



MACKENZIE  
Investments

# Invested in tomorrow

Mackenzie Investments  
2019 Corporate Responsibility Report



A message from our CEO

# Investing for a sustainable future: that's better together

**Mackenzie Investments has a proud history of serving Canadian investors for over 50 years. Today, we recognize that creating long-term value means addressing the needs of all our stakeholders. Our goal is to help our clients, our employees, our business partners and our communities thrive and flourish.**

## Investing responsibly

Our promise to our clients is to optimize risk-adjusted returns. To achieve this, we mandate our investment boutiques to consider factors material to risk and return – this includes environmental, social, and governance (ESG) factors. As a signatory to the UN-supported Principles for Responsible Investment we monitor the evolving global ESG frameworks and capabilities and enhance our approach to ESG, accordingly.

I am also proud of the solutions that we make available for the impact-oriented investor to address climate change and gender parity, specifically the Mackenzie Global Environmental Fund and the Mackenzie Global Leadership Impact Fund.

## Investing in an inclusive culture

We believe diverse and inclusive companies lead to more innovation, optimal employee and client engagement, and better performance. To achieve a gender equal workforce, we partner with organizations like Catalyst and Women in Capital Markets to help us to attract and retain more women into the investment industry. In 2020, we joined the BlackNorth

Initiative focused on ending anti-Black systemic racism in Canada. We continue to advance our diversity strategy to ensure we are representative of the communities we serve.

We're also investing in mental health initiatives and ensuring our staff have the tools they need to grow professionally and remain successful over the long-term.

## Investing for stronger communities and planet

With our global presence, our communities are both local and global. Locally, we provide financial and volunteer support to charities focused on at-risk youth and women through our Charitable Foundation, celebrating its 20<sup>th</sup> anniversary. Globally, we are keen to invoke action in support of climate change and support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are also evaluating our role as an active owner to align the values of our investors with our investment practices.

I would like to thank all our employees, clients, advisors and our communities for their support and dedication to making Mackenzie Investments such an incredible organization: that's better together.



**Barry McInerney**  
President and CEO  
Mackenzie Investments

# Our corporate responsibility strategy

**As an asset management company, we know we have a role to play in creating shared value for all of our stakeholders.**

We are proud to be part of the IGM Financial group of companies, where our corporate responsibility strategy is built on four key themes to address the environmental, social and governance (ESG) issues that matter most to the company and our stakeholders, and on which we stand to make the greatest positive impact.

We invite you to read more in this report on how Mackenzie Investment is advancing these important ESG issues.

	Helping clients reach their financial goals	Empowering our people	Strengthening our communities	Building and sustaining trust
<b>Why it matters</b>	Our commitment to putting clients first in all we do equips us to meet their unique and evolving needs – both for today and for tomorrow.	We achieve more together when we attract the right talent and create an inclusive culture that empowers everyone to grow and achieve their potential.	We take an active role in caring for our communities and the planet to help create a more resilient and prosperous world.	People choose to do business with us because we’ve earned their trust. It starts with acting with integrity, upholding high governance standards and prudently managing risks.
<b>ESG topics</b>	<ul style="list-style-type: none"> <li>Client experience</li> <li>Responsible investment*</li> </ul>	<ul style="list-style-type: none"> <li>Talent &amp; culture</li> <li>Diversity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Financial confidence</li> <li>Community support</li> <li>Environmental footprint*</li> </ul>	<ul style="list-style-type: none"> <li>Ethics &amp; compliance</li> <li>Governance</li> <li>Risk management*</li> <li>Privacy &amp; information security</li> </ul>

\*Climate change is embedded into a variety of topics

“The corporate responsibility world is advancing rapidly and we work with our business leaders, IGM’s Corporate Responsibility Committee and our Board to ensure there is accountability and engagement on emerging trends and issues as they arise,” says Andrea Carlson, Vice-President Finance and Corporate Responsibility. “One area of focus is climate change, given the shifting perspective from this being an environmental-only issue to also a financial issue.

We are working with the Mackenzie Investments team to continually enhance our knowledge and practices to contribute to this pressing world issue.”

**Andrea Carlson**, Vice-President Finance and Corporate Responsibility



## Your feedback

If you have comments, suggestions or questions, please contact us [responsibility@igmfinancial.com](mailto:responsibility@igmfinancial.com)

For more information, please see IGM Financial’s 2019 Corporate Responsibility report.



