

2021 Inaugural Sustainable Investing Report



MACKENZIE
Investments



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About Mackenzie Investments

Mackenzie Investments is a leading Canadian global asset manager, headquartered in Toronto with offices across Canada and in Boston, Dublin, Beijing and Hong Kong.

Total assets under management were \$210.3 billion as of December 31, 2021. As part of IGM Financial, a member of the Power Corporation group of companies, Mackenzie benefits from the financial stability of a deep corporate structure while maintaining a boutique investment management model. Mackenzie has three global subsidiaries: Mackenzie Investment Corporation (“MIC” or “Mackenzie USA”), Mackenzie Investments Europe Limited (“MIEL” or “Mackenzie Europe”) and Mackenzie Investments Asia Limited (“MIAL” or “Mackenzie Asia”). Our 17 distinct investment teams offer expertise across traditional and non-traditional asset classes and cover the spectrum of sustainable investment approaches.

We are committed to delivering competitive, long-term risk-adjusted performance with a pledge to uphold the United Nations-supported Principles for Responsible Investment (PRI).

Visit mackenzieinvestments.com to learn more.

ABOUT THIS REPORT

This is Mackenzie Investment’s first Sustainable Investing Report. Our goal is to showcase Mackenzie’s firm-wide approach to addressing environmental, social and governance (ESG) risks and opportunities, and highlight our corporate and investment management sustainability practices.

Unless otherwise noted, the information presented here is as at December 31, 2021, and all dollar amounts are in Canadian currency. Definitions of sustainability indicators and measures can be found on page 41.

This report complements information in other publications, such as:

- [IGM Financial 2021 Sustainability Report](#)
- [Mackenzie Investments 2020 Sustainability Report](#)
- [Mackenzie Investments PRI Transparency Report](#)
- [Mackenzie Europe 2020 Stewardship Report](#)
- [IGM Financial 2021 Annual Report](#)
- [Mackenzie Investments Sustainable Investing Policy](#)

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Our culture

At Mackenzie, our mission is to create a more invested world together, so that all stakeholders can be better off.

1. We lead with sustainability.

Glassdoor Top CEO in Canada

Glassdoor honours top CEOs annually with an Employees' Choice Award, based on anonymous employee input about their experience and their company's leadership. Mackenzie CEO Barry McInerney was the top Canadian CEO in 2021 with a 99% approval rating.

Clean50 Award

The annual Clean50 Awards recognize Canadian leaders for contributions to sustainability. Fate Saghir, Head of Sustainability, was recognized for her efforts to advance sustainability in the market.

Employee-led Green Committee

We're incorporating green living concepts in our employees' daily lives and our corporate practices. Our Green Committee enables this through employee education and engagement.

Business Resource Groups (BRGs)

Our BRGs are voluntary, employee-led groups formed around a common interest, identity, bond or background. Currently there are four groups supporting Women, Indigenous, 2SLGBTQIA+ and Black employees. The core mission of our Women's BRG, for example, is to advocate internally for the retention and progression of women by encouraging greater diversity and using data to keep our organization accountable.

2. We extend sustainability to our communities.

The Mackenzie Together Charitable Foundation:

Employees generously give their time and dollars to those less fortunate, making a true impact on Canadian communities. The Mackenzie Together Charitable Foundation was established in 1999 and to date, has given over \$13.4 million to grassroots organizations coast to coast.

- **Moorelands Kids** has been a partner of the Mackenzie Foundation for 20 years. Founded in 1912, Moorelands provides programs and activities to empower Toronto children and youth affected by poverty through skill-building and leadership programs.

The Mackenzie Money Tree was a symbol of our commitment to building a more sustainable future for all Canadians. A total of \$100,000 was donated to the following partner charities:



“It is a rewarding experience to be able to assist Moorelands Kids and see the emergence of confident and successful adults as a result of their programs.”

Carol Bezaire, VP, Tax, Estate & Strategic Philanthropy

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3. We prioritize sustainability education.

Mackenzie held virtual educational conferences and webinars focused on sustainability, with over 5,000 attendees through 2021. We believe that raising awareness and educating advisors and investors is critical to enabling a sustainable future.



4. We collaborate with our peers on sustainability.

We are a proud member of or signatory to various responsible investing initiatives.



We were an early adopter of the United Nations-supported Principles for Responsible Investment (PRI).



Mackenzie participates in Climate Action 100+, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take action on climate change.



Mackenzie is a sustaining member of the Responsible Investment Association (RIA).



We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which encourage financial market participants to understand and disclose climate-related risks and opportunities.



Through this network, we collaborate on ESG issues to advance leading investment practices, corporate engagement strategies and policy solutions.



Mackenzie is a founding member of Climate Engagement Canada, which plans to engage with Canada's top greenhouse gas-emitting companies to encourage net-zero emissions.



Mackenzie joined this international group of asset managers in 2021. It supports investments aligned with net-zero emissions by 2050 or sooner.



The CCGG is the voice of institutional investors on good governance practices in Canadian public companies.

2021 sustainable investing at a glance



10

New Sustainability Centre of Excellence grew to 10 dedicated experts



20

Held education session with 20 executives on climate implications for financial sector



200+

Trained 200+ investment professionals on ESG integration, with a focus on climate risks



~1,400

Engaged with 1,400 companies, prioritizing climate-related disclosures and transition plans, executive compensation, and board effectiveness



Introduced new Sustainable Investing Policy



Incorporated responsible investing objectives into every investment team's compensation

Climate action

- Completed carbon performance data and reporting at investment portfolio level
- Analyzed Mackenzie's business units for top climate risks and opportunities
- Became a founding member of Climate Engagement Canada and signatory to the RIA Canadian Investor Statement on Climate Change
- Joined the global Net Zero Asset Managers Initiative
- Used Transition Pathway Initiative tools to understand transition risk and facilitate corporate engagements

Sustainable investment funds¹ reached \$4.3B assets under management (AUM), as follows:

- Mackenzie Greenchip team exceeded \$2B in AUM, with an 86% positive contribution to the United Nations Sustainable Development Goals²
- Launched Mackenzie Betterworld, a new ESG-led core equity boutique
- Launched sustainable bond and green bond funds managed by Mackenzie's Fixed Income team
- Grew sub-advisory partnerships with IG Wealth Management and Wealthsimple to over \$1.5B in AUM

¹ Sustainable investment funds or sustainable solutions refers to mutual funds, ETFs or Offering Memorandums that prioritize ESG or sustainability in the investment objective.

² Companies are assessed based on the positive contribution (limited/significant) of their products and services towards meeting the UN Sustainable Development Goals (SDGs), per ISS ESG's methodology.

CEO message

At Mackenzie Investments, our purpose is to create a more invested world, together.

For us, sustainability means that we value progressive corporate and government behaviour, and we consider the long-term societal and environmental viability of the products and services that businesses sell and that sovereigns enable. This is consistent with our intention to deliver competitive risk-adjusted returns to our clients over the long term.

Although this is Mackenzie's first sustainable investing report, these matters aren't new to us. Our teams have a long history of considering all material factors that could affect the value of an investment, including environmental, social and governance (ESG) factors. But there has clearly been a shift in thinking – ESG is no longer considered primarily a risk management tool. There's a greater focus on opportunities.

Our evolving suite of funds focus on environmental opportunities, gender diversity and broad sustainability. I'm proud that Mackenzie is a leader in responsible investing practices and in bringing impact-oriented investment solutions to Canadians.

We know there is substantial interest in sustainable solutions, and we will continue to offer our clients innovative investment products. We are working across our industry and with investee companies to promote responsible action on climate change and other urgent sustainability issues.



Barry McInerney
President and Chief Executive Officer



I'm proud that Mackenzie is a leader in responsible investing practices and in bringing impact-oriented investment solutions to Canadians.

Barry McInerney
President and
Chief Executive Officer



Sustainable investing approach

Mackenzie clients have always counted on our expertise in proprietary research, best-in-class tools and strong values to help them achieve competitive risk-adjusted returns over time. We incorporate ESG risks and opportunities into our investment process and analysis because we believe these will enhance results for our clients.



OUR PRINCIPLES

The following set of sustainable investing principles guide our decisions:

CREATING VALUE

We prioritize creating value for our clients by achieving compelling long-term, risk-adjusted returns across a diversified investment shelf.

INTEGRATING MATERIAL ESG FACTORS

Our investment boutiques integrate factors material to risk and return. This includes ESG factors. We believe that material ESG factors present financial risks and opportunities.

ENGAGING COMPANIES AND ISSUERS

As long-term investors and stewards of capital, we believe in company and debt issuer engagement and proxy voting to promote good governance and management of material ESG issues.

ALIGNING VALUES

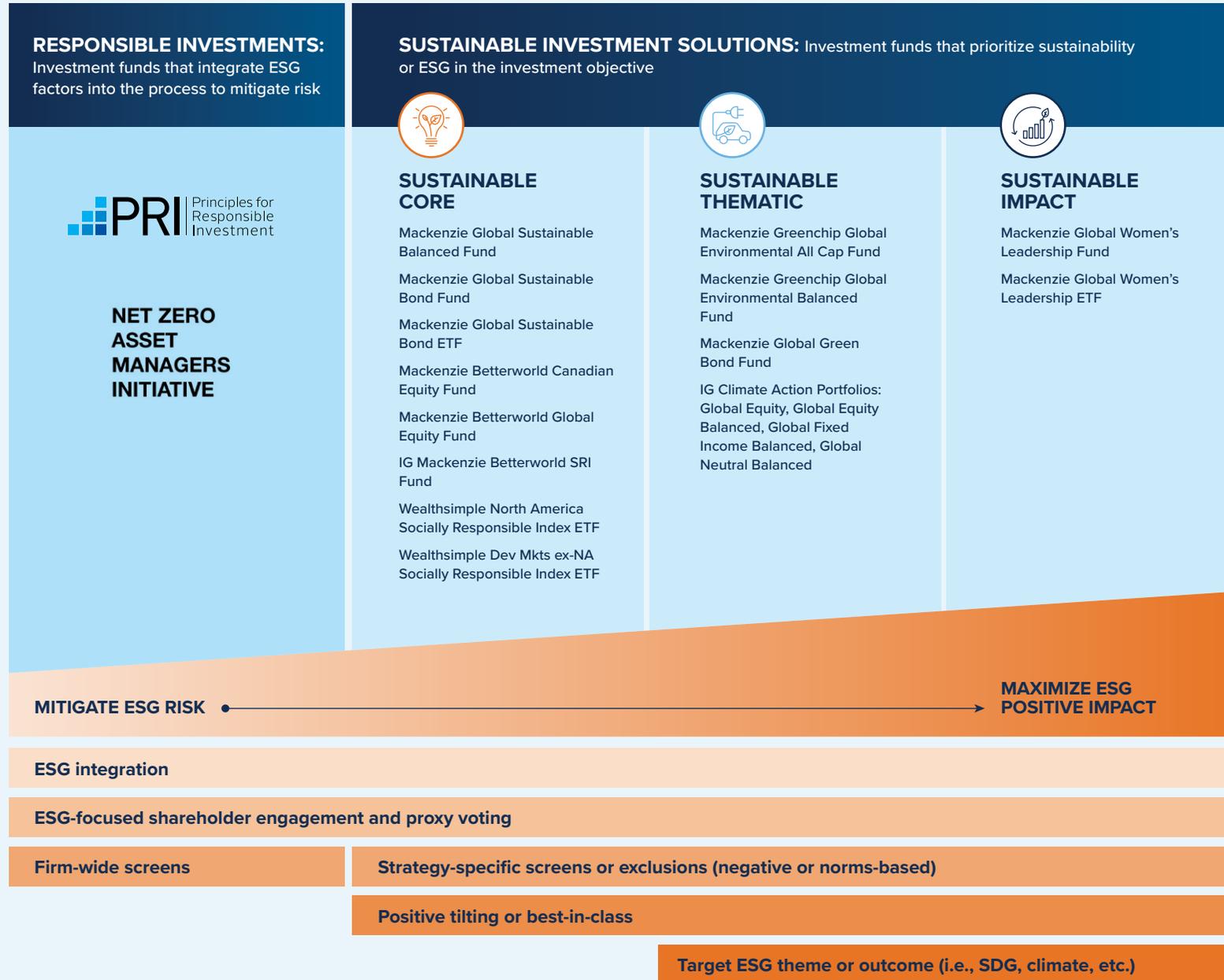
We offer sustainable core, thematic and impact solutions that aim to generate returns and meet the demands of clients who want to align their investments to their values.

