



Fiera Real Estate

2021 ESG Report

Our ESG Management Approach and Journey

Our message

Over the past year we have experienced an evolution in the importance of Environmental, Social and Governance ("ESG") issues, both by the business and wider society. Once perceived as a 'nice to have', ESG has swiftly transitioned to the forefront and is now considered essential to business and investment strategies.

While ESG covers a range of pressing issues, climate change is increasingly recognized as an urgent crisis with far-reaching and potentially disastrous implications for business and society. For years we have been warned of the damage to our planet as a result of human influence, but recent research from the Intergovernmental Panel on Climate Change ("IPCC") indicating the stark reality of our circumstances, as well as conversations leading up to and during UN Climate Change Conference ("COP26"), has led to more commitment and a real sense of urgency to keep the 1.5° goal alive. Whilst the outcomes of COP26 left many feeling despondent, there is still a tremendous amount of hope. This is particularly true for the built environment, which plays a significant role in achieving our global decarbonisation efforts in a fair and just way. At Fiera Real Estate ("FRE"), we recognize the impact that we, and our managed funds, have on the planet, people and communities. As a global real estate firm, we are in a unique position to drive real change across our sector.

Our ESG journey has evolved considerably over the past five years in response to fastmoving trends and growing investor expectations. Our global ESG strategy is built around three fundamental pillars: Responsible, Resilient, Engaged. These pillars, underlying focus areas and KPIs form the foundation of our fund management approach and have become crucial to our overall business strategy.

As we reflect on all we have achieved in 2021, it is with a huge sense of hope about what can be accomplished when everyone collectively embraces the importance of these topics. In addition to achieving GRESB Green Star status across all funds, we have built platforms and processes to measure and monitor physical climate risk exposure across our globally managed assets. We have commenced our net zero carbon journey across several of our managed funds and trialled innovative technologies to reduce emissions and collect more data to better understand our footprint. The FRE UK Long Income Fund was accredited as a Living Wage Employer, which sees all service providers across the FRE UK Long Income Fund portfolio being paid a wage significantly higher than the minimum wage. Finally, as a business, we managed to exceed our target by raising and donating over \$120,000 for charity in 2021.

We have a long way to go but we believe that the year ahead will evoke an even greater sense of urgency to tackle these increasingly important topics. The time to act is now, that has never been clearer. At FRE, we are committed to work together, with our stakeholders and the industry to continue driving and supporting positive change across the real estate sector.

¹ IPCC, 2021: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change

2021 ESG Highlights:

Key Metrics and Successes²



RESPONSIBLE

- **Reduced energy by 6%**, and saved over 6 million litres of water³
- Achieved a **59% waste diversion rate** at our Canadian offices, **diverting over 380 metric tonnes of waste** from landfill
- Increased our global **green building certification rate to 89%**, increasing certified space to over 17 million square feet
- Achieved **BREEAM Outstanding** at our Halo office, the second highest score in the UK
- Conducted a company diversity, equity and inclusion assessment and developed action plans to better embed **Diversity, Equity & Inclusion ("DE&I") considerations into our processes**
- **Trained 100% of employees on ESG** in our annual employee townhall
- **Raised over \$120,000** for charity (over £22,000 to provide 500 mental health sessions to NHS workers in the UK)



RESILIENT

- Achieved **Planet Mark Accreditation** for Canada and the UK, and were a top three finalist for the 2021 '**Best Newcomer**' award in the UK
- **Reduced GHG emissions by 5%** globally, or 29,000 tCO₂e, equivalent to removing 6,400 cars off the road³
- Developed a **net-zero carbon pathway** for FRE UK Long Income Fund
- Partnered with two climate change data providers to support **physical and transitional risk analysis**
- Developed a propriety **ESG resilience scorecard** to support investment and acquisition teams



ENGAGED

- Achieved **Living Wage Employer Accreditation** for FRE UK Long Income Fund
- Engaged with tenants on ESG at 79% of properties and rolled out our **tenant satisfaction survey** program in Canada
- Incorporated **green lease clauses** into 72% of new leases in FRE Canada CORE Fund and FRE Canada Industrial Fund
- Participated in **GRESB** (fifth straight year), increasing scores and achieving "**Green Star**" ranking across all 6 fund submissions

² This report outlines sustainability practices and performance for all of the real estate holdings owned or managed by FRE from January 1, 2021 to December 31, 2021. All data and figures are as of December 31, 2020, unless stated otherwise. Year over year comparisons and reductions are for a like-for-like set of properties from our global portfolio.

