



# FENGATE

## **2023 Modern Slavery Report**

Fengate Capital Management Ltd.

May 2024

## **Introduction**

This report is produced by Fengate Capital Management Ltd. (“**Fengate**” or “**our**” or “**we**”) covering our fiscal year ended December 31, 2023 pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Modern Slavery Act**” or the “**Act**”).

## **Corporate Structure**

Fengate is a leading alternative investment manager focusing on infrastructure, private equity and real estate investment strategies across North America. Fengate is a privately held corporation and is incorporated under the Ontario *Business Corporations Act*.

As an investment manager, we hold investments in portfolio companies on behalf of our investors. Our portfolio companies operate in various regions and industries and are operated as separate companies in accordance with their own policies and practices. Any of our portfolio companies which are required to report or elect to report under the Act are excluded from this Fengate report. Fengate does not undertake activities relevant to the Act, other than very minor dealings.

We believe that responsible corporate behavior and responsible investing is intrinsic to strong, long-term investor returns and we strive to align such principles with our investment objectives.

## **Our Policies and Due Diligence**

### *Due Diligence and Ongoing Monitoring*

At Fengate, we continuously look for innovative ways to ensure our commitment to environmental sustainability, social responsibility, and corporate governance is put to meaningful action. This vision drives the exceptional value we deliver to our clients and informs the strides we take in growing vibrant and connected communities.

We are committed to embedding human rights considerations into every stage of our investment process. Fengate incorporates ESG matters, including human rights and labour practices, into its investment screening and due diligence process. Our findings and mitigation plans are considered by our investment committees before investments are approved. We conduct routine ESG monitoring assessments across our portfolio of investments.

ESG governance is a shared responsibility across all our business units. ESG roles and responsibilities are defined across our business functions and are integrated into our broader governance framework.

### *ESG Policy*

Fengate's ESG policy sets out Fengate's responsible investment beliefs, objectives, and approach to integrating ESG risk assessments throughout the investment process, to deliver long-term, sustainable returns for stakeholders.

We firmly uphold the principles of human rights as outlined in international frameworks such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and

Human Rights. We are dedicated to preventing and addressing any potential infringements on human rights, both within Fengate and throughout our network of partners.

#### *Human Rights Policy*

Fengate's Human Rights Policy sets out Fengate's commitment to the protection and advancement of human rights, respecting all persons, and fostering a workplace environment that celebrates and embraces the unique differences of every person.

This policy applies to all our employees, and we expect our vendors to adhere to this policy as well. It includes provisions prohibiting the use of child labour and forced labour in all its forms, including prison labour, bonded labour, and any form of human trafficking, as well as physical punishment and abuse of any employee. In addition, it requires that employees be able to terminate their employment with us.

#### *Code of Ethics*

Fengate's Code of Ethics sets out Fengate's commitment to delivering its services in accordance with high ethical standards.

This Policy requires our employees to observe high standards of honesty, integrity, and fairness in dealing with stakeholders, to avoid conflicts of interest, to comply with all applicable laws, regulations, and policies, and to report actual or potential violations of such laws, regulations, and policies.

#### *Engagement and Stewardship at Fengate*

Fengate regularly engages through direct dialogue with our portfolio companies and project partners, including design-builders, contractors, developers, operators, etc. to ensure that any identified material ESG issues are addressed in a timely and appropriate manner. Fengate will engage with regulatory entities, as applicable, to ensure compliance with local jurisdictions, laws, and regulations in which we operate. To ensure appropriate oversight and control of portfolio companies, Fengate often obtains board representation and voting rights.

Fengate welcomes opportunities to participate in collaborative engagement initiatives that support businesses and projects, our stakeholders, and the industries in which we invest. Fengate is an active member in several industry groups to support growth and change in the industries we invest, including Real Property Association of Canada, NAIOP Commercial Real Estate Development Association, Canadian Council of Public-Private Partnerships, Association for the Improvement of American Infrastructure, and the Association for Corporate Growth.

#### **Risk Assessment**

Fengate is an investment manager, not an operating company itself. We have determined that Fengate's activities do not carry a material risk of forced labour under the Act.

## **Remediation Measures**

Fengate has not identified any instances of forced labour or child labour, nor were any instances of forced labour or child labour reported to us.

## **Employee Training**

Fengate's employees receive regular training on our policies, including our ESG Policy, Human Rights Policy and Code of Ethics. All new employees are assigned a mandatory onboarding training package which includes training on such policies.

## **Effectiveness Assessment**

Fengate has in place measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. This includes a periodic review of our policies and business practices to ensure that they reflect our commitment to implementing effective systems to reduce the risk of forced labour or child labour. The relevant activities undertaken by Fengate as an investment manager are low risk and generally relate to the operation of its offices in Oakville, Toronto and Houston. We plan to continue to review our statements, policies, procedures, and practices periodically to assess the effectiveness of the measures we have in place.

## **Approval and Attestation**

This report was approved by the board of directors of Fengate pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



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Lou Serafini Jr  
President and Chief Executive Officer  
May 28, 2024