PRIORITIZING ADVOCACY

By aligning our internal and external advocacy efforts, we can make a greater impact on building a more sustainable future. We prioritize the themes of governance, climate change and diversity.



OUR SUSTAINABLE INVESTING FRAMEWORK



Exclusions

Mackenzie-branded sustainable investment solutions exclude companies with involvement in controversial weapons, adult entertainment or pornography, gambling, tobacco or private prisons. We also exclude companies involved in anti-personnel land mines and cluster munitions from all our actively managed funds. To learn more about our exclusions, see our [Sustainable Investing Policy](#).

Sustainable investing oversight

Mackenzie's boutique structure is led by two chief investment officers: Lesley Marks leads our fundamental equity boutiques and Steve Locke oversees the fixed income, quantitative and multi-asset boutiques. Our two CIOs oversee responsible investing practices and progress across the investment teams.

Our actions are guided by firm-wide principles and a [Sustainable Investing Policy](#), updated in 2021.

These principles and policy promote a framework used across Mackenzie's 17 investment boutiques and apply to its sub-advisors. Each boutique is a specialist team that pursues distinct strategies and opportunities and has independence over (and accountability for) investment decisions. Therefore, each team implements sustainable investing in ways that are appropriate to its unique philosophy.

Mackenzie's Sustainable Investing Policy is approved by our Sustainability Steering Committee, which is chaired by our Head of Sustainability and composed of senior executives. The Mackenzie fund Board of Directors has oversight for the policy and approves new sustainable products.

Message from Lesley Marks, CIO, Equities

Throughout Mackenzie, we have an authentic commitment to sustainability, both as a company in our day-to-day operations, and as a steward of investors' capital.

Our portfolio management teams care about how companies achieve their financial results and whether companies are living up to their sustainability promises.

Our own commitment is evident in the growth of our Sustainability Centre of Excellence. This team has introduced new tools and datasets to support portfolio managers, and supported client education and the launch of sustainable investment funds. Our commitment is also evident in our newest equities boutiques, Greenchip and Betterworld, as well as the significant internal analysis that was done to develop our climate action plan and goals.

Where we differ from other asset managers is our boutique structure. The beauty of having specialist teams with unique strategies is that they implement tailored approaches to sustainable investing. From conventional ESG risk mitigation strategies to those that put positive environmental and social impact on par with investment returns, we offer clients a wide range of equity strategies and options that reflect their values.

Good governance has been an industry focus for many years, and we're also seeing better corporate disclosure on climate-related risks and opportunities. Social factors such as diversity, labour and human rights present some industry challenges around measuring impact, but also opportunities to help investors who wish to align their money with social development.

Mackenzie is a thought leader in this evolving space. We're committed to internal education and training for our employees, and through our advocacy work, we strive to help our industry improve as well.

“
Our portfolio management teams care about how companies achieve their financial results and whether companies are living up to their sustainability promises.

Lesley Marks
CIO, Equities



Message from Steve Locke, CIO, Fixed Income and Multi-Asset Strategies

I am proud of the acceleration and significant build-out of sustainable investing at Mackenzie Investments. It's fair to say that today, ESG factors are embedded in and part of Mackenzie's DNA. Sustainable investing is simply what we're doing on a daily basis.

Our effort is across the company and across portfolios, not just within certain boutiques and funds. While our portfolio managers take different approaches to integrate ESG factors in their decisions, this reflects variations in investment mandates and objectives. A fundamental equities team, for example, has a very different investment process than a quantitative team.

No single research method provides sufficient information for investing in complex markets. By combining macroeconomic, quantitative and fundamental credit and ESG research, we aim to get a more complete picture.

In fixed income, Mackenzie is an industry leader in sustainable investing. Products alone don't tell the whole story. ESG integration and engagement with issuers has been a component of our investment decision-making for years, and we're now seeking better ways to track our impact.

Across the firm, we are also making a serious, long-term effort to grow our ESG and climate expertise. Our journey will inevitably evolve. The pace of change in our industry is accelerating. While it is exciting to see the momentum, there remain many unknowns about ESG standards, rules, regulations and outcomes. We will play a significant role in advancing the industry by collaborating with clients, investee companies, regulators and policymakers.

With a multi-asset and long-term perspective, we can help shape some of the answers and create a more invested world, together.

“
Across the firm, we are also making a serious, long-term effort to grow our ESG and climate expertise. Our journey will inevitably evolve. The pace of change in our industry is accelerating.”

Steve Locke

CIO, Fixed Income and
Multi-Asset Strategies



DEVELOPING OUR EXPERTISE:
SUSTAINABILITY CENTRE OF EXCELLENCE

Our Sustainability Centre of Excellence (COE) was launched in 2021 to deliver firm-wide ESG support and increase capabilities across Mackenzie. These efforts range from developing sustainable investment products to offering centralized ESG research and expertise, to taking the lead on ESG advocacy efforts and engagement with regulators.

This team is independent from the Investment Division by design: independence enables the team to play a constructive advisory role and prioritize desired ESG outcomes. To date, the team has led the acquisition of Greenchip Financial Corporation, launched our new ESG-led Betterworld boutique, and advanced Mackenzie's climate strategy and climate-related stewardship and advocacy.

“The capabilities that we’ve built are guiding capital to companies that are enabling a just transition to a low-carbon future, and a better world. It’s exciting to see the level of collaboration across our company and industry. There is clear consensus that it’s time to take action.”



Fate Saghir
SVP, Head of Sustainability



Sustainability COE Leadership Team



Jonas Cuypers
ESG Research and Insights



Natasha Stromberg
Sustainable Advocacy and Stewardship



Alyson Fuller
Sustainable Partnerships and Reporting



Baris Ozyetis
Sustainable Investment Solutions



Lisa Smith
Investment Operations

Delivering on our sustainable investing goals

Our mission is to make sustainable investing an everyday reality for our clients. We invest on their behalf in companies producing sustainable products and services, and encourage companies or issuers that we invest in to manage their operations responsibly. As active investors, we prioritize constructive engagement with companies and issuers over divestment to maximize our impact.

Our sustainable investing goals

Our strategic goals, priorities and enablers are helping us advance our mission and create value for our clients and all our stakeholders.

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STRATEGIC GOALS	1 Advance our corporate and investment sustainability practices	2 Allocate to sustainable investment solutions	3 Advocate for impact, transparency and disclosure
2021 PRIORITIES	<ul style="list-style-type: none"> • Implemented new Sustainable Investing Policy • Developed insights and evaluated climate risks and opportunities • Sourced and developed ESG best practices, data and insights • Supported culture of internal and external collaboration 	<ul style="list-style-type: none"> • Welcomed Greenchip and Betterworld teams into Mackenzie • Launched innovative sustainable mutual funds and ETFs • Developed investor impact reporting frameworks • Increased awareness for sustainable investing 	<ul style="list-style-type: none"> • Committed to climate action, board and executive diversity, and responsible governance • Encouraged authentic thought leadership through white papers and education • Participated in industry coalitions • Developed sustainability-related reporting and disclosure
ENABLED BY	<ul style="list-style-type: none"> • Sustainability Centre of Excellence provides expertise, tools and standards • Collaboration and knowledge sharing across our investment teams • Active oversight from executives across Mackenzie and IGM • Corporate-wide employee engagement and support 		

ESG embedded in bonds: Mackenzie Fixed Income team

The Mackenzie Fixed Income team, which manages more than \$60 billion in assets, was an early adopter of sustainability practices. Integrating ESG factors in our decision-making is simply how we invest. Similar to the approach taken by our equities peers, the team has developed a proprietary ESG scoring system based on in-house ESG research on corporate and government bond issuances.

The team nearly tripled the value of ESG-labelled debt instruments to \$2.5 billion by the end of 2021, from \$800 million at the end of 2020. This was partially as a result of new fixed income funds being developed, and partially due to the growth potential associated with climate-friendly products. We expect that these holdings will expand as the universe of bonds continues to grow exponentially.

Mackenzie is often the largest buyer of corporate bonds in Canadian companies. Not surprisingly, being a large creditor gives portfolio managers access to management and some ability to influence corporate behaviour. We typically raise issues such as board diversity, water security, greenhouse gas (GHG) emissions and decarbonization, and we are beginning to track the impact of our interactions.

When the Fixed Income team favours a bond issue or security, we're able to buy a large amount and hold the issue in various portfolios. For example, Mackenzie owns green bonds across all fixed income portfolios, not just in select portfolios that are labelled "sustainable" or "green." We recognize that some clients do want to focus on certain sustainability themes and have introduced new products to satisfy that demand.



Jonathan Ennis
VP, Head of Investment Research



Konstantin Boehmer
SVP, Co-Lead of Fixed Income Team, Head of Global Macro, Portfolio Manager



SUSTAINABILITY DEFINED: USE OF PROCEEDS BONDS

The issuance of bonds designed to have specific impacts are on the rise. In contrast to traditional or general-purpose bonds, the proceeds of green, social and sustainable bonds are used for pre-determined projects or activities.

Green bonds

Proceeds of these loans to companies or governments are used to finance new or existing projects with environmental benefits, such as renewable energy, energy efficiency, pollution prevention or clean transportation.

Social bonds

Proceeds are used to address social issues or achieve positive social outcomes. Examples include affordable housing, funding for Indigenous communities/businesses, lending to female-owned businesses, and programs promoting diversity, equity and inclusion.

Sustainable bonds

Proceeds go to finance projects that combine environmental and social issues, allowing companies and governments to have a wider-ranging impact. A sustainable bond impact could be, for example, a shoe manufacturer purchasing recycled materials for sustainably sourced products, investing in renewable energy production and energy efficiency, and improving employee diversity.

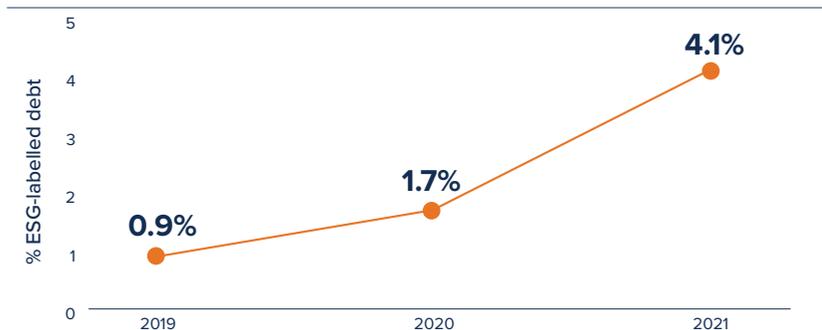
Transition bonds

Proceeds are used to fund activities that improve a company's environmental impact or lower its carbon emissions, often in traditionally "brown" (fossil-fuel focused) industries that may not qualify for a green bond label.