³ The data refers to the 2020 reporting year from the FRE Canadian and UK funds. Reductions are like-for-like and a result of operational efficiency and the impact of COVID-19 work from home protocols.

ESG Approach and Strategy

Our approach

We have a responsibility to our stakeholders – including our tenants, employees, investors, partners and communities to fully understand the impact of our work and integrate ESG considerations into our decision making and the management of our funds. Doing so allows us to drive long-term sustainable value, mitigate risks and capitalize on opportunities.

We recognize the importance and value of ESG integration at every step of our real estate investment life cycle, including investments, developments, asset management and operations.

Investments

We consider ESG factors in all investment decisions. Our due diligence process identifies potential ESG risks, including financial, physical, social, environmental, and climate. We incorporate findings into our risk analysis and summarize material findings to our investment committees. We then develop plans to manage material risk during operations.

Developments

We systematically consider ESG aspects such as energy efficiency and green building certifications, accessibility and climate risk and resilience across our development investment process including design, construction and handover. Our suite of tools help ensure our developments contribute to healthy and vibrant cities and communities and support the transition to a low-carbon economy.



DEVELOPMENTS – SUSTAINABILITY DESIGN BRIEF

In 2021, our UK team introduced a Sustainable Design Brief ("SDB"). The SDB sets minimum environmental and social requirements and targets aligned with FRE's global ambition to drive positive social and environmental change, as well as contribute to a low-carbon economy. The SDB applies to all UK funded development projects and outlines minimum requirements and targets across a number of core categories, including Site Selection; Environmental Certifications and Ratings; Building Fabric and Materials; Energy; Water; Waste; Biodiversity; Climate Change Risk; Circular Economy; Transport and Accessibility; Socio-Economic; and Health and Wellbeing. For example, under Environmental Certifications and Ratings, our office developments are required to target a **BREEAM Outstanding rating**. In addition, we require a minimum EPC 'B' rating but strongly encourage a target of an 'A' rating for all developments.

The SDB is hugely successful in driving collaboration with our development partners and to ensuring a minimum-level of sustainability is incorporated across our portfolio. This has allowed us to design and create innovative buildings with exemplary sustainable features and certifications. As a result, we saw a huge increase in our GRESB scores in 2021 and one of our funds, FRE UK Opportunity Fund IV, placed first within its European peer group.

Asset Management

As asset managers, we are focused on mitigating risks and creating value. ESG considerations help us assess our assets and develop formal plans to manage material risks and improve outcomes. We include an ESG section in all property budgets, ensuring that sufficient resources are allocated. We are active managers, striving to include ESG throughout our capital and operational budgets and portfolio monitoring practices.

Operations

Embedding ESG throughout our building operations helps drive excellence. We collaborate with our third-party property managers to improve building performance through our capital planning and budgeting process. We embed ESG into our agreements to facilitate reporting and we monitor ESG programs annually to understand energy, water and waste management programs and tenant engagement practices. Finally, we validate performance using third-party certification standards to demonstrate best-in-class performance to our stakeholders.

Our Executive Sustainability Committee

FRE's President and Global Head of Real Estate chairs our global Executive Sustainability Committee.

The Committee includes representatives from across the organization and oversees our ESG program across Canada and the UK. The Committee meets quarterly and is responsible for setting and monitoring progress towards our sustainability vision and strategy.

Global standards – PRI and GRESB

We report our sustainability practices and performance annually to monitor our program progress, validate practices and support transparency.

To signal our commitment to ESG integration, we are a signatory to the Principles for Responsible Investment (“PRI”). We report annually on our ESG integration approach and in 2020, we achieved a PRI Direct Property Investing score of “A”, outperforming the global PRI signatory median score.

To benchmark our ESG integration and management practices and to report transparently to investors, we participate in the annual GRESB Real Estate Assessment. We use GRESB to address investor demands, ensure we are following best practices, and promote responsible practices throughout our industry. In 2021, we submitted six GRESB responses, including three Canadian and three UK funds. All funds increased their score and achieved GRESB “Green Star” rankings, signalling strong ESG management, governance and performance.

GRESB 5 Star, achieving 1st place in its peer group

Signatory of:



“

The Industrial asset class is not the easiest to improve ESG factors, at Fiera Real Estate we have taken this challenge head on. We are proud of the progress we have made as a leader in Canada as demonstrated by our GRESB Green Star rating and are excited about the future progress to come.”

