



## Environmental, Social and Governance Policy

The purpose of this policy is to set forth Fiera Infrastructure Inc.'s ("Fiera Infrastructure" also referred to as "we" and "our") guiding principles, commitments, and implementation for responsible investment, or how we integrate environmental, social and governance ("ESG") risks and value creation opportunities into our investment decision-making process and ownership practices.

### Guiding Principles

- **We have duties to our investors and stakeholders.** Being entrusted with investor funds, we have a duty to act professionally, responsibly and diligently in the best interests of our investors with a view to creating long-term, sustainable value. This entails that we identify, assess, understand and manage material risks and opportunities of a potential or existing investment, including ESG factors. It also requires us to consider our impact on and act responsibly in our interactions with all stakeholders. This concretely translates into implementing comprehensive and transparent investment processes, governance structures and reporting frameworks.
- **Factors have an impact on our long-term performance.** We share a strong conviction that ESG factors, including a changing climate and the transition to a low-carbon economy, create risks and value creation opportunities which can be material and can have a significant impact on the financial performance of an investment. Our ability to identify, assess and manage ESG risks is also critical in securing and preserving our social licence to operate and our capacity to deploy capital.
- **Our approach is cooperative and tailored to each investment.** We are committed to promoting, in a cooperative manner, what we view as being best practices to effectively and efficiently manage ESG risks and capture value creation opportunities. We believe that doing so depends largely on our ability to establish an open and constructive dialogue with operators and management teams of businesses and assets that we invest in. We also believe that our ability to influence and implement efficient ESG practices depends on our capacity to remain pragmatic in applying our approach to responsible investing. We recognize that our level of influence may vary significantly from one investment to another due to the size of our ownership. ESG factors also vary significantly depending on the nature of the investment, region and other similar factors. This means that we look at ESG factors on a per investment basis. It also means that our efforts to manage ESG risks will be commensurate with our appreciation of the materiality of that risk to us, our investors, stakeholders, partners and the communities in which we invest.
- **We have high ethical standards.** We conduct ourselves in accordance with high ethical standards. This means not investing in certain activities but also conducting ourselves with integrity, respect and honesty in everything we do. We embrace our responsibilities to our investors, partners and the communities where we invest and recognize that the actions of every employee contributes to our success and our reputation.



## Commitments

Fiera Infrastructure is committed to and aligns with several ESG standards and frameworks.

Fiera Capital, including Fiera Infrastructure as a subsidiary, is a signatory to the United Nations-supported Principles for Responsible Investment (the “PRI”). The portfolio investments we oversee, including EagleCrest Infrastructure Canada LP, EagleCrest Infrastructure SCSp, segregated mandates and co-investments (together the “portfolio”), are committed to responsible investment principles laid out by the PRI.

Fiera Infrastructure supports the Paris Agreement objective to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. We are a member of the Net Zero Asset Manager’s Initiative (NZAM) through Fiera Capital and have committed to reach net zero emissions across our portfolio by 2050.

Our Luxembourg-domiciled fund, EagleCrest Infrastructure SCSp (the “Lux Fund” or “Fund”), is categorized as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 (“Sustainable Finance Disclosure Regulation” or “SFDR”). For more information, please see our SFDR-aligned disclosures [here](#).

## Objectives

In connection with our infrastructure Funds, our key ESG objectives are to:

- Systematically identify and consider material environmental, climate change, social and governance issues associated with potential investments.
- Grow and improve the companies and assets in which we invest in a responsible manner with a view to long-term sustainability.
- Establish cooperative and transparent dialogues with our investors, stakeholders, operators and management teams of portfolio companies.
- Comply with all applicable laws.
- Respect the human rights of those affected by our investment decisions and act accordingly.
- Uphold high ethical standards by, among other things, not investing or participating in certain activities or geographies, and encourage strict policies that prohibit bribery and other improper payments.
- Promote the adoption of similar principles by our portfolio companies.
- Establish governance structures that provide appropriate levels of oversight and, where possible, influence.

## Exclusions

We embed the following exclusions into our investment process to manage risks and support the promotion of positive environmental and social impacts.