Sustainability-linked bonds and loans

These instruments include financial conditions (incentives or penalties) to encourage an issuer to meet pre-determined sustainability performance goals. An example of a target could be a reduction in GHG emissions. If the issuer meets the target, the coupon payment would decrease, and if the company fails to meet the target, its payment would rise.

% ESG-LABELLED DEBT



Source: Mackenzie analysis of ESG-labelled debt across all fixed income investment funds.

ESG-LABELLED DEBT (C\$M)

	2019	2020	2021
Green bonds	\$292	\$709	\$1,630
Sustainable bonds	60	118	421
Social bonds	26	0	85
Transition bonds	0	0	12
Total use of proceeds debt	\$378	\$827	\$2,148
Sustainability-linked bonds/loans	0	9	364
Total ESG-labelled debt	\$378	\$836	\$2,512
Total fixed income	44,340	48,960	61,750
% ESG-labelled debt	0.9%	1.7%	4.1%

**PROCESS IN ACTION:
ESG-LABELLED BONDS**

RioCan Real Estate Investment Trust, one of the largest REITs in Canada, has issued \$1.3 billion of green bonds.

It uses proceeds to finance expenditures associated with eligible green projects as described in RioCan’s Green Bond Framework. Eligible categories for the use of proceeds are green buildings; resource efficiency and management; renewable energy; and adaptability and resilience to climate change.

RioCan has aligned its ESG objectives to specific UN SDGs.



UN SDG 12:
Responsible consumption and production



UN SDG 13:
Climate action

Objectives

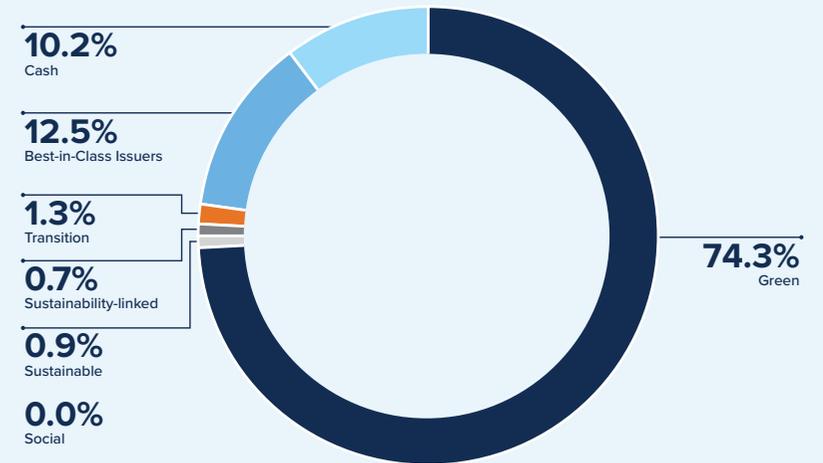
- Reduce GHG emissions, energy and water consumption in its new and existing buildings.
- Develop a plan to achieve carbon neutrality by 2050. Aim to design and construct net-zero carbon sites.
- Improve waste diversion at sites.
- Continue to develop and acquire sites in transit-oriented neighbourhoods.
- Expand assessment of physical and transitional climate risks, opportunities and impacts for all assets in line with the TCFD recommendations.

Mackenzie Global Green Bond Fund

This fund allows investors to support companies in environmentally focused sectors, such as clean or renewable energy, energy efficiency and waste management, by owning green bonds, which are used to finance projects in these sectors.

As of December 31, 2021, 74% of the fund assets were labelled green bonds.

Best-in-class issuers: Bonds with issuers contributing positively to the United Nations Sustainable Development Goals (UN SDGs). These instruments are not labelled as green bonds/loans by Bloomberg but our analysis deems them to have a positive contribution to the UN SDGs.

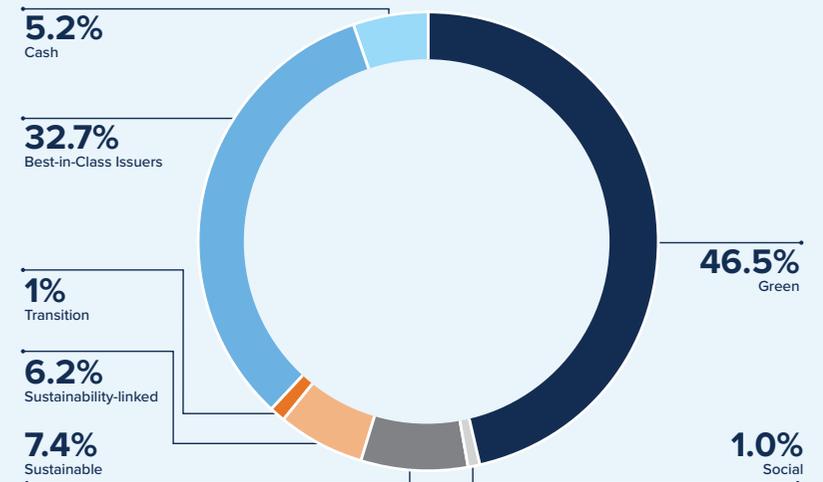


Mackenzie Global Sustainable Bond Fund and ETF

This fund combines ESG-labelled debt with issuers that exhibit strong ESG characteristics (“best-in-class” issuers), with the aim of providing greater diversification for investor portfolios.

As of December 31, 2021, 32% of the fund was allocated to best-in-class issuers while 62% was allocated to ESG-labelled debt.

Best-in-class issuers: Bonds with issuers contributing positively to the UN SDGs. These instruments are not ESG-labelled debt, such as green or social, but our analysis deems them to have a positive contribution to the UN SDGs.



Stewardship: Our role as active owners

Consistent with our role as stewards of capital, we have a responsibility to carry out our operations responsibly and encourage companies that we invest in to do the same. We believe that stewardship and advocacy require both a corporate- and a portfolio-level focus to be most effective.

From a corporate perspective, our Sustainability Steering Committee determines our advocacy priorities – these are matters that present the greatest risks based on overall investment exposure; that align with our corporate values; and are issues where we feel we can make the most significant impact. Among our advocacy priorities are board and executive diversity, action on climate change, and good governance.

At the portfolio level, we expect our investment teams to engage with companies or issuers on material ESG risks and opportunities that may impact the value that they're able to deliver to clients.

Through proxy voting and engaging with companies and issuers, we are able to highlight material ESG risks and opportunities that may impact an entity's long-term performance.

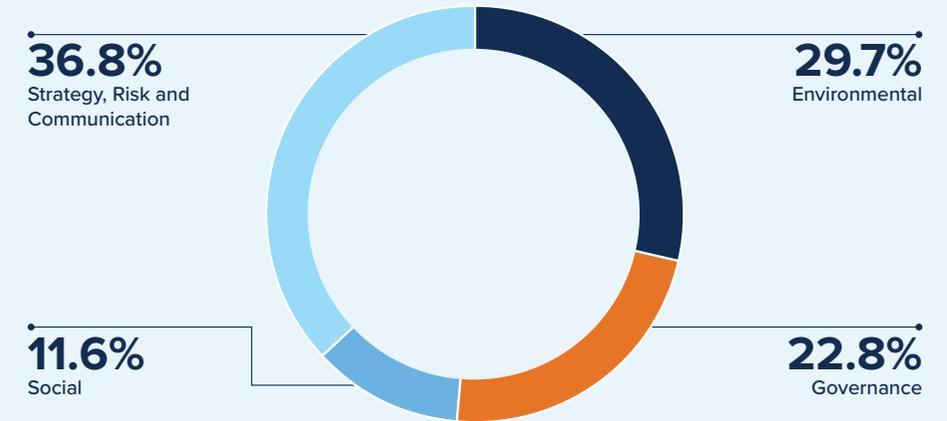
Engagements with investee companies and issuers occur in a variety of ways:

- through direct conversations between portfolio managers and companies/issuers;
- through Federated Hermes EOS, our external partner that supplements internal engagements; and
- through collaborations with peers on initiatives where the collective investor voice has more influence, such as Climate Action 100+.

MACKENZIE DIRECT ENGAGEMENTS

In 2021, our investment teams engaged with a total of **467 companies** around the world, on **741 topics** across the following themes:

ALL TEAMS

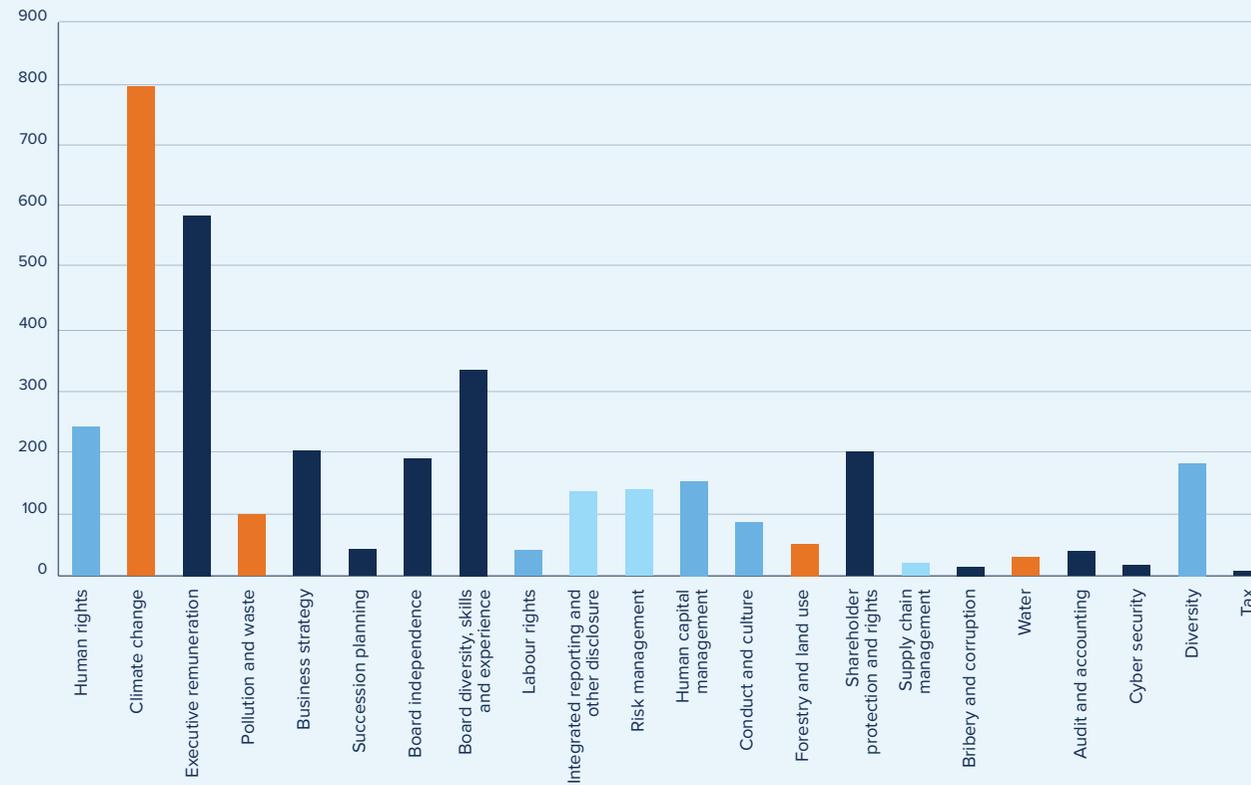


Outcomes	Total
Objective fully achieved	94
Objective or outcome partially achieved	219
Issue acknowledged and pending commitment or action	251
Engagement in progress	320