Michael O'Sullivan,
Vice President
and Fund Manager



FIERA REAL ESTATE SUSTAINABILITY POLICY

[View PDF >](#)



Our strategy

As a global real estate owner, we have an opportunity to drive change through the assets we develop and manage, and through the communities we operate in. To align our priorities across our operations, we have a global ESG vision:

“

At Fiera Real Estate, we recognize the critical role we play in transitioning to a low-carbon, more sustainable and equitable world.

As stewards of our client's capital, it is our responsibility to ensure that we use our innovation, influence and privilege to drive positive environmental and social change in a fair and just way for our planet, people and communities.

We believe that these ambitions are essential to preserving the long-term value and resilience of the funds we manage. ”

To achieve our global vision, we established an ESG strategy that centers on three pillars, each with key focus areas

Pillars and focus areas:



RESPONSIBLE

We strive to operate responsibly and to positively impact our planet, people and communities

Planet | People | Communities



RESILIENT

We maintain a resilient and innovative business and address global challenges like climate change through effective governance, planning and systems

Climate | Governance



ENGAGED

We believe a collaborative and inclusive approach is necessary to achieve our ESG goals, as well as those of our stakeholders

Collaboration | Transparency



Actions and KPIs

To progress towards our vision, we have identified actions across each focus area we plan to implement over the next few years. To support implementation, we will establish company and fund-level KPIs to measure progress across all business units.

Alignment with the UN Sustainable Development Goals⁴ ("UN SDGs")

The UN SDGs are a collection of 17 global goals established in 2015 to help guide action towards a better and more sustainable future. Businesses have a responsibility to help advance relevant goals, and we are well-positioned to make a significant contribution to several of the SDGs. We strive to contribute to healthy, equitable and vibrant cities and communities and to support the transition to a low-carbon economy.

We have intentionally aligned our strategy, focus areas and actions with **goals 8, 10, 11, 12 and 13**:



⁴The UN SDGs are a set of 17 goals that act as a blueprint for peace and prosperity for people and the planet. The SDGs outline 2030 targets to address global challenges such as poverty, climate change, education, equality, innovation, peace and justice and sustainable consumption.

Responsible

We recognize that our business and investment decisions impact the environment, the communities we operate in and the people we work and do business with. Our ESG strategy is built around this belief to ensure that our environmental and social impact is responsible.

Managing our environmental impact

Globally, buildings account for 36% of final energy use and emit 29% of energy-related carbon dioxide (CO₂) emissions⁵. By managing ESG issues, including our environmental and carbon footprints, we minimize our assets' contribution to global emissions and maximize their benefits. We do this through operational efficiency and resource management.

FRE's asset managers integrate ESG throughout post-investment activities to identify and implement projects that improve building performance, reduce emissions and improve tenant experience. Despite the impacts of COVID-19, the decrease in occupancy at some buildings presented opportunities to implement improvements that would have otherwise been challenging. Improvements made in 2020 and 2021 include recommissioning projects, lighting upgrades and installation of motion sensors.

We collaborate with our third-party property managers and tenants to collect building data and monitor performance annually for the FRE Canada CORE Fund, FRE Canada Industrial Fund, segregated accounts and FRE UK Long Income Fund. ESG performance data is a valuable resource and can be used together with operational, financial and strategic data to accelerate business intelligence, identify trends and opportunities, manage risk and inform decision-making.

FRE UK Long Income Fund:

85% | Energy data coverage

61% | Water data coverage

665
TONNES | Waste diverted from landfill (80% of all waste)

For our UK funds, we set data coverage targets of **75% for energy** and **50% for water and waste**, and are happy to report we surpassed our energy and water targets in 2021.

For the FRE Canada CORE Fund, we set five-year targets for energy, water and waste to encourage our asset management team and property managers to track and be accountable for performance. As of 2021, we are on track to meet our energy, water and waste targets and expect to continue this performance throughout 2021 and onwards as our buildings reopen.

Due to a combination of operational efficiency improvements, COVID-19 and the transition to more remote working, our energy and water significantly reduced in 2020.

	Data Coverage	2020 Absolute Consumption	Change vs. 2019
Energy	66%	382,240 MWh	-6% ⁶
Water	63%	1,190,592 m ³	-1% ⁶
Waste	19%	68% diversion rate	+1% ⁷

⁵ UN Environment and International Energy Agency, 2017 ⁶ Reduction. represents like for like. ⁷ Canadian offices only

Sustainability Technology Working Group

FRE continues to look for ways to integrate ESG across our organization, including in new portfolio additions and developments. FRE's Sustainability Technology Working Group works to **evaluate and implement sustainability technologies and services that deliver concrete results.** This cross-functional group – with employees from across the company – meets quarterly to discuss potential technology candidates and share results and learnings from pilot projects. Technologies evaluated range from property-level projects to portfolio-wide initiatives. In 2021, we conducted 6 pilots projects including two ESG management software systems to improve data collection frequency and quality.