- Companies or other assets that derive 5% or more of their revenue from extraction and production of fossil fuels are excluded from the investments in our portfolio, unless such extraction is part of a process that is aligned with the transition to a low-carbon economy in line with a 1.5-degree trajectory (for example landfill methane capture).
- Companies or other assets that derive 5% or more of their revenue from coal-powered energy generation are excluded from the investments in our portfolio, unless such energy generation asset has a viable plan in place to transition to lower carbon and achieve real-world emission reductions in line with a 1.5-degree trajectory (for example by adding carbon capture or retrofitting coal boilers).
- Companies that have been in violation of human or labour rights according to the United Nations Global Compact (UNGCC) are excluded from the investments our portfolio, unless there is sufficient comfort that the investee company has implemented (or is in the process of implementing within a reasonable period of time) formal policies and/or initiatives to ensure that such violations will not re-occur. Any identification of possible human or labour rights violations involving an investee company are considered and further investigated by Fiera Infrastructure. Unless Fiera Infrastructure is comfortable that sufficient efforts have been made (or are being made within a reasonable period of time) by the investee company to correct the issue, such company will be excluded for investment (or otherwise divested) by Fiera Infrastructure.
- Companies that have had significant health and safety incidents due to organizational negligence are excluded from the investments in our portfolio, unless such company provides Fiera Infrastructure with sufficient comfort that it has implemented (or is in the process of implementing within a reasonable period of time) formal policies and/or initiatives (including improved practices) to ensure that the likelihood of such incidents re-occurring is mitigated as far as reasonably possible.

## **Governance**

### ESG Committee

- The ESG Committee supports the management and advancement of our ESG program and initiatives.
- The ESG Committee coordinates with and reports on objectives and initiatives to the Fiera Private Markets ESG Committee.
- The President of Fiera Infrastructure is the ESG Committee Chair.
- The ESG Committee includes representation from across Fiera Infrastructure business functions.
- Each Committee member is responsible for raising ESG risks, opportunities and concerns from their respective business function.
- All members are responsible for communicating and implementing initiatives within their business function.

### Roles and Responsibilities

- It is the responsibility of all our employees to adhere to this policy. Our investment professionals are primarily responsible for ensuring that the consideration of ESG factors



is integrated into investment decisions. Where additional subject matter expertise is needed, the teams utilize external resources, as relevant and necessary.

- The ESG Committee is responsible for overseeing the implementation of this policy in infrastructure investments globally and for maintaining and updating the policy to ensure its continued relevance.
- This policy is reviewed by the ESG Committee and approved by the President of Fiera Infrastructure and will be updated every two years, or as required.

#### ESG Training

- Our ESG integration practices are continually evolving with the ESG space. We provide regular internal training to our team to support ongoing learning and knowledge sharing.
- Training sessions support the consistent use of ESG integration tools and documents throughout our processes.

#### Employee ESG Objectives

- Fiera Infrastructure integrates ESG objectives into employee performance goals annually.

### **Implementation**

We will seek to integrate the consideration and thoughtful management of ESG factors throughout the investment cycle.

#### Sourcing

We conduct preliminary screening to confirm investment opportunities do not involve potential ESG risks that could have significant implications from a financial, legal, ethical or reputational perspective. We embed exclusions into our screening process to manage risks and support the promotion of the environmental and social characteristics promoted by the Funds.

#### Due Diligence

The investment team carries out an ESG due diligence evaluation using Fiera Infrastructure's ESG Due Diligence Tool. The tool prompts analysis of ESG factors, including environmental and social characteristics promoted by the Funds, transition alignment and common ESG factors. The tool supports alignment with our SFDR and NZAM commitments.

#### Investment Decision

A summary of the ESG analysis is included in each investment memorandum submitted to the Investment Committee, which is ultimately responsible for recommending the approval of the transaction. The Investment Committee's recommendation may be subject to conditions, including implementation of a corrective action plan or specific contractual provisions.

#### Asset Engagement and Stewardship

Following acquisition, we share our ESG Onboarding Guideline with portfolio investments and operators to communicate our expectations for ESG management. Where applicable, this may be part of a 100-day plan.



ESG oversight is embedded into regular asset management discussions and reporting. We encourage the operators and management teams of portfolio companies to identify and raise material ESG factors to the relevant decision-makers, including, where appropriate, board-level individuals.

Each year, we request that assets report on ESG management practices and performance data. We review reported data to evaluate performance and identify risks and improvement opportunities. We use the GRESB Infrastructure Assessment to benchmark our ESG practices and those of our assets. Our team engages with investments at least annually to communicate expectations and opportunities to improve on ESG performance.

Where appropriate and reasonable, we support our portfolio companies' efforts to identify, manage and report on their ESG performance.

#### Reporting

We seek to be transparent in our approach to incorporating ESG considerations in our investments by reporting on our progress and outcomes at the firm level. The format of this reporting typically includes written public reports, verbal informal reports and confidential reports to our investors.

#### Investment Exit

Where applicable, we will conduct an ESG exit analysis and share information regarding ESG performance and value creation during our hold period with perspective buyers. ESG factors analyzed could include greenhouse gas emissions, avoided emissions and impact to net-zero strategy.

