for technical and/or legal expertise.
- 4- Requesting information on guarantors, be it financial and/or management experience.
- 5- Obtaining the company's financial data and inquiring about what has been incurred as well as what is being projected in the future.

The next stage involved in the pre-deal cycle is that of the due diligence and investment approval phase. At this point. We complete a thorough analysis on the company's financial performance as well as due diligence on the company's management team, major clients, competitors, suppliers, etc.

5) What channels do you use to communicate ESG-related information to clients and/or the public? Do you produce thought leadership (written reports and publications)? If so, is the information available to the public? Please provide links, if applicable.

If an event occurs that is deemed to have material ESG significance in relation to any of our clients', we demand full details, explanation and advice of remedial and preventative action. This in-depth understanding is very important as our priority will be to work with companies to make sure sustainability and governance standards continue to be met. We do not yet have a formal reporting ESG output that is offered to our clients or to the public for that matter however this is being worked on as we speak. A formalized ESG reporting/disclosure process is something we want to implement and which we are prioritising. That said, we do communicate consistently with our borrowers and their management teams in relation to Environmental, Social and Governance issues related to their organization. We share ESG information and expect the same level of transparency from our borrowers.

6) Do you have periodic reviews of your ESG process/approach to assess its effectiveness? What are the results? What would cause you to disregard ESG issues in your investment/analysis decisions?

The Fiera Private Debt ESG policy is subject to review every year or as required. As is happens, the policy is currently under examination as our Risk Management team completes amendments. Once the updated ESG policy is finalised and approved by the Board, we will make it publicly available for all to consult.

We do not disregard any ESG issues when completing our yearly evaluation. As Asset Managers and allocators of loans and investments, we have a responsibility towards our investors such as Queens University with regards to having a rigid ESG framework in place. Our objective and duty are to ensure

that we do not allocate funds or support entities which do not meet our standards of environmental, social and governance as well as that of our investors.

CLIMATE

7) Describe how you identify, assess, and manage climate-related risks.

We are aware of the importance of climate change and its effects on our society. As such, we take our responsibility as lenders seriously to avoid supporting organizations who do not meet the standards set out by their industries, provincial and federal regulators. Moreover, we intend to keep on supporting organizations who want to invest in technology to improve their carbon footprint as well as those who want to venture into the renewable energy sector.

8) Describe the climate-related risks and opportunities you have identified over the short, medium, and long term.

Climate change is at the forefront of our ESG strategy. As such, all our investments are vetted in relation to the effect they will have on climate change be it directly or indirectly. As a short-term strategy, Fiera Private Debt is engaging with companies wishing to improve their carbon footprint by investing in new technologies and/or improved processes. In the medium to long term, we are looking at investing in sustainable technologies such as wind turbine energy production which, we view as playing a bigger role in future energy demand.

9) Describe the resilience of your investment strategy, taking into consideration different climate-related scenarios.

Fiera Private Debt has a robust and resilient RI strategy when it comes to climate-related factors as well as other ESG aspects that are important to us. As mentioned, we complete a thorough ESG analysis on every borrower with relation to climate change. It begins in the pre-deal cycle stage where there is a preliminary examination that is completed on the prospect. Once cleared, it is followed up by the information gathering stage where we undertake various initiatives to better understand the borrower. Some of which are: conducting a background research inquiry, carrying out management interviews, obtaining information on guarantors, etc. Next is the due diligence and investment approval phase. Once the funds are deployed, the market teams follow up with the clients on a quarterly basis in what we call the post-funding portfolio management and monitoring phase. This process is completed through the investment life cycle until a full loan payout is completed.

10) Do you track the carbon footprint of portfolio holdings?

No

If yes, please describe the methodology and metrics used, and whether you have a set target for reducing the portfolio's footprint.