Building certifications

Building certifications, such as BOMA BEST®, LEED® and BREEAM®, provide third-party verification of our buildings' performance. We are proud to report that we achieved a global building certification rate of 89%, representing over 17 million square feet. This achievement reflects our best-in-class operating standards and commitment to strong environmental performance.

Green building certifications –
89% of our portfolio was certified
(by square feet)



17.6 million square feet
BOMA BEST Certified



2.0 million square feet
LEED Certified



290 thousand square feet
ENERGY STAR Certified



231 thousand square feet
Fitwel Certified

CASE STUDY

FRE UK LONG INCOME FUND – DATA COLLECTION CASE STUDY

One of the biggest challenges we face in pursuing net zero is understanding how buildings are currently performing. Due to the nature of our UK Long Income Fund, nearly all the energy consumed within the portfolio is procured directly by the tenants. To better understand the asset-level interventions necessary to achieve operational net zero carbon, we need to work with our tenants to conveniently and accurately share this data.

As a result, in 2020 we partnered with Etainbl to pilot an automatic data collection software in the FRE UK Long Income Fund portfolio. Working with select tenants, we successfully set up automatic energy and water data transfers to provide our team access to regular, verified performance data. This means our tenants are not required to manually provide the data, which can be administratively burdensome.

Due to the pilot's success, we scaled the pilot to the rest of the portfolio in 2021. To date, nearly 60% of the portfolio by floor area has now signed up. This insight into the energy consumption has proven crucial to the development of the Fund's net-zero carbon pathway and strong GRESB score. This project will continue to be vital to monitoring and reporting on our environmental performance.



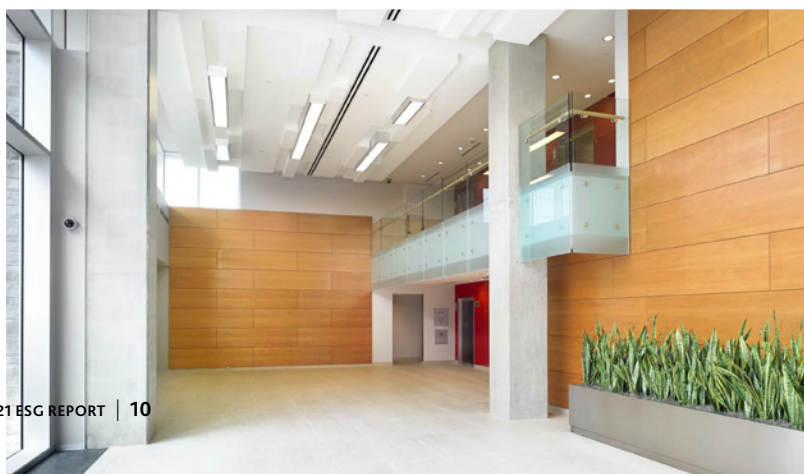
CASE STUDY

AEROCENTRE FITWEL AND LEED RECERTIFICATION

AeroCentre is a 100% LEED, BOMA BEST and Fitwel certified office complex located in Mississauga, Ontario. Managed by Menkes, the complex has been recognized with over 35 industry awards and accomplishments. AeroCentre has leading sustainability programs including energy conservation initiatives such as occupant lighting sensors, high-efficiency equipment and lighting, strong community and tenant engagement including green committees, indoor air quality testing and a smart irrigation system.

In 2021, AeroCentre V recertified two green building certifications to signal a continued commitment to strong ESG management and performance. The building's Fitwel 2-star certification recognizes AeroCentre V's leadership practices focused on occupant health and wellness. To support the recertification, the property team implemented a variety of programs to promote and improve occupant health, including offering a fresh food delivery service which works with local farmers and snack makers to bring healthy foods to our tenants, contributing to improved eating habits and good nutrition. This building also provides access to an outdoor restorative garden, providing occupants with an opportunity to connect with nature.

In addition, AeroCentre V renewed its LEED Operations and Maintenance certification using version 4.1 (v4.1). LEED v4.1 streamlines recertification by focusing on five performance outcomes including transportation, water, energy, waste and human experience. Using this method, the AeroCentre V team recertified to LEED Gold, demonstrating continued best in class operational practices and building management.