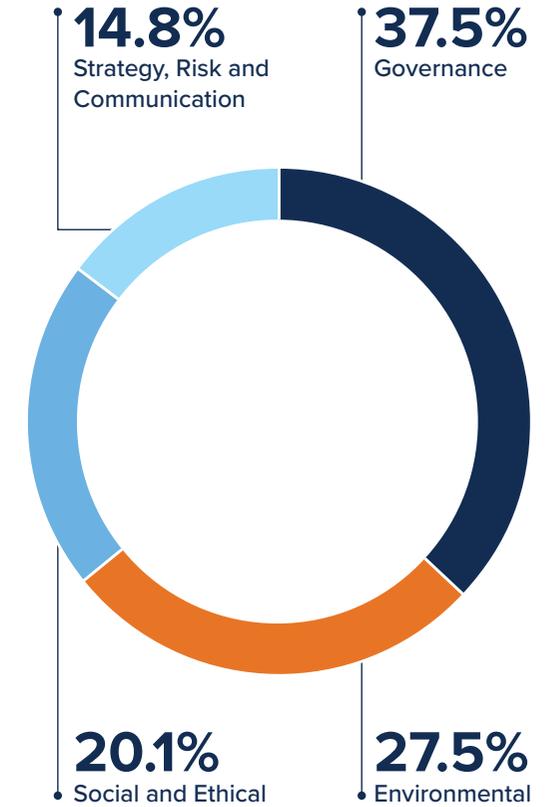
ENGAGEMENTS COMPLETED BY OUR PARTNER

We supplement our internal engagement through our partnership with a leading stewardship service provider, Federated Hermes Equity Ownership Services (EOS). This extends our reach and influence, as well as enhances our market insights. In 2021, Hermes engaged on our behalf with 969 companies on more than 3,600 topics. These engagement topics are grouped into the following themes:

SUB-THEMES: NUMBER OF ENGAGEMENTS



THEMES OF ENGAGEMENTS





SUSTAINABILITY DEFINED:

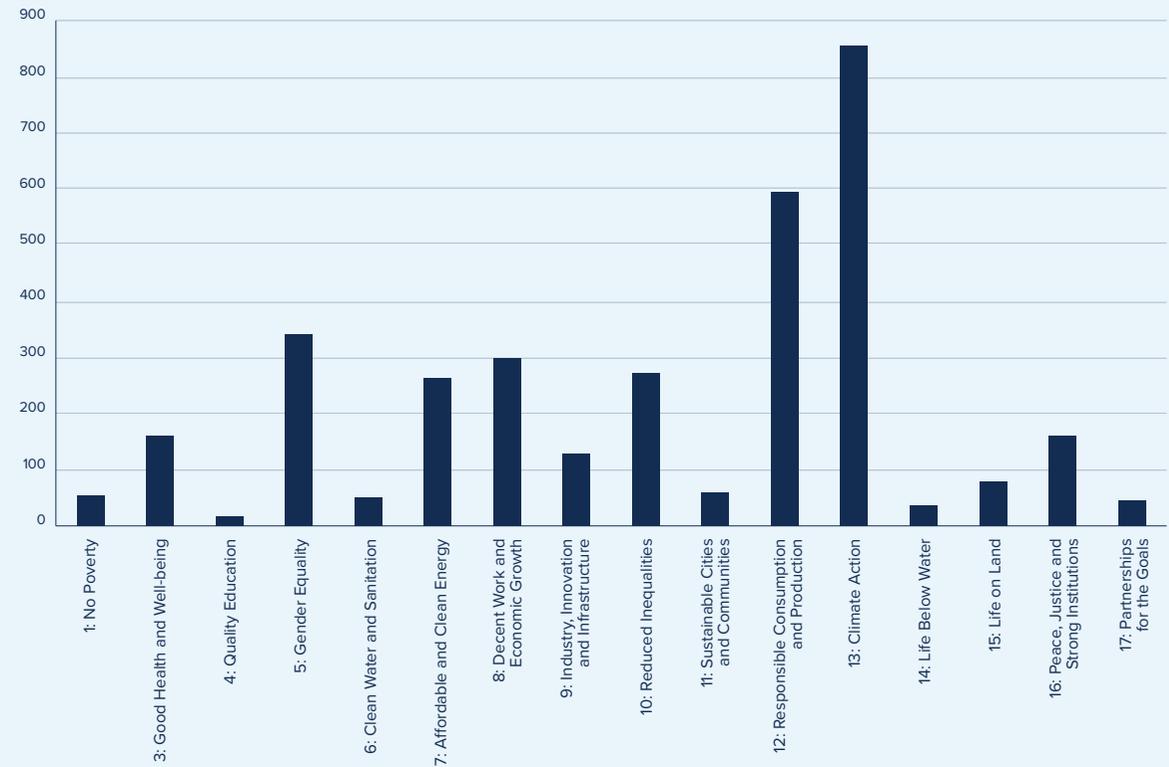
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Mackenzie supports the United Nations Sustainable Development Goals (SDGs), a set of 17 goals that collectively represent a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere.



UN SDGs: NUMBER OF ENGAGEMENTS

Our external engagement partner also categorizes engagements conducted on our behalf according to the SDG objectives. In 2021, a total of 2,114 (60%) engagements were related to the SDGs.



Firm-wide proxy voting

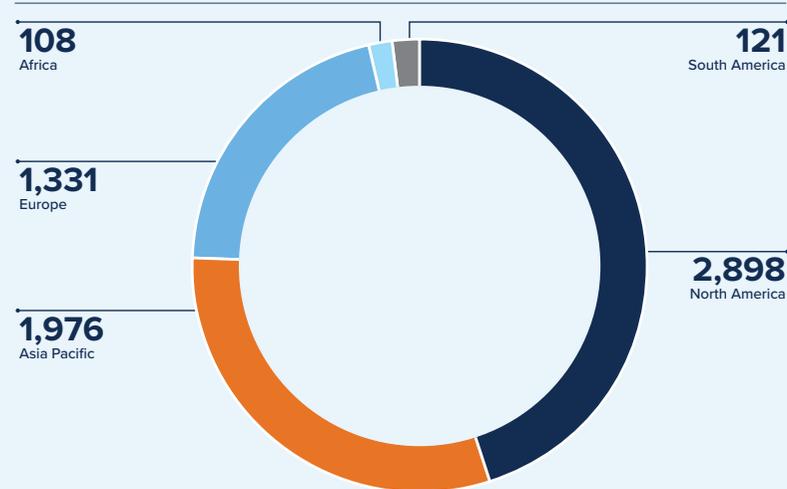
Proxy voting is an important component of active ownership and good governance. Consistent with our fiduciary responsibilities, we vote proxies in the best interests of investors, taking into consideration material ESG risks. We conduct our own analysis, which means at times we do not vote in accordance with management recommendations. Our proxy voting record for mutual funds and ETFs is available on our [website](#).

2021 Proxy Voting Across Mackenzie

Total meetings voted	Total proxy items voted	Votes with mgmt*	Votes against mgmt*	% of votes with mgmt*	% of votes against mgmt*
6,434	402,665	374,098	25,514	93%	6%

* mgmt = management

2021 TOTAL PROXIES VOTED BY REGION



2021 Proxy Votes on Shareholder Proposals by Topic

Topic	Total proposals voted	% in favour
Governance	4,905	49%
Social	655	21%
Human Rights	411	43%
Diversity	868	29%
Climate	447	32%
Other Environmental	877	21%

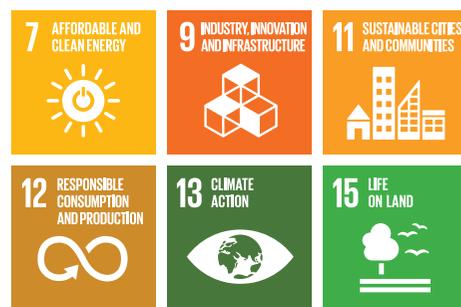
Climate action: Supporting a just transition to a low-carbon economy

The risks of climate change will affect our physical well-being and have financial implications on asset valuations across sectors.

At the same time, we believe the climate crisis presents opportunities for companies and issuers that can adapt their business models or create innovative solutions. Mackenzie believes we need to be active participants to accelerate the just transition towards a low-carbon world. Our ambition is to support the goal of net-zero GHG emissions by 2050 or sooner in the real economy, in line with global efforts to limit warming to 1.5°C above pre-industrial levels.

While climate action is a multi-year journey, with many global and local challenges, there is an urgency to act.

RELEVANT UN SDGs



OUR CLIMATE ACTION PLAN

Mackenzie released our climate action plan in 2021, which is built on four key actions.

 <p>Collaborating across our industry to set Canadian standards</p>	<ul style="list-style-type: none"> • Climate Engagement Canada • Responsible Investment Association (RIA) Canadian Investor Statement on Climate Change • Net Zero Asset Managers Initiative
 <p>Managing portfolio risks and opportunities to achieve better client outcomes</p>	<ul style="list-style-type: none"> • Use of third-party data providers, such as S&P Global Trucost, to develop environmental insights on portfolio companies • Integration of climate risks into investment process
 <p>Engaging with Canadian corporations to ensure they're prepared for the transition</p>	<ul style="list-style-type: none"> • Engage with portfolio companies on climate change risks and opportunities to better understand their transition plans
 <p>Investing to directly support the transition to a low-carbon economy</p>	<ul style="list-style-type: none"> • Acquired Greenchip Financial Corporation • Launched Betterworld investment boutique • Launched Fixed Income sustainable investment funds

1. Collaborating across our industry to set Canadian standards



In 2021, we joined the **Net Zero Asset Managers Initiative**, an international group of asset managers – representing 220 signatories and US\$57 trillion in assets under management. The objective is to support investments aligned with net-zero emissions by 2050 or sooner.

Collaborative engagement with the companies that we invest in is equally critical. In 2021 we joined **Climate Action 100+** – an investor-led global initiative engaging with the world’s largest corporate GHG emitters to ensure they take necessary action on climate change. Since Canada’s carbon-intensive sectors have unique advantages and challenges, we also became a founding member of **Climate Engagement Canada** – a domestic equivalent of Climate Action 100+, focusing on collaborative engagements with Canada’s top emitting companies.