We do not have a formal monitoring process involving ESG metrics, that said however we are working on this aspect as we continue to refine our ESG policy. As mentioned, we do filter prospects early into

the investments process. To note, that we do not move forward in the procedure if the organization does not meet our Environmental, Social and Governance standard.

11) What are your firm's emissions? Please demonstrate how/whether you are taking steps to reduce these scenarios?

We have yet to quantify our carbon footprint. That said, it is to be noted that we are a service provider within the finance industry. We are 75 employees located at offices in both Montreal and Toronto. We have made an effort in the last number of years to be more sustainable and environmentally friendly. Among the initiatives we took on, are:

- Limiting electronics, lighting and heating usage. Ensuring the utilities are used only when needed as well as having sensors that aid in consumption saving.
- The paperless initiative has been implemented within our offices. Although not fully eradicated, we are putting an emphasis on reducing paper use while opting for digital whenever possible.
- We have reconfigured our offices to be able to benefit from more natural light while integrating an abundant amount of office plants to improve indoor air quality.
- We have put an emphasis on reducing employee travel by being flexible with regards to our work-from-home policy. We encourage employees to work from home whenever possible while limiting air travel to only when necessary.

DIVERSITY

12) Please provide the composition of your senior leadership team and board of directors, including women and visible minorities. How do you encourage diversity of perspectives and experience?*

Diversity and inclusion are elements that we continually attempt to improve upon. At Fiera Private Debt, we make it a point to constantly reevaluate our standards of diversity and inclusion and as such, we expect the same from borrowers, we do business with. As is stands, Fiera Private Debt's board of Directors is composed of 1 woman and 6 men thus representing 16.67% of women in percentage terms. As for executive leadership, the percentage is also 16.67% with no visible minorities. As for senior leadership, the percentage of women represent 66% with no visible minorities.

We continue to work on various initiatives to promote inclusion and integration of both woman and visible minorities and so it has become a priority and continuous working progress.

PROXY VOTING

13) What proportion of the time do you vote with or against management on shareholder resolutions, board appointments, and auditor appointments? What proportion of the time do you vote with or against management on ESG issues? How does this break down for climate, diversity, and remuneration issues?*

Not applicable.

14) What proportion of all independent ESG shareholder resolutions do you support?*

Not applicable.

15) What proportion of remuneration packages do you vote in favour of? In your view, is the current level of executive remuneration too high, too low, or about right? How is this view reflected in your voting record on remuneration?*

Not applicable.

16) Have you ever co-filed an ESG-related shareholder resolution? If so, how many and with what frequency?*

No, we have not co-filed an ESG-related shareholder resolution.

17) Have you ever voted against a director for explicitly ESG-related reasons? If so, why? If not, would you consider doing so in the future?*

No, we have not voted against a director for explicit ESG-related reasons.

ENGAGEMENT

18) How many companies do you engage with? What proportion of your engagements focus on environmental and social issues? What are your engagement goals? Are these goals outcome/action-based (e.g. decreases in emissions or increases in number of women on the board) or means-based (reporting on emissions or number of women on the board)?*

We do not have direct engagement with private or public companies in relation to ESG issues. That said however, our firm is continuously undertaking initiatives to advance our community and society. On a corporate level, Fiera Capital (mother company) is involved in various projects to promote diversity and inclusion. Of which is the 'A effect', consisting of a cohort of professional and ambitious women experiencing a unique journey of professional development that includes workshops, encounters with inspiring leaders, web conferences and encounters with inspiring leaders. It's designed to help women better communicate their ambition, boost their confidence and their influence as well as encourage them to take risks and develop their networks.

Fiera Capital has a dedicated Corporate Social Responsibility (CSR) committee, which is dedicated to promoting diversity, inclusion and employee-led environmental initiatives, as well as supporting employee community engagement.

19) What is your policy around the escalation of engagement; how and why might this happen and what is the ultimate tool you might use (e.g. voting against board re-election, etc.)?*

We do not have a formal policy towards escalation of engagement.