CASE STUDY

HALO OFFICE DEVELOPMENT, BRISTOL

Set to be the **'GREENEST'**
OFFICE BUILDING in the UK

- ▶ Achieved BREEAM Outstanding Certification in 2021
- ▶ Second highest BREEAM score ever recorded
- ▶ Funded by the FRE UK Opportunity Fund IV



Halo is set to be one of the greenest office buildings in the UK, achieving BREEAM Outstanding in 2021. The 116,000 square feet office building is part of the award winning Finzels Reach mixed-use development in Bristol and has been designed to offer outstanding sustainability credentials and climate change resilience. This low impact, energy efficient building is also highly cost-effective to operate and maintain. The building is set to achieve 35% better energy consumption⁸, 47% less carbon emissions⁹ and 69% less water consumption than benchmarks.

Other innovative aspects include connecting with Bristol's district heating network for low-carbon heating and the regeneration of energy from descending lifts. In addition to its stand-out environmental credentials, the future-focused building will also feature leading digital connectivity and is set to achieve the highest 'Wired' score of Platinum. It is also designed to prioritise occupant wellbeing and has achieved one of the first WELL Building certifications in the UK. Coupled with BREEAM Health and Wellbeing requirements around lighting, cooling and people's day-to-day engagement with the building.

Halo, due to complete in Q1 2022, will stand out as a leading example of how to design a positive working environment where operational efficiency and occupier wellbeing are paramount. Key features will include a ventilation system supplying 20% more fresh air to occupants than required by building regulations, outdoor space on the rooftop, high-quality public amenity areas, a vibrant mix of food, drink, retail, and leisure offers and is set to achieve a best-in-class Platinum Cycling Score rating.

⁸ Compared to notional figure calculated from the methodology followed in; HM government (2013). Approved Document L2A, Conservation of fuel and power in new buildings other than dwellings. ⁹ Improvement over figures stated in; BSRIA (2011). Rules of Thumb, Guideline to Building Services. 5th ed. 54% improvement over calculated baseline in BREEAM (2018).

People

Our people are our greatest asset and essential to our success. We believe that supporting our employees as they learn and grow with us is part of being a responsible employer, helping us foster a best-in-class team.

To support our employees, we focus on performance management, professional development, wellness, and diversity, equality and inclusion. Since 2017, we have held an annual ESG townhall to provide employees an overview of real estate ESG trends and our ESG program and initiatives. To support our portfolio and company programs and advance ESG-related initiatives in our local communities, we encourage all employees to embed ESG into their annual objectives.



Diversity, equity and inclusion

At FRE, we aim to advance Diversity, Equity and Inclusion ("DE&I"). Diversity is the unique skill sets, qualities and experiences that exist among our employees. Equity is the fair and respectful treatment of all employees. Inclusion is how we create an environment where every employee is appreciated and able to fully participate in our work.

We believe that an inclusive, diverse and representative workforce allows us to make better decisions and generate better outcomes. As a business, we have directly benefited from the value that is derived when you bring together people with varied backgrounds and life experiences. We strive to create an environment where our employees can show up as themselves to do their best work. Employees should feel respected for their unique skills, perspectives and contributions. We want employees to be able to express their opinions and feel heard.

In line with these beliefs, we commit to taking action to create a more inclusive environment and ensuring opportunities are available to all. We commit to listening, learning, and implementing the changes that we want to see in our industry and the world. We understand that continuing to advance diversity, equity and inclusion requires that we continue developing our understanding and take greater action.

To support our commitment to **diversity**, **equity** and **inclusion**, we have advanced a number of DE&I related initiatives in 2021:

- ▶ Established a Diversity & Inclusion Committee to ensure we remain accountable and take direct action to further our evolution into a just, socially unbiased and equitable workplace
- ▶ Conducted a comprehensive DE&I analysis to look at the current state of the business and identify opportunities for improvement
- ▶ Established short-, medium-, and long-term goals, which we have allocated into employee objectives
- ▶ Held multiple internal DE&I seminars including a series on truth and reconciliation

CASE STUDY

EMPLOYEE FITNESS PROGRAMME

We believe fitness is integral to supporting our employee's mental health and wellbeing. We run regular sporting events and host fitness classes, encouraging all employees to take part. This has become increasingly important since the pandemic, where we have spent long periods of time working remotely. Even virtually, our office-wide exercise classes are an excellent way of bringing the team together and boosting morale.