OUR COLLABORATIVE PARTNERS



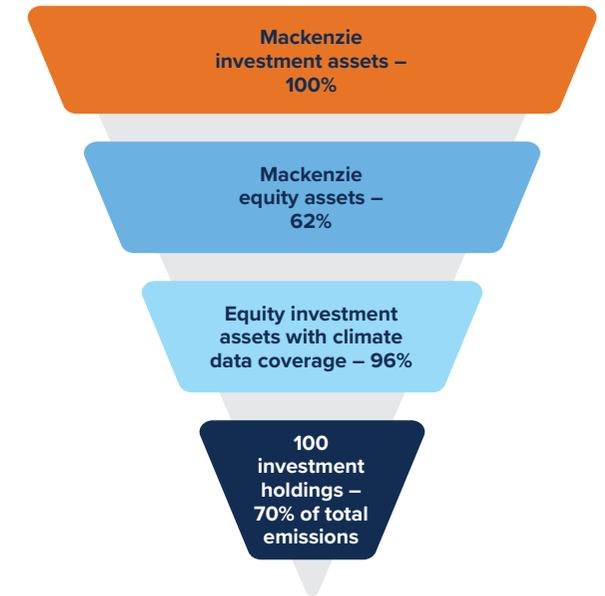
2. Managing portfolio risks and opportunities to achieve better client outcomes



Climate-related disclosures and insights are critical to integrating risks and opportunities into the investment process. In 2021, we implemented carbon performance portfolio-level insights and reporting. This helped us to identify and quantify the climate characteristics of our investment funds (e.g., carbon footprint of the portfolio compared to its benchmark, largest emitters in the portfolio, and whether portfolio companies’ emissions are on a trajectory to meet the Paris Agreement). All Mackenzie investment professionals received foundational and portfolio-tailored training on climate risk and opportunities. This encouraged discussions around climate risk management.

Our analysis allowed us to prioritize the top emitters in our equity portfolios, which is where we have the most quality data coverage. Our assessment of our equity funds found that 100 investment holdings made up 70% of our financed emissions (equities with coverage only). This encouraged further research on these companies’ decarbonization progress and created a natural focus on engagement to further understand their future plans.

Climate insights at the portfolio level allowed us to identify 100 companies for further decarbonization research and engagement.



Note: Due to limited coverage and quality of data in fixed income, initial focus is on equities.



3. Engaging with Canadian corporations to ensure they're prepared for the transition



Through collaborative research involving our Sustainability COE and several investment boutiques, each of the 100 companies identified has been analyzed from three perspectives:

1. **Recent carbon performance:** Is there a consistent downward trend, and how does the company perform relative to industry peers?
2. **Credibility:** Does the company have a transparent and credible plan to meet its climate-related ambitions? Does it include targets? Are disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)?
3. **Management ambition:** How ambitious is the path forward? Has management set targets in line with net zero by 2050 or sooner?

Ultimately, this research leads us to group companies into categories based on the degree of their net-zero alignment. This analysis will help us engage with companies through their emission-reduction journeys and ensure they are prepared for the transition to a net-zero world.

4. Investing to directly support the transition



We are bringing sustainable investment funds to the Canadian and global markets, managed by teams with deep expertise. They are supporting a transition to a sustainable future through their own unique investment approaches.

- **Mackenzie Greenchip** is a pioneering investment team that has been focused exclusively on environmental sectors since 2007, with a strong performance record.
- Mackenzie launched the **Betterworld** boutique in 2021, a core ESG equity manager that invests in companies having a positive impact on people and the planet.
- Mackenzie's **Fixed Income** team has launched funds prioritizing sustainability and ESG-labelled debt, including green bonds, and holds issuances with positive ESG characteristics across its portfolios.

We will continue to bring innovative sustainable investment solutions to the market while encouraging our investment teams to increase their allocation to companies that are directly supporting the transition.

NEW SOLUTIONS

Launched in April 2021, the Mackenzie Greenchip Global Environmental Balanced Fund holds stocks and bonds focused on the environmental economy.

The equities sleeve is managed by the Mackenzie Greenchip boutique and the fixed income sleeve is managed by the Mackenzie Fixed Income team, an early adopter of sustainable investing.



Different approaches to support the transition

Investors can take action on climate change in different ways. Some portfolio managers allocate capital specifically to transition opportunities while others work with companies to adapt their business models and manage the physical and transition risks of climate change.

As described on the next page, the Mackenzie Greenchip team invests in companies with a high proportion of “green revenues” – those that are already supporting the transition to more sustainable energy sources. Our Mackenzie Resource team takes a different approach: while the portfolio includes some “polluters” in the energy sector, investment managers look for improving companies in industries with tailwinds, and engage with management to understand companies’ carbon emissions plans.



**TARGETING GREEN REVENUES:
MACKENZIE GREENCHIP TEAM**

Greenchip Financial Corp. joined the Mackenzie family in late 2020. As one of Mackenzie’s newest investment boutiques, Greenchip is meeting the growing investor demand for climate-focused products.

The team has focused exclusively on the environmental economy since 2007 and was previously a sub-advisor on the Mackenzie Greenchip Global Environmental All Cap Fund (previously known as Mackenzie Global Environmental Equity Fund). With Mackenzie Greenchip’s expertise in the energy transition and climate change, and a top-quartile track record among environmental thematic mandates, its sustainable solutions are quickly attracting new capital. The team prioritizes investment in climate solutions and seeks to contribute to achieving net-zero carbon emissions in the real economy by 2050.

The Greenchip investment philosophy:

1. A historic Great Energy Transition is underway, creating a tailwind behind environmental sectors and significant new risks for unprepared investors
2. Environmental-sector growth, technologies and regulatory policies are often misunderstood and, as a result, securities may be mispriced
3. Greenchip’s global approach, value strategy and bottom-up process is right for this space

The team’s investment process starts with an exclusive focus on companies whose revenues are generated selling environmentally superior products and services. These include: clean and renewable energy, energy efficiency, clean-up technologies, water, sustainable agriculture, and transportation.



Greg Payne
SVP, Portfolio Manager, Team Co-Lead

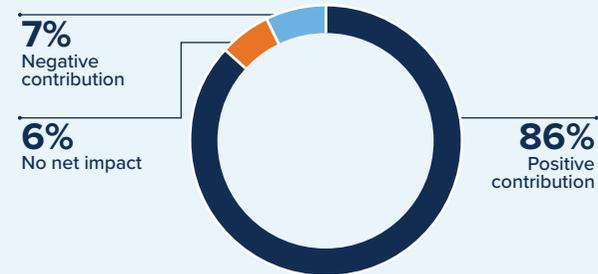


John Cook
SVP, Portfolio Manager, Team Co-Lead

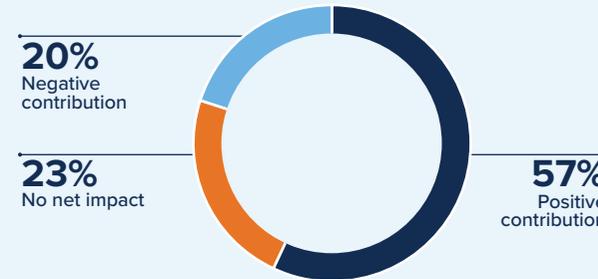
Mackenzie Greenchip Global Environmental All Cap Fund – UN SDG contribution

Greenchip’s positive contribution is considerably higher than its benchmark (86% vs 57%).

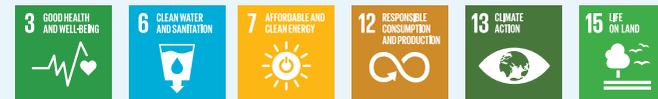
GREENCHIP ALL CAP FUND



BENCHMARK (MSCI ACWI)



GREENCHIP ALL CAP FUND CONTRIBUTES MOST TO THE FOLLOWING UN SDGs



**PROCESS IN ACTION:
SEEING THE LIGHT
IN EFFICIENCY
TECHNOLOGIES**

Energy efficiency presents more investment opportunities than most investors realize. It’s an area that still holds significant potential for innovation. Efficiency technologies that can be “bolted on” to traditional industrial processes are, in our opinion, the most likely to be adopted.

LED lighting is an excellent example. Switching to LEDs has been a very low risk and economically appealing shift for property owners and operators.

In this space, one of the companies we like most is Signify (Netherlands). Signify was spun out of Philips in 2016 and is the largest manufacturer of energy efficient LED lights in the world. The transition away from legacy products to LED lighting has been challenging for most manufacturers. With Signify’s dominant market position and global brand, and our long-term investment horizon, we believe the company is at the forefront of this space and well positioned for future growth.

**TARGETING ESG IMPROVERS:
MACKENZIE RESOURCE TEAM**

The Mackenzie Resource team believes that the world economy is retooling to achieve better sustainability. Companies and industries demonstrating strong ESG factors are likely to see the sustainability of their free cash flows strengthen. Global resource companies managing their social and environmental license to operate, while providing products with improved carbon footprints, are expected to outperform those that do not.

ESG factors influence our return expectations, both at the industry and company level. ESG factors will differentiate the long-term price of commodities, as consumers opt for more sustainable products and avoid polluting commodities. For instance, we have long featured copper, lumber and natural gas industries in the portfolio and continue to perceive these as enablers to a more sustainable economy. At the company level, we target ESG “improvers” such as companies demonstrating carbon emission improvement exceeding their peers.

The team believes that companies with the largest potential for improvement in industries with ESG tailwinds are expected to perform best over time. On the other hand, sectors and companies that face waning demand or do not embrace environmental best practices such as actively taking steps to reduce carbon emissions are likely to underperform.

“We assess climate risk on a historical and forward-looking context to gauge each company’s emissions trajectories. We encourage companies to have a tangible, detailed five-year decarbonization plan.”

Sarah Pupovac, Senior Investment Analyst



Benoit Gervais
SVP, Portfolio Manager, Team Lead



Sarah Pupovac
Senior Investment Analyst

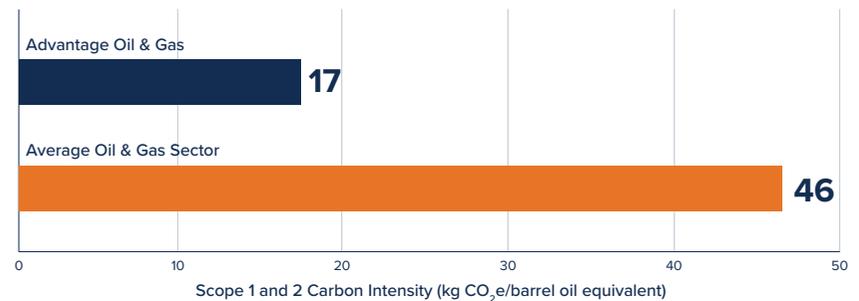
**PROCESS IN ACTION:
IMPLEMENTING A DECARBONIZATION PLAN**

Advantage Oil & Gas (Canada) has a current carbon intensity that, at 17 kg CO₂e per barrel of oil equivalent, is at a level significantly lower than the energy universe.

Advantage is also a climate improver. The company plans to achieve net-zero emissions by 2025, which would represent top-quartile decarbonization performance (top 25% among its peers) and would also be well ahead of Canada’s 2050 decarbonization targets. Advantage has developed a proprietary post-combustion carbon capture technology, which lends credence to its decarbonization plans. Its expertise could also be translated into additional earnings for shareholders.

Advantage’s current earnings come largely from natural gas, a commodity required for the transition. Renewable energy, although increasingly affordable, currently presents issues of intermittency: energy generation from renewables such as wind and solar is currently not consistent and may not meet power demand during peak periods. Hence, natural gas can be used to stabilize the electrical grid and allow for expanded use of renewable power as technologies advance.

CARBON INTENSITY OF PRODUCTION



Source: Mackenzie estimates, company reports, Bloomberg, S&P Global Trucost.