# Helping clients reach their financial goals

**In a competitive marketplace, we must anticipate market shifts, listen closely to what clients tell us about their needs and expectations, and act on what we learn.**

## Client experience

Our approach to client experience is built on a strong ethical foundation. This is expressed in how we sell our products and communicate with advisors and institutional investors. We have made several changes to our mutual funds and ETFs, including making our product line-up more streamlined and simpler to understand and introducing more competitive pricing. Our focus is on making our products as accessible and transparent for investors and the advisors who serve them.

We provide insight, data and tools to advisors to help them support their clients. An example of this is Precision, a powerful fund and portfolio analysis tool that compares funds, builds portfolios and allows advisors to create and share custom reports with clients. Further, our Tax and Estate Planning teams work with advisors to come up with the right strategies and solutions to help clients get the most out of their investments and maximize their estate's value.

**“Independent research shows that Mackenzie Investments is rated at the very top of the industry in providing strong customer service to advisors. This is in part due to the perceived high quality of their wholesalers support, especially during the COVID-19 market conditions”**

Robert Stel, Vice President,  
Financial Services Research, Environics Research Group



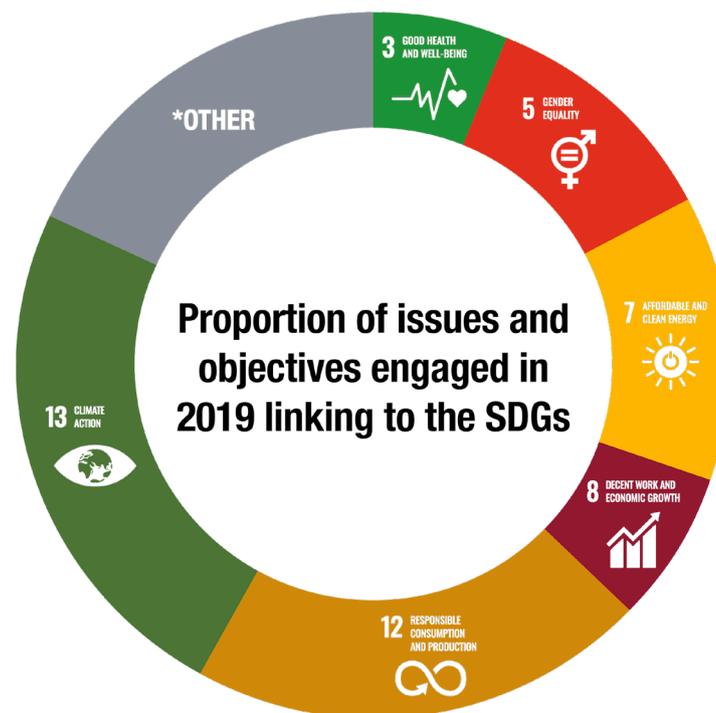
## Responsible investment

Mackenzie Investments' approach to responsible investment – or Sustainable, Responsible and Impact (SRI) investing as it is called at Mackenzie – is to consider **risk impacts of ESG issues on investment returns** and/or seek to **generate a positive impact** on one or more ESG issues.

Today, ESG data and insights are made available to all of our 14 investment boutiques and cover all of our holdings. While each team has the autonomy to take a unique approach to integration, our Responsible Investment Committee meets at least quarterly to share best practices on ESG integration and engagement. We also offer sustainable and responsible products to provide clients with opportunities to invest in specific ESG themes or in funds that optimize social or environmental needs first.

Engagement with company management and proxy voting are also important, value-added practices within our investment process. Engagements are undertaken by both our internal investment teams and by EOS at Federated Hermes, a third-party engagement specialist.

We also offer clients the opportunity to invest in specific impact products including the Mackenzie Global Leadership Impact Fund and ETF, the Mackenzie Global Environmental Equity Fund, and the Mackenzie Global Sustainability and Impact Balanced Fund.



**801** of the issues and objectives engaged in 2019 were linked to one or more of the SDGs



Source: EOS at Federated Hermes  
\* This represents the proportion of issues and objectives assigned to the remaining SDGs.



Mackenzie Investments is a signatory to the United Nations-supported PRI initiative which is an international network of investors, investment managers and other professionals representing more than US \$85 trillion in assets, who put into practice six principles for responsible investment.



Mackenzie Investments is a member of the Responsible Investment Association who believe that the integration of environmental, social and governance factors into the selection and management of investments can provide superior risk adjusted returns and positive societal impact.