CASE STUDY



REAL LIVING WAGE

In 2021, our FRE UK Long Income Fund was accredited as a Living Wage Employer. The Living Wage commitment will see all service providers across FRE UK Long Income Fund portfolio receive a minimum hourly wage of £9.90 in the UK or £11.05 in London. Both rates are significantly higher than the government minimum for over 25s, which currently stands at £8.91 per hour. This represents a further step on the UK division's social impact pathway and supports the Funds commitments to the United Nations Sustainable Development Goals ("UN SDGs").

The Real Living Wage is the only rate calculated according to the costs of living. It provides a voluntary benchmark for employers that wish to ensure their staff earn a wage they can live on, not just the government minimum. Since 2011 the Living Wage movement has delivered a pay rise to over 230,000 people and put over £1 billion extra into the pockets of low paid workers.

“

We are really pleased to have received this accreditation as it not only proves our commitment towards the UN SDGs but also demonstrates our underlying core values as a firm. We want to encourage other firms to go further than the government minimum so that it becomes the norm within the real estate investment management sector. ”

Rupert Sheldon,
FRE UK Long Income
Fund Manager



CASE STUDY

THE A EFFECT AMBITION CHALLENGE

At Fiera Real Estate, diversity of thought and perspective drives our success in innovating and delivering exceptional results. In line with this vision, for the past two years we have been investing in the development and career progression of women at our firm through The A Effect Ambition Challenge. This program aims to support participants in reshaping their mindsets and adopting new behaviours that will enable them to better demonstrate their ambition and maximise their potential. During 100 days of activities and discussions, participants have learnt from seasoned leaders along with other participants from across the wider Fiera Capital Corporation.



Resilient

Understanding, measuring and monitoring ESG and climate related risks and opportunities is critical to attaining long-term asset and business resilience. We believe that integrating these risks and opportunities into our investment processes and regularly reviewing our progress towards improvement will increase the resilience of our investments and protect our stakeholders' interests.

Understanding our climate risk and resilience

The effects of climate change are being felt now. Understanding climate change risk is therefore essential to protect our properties, identify opportunities to improve our portfolio's resilience and continue delivering long-term value for our clients and investors.

We have undertaken **several initiatives** to **improve** our understanding of our portfolio's **climate risk** and **resilience**:

- ▶ We partnered with two climate data providers to support risk analysis, which allowed us to assess our existing portfolio risk; we are already incorporating this data into the investment processes for our UK-based funds, and will begin doing so for our Canadian funds in 2022
- ▶ We integrated climate risk analysis into our acquisitions process and developed an ESG resilience scorecard, which includes a comprehensive list of ESG factors to assess for all new investments
- ▶ We deployed our proprietary property risk evaluation tool in Canada to measure and evaluate the physical risks facing our properties, including but not limited to climate change. This will support our team to evaluate the intrinsic risks facing our properties, such as flooding, the practices and features in place to mitigate risks and opportunities to strengthen property-level resilience

CASE STUDY

FRE UK ESG RESILIENCE SCORECARD

In 2021, we developed a proprietary ESG resilience scorecard. The scorecard is utilised during our acquisition due diligence process and within our quarterly asset reporting framework to adequately assess pricing and the long-term resilience of potential and existing assets for our investors. The scorecard includes a comprehensive list of ESG risks and opportunities, which are then scored to provide an overall level of ESG risk exposure on an asset level.

The scorecard looks at the following categories:

- Environmental Certifications and Ratings
- Building Fabric and Materials
- Building Services
- Environmental & Climate Change Risk
- Socio-economic Risks
- Energy Efficiency
- Water Efficiency
- Waste Management
- Health, Wellbeing and Occupier Engagement
- Biodiversity
- Accessibility

During acquisition due diligence, the scorecard highlights any risks and opportunities associated with potential sites. The results are then shared with the relevant Investment Committee, who together with our ESG specialists, assess the level of risk associated with the potential acquisition. This proprietary scorecard is also used on a quarterly basis to ensure consistent oversight of any risks and to identify opportunities to improve sustainability performance across the portfolio. The results of the scorecard are included within our Asset Risk Model, which is monitored by our asset management team.