Diversity, equity and inclusion: Board and executive diversity

Mackenzie is proud to operate in diverse and multicultural centres across the globe and we want our company to reflect the richness of that diversity. We believe diverse, equitable and inclusive companies are more successful because they can attract and retain a deeper employee talent pool, have stronger engagement with their stakeholders, and generate better financial performance. Beyond simply good business, it is the right thing to do. That's why we're committed to diversity initiatives within Mackenzie and externally, by supporting the organizations detailed below.



We signed the BlackNorth Initiative pledge, committing to take action to help end anti-Black systemic racism. As a signatory, Mackenzie has made a goal of, at a minimum, 3.5% of our executive and Board roles based in Canada to be held by Black leaders by 2025. In addition, through donations and sponsorships, we will promote investment and create economic opportunities in the Black community.



We signed the Responsible Investment Association's **Canadian Investor Statement on Diversity & Inclusion**. The statement acknowledges the existence of systemic racism and its impacts on Black and Indigenous communities and people of colour. It encourages Canadian public companies and investment organizations to address inequities by advancing diversity and inclusion efforts and enhancing transparency and accountability.



As a partner with Gender and the Economy, Mackenzie supports and participates in changing the conversation on a wide range of issues including diverse representation on corporate boards, women's entrepreneurship, pay equity, diversity and inclusion in business, and transgender inclusion.



We were an early signatory of the Women's Empowerment Principles, a joint initiative of the UN Global Compact and UN Women that emphasizes the business case for corporate action to promote gender equality and women's empowerment. Mackenzie is committed to advancing women through education, financial security and career opportunities.



Mackenzie is a partner of Pride at Work Canada, which empowers employers to build workplaces that celebrate all employees regardless of gender expression, gender identity and sexual orientation.



In partnership with Women in Capital Markets, we are dedicated to accelerating women across the finance industry. This is done through building the talent pipeline and learning from research and advocacy.



Catalyst is a global non-profit supported by many of the world's most powerful CEOs and leading companies to help build workplaces that work for women. As members, we have access to research and resources about advancing women and other areas of diversity.



Mackenzie is a supporter of Time's Cause, a survivor-led firm specializing in education, awareness and prevention of human trafficking and modern-day slavery.

GENDER DIVERSITY:

MACKENZIE GLOBAL WOMEN'S LEADERSHIP FUND AND ETF

The **Mackenzie Global Women's Leadership Fund** and **ETF** are broadly diversified funds that invest only in companies committed to gender diversity and women in leadership. Both the mutual fund and the ETF are sub-advised by Impax Asset Management LLC, which established certain gender leadership criteria for fund holdings. These include the number of women on the Board of Directors and in executive management, having a female CEO and CFO, and whether the company is a signatory to the Women's Empowerment Principles (WEPs).

Impax ranks companies in the MSCI World Index according to their Impax Gender Score, then uses a proprietary process to construct the portfolio, comprising approximately 400 of the highest-ranked companies out of the roughly 1,600 companies in the Index.

In its engagements, Impax aims to influence corporate policies and behaviours so that companies reap benefits associated with gender diversity. For example, they have filed shareholder proposals related to pay equity and board diversity.

One of the fund's holdings is coffee giant Starbucks Corporation (United States), which operates retail locations worldwide and sells whole bean coffees through various channels. Women comprise 42% of Starbucks' Board of Directors and 56% of the company's executive management team. Rachel Ruggeri is Starbucks' CFO and Melody Hobson serves as Board Chair. The company has achieved 100% pay equity for women and men and people of all races performing similar work in the United States and is committed to achieving pay equity in all markets globally. Starbucks has created a set of Pay Equity Principles and best practices, and is sharing them with other companies to encourage greater equity around the world.

The company has set representation goals across all roles, including, at minimum, 40% people of colour and 55% women in all retail roles, and 50% women and 30% people of colour for all enterprise roles by 2025.

COMPANIES IN MACKENZIE GLOBAL WOMEN'S LEADERSHIP FUND VS GLOBAL AVERAGE

	Companies in Fund	MSCI World Index
Board seats held by women ¹	42%	32%
3 or more women on the Board ²	97%	60%
Women in executive management ¹	35%	24%
3 or more women in executive management ²	75%	39%
Woman CEO or CFO ²	39%	17%

¹ Weighted average.

² Percent of securities.

Source: MSCI World Index, Impax Gender Analytics, as of Dec. 31, 2021.

GENDER CRITERIA



Representation of women on the Board of Directors



Representation of women in executive management



Hiring, promotion & retention of women



Gender pay equity



Proactive gender goals and targets and/or signatory to WEPS



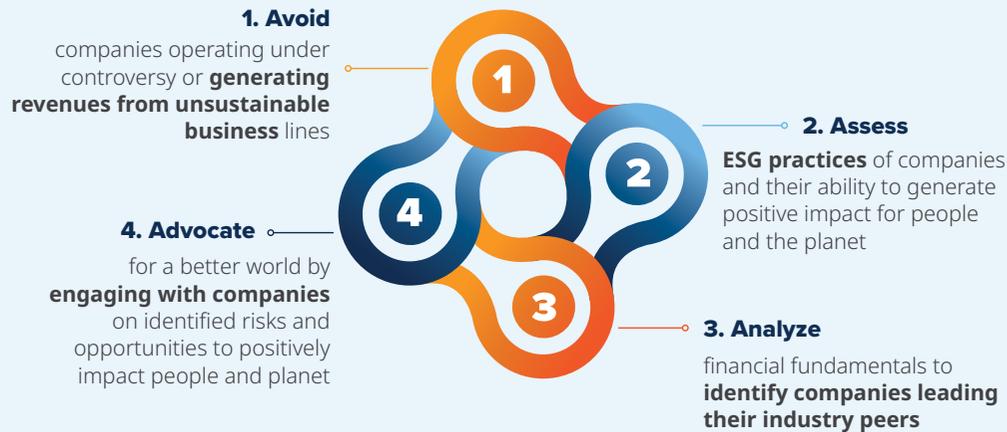
Transparency about gender diversity data

RELEVANT UN SDG



**SOLUTIONS TO GLOBAL SOCIETAL PROBLEMS:
MACKENZIE BETTERWORLD TEAM**

Our Betterworld team uses a proprietary process to invest in companies helping to make the world a safer, fairer and more sustainable place. Their process is focused on four key areas:



“If you’re balancing the interests of the stakeholders in a company, you are going to generate some positive impact. We wanted our name to highlight the “why” of our investment process. The capital that investors entrust us with is allocated to companies we think can make a difference.

The team assesses companies’ alignment with and support for the UN SDGs because, as an international framework focused on improving health, wellness and prosperity globally, these goals are suitable for a global equities portfolio. Over the last decade, as the SDGs have been adopted by entities around the world, they also provide a common language when speaking with company management teams.

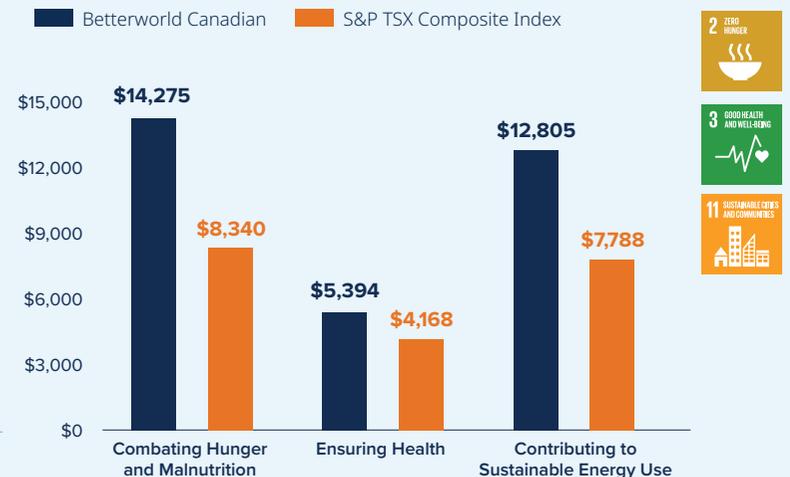


Andrew Simpson
SVP, Portfolio Manager,
Team Lead

SIGNIFICANT CONTRIBUTION TO SUSTAINABILITY OBJECTIVE
(Attributable Revenues per \$1M US Invested; Source: ISS ESG)



SIGNIFICANT CONTRIBUTION TO SUSTAINABILITY OBJECTIVE





Good governance: The foundation of responsible investing

Good governance ensures that a company or sovereign debt issuer operates with integrity and has policies and procedures that minimize risk exposure and effectively represent stakeholders' interests.

Our parent company, IGM Financial, enhanced its own governance practices in 2020 and 2021 through the following steps:

- The Board and Senior Management Diversity Policy includes a provision relating to the process used to identify and evaluate individuals for both Board and executive management roles. Under the policy, diversity includes, but is not limited to, women, Indigenous people, persons with disabilities and members of visible minorities.

- Adopted a target of 30% minimum representation of both men and women on the IGM Board and exceeded the target in 2021, with women directors representing 33% of the Board.
- Expanded proxy circular disclosures regarding executive compensation and board processes, including director education and evaluation.

When investing on behalf of clients, our investment teams focus on governance issues because we believe

they shed light on the quality of management and boards of directors. Well-managed companies and debt issuers tend to produce above-average long-term, sustainable returns.

Topics that our teams are interested in include: the composition and independence of portfolio company boards; executive compensation structure; ESG oversight and ESG performance metrics; diversity of management and the Board; reported or perceived corruption; and supply chain issues and monitoring.

RELEVANT UN SDGs



**THE SEARCH FOR QUALITY:
MACKENZIE IVY TEAM**

The Mackenzie Ivy team has expertise in global equities and manages a variety of Canadian and international funds. We believe that a fairly concentrated portfolio of high-quality businesses, bought at reasonable prices, will deliver above-average returns over time. With this long-term mindset, our team identifies businesses with competitive advantages and positive corporate cultures. Such businesses, in our view, are more sustainable and better able to manage potential challenges of the business cycle, shifting competition and other external changes.

At Ivy we've always considered material ESG factors in our analysis because this provides a more comprehensive understanding of a company's strengths, weaknesses, opportunities and threats. In recent years, ESG factors have become more explicitly incorporated into our company models and qualitative assessments.

Mackenzie Ivy analysts identify specific issues through primary research. Sources include regulatory filings, corporate reports, conference calls and industry associations. Guidance from the Value Reporting Foundation (which includes the Sustainable Accounting Standards Board) and information from other third-party sources help ensure we consider all relevant topics and metrics. We assess the significance of ESG opportunities and threats, and whether a company has robust long-term planning in place to address them.

Where appropriate, we engage with management teams to better understand their plans. ESG analysis contributes to the assessment of a company's quality, either positively or negatively, and may also affect expectations for a company's long-term growth and returns. Combined, these views help determine whether we will invest in a company and if so, the size of an investment.

ESG factors often affect the quality of a company. We're looking for companies that are resilient and robust across different environments, over the long term.

Adam Gofton, VP, Portfolio Manager



Paul Musson
SVP, Portfolio Manager, Team Lead



Adam Gofton
VP, Portfolio Manager

**PROCESS IN ACTION:
THE VALUE OF CORPORATE CULTURE**

ESG contributes positively to our quality rating of Admiral Group (United Kingdom), due in part to our views on the company's culture.