**860**

companies were engaged on a wide variety of ESG issues in 2019

# Prioritizing sustainable, responsible and impact (SRI) investing

ESG topics like climate change and diversity and inclusion are some of the most significant drivers of change in the world today, with implications for businesses and investors. While pension funds and institutional investors have long considered ESG risks and opportunities in their investment processes, retail investors are now joining them.

With Mackenzie Investments overseeing \$140 billion of client assets under management, we recognize the importance and have prioritized responsible investment as a strategic growth catalyst. In December 2019, Fate Saghir was appointed Head of SRI Investing to build this new function to:

- 1 ensure we develop impact-oriented solutions that meet increasing client demand,
- 2 align and promote ESG risks and opportunities across our investments and more strategically across Mackenzie, and
- 3 address the increasing regulations and advocacy pertaining to disclosure and reporting of SRI mandates and activities.

“I’m very excited about the progress we have made as we take the steps to centralize our approach in line with best-in-class models,” says Fate. “As part of this function, we will increase our focus on social initiatives and raise awareness in investing consciously to drive positive change for our environment, our people and our communities.”

Our vision is to position Mackenzie Investments as a leader in SRI investing. To achieve this vision, under Fate’s leadership, we are developing a new SRI Centre of Excellence that will provide investors with more transparency on how their money is being invested.

“The SRI Centre of Excellence is an important advancement to the commitments we have made since becoming a signatory to the Principles for Responsible Investment in 2014. Last year we partnered with a leading global third-party engagement specialist and recently we have added specialized data sets to enhance our analytic capabilities to measure a variety of environmental-related exposures; including carbon intensity, within our funds. ESG integration is a process of continuous improvement as more and more data and analytical tools become available in the marketplace,” says Nan Marques, Senior Vice President, Investment Management.

## The SRI Centre of Excellence will deliver:

**Strategy development:** Develop a strategy focusing on actions that drive economic value for all our stakeholders.

**ESG research:** Bring expertise, consultation, governance and oversight of SRI activities and ESG risks and opportunities.

**Impact-oriented solutions:** Oversee and manage solutions that generate performance plus impact.

**Stakeholder Advocacy:** Present an active point of view, external voice and community engagement on ESG risks and opportunities.



Fate Saghir, Head of SRI Investing

# Empowering our people

**We achieve more as a company, and contribute more to society, when we attract the right talent and create a culture that empowers our employees to grow, flourish and achieve their potential.**

## Talent and culture

Fostering a high-performing and diverse culture is a strategic focus. Our people programs are designed with this objective in mind – from building a strong and diverse talent pipeline, to creating a fulfilling work experience, to helping people achieve their health, well-being and financial security goals. Here are a few highlights:

- Our **integrated career framework** focuses on fostering a career path that is right for each individual including: clear insight into opportunities for growth and development, mobility across IGM companies, creation of a personal development plan, and regular leader feedback and coaching.
- **LEADing at IGM**, our hallmark program for high-potential employee leaders, features experience-based development through work on real projects.
- Our **dedicated practice management team** works with advisors who distribute our products to support them in managing and growing their business. The team offers advisors workshops, keynotes, tools and resources on topics such as leadership, marketing, branding, technology, process and self-management. In 2019, the practice management team delivered more than 230 presentations nationally.
- **Wellness and mental health** are a focus area. We have partnered with the Not Myself Today® campaign to provide support, tools and resources.

## Diversity and inclusion

Our diversity and inclusion (D&I) strategy is aimed at fostering an inclusive, equitable and consistent experience for employees, Consultants and clients. It focuses on **raising awareness; improving inclusive leadership behaviours; and increasing external partnerships and community engagement**. D&I is a key priority, with strong support across our business, from our people who participate on PIA teams and D&I advisory groups to executives who sit on our Diversity Council. See an example of our work on page 7.

# 98%

participation by Mackenzie Investment employees in 2019 Gallup engagement survey

# 28%

female representation at VP+ levels at Mackenzie



## BLACKNORTH

Mackenzie has signed a pledge to end anti-Black systemic racism through internal and external actions

## Partners for gender parity



# Return to Bay Street

**As part of our journey to becoming a more gender-balanced, diverse and inclusive workplace, Mackenzie Investments welcomed two participants from the Return to Bay Street program in 2019.**

This innovative program offered by Women in Capital Markets (WCM), one of our industry partners, plays an important role in retaining professional women in the financial industry by providing a pathway back to their successful careers after an extended period of leave – typically due to family obligations.

As a participating firm, we gain access to a pool of skilled and experienced female talent who are seeking to relaunch their careers, have proven success in mid to senior-level capital markets roles and are ideal candidates for hire. Women in the program gain valuable experience that will make it easier to secure a fulltime position in the capital markets, including at Mackenzie Investments.

Erica Roa joined as an Emerging Markets fixed income investment analyst after a three-year absence from the industry during which she not only took care of her young daughter but also pursued her master's degree. "I applied to the Return to Bay Street program because it allowed me to showcase my experience, education and passion for capital markets to companies committed to increasing female participation and leadership in the industry," says Erica. "Being part of the Mackenzie Fixed Income team has

been a rewarding experience for me. I'm working with talented individuals who are always willing to share perspectives, collaborate and learn from each other."

Alana Cherwenka Cameron joined Mackenzie's Portfolio Construction group where she works with our distribution team, evaluating and identifying investment strategies that will improve portfolio outcomes. Seven years ago, Alana took a sabbatical to spend time at home with her young family.

Once her children were in school fulltime, she was ready to get back into the industry. "The biggest challenge was overcoming the bias associated with having a time gap on my resumé. Plus, I needed to convince potential employers that my skills were up to date or could be easily updated," says Alana.

**"The Return to Bay Street program was perfect for someone like me. It has helped me bridge the gap in my resumé and get back on my career path."**

Alana Cherwenka Cameron,  
Portfolio Construction



# Strengthening our communities

**We take an active role in caring for our communities and the planet, and build a foundation for a healthier, more prosperous and more equitable society for all.**

## Community support and financial well-being

At Mackenzie Investments, community initiatives including donations and matching programs are managed by employee volunteers and the Charitable Foundation. In 2019, Mackenzie Investments contributed \$2.93 million to more than 500 community and sport organizations across Canada.

Mackenzie Investments Charitable Foundation raises money each year to assist charities that focus on helping children, youth at risk and vulnerable women. Funded by employee donations and matched dollar for dollar by the company, the Foundation has provided more than \$12.1 million in grants to the community since its inception in 1999.

Each fall, our people come together to raise funds in creative ways for our 34 partner charities. To kick off the 2019 event, we introduced the Mackenzie Caring Cup, a friendly competition in which departments earned points through financial donations, in-kind donations, attendance at events and volunteering in organized activities with the partner charities.

Through our Alpine Canada and Freestyle Canada sponsorships, we recognize and support Canadian athletes in fulfilling their dreams. The Mackenzie Tour-PGA TOUR Canada raised more than \$1 million for 12 charities across Canada in 2019.

We encourage our people to volunteer in their communities and recognize exceptional contributions through various community service award programs. Volunteer efforts are facilitated through planned events, two paid volunteer days and ongoing support for Canada's National Volunteer Week every April.

## Environmental footprint

We rally around efforts to reduce our environmental footprint because they improve our operational efficiency and are a means by which everyone at Mackenzie Investments can play an active part in tackling climate change and caring for our planet. See more about our commitment to tackling climate change in **IGM Financial's CDP Reporting** and the passion of our employees in the Green Committee case study on page 10.



As a designated Caring Company, Mackenzie Investments contributes at least 1% of their average annual pre-tax profit to charitable/non-profit organizations

## Doubled

the matching gift program for the 20th Anniversary year of the Mackenzie Investments Charitable Foundation

## \$2.93 million

contributed by Mackenzie Investments to more than 500 community and sport organizations across Canada in 2019



\$12.1 million donated to charities across Canada since its inception in 1999

# Three cheers for our Green Committee

**Established in 2018, The Mackenzie Green Committee has made progress in reducing our environmental footprint by providing the inspiration, education and motivation to keep moving forward.**

“Committee members’ commitment and creativity is showcased in events and initiatives with our Communications and Facilities teams throughout the year. In 2019, there were waste sorting games, an educational video starring fellow employees, downtown clean-up days, and fun competitions for prizes,” says Jon Ennis, Chair of the Mackenzie Green Committee.

One of the areas of focus in 2019 was to remove individual desk-side waste bins in exchange for centrally located collection areas to improve waste diversion rates. This initiative required a substantial change in employee behaviour.

“We’ve had to take our creativity to a new level in 2020 given that almost all of our employees have been working from home since March. We’re using ways to virtually engage people to continue to make a difference in the world. We’re running virtual conservation-related employee events through WWF Canada’s Virtual CN Tower climb, virtual tree planting through the Step-Up Challenge by TreesCO2, and TreeFest by GrandTrees,” adds Jon Ennis, Chair of the Mackenzie Green Committee.



The Mackenzie Green Committee is composed of 10 to 15 employee volunteers who are committed to raising awareness and engagement around the importance of adopting environmentally responsible practices, at work, at home and in the community. The committee focuses on four areas and aligns initiatives with our corporate environmental goals:

- Paper reduction** – reduce personal paper use by 50% from 2017 to year-end 2020
- Waste management** – eliminate plastic water bottles and implement centralized waste bins
- Travel** – achieve carbon neutral commercial air travel through fewer flights and the purchase of carbon offsets
- Energy conservation** – support IGM’s greenhouse gas reduction goals

# Building and sustaining trust

**People choose to do business with us because we've earned their trust. Exemplary business conduct and robust governance are the foundation of everything we do and we continually work to strengthen that foundation.**

The IGM Financial Board has approved a **Corporate Responsibility Statement**, which formalizes our longstanding commitment to corporate responsibility. The Board is provided with regular updates on corporate responsibility strategy.

We have structures and policies in place to integrate ESG into our business across the IGM Financial group of companies, with an executive-lead Corporate Responsibility Committee and a management team in place to ensure we are always striving to do better.

Our commitment to integrity also shapes and sustains our business practices. By setting a clear tone at the top and establishing the right frameworks and policies, we promote ethical and responsible conduct. Our company is exposed to a variety of risks – some are traditional financial risks while others, like climate change and cyber security, are newer and growing. In 2019, we deepened our commitment to integrating climate change risk and opportunities into our business by announcing our support for the Financial Stability Board's Task Force on Climate-related Financial Disclosures.



## Related publications

- IGM Code of Conduct
- Respect in the Workplace Policy
- Environmental Policy
- Supplier Code of Conduct
- Privacy Policy
- Anti-Corruption & Anti-Bribery Policy
- Whistleblower Policy
- Mackenzie Investments Responsible Investment Policy

## TCFD

Mackenzie Investments signed statements of support for the Task Force on Climate-related Financial Disclosures (TCFD), which includes a set of recommendations for financial market participants to understand and disclose climate-related risks and opportunities.

**100%**

of Mackenzie Investment employees acknowledge our Code of Conduct annually

# Awards and recognition

**Our parent company, IGM Financial, has been recognized by research firms, media rankings and rating agencies for our leading ESG practices.**



For the second year in a row, IGM earned a position on the **CDP A-List** for corporate Leadership in tackling climate change through disclosure. In 2019, IGM was the only Canadian firm who received this rating and one of approximately 180 worldwide, out of more than 8,400 participants.



FTSE4Good

IGM has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the **FTSE4Good Index Series**. IGM is one of only 30 Canadian companies included in an index of approximately 1,000 global constituents.



IGM was ranked one of the **Global 100 Most Sustainable Corporations in the World** by Corporate Knights after a rigorous assessment of 7,395 global companies. We were one of only two global investment services companies to be named to the list.



IGM was also included in Corporate Knight's **Best 50 Corporate Citizens in Canada** for 2020. The ranking was based on our commitment to sustainability within 15 key performance indicators covering resource, employee and financial management.



Since 2015, IGM has earned a spot on the **Jantzi Social Index**, a socially screened, market capitalization-weighted common stock index modeled on the S&P/TSX 60 and consisting of 50 Canadian companies that pass a set of broadly based environmental, social and governance rating criteria.

# Making a positive impact

The United Nations' 17 Sustainable Development Goals, are an urgent call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. We believe everyone has a role to play in promoting and advancing these goals.

**Across the IGM Financial group of companies, we contribute directly or indirectly to each of the 17 goals, and we focus on five where we believe we can make the greatest contribution.**

## Goals



## Our contributions

Inspiring financial confidence through expert financial planning advice backed by superior products and services, as well as community partnerships to promote financial literacy such as with the Canadian Foundation for Economic Education.

Empowering women by implementing targeted strategies for recruiting women and enabling their upward mobility, and by supporting external initiatives such as the United Nation's Women's Empowerment Principles.

Managing climate change risks and opportunities through our risk management and responsible investing processes, engaging with investee companies on their climate change issues, reducing our environmental footprint, and demonstrating transparency in climate-related disclosures.

Holding high standards of ethical and responsible conduct for ourselves, and playing a role in Canada's financial services sector through our leadership in a number of regulatory, governance and standards associations, which work in the interests of the investing public.

Supporting Canadian and global sustainability initiatives such as the Principles for Responsible Investment (PRI), the Women's Empowerment Principles, and Imagine Canada's Caring Companies program.