Net Zero Asset Manager initiative

Climate change continues to be at the forefront of countries and governments decision making. It is therefore important to take action to contribute to achieving global targets, stay ahead of regulations and create long-lasting returns for our investors. To signal our commitment to supporting these global targets, our parent company, Fiera Capital, has joined the [Net-Zero Asset Managers \(NZAM\) initiative](#). NZAM is an international group of 220 asset managers with \$57 trillion in AUM committed to supporting the goal of net zero greenhouse gas emissions by 2050. As part of this commitment, Fiera Capital will set an initial target for a portion of its assets to be managed in line with achieving net zero emissions. Fiera Real Estate is fully supportive of Fiera Capital's decision to join NZAM and we are actively working to determine our contribution.

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The consideration of carbon emissions in strategic decisions and investments is increasingly valued by our investors, employees and tenants. It enhances our ability to provide long-term value and proactively manage risk. We are excited at the opportunity to support this commitment to achieve net zero emissions.

”



William Secnik,
Senior Vice President
and Fund Manager

CASE STUDY

GLOBAL PLANET MARK CERTIFICATION

We have achieved the Planet Mark Year 2020 Business Certification across our global operations. Planet Mark is an internationally recognized sustainability certification for business acknowledging continuous progress, encouraging action and building an empowered community of like-minded individuals.

Together, with the support of Planet Mark, we are committed to reducing our corporate emissions by a minimum of 2.5% in 2022. We endeavour to increase this target, once we have established consistent operating patterns following COVID-19. This baseline and continued measurement of our carbon footprint enables us to build our corporate pathway to net zero carbon.





Managing climate impacts and pursuing net zero

Reducing GHG emissions is not only the right thing to do, but critical to our long-term success and to the low-carbon economy transition.

In 2021, we strengthened our focus on climate change management. To better understand our global impact, we modelled our full GHG emissions footprint using a combination of actual and estimated data. The results identified emission “hot spots” that will help prioritize future reduction initiatives and reporting.

To understand how we will support the transition to a low-carbon economy, we conducted net zero carbon audits in the UK and Canada. The audit results mapped out measures and associated costs to achieve net zero.

Building on the audit results, we appointed a net zero carbon partner, Carbon Intelligence, to build an ambitious decarbonisation roadmap for our FRE UK Long Income Fund. Over a four-month period, we held comprehensive workshops with our property managers, asset management team and acquisition team to develop a feasible plan and target. This included a deep dive into the Fund's emissions, the energy intensity of its assets, stakeholder engagement and scoping out pathways toward decarbonisation for each relevant sector. This was particularly useful as it highlighted the specific requirements of our larger industrial manufacturing sites, where each site operates differently and there is still a significant reliance on fossil fuels. The resulting roadmap is aligned with the UK BBP Climate Change Commitment and the World GBC Net-Zero Commitment. Based on the recommendations provided by this roadmap, the FRE UK Long Income Fund has committed to a very ambitious net zero target of 2035.

In 2022, we look to **build** on these learnings and **expand** the **net zero carbon roadmap** to other funds globally.

Engaged

To achieve our vision, we know that a strong, collaborative approach is necessary. Our ESG strategy places emphasis on working collectively with our tenants, property managers, partners, communities and the real estate industry to ensure continuous improvement.

How we engage

In 2021, we were **active across several of our stakeholder** groups to better understand their needs and **encourage ESG improvements** across our investments and business.



PARTNERS

As a real estate manager, we promote sustainable business practices at our properties through our property managers and operating partners. We do this to ensure that those acting on our behalf adhere to our standard of performance excellence and ethics.

- ▶ Embed ESG clauses in our standard property management contracts
- ▶ Monitor property manager risk management and mitigation practices
- ▶ Distribute annual ESG scorecards to communicate manager and property-level sustainability performance



INVESTORS

We work with our clients to ensure our ESG programs are aligned with their objectives and disclose ESG information to support ongoing decision making.

- ▶ Report on ESG to our investors on a quarterly basis across our funds



TENANTS

We value our tenants and strive to establish long-term relationships to ensure they can operate their businesses effectively from the buildings we manage.

- ▶ Developed tenant satisfaction survey program
- ▶ Encourage tenant engagement practices to work collaboratively towards shared sustainability goals



COMMUNITIES

We are members of the communities where we operate and recognize our potential to create value for local organizations and groups. We contribute to our community through charitable organizations, fundraising campaigns, direct donations and volunteerism.

- Encourage employees to consider their role in their community, facilitated by our employee donation matching program.
- Encourage each employee to take up to a full paid day to volunteer at a local organization or event that inspires them
- Donated over \$30,000 to charitable organizations in 2021 and signed a partnership with Habitat for Humanity where we will have two "built days" in 2022



INDUSTRY

We are actively involved with associations globally to share industry knowledge, spread best practices and promote leadership with our peers.