### **Standards and Reporting**

To support alignment with best practices, we use industry standards to assess and report on our ESG practices and performance. We use the PRI Infrastructure Reporting Framework and the GRESB Infrastructure Assessment to evaluate our ESG program and ESG performance of assets in our portfolio. We seek to align with the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations and apply the United Nations Sustainable Development Goals (SDGs) to report on our ESG program and performance.

### **ESG Strategic Focus Areas**

Our investment strategy targets three thematic sustainable investment focus areas. We believe investing in these areas helps us generate strong risk-adjusted returns and can also provide positive social and environmental outcomes.



Energy Transition	Social Infrastructure	Digital Transformation
The world is transitioning to a low-carbon economy. This transition impacts every sector. We see opportunities to support the energy transition by investing in reducing energy demand and decarbonizing energy supply and other sectors. Examples of these assets include our renewable energy platforms and landfill gas capture assets.	Affordability, health and wellbeing are mega-trends affecting our global communities. Governments often face funding gaps in meeting the demands for social infrastructure and investors can help close that gap. Examples of these assets include our investments in Public Private Partnerships and social housing.	Our society is increasingly interconnected. Connectivity is a foundational requirement for strong economies. We have an opportunity to connect people and communities to increase productivity, facilitate education and improve standards of living. We support connectivity through our telecommunication infrastructure assets.

### Common ESG Considerations

The following are examples of common ESG factors that our investment and asset management teams may consider in relation to our investment activities. Our evaluation and management often considers, but is not limited by, these particular factors.

- **Climate transition and greenhouse gas emissions management:** The transition to a low carbon economy present risks and opportunities to the Funds and their underlying portfolio investments. We therefore seek to minimize energy and greenhouse gas emissions from operations, identify and manage current and future transition climate risks and incorporate climate-related regulatory and market considerations into investment decisions.
- **Physical climate risk:** The physical impacts of climate change present risks and opportunities to the Funds and their underlying portfolio investments. Fiera Infrastructure therefore seeks to identify and manage current and future physical climate risks and incorporate sectoral risk considerations into investment decisions.
- **Biodiversity and habitat:** We seek to minimize biodiversity and habitat loss and promote good stewardship of nature as it relates to our assets.
- **Waste and resource efficiency:** Fiera Infrastructure seeks to work with portfolio investments to understand resource consumption and disposal practices, promote circular economy practices and minimize environmental impacts of resource consumption where applicable and material.
- **Stakeholder relations:** We believe that maintaining positive relationships with all stakeholders, including investors, community members and local indigenous peoples, is important to develop a constructive long-term community presence in the communities and sectors where we operate.



- **Health and safety:** The target countries where we invest usually have high standards with respect to health and safety. We believe that industry leading health and safety policy as well as a sound track record in this area will make the portfolio investments attractive and desirable places to work. Consistent health and safety practices contribute to mitigate risk and improve long-term profitability of the portfolio investments.
- **Human rights:** We seek to act with due diligence to avoid infringing on the rights of others, and address harms that do occur. To support this intent, the Funds seek to partner with reputable members of the communities and industries in which they live and operate.
- **Responsible contracting:** Fiera Infrastructure seeks to promote fair procurement practices and working conditions for contractors and service providers at our portfolio investments. We believe that complying with labour regulations, practicing competitive bidding where appropriate, paying fair wages and ensuring safe working conditions is good for operations, the local economy and our investors.
- **Diversity, equity and inclusion:** Fiera Infrastructure seeks to promote inclusion and diversity in our own operations and at our portfolio investments. We seek to ensure that processes and programs are impartial, fair and provide equal opportunities for every individual regardless of race, ethnicity, gender, gender identity, sexual orientation, age and socioeconomic background.
- **Employee engagement:** Fiera Infrastructure promotes employee engagement at our portfolio investments. We want companies we invest in to enhance employees' development and satisfaction through employee engagement practices.
- **Anti-corruption and bribery:** We seek to partner with reputable partners, suppliers and off takers that share Fiera Infrastructure's high ethical standards.
- **Conflicts of interest:** Fiera Infrastructure promotes and assesses for sound practices regarding conflicts of interest at portfolio investments.
- **ESG oversight:** Fiera Infrastructure promotes active management of ESG issues at our portfolio investments. We support portfolio investments in developing and enhancing ESG practices for risk management and value creation purposes.

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The ESG Policy has been reviewed by the ESG committee and approved by the President. The ESG policy will be reviewed at least every 2 years and align with Fiera Capital's ESG policy, as applicable.

Alina Osorio, President | March 2024