The industries Admiral operates in (car insurance, online price comparison, personal loans) do not have significant ESG-related risks, but are highly competitive – Admiral's ability to continue to grow and compete in these industries relies heavily on its culture. The company takes great pride in its employee-centred culture, has worked hard to build and sustain it, and has won several awards over the years from Great Place to Work and other institutions. They have instilled an ownership mentality in the workforce, supported by an annual award of shares to all employees. The majority of current executives have long tenure with the company, recognize the value of the culture and work to maintain it. We believe this will help the company to sustain its superior results in the long term.

Sustainability characteristics of our investment funds

In the following charts, we have provided a broad spectrum of sustainability (or ESG) measurements across some of our investment funds. We have listed our active mandates with sufficient data coverage.

Our culture

2021 sustainable investing at a glance

CEO message

Sustainable investing approach

Sustainable investing oversight

Delivering on our sustainable investing goals

Sustainability characteristics of our investment funds

Supplementary Report: Sustainability Practices of Mackenzie Europe

Asset Class	Mackenzie Strategy (Analysis based on December 31, 2021 holdings)	Mackenzie	MSCI	Morningstar		ISS	S&P Global Trucost	Sustainalytics	Bloomberg		Other Third-Party Data		
		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
		<i>Total Assets Under Management (in thousands CAD as of Dec. 31, 2021). Assets calculated across all marketable funds and may include double counting.</i>	<i>Rating: AAA, AA (Leader); A, BBB, BB (Average); B, CCC (Laggard)</i>	<i>Portfolio coverage %</i>	<i>ESG rating: High = 5 globes, Above Average = 4 globes, Average = 3 globes, Below Average = 2 globes, Low = 1 globe</i>	<i>Portfolio coverage % (corporate/sovereign)</i>	<i>Portfolio weight in % with positive impact (contributions) on the 17 UN SDGs</i>	<i>Weighted Average Carbon Intensity is shown as tCO₂e/USDM revenue</i>	<i>Portfolio weight in % with exposure to companies in violation with the UN Global Compact "Norms." Includes companies flagged as "uncompliant" and "watchlist".</i>	<i>Portfolio weight in % with >30% Women on the Board</i>	<i>Portfolio weight in % with >30% Women Executives</i>	<i>Portfolio weight in % with ESG-Labelled Debt (Green Bonds, Sustainable Bonds, Social Bonds and Sustainability-Linked)</i>	<i>Portfolio weight in % with targets set or committed</i>
SUSTAINABLE CORE													
Balanced	Mackenzie Global Sustainable Balanced Fund	95,102	AA	92%	🌐🌐🌐🌐	92% / 100%	65%	230	7	62	26	0	26
Equity	Mackenzie Betterworld Canadian Equity Fund	4,488	AAA	92%	🌐🌐🌐🌐	99% / -%	45%	84	0	74	24	0	11
Equity	Mackenzie Betterworld Global Equity Fund	11,353	AAA	97%	🌐🌐🌐🌐	98% / -%	67%	52	2	61	18	0	39
Fixed Income	Mackenzie Global Sustainable Bond ETF	199,764	*	-%	🌐🌐🌐🌐	87% / 100%	81%	416	0	*	*	73	8
Fixed Income	Mackenzie Global Sustainable Bond Fund	50,924	A	84%	🌐🌐🌐🌐	81% / 100%	78%	389	0	*	*	72	7
SUSTAINABLE THEMATIC													
Balanced	Mackenzie Greenchip Global Environmental Balanced Fund	69,998	AA	88%	🌐🌐	89% / 100%	83%	472	2	40	13	43	34
Equity	Mackenzie Greenchip Global Environmental All Cap Fund	1,878,874	A	89%	🌐🌐	94% / -%	86%	319	3	52	18	0	46
Fixed Income	Mackenzie Global Green Bond Fund	34,659	*	-%	🌐🌐🌐🌐	84% / 100%	81%	*	0	*	*	85	17

Asset Class	Mackenzie Strategy (Analysis based on December 31, 2021 holdings)	Mackenzie	MSCI	Morningstar		ISS	S&P Global Trucost	Sustainalytics	Bloomberg		Other Third-Party Data		
		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
SUSTAINABLE IMPACT													
Equity	Mackenzie Global Women's Leadership ETF	31,136	AAA	99%	🌐🌐🌐🌐	100% / -%	56%	75	7	89	52	0	43
Equity	Mackenzie Global Women's Leadership Fund	41,729	AAA	100%	🌐🌐🌐🌐	100% / -%	56%	75	7	82	48	0	40
RESPONSIBLE INVESTMENT													
Balanced	Mackenzie Canadian Growth Balanced Fund	5,715,576	AA	93%	🌐🌐🌐🌐🌐	96% / 100%	51%	148	9	46	28	1	22
Balanced	Mackenzie ChinaAMC Multi-Asset Fund	4,781	*	-%	No Rating	-% / -%	67%	128	9	*	*	1	1
Balanced	Mackenzie Cundill Canadian Balanced Fund	454,847	AA	92%	🌐🌐🌐	97% / -%	36%	354	5	52	21	1	17
Balanced	Mackenzie Diversified Alternatives Fund	419,927	*	-%	No Rating	60% / 99%	*	*	*	*	*	0	3
Balanced	Mackenzie Global Growth Balanced Fund	1,007,872	AA	76%	🌐🌐🌐🌐🌐	93% / 99%	65%	*	9	55	30	0	37
Balanced	Mackenzie Global Growth Fund	2,129,474	AA	100%	🌐🌐🌐🌐🌐	94% / -%	65%	33	9	55	30	0	34
Balanced	Mackenzie Income Fund	1,799,545	AA	85%	🌐🌐🌐🌐	84% / 100%	44%	*	4	*	*	3	14
Balanced	Mackenzie International Dividend Fund	927,092	AA	100%	🌐🌐🌐🌐🌐	100% / -%	49%	51	1	69	25	0	21
Balanced	Mackenzie Ivy Canadian Balanced Fund	689,657	AA	94%	🌐🌐🌐	95% / 100%	48%	375	3	64	22	1	17
Balanced	Mackenzie Ivy Global Balanced Fund	1,500,300	AA	94%	🌐🌐🌐🌐🌐	98% / 97%	69%	83	6	62	30	1	35
Balanced	Mackenzie Maximum Diversification Canada Index Fund	43,116	A	100%	🌐	100% / -%	39%	216	0	59	18	0	14

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		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
Balanced	Mackenzie Strategic Income Fund	1,797,335	AA	85%	🌐🌐🌐	91% / 99%	44%	*	6	51	23	0	18
Balanced	Mackenzie USD Global Strategic Income Fund	144,093	A	94%	🌐🌐🌐	94% / 99%	43%	*	10	*	*	1	21
Equity	Mackenzie Ivy Global Equity ETF	31,598	AA	99%	🌐🌐🌐🌐	100% / -%	71%	38	6	66	31	0	42
Equity	Mackenzie Portfolio Completion ETF	4,175	A	67%	🌐🌐🌐	72% / 100%	*	*	*	*	*	0	12
Equity	Mackenzie Canadian Dividend Fund	2,473,652	AAA	99%	🌐🌐🌐	100% / -%	41%	315	3	77	33	0	19
Equity	Mackenzie Canadian Equity Fund	462,457	AAA	99%	🌐🌐🌐	99% / -%	34%	496	1	72	26	0	14
Equity	Mackenzie Canadian Growth Fund	5,440,618	A	99%	🌐🌐🌐🌐🌐	100% / -%	52%	46	10	54	34	0	27
Equity	Mackenzie Canadian Small Cap Fund	184,521	BBB	85%	🌐🌐🌐🌐	85% / -%	31%	154	0	*	*	0	5
Equity	Mackenzie ChinaAMC All China Equity Fund	253,108	*	-%	🌐🌐🌐🌐	95% / -%	42%	85	11	13	2	0	2
Equity	Mackenzie Cundill Canadian Security Fund	472,241	AAA	100%	🌐	99% / -%	32%	293	6	64	25	0	18
Equity	Mackenzie Cundill Value Fund	984,209	AA	99%	🌐	97% / -%	42%	146	13	52	23	0	28
Equity	Mackenzie Emerging Markets Fund	761,606	BBB	90%	🌐🌐	95% / -%	53%	550	15	6	6	0	14
Equity	Mackenzie Emerging Markets Large Cap Fund	254,765	*	-%	No Rating	-% / -%	52%	710	16	6	7	0	11
Equity	Mackenzie Emerging Markets Small Cap Fund	74,101	*	-%	No Rating	-% / -%	*	519	5	*	*	0	4

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Asset Class	Mackenzie Strategy (Analysis based on December 31, 2021 holdings)	Mackenzie	MSCI	Morningstar		ISS	S&P Global Trucost	Sustainalytics	Bloomberg		Other Third-Party Data		
		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
Equity	Mackenzie Global Dividend Fund	4,803,008	AA	99%	🌐🌐🌐	100% / 98%	44%	88	11	61	31	0	32
Equity	Mackenzie Global Equity Fund	169,945	AA	99%	🌐🌐🌐	98% / -%	53%	144	8	55	25	0	30
Equity	Mackenzie Global Resource Fund	231,047	AA	70%	🌐🌐	85% / -%	21%	752	7	29	8	0	2
Equity	Mackenzie Global Small-Mid Cap Fund	1,018,667	AA	97%	🌐🌐🌐🌐	100% / -%	51%	60	4	40	19	0	19
Equity	Mackenzie Ivy Canadian Fund	765,002	AA	99%	🌐🌐	100% / -%	51%	365	3	74	25	0	26
Equity	Mackenzie Ivy European Fund	112,088	AA	99%	🌐🌐🌐🌐🌐	100% / -%	57%	16	0	79	28	0	57
Equity	Mackenzie Ivy Foreign Equity Currency Neutral Fund	436,882	AA	98%	🌐🌐🌐🌐	100% / -%	69%	40	6	64	31	0	43
Equity	Mackenzie Ivy Foreign Equity Fund	4,022,491	AA	95%	🌐🌐🌐🌐	100% / -%	69%	41	6	65	31	0	38
Equity	Mackenzie Ivy International Fund	102,957	AA	100%	🌐🌐🌐🌐	100% / -%	60%	45	4	57	18	0	39
Equity	Mackenzie Maximum Diversification Emerging Markets Index Fund	11,419	AA	91%	🌐🌐	100% / -%	47%	376	3	7	11	0	13
Equity	Mackenzie Precious Metals Fund	370,703	AA	69%	🌐🌐	75% / -%	*	335	10	*	*	0	6
Equity	Mackenzie Private Equity Replication Fund	20,651	A	88%	🌐🌐🌐🌐	99% / 100%	53%	136	0	33	24	0	7
Equity	Mackenzie Tax Managed Global Equity Fund	3,615	*	-%	🌐🌐🌐	99% / -%	44%	51	11	63	25	0	23
Equity	Mackenzie US All Cap Growth Fund	984,415	AA	98%	🌐🌐🌐🌐🌐	97% / -%	67%	32	11	55	17	0	37

