

# Focus' ESG perspective

Environmental, Social, Governance (ESG) considerations continue to be an important part of our portfolio management decision making and an influence on our firm's culture.

ESG investing incorporates the belief that these factors have financial relevance: companies that exhibit positive ESG characteristics (or positive change) make good investments, and conversely, companies with negative ESG attributes are likely to be poor stewards of our clients' capital.

We share this view at Focus, and therefore we consider ESG risks and opportunities alongside other factors as we make investment decisions.

"Investment decisions that consider ESG principles not only benefit the investor, but positively impact our communities and the integrity of broader professional standards."

- FOCUS portfolio management team

## ESG COMMITMENT

The purpose of our ESG commitment is to ensure that we are making sound decisions which align with our values and those of our clients.

Focus has adopted the following guidelines for applying ESG in its investment and operational processes:

- 1 Integration** – We will consistently consider and integrate relevant ESG issues in the selection, management, and monitoring of investments and we will incorporate ESG considerations into investment committee discussions.

Our clients' financial well being will remain our primary focus and mission – ESG considerations will be complementary and peripheral to this overall mandate.

- **Relevant ESG factors** – Our firm has identified the following four factors are being most relevant to our values:

- Impact on natural resources
- Human rights / labor practices
- Strong shareholder consideration
- Water conservation

We will specifically review these factors during the investment analysis phase as well as throughout the continued monitoring of an investment. An investment decision or exit will be influenced by how an organization is actively or passively impacting (positively or negatively) the identified four factors.

Unfortunately, the majority of ESG rankings are too broad, often contradictory, and inconsistent, thus we would prefer to apply our own ESG review rather than rely on a purely quantitative metric to influence an investment decision. We may utilize ESG rankings in the future if we feel that they have developed to be a more consistent and reliable framework for evaluating a company's ESG efforts.

- **Investment exclusions** - Although our investment approach generally avoids exclusions, in certain circumstances and after comprehensive assessment of economic / legal requirements, client concerns, materiality, and risk associated with an investment, Focus may decide to apply an investment exclusion.
- **Client engagement** – We solicit our clients' perspective on ESG matters and respond to their request for sustainable investment options and pursuits. We also collectively learn from our clients about the factors that matter most to them and in turn, educate them on ESG trends and the investment decisions that suit them most appropriately.

**2 Active participation** – We incorporate ESG considerations into our own operations and practices. Our corporate culture is anchored on inclusive practices and we encourage diversity of thought and perspectives.

- We maintain strong governance principles across our Board and leadership team. We are a performance-based organization, and this factor influences our decisions.

Annually, we will continue to solicit feedback and perspectives from our entire team regarding the relevance of ESG to each employee, the services we offer, and the clients we serve. We will also actively revisit our ESG approach in terms of how much ESG contributes to our mission and purpose as a firm. Currently, we are not seeking to be an impact investor where we are solely defined by our ESG impact; rather, we take a sustainable finance approach – we have processes that ensure that ESG factors are considered when making investment decisions.

These mentioned perspectives will shape our corporate and ESG governance.

- Focus respects and values differences in race, ethnicity, gender, sexual orientation, beliefs, political ideologies, and other personal ideologies. Our team comprises individuals with various professional backgrounds and education. We strive for equality and inclusion across all levels of our firm.
- Our corporate operations also include environmentally conscious considerations, including an office that is at the direct intersection of multiple public transit routes, the corporate landlord is LEED platinum and Energy Star certified, and our workspace has implemented extensive practices that reduce our environmental footprint (ex. reduced paper use, no single use plastics, extensive recycling and compost options, etc.).

**3 Constantly informed** – We will continuously expand our knowledge of ESG factors, industry standards, and emerging ESG trends. ESG is an assigned responsibility to one of our firm's leaders and is included in our annual strategy metrics, which we actively monitor.

**4 Disclosure** – We will encourage the development of ESG standards, disclose our own ESG activities to clients and other stakeholders, and seek appropriate disclosure of ESG issues by the entities in which we invest.

## ESG PARTNERSHIPS

**PRI signatory** - Focus became a signatory to the Principles of Responsible Investment (PRI) in 2020 and will continue to reference their recommendations to continuously evolve our practices and perspectives. To learn more about PRI, visit the [Principles for Responsible Investment site](#).



**Community support** - Annually, we volunteer our time and make a monetary contribution to Evergreen Brickworks, a local community organization focused on sustainability, renewable energy solutions, and environmental education.

*Our ESG perspective is ever evolving – we will continuously elevate and update our commitments and partnerships.*