- Signatory to the United Nations Principles of Responsible Investing ("UN PRI") and report annually
- Report toGRESB Real Estate annually
- Members of local industry groups such as the REALPAC ESG and Resilience Committee,
- Employees routinely speak about events and conferences and several hold leadership positions in key sustainability organizations.
- Our Global Head of ESG is a member of the AREF ESG and Impact Investing Committee

CASE STUDY

TENANT SATISFACTION SURVEY PROGRAM

We believe that tenant relationships are paramount. Fostering positive, beneficial relationships helps us secure and maintain high-quality tenants and managing risks that may arise from space use. As part of our ongoing commitment to deliver best-in-class services and amenities, we developed a standard tenant satisfaction survey program.

Our standard tenant satisfaction survey program collects key insights:

1. BUSINESS INTELLIGENCE

Understand the effectiveness of our property manager services, get insight into market trends, understand and manage risk

2. TENANT FEEDBACK

Identify opportunities to improve building services and amenities and use results to action improvements to drive tenant attraction and retention

We coordinated with all 9 of our third-party property managers to distribute the survey to tenants across 94% of our Canadian portfolio.

Here is a snapshot of our results:

ALMOST

80%

are "LIKELY"
or "VERY LIKELY"
to recommend
the property

OVER

87%

satisfaction rate
of "GOOD",
"VERY GOOD"
or "EXCELLENT"

In collaboration with our property managers, we plan to use the results to address feedback and continue delivering the high-quality services our tenants expect.

CASE STUDY



COVID-19 FUNDRAISER FOR THE NHS

Over the course of this fundraiser,

- Over 190 property professionals took part
- Over 4,000 km were covered
- £22,000 was raised for Duty to Care
- The funds provided 500 online therapy sessions for NHS workers

The impact of coronavirus on National Health Service ("NHS") workers has been profound. In a 2021 survey, nearly half of medics working in intensive care were experiencing symptoms of post traumatic stress disorder, severe depression or anxiety. In April of 2021, over 180 property professionals took part in the Fiera Real Estate Ekiden COVID-19 Fundraiser to raise money for Duty To Care. This charity provides virtual therapy sessions to NHS workers in need of support, helping improve and sustain mental health and wellbeing. Teams of 10 competed in a walking, running and cycling challenge to cover the most distance and raise the most money.

Duty to Care

CASE STUDY

SUPPORTING LANDAID – THE PROPERTY INDUSTRY CHARITY

LandAid is a UK charity fighting against youth homelessness. Each year, LandAid works to give approximately £2 million in grants to charities across the country, which help renovate or create safe, secure and affordable housing for young homeless people. Fiera Real Estate has been a proud supporter since 2006 and became a foundation partner in 2014. Across our UK division, employees are highly involved with the charity from fundraising committees, lead ambassadors, running campaigns and regional chairs helping to run and think of new money-making and life changing initiatives. Over the past three years alone, our UK team has donated over £110,000 to LandAid through the various events that it has run and hosted. Despite the COVID-19 pandemic, the UK team's charity initiatives continued and raised over £55,000 through virtual fundraisers and sponsorship of the LandAid Sleepout two years running where over 300 property professionals slept outside to raise money for the charity.



Appendix:

SASB reference table

The content of the 2021 ESG Report was informed by the Sustainability Accounting Standards Board (SASB) Real Estate Standard. References to this standard are summarized in the table below.

DISCLOSURES	TITLE	CONTENT APPLIES	CONTENT LOCATION		
Energy Management					
IF-RE-130a.2 (1)	Total energy consumed by portfolio area with data coverage	Total energy consumed by portfolio	2021 ESG Report, page 8		
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Like-for-like percentage change in energy consumption for the portfolio	2021 ESG Report, page 8		
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector		Subsector	(1)	(2)
			Office	82%	14%
			Residential	-	-
			Retail	-	-
			Industrial	6%	0%
			Other	0%	0%
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		2021 ESG Report, page 4, 5 and 8		
Water Management					
IF-RE-140a.2 (1)	Total water withdrawn by portfolio area with data coverage	Total water withdrawn by portfolio	2021 ESG Report, page 8		
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Like-for-like percentage change in water withdrawn for portfolio	2021 ESG Report, page 8		
Management of Tenant Sustainability Impacts					
IF-RE-410a.1 (1)	Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements		62% (Canada only)		
Climate Change Adaptation					
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	2021 TCFD report, page X	2021 ESG Report, page 15, 16		

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