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		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
Equity	Mackenzie US Dividend Fund	55,985	A	97%	🌐	99% / -%	40%	92	14	56	26	0	19
Equity	Mackenzie US Growth Fund	873,639	A	100%	🌐🌐🌐🌐	100% / -%	66%	31	13	54	29	0	35
Equity	Mackenzie US Mid Cap Opportunities Currency Neutral Fund	48,503	A	96%	🌐🌐🌐🌐	100% / -%	56%	24	7	38	26	0	13
Equity	Mackenzie US Mid Cap Opportunities Fund	1,483,734	A	96%	🌐🌐🌐🌐🌐	100% / -%	56%	24	7	38	26	0	2
Equity	Mackenzie US Small-Mid Cap Growth Currency Neutral Fund	509,624	A	98%	🌐🌐🌐🌐	100% / -%	66%	24	6	35	22	0	2
Equity	Mackenzie US Small-Mid Cap Growth Fund	4,630,110	A	98%	🌐🌐🌐🌐	100% / -%	66%	24	6	36	22	0	1
Equity	Mackenzie Maximum Diversification All World Developed ex North America Index Fund	13,087	AA	99%	🌐🌐	99% / -%	49%	99	3	47	13	0	26
Equity	Mackenzie Maximum Diversification All World Developed Index Fund	45,632	AA	98%	🌐🌐	100% / -%	51%	104	7	50	28	0	25
Equity	Mackenzie Maximum Diversification Developed Europe Index Fund	2,603	AAA	96%	🌐🌐🌐	99% / -%	54%	74	3	67	22	0	39
Equity	Mackenzie Maximum Diversification US Index Fund	56,259	AA	98%	🌐🌐	99% / -%	54%	110	8	48	37	0	31
Fixed Income	Mackenzie Canadian Short Term Fixed Income ETF	30,131	AA	81%	🌐🌐🌐	98% / 100%	49%	*	*	*	*	4	7
Fixed Income	Mackenzie Core Plus Canadian Fixed Income ETF	541,276	AA	84%	🌐🌐🌐	73% / 100%	41%	*	*	*	*	6	3

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Asset Class	Mackenzie Strategy (Analysis based on December 31, 2021 holdings)	Mackenzie	MSCI		Morningstar		ISS	S&P Global Trucost	Sustainalytics	Bloomberg		Other Third-Party Data	
		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
Fixed Income	Mackenzie Core Plus Global Fixed Income ETF	246,646	AA	77%	No Rating	69% / 94%	*	*	*	*	*	8	3
Fixed Income	Mackenzie Floating Rate Income ETF	1,114,360	*	-%	No Rating	6% / 100%	*	*	*	*	*	2	5
Fixed Income	Mackenzie Global High Yield Fixed Income ETF	250,141	BBB	66%	No Rating	54% / 100%	*	*	*	*	*	4	6
Fixed Income	Mackenzie Unconstrained Bond ETF	1,093,869	*	-%	No Rating	47% / 100%	28%	*	*	*	*	3	5
Fixed Income	Mackenzie Alternative Enhanced Yield Fund	32,627	A	75%	No Rating	77% / 100%	58%	*	*	*	*	0	5
Fixed Income	Mackenzie Canadian Bond Fund	1,714,479	AA	90%	🌐🌐🌐	89% / 100%	47%	*	*	*	*	5	6
Fixed Income	Mackenzie Canadian Money Market Fund	823,607	AAA	93%	No Rating	96% / 100%	23%	*	*	*	*	0	7
Fixed Income	Mackenzie Canadian Short Term Income Fund	353,327	AA	83%	🌐🌐🌐🌐	75% / 100%	52%	*	3	*	*	7	14
Fixed Income	Mackenzie ChinaAMC All China Bond Fund	21,577	*	-%	🌐🌐	84% / 100%	*	205	*	*	*	3	3
Fixed Income	Mackenzie Corporate Bond Fund	403,336	A	66%	No Rating	51% / 98%	34%	481	*	*	*	2	4
Fixed Income	Mackenzie Credit Absolute Return Fund	134,466	A	73%	No Rating	55% / 100%	*	*	3	*	*	4	4
Fixed Income	Mackenzie Floating Rate Income Fund	813,050	*	-%	No Rating	5% / 100%	*	*	*	*	*	3	9
Fixed Income	Mackenzie Global Tactical Bond Fund	293,098	A	81%	No Rating	65% / 98%	37%	*	*	*	*	5	9
Fixed Income	Mackenzie Global Tactical Investment Grade Bond Fund	87,585	A	91%	🌐🌐🌐	84% / 98%	*	*	*	*	*	4	5

Asset Class	Mackenzie Strategy (Analysis based on December 31, 2021 holdings)	Mackenzie	MSCI		Morningstar		ISS	S&P Global Trucost	Sustainalytics	Bloomberg		Other Third-Party Data	
		AUM as of 12/31/2021	ESG Fund Rating	% Coverage	Sustainability Rating	% Coverage (corporate / sovereign)	Portfolios Exposure with Positive Impact	WACI	Global Standards Violations	Women on the Board	Women Executives	ESG-Labelled Debt Exposure (Fixed Income only)	Exposure to Companies with Science-Based Targets
Fixed Income	Mackenzie Investment Grade Floating Rate Fund	26,479	AA	92%	🌐🌐🌐	85% / 100%	70%	*	*	*	*	2	7
Fixed Income	Mackenzie North American Corporate Bond Fund	1,208,906	BBB	65%	No Rating	46% / 99%	*	*	*	*	*	3	4
Fixed Income	Mackenzie Strategic Bond Fund	506,919	AA	81%	🌐🌐	75% / 100%	*	*	*	*	*	5	4
Fixed Income	Mackenzie Unconstrained Fixed Income Fund	3,450,468	A	66%	No Rating	48% / 100%	29%	*	*	*	*	3	6
Fixed Income	Mackenzie USD Ultra Short Duration Income Fund	28,832	AAA	96%	🌐🌐🌐🌐	96% / 100%	27%	52	10	47	26	2	30
Fixed Income	Mackenzie USD Unconstrained Fixed Income Fund	34,452	A	65%	No Rating	46% / 100%	*	*	*	*	*	5	12

* Below coverage threshold.

- MSCI: In order to have a public MSCI ESG Fund Rating, a portfolio must meet an eligibility criterion of at least 65% of assets under management covered. Funds with no ratings here either do not meet eligibility or have not been rated by MSCI.
- Morningstar: In order to have a public Morningstar Sustainability Rating, a portfolio must have at least 67% of its assets under management covered. Funds with no ratings here either do not meet eligibility or have not been rated by Morningstar.
- Other metrics: In order to be considered for analysis, we apply an internal threshold of 70% of a portfolio's weight requiring coverage under each of our datasets; if this coverage threshold is not met, a metric will not be reported. This threshold is not applicable for our ESG-Labelled Debt or Science-Based Targets metrics.

Each Fund's ESG characteristics and performance may differ from time to time. Funds with an ESG related investment objective are referred to as "Sustainable Funds". Funds listed under the heading "Responsible Investing" do not have ESG-related investment objectives. Each Fund's MSCI ESG rating and Morningstar Sustainability Rating does not evaluate the ESG-related investment objectives of, or any ESG strategies used by, the Funds and is not indicative of how well ESG factors are integrated by the Fund. Other providers may also prepare fund-level ESG ratings using their own methodologies, which may differ from the methodologies used by Morningstar or MSCI as applicable.

Please refer to the simplified prospectus for the Funds for further information about each Fund's investment objectives and strategies.

ESG metrics definitions

ESG metrics	Definitions	Source
MSCI ESG Fund Ratings	<p>MSCI's ESG Fund Ratings are meant to measure environmental, social and governance (ESG) characteristics of a fund's constituents. MSCI uses a rating system, ranging from CCC (laggard) to AAA (leader), which considers individual holding scores, ESG momentum and ESG tail risk. The rating is determined based on a weighted average of the company-level ratings of the underlying holdings of the particular fund.</p> <p><i>These ratings are updated monthly. We have reported ratings as of the beginning of February.</i></p> <p><i>Under MSCI's ESG Fund Ratings methodology, a portfolio must meet an eligibility criterion of at least 65% of assets under management covered in order to have a public rating.</i></p>	MSCI Inc., 2022
Morningstar Sustainability Rating (globes)	<p>As per Morningstar's methodology, the sustainability rating is a measure of how well a portfolio, and its holdings, are performing through an ESG issues lens in comparison to its peer group. Higher number of globes indicates that portfolio has lower ESG risks. The rating is determined based on a weighted average of the company-level ratings of the underlying holdings of the particular fund.</p> <p><i>Ratings are as follows: High = 5 globes, Above Average = 4 globes, Average = 3 globes, Below Average = 2 globes, Low = 1 globe.</i></p> <p><i>These ratings are updated monthly. We have reported ratings as of the beginning of January.</i></p> <p><i>Under Morningstar's Sustainability Rating, a portfolio must have at least 67% of assets under management covered in order to have a public rating.</i></p>	Morningstar, Inc., 2022
Impact to the UN SDGs	<p>Companies are assessed based on their positive contribution (limited/significant), no net impact and negative obstructions (limited/significant) of their products and services towards meeting the United Nations Sustainable Development Goals (UN SDGs) as per ISS ESG's methodology.</p> <p><i>Data is updated on an annual basis through the integration of the newest annual/segment reporting by a company. Data is as of end of Q4 2021.</i></p> <p><i>Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.</i></p>	ISS ESG, 2022
Weighted Average Carbon Intensity (WACI) tCO ₂ e/USDM	<p>WACI, a carbon-intensity metric, measures a fund's exposure to carbon-intensive companies expressed in tonnes of carbon dioxide equivalent (tCO₂e) per million dollars US of revenue (USDM). This metric acts as a comparable between the fund and the benchmark, utilizing S&P Global Trucost's Scope 1 and Scope 2 greenhouse gas emissions data.</p> <p><i>Data is as of end of 2021.</i></p> <p><i>Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.</i></p>	S&P Global Trucost, 2022
Global Standards Screening	<p>Assessment of a company's impact on stakeholders and to what extent they may contribute, cause or be linked to violations of internationally determined norms and standards as per the United Nations Global Compact (UNGC). This assessment utilizes Sustainalytics' Global Standards Screening (GSS) methodology.</p> <p><i>Sustainalytics conducts ongoing analysis and reports updates quarterly. Notable updates may be made throughout the quarter if deemed significant. Data is as of end of Q4 2021.</i></p> <p><i>Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.</i></p>	Sustainalytics, 2022

ESG metrics	Definitions	Source
Board Diversity (Women)	<p>Board diversity is demonstrated through company filings; depicted as the percentage of women on a company's Board of Directors.</p> <p><i>Company filing is done on an annual basis. Data is as of end of Q4 2021.</i></p> <p><i>Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.</i></p>	Company filing data has been sourced from Bloomberg (2022)
Diversity at the Executive Level	<p>Number of women executives is demonstrated through company filings. This metric is depicted as a percentage of total executives. An executive may be defined by a company, the individuals that are on its board or executive/management committee.</p> <p><i>Company filing is done on an annual basis. Data is as of end of Q4 2021.</i></p> <p><i>Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.</i></p>	Company filing data has been sourced from Bloomberg (2022)
ESG-Labelled Debt Exposure	<p>ESG-labelled debt includes four categorizations:</p> <ol style="list-style-type: none"> 1. Green Bonds: Debt that is used to finance various climate or environmental-related projects. To become a "labelled" green bond, issuers must apply for certification by a recognized third party. 2. Social Bonds: Bonds that must be used to achieve positive social outcomes or address various social issues. 3. Sustainable Bonds: Bonds that are used to finance projects that combine both environmental and social issues, or address aspects of both. Issuing this sort of debt allows both corporations and governments to impact a wider range of initiatives. 4. Sustainability-linked Bonds: Bonds which have a variable component based on their ESG scores or certain set goals the company is attempting to achieve. These bonds usually have a mechanism that gives a strong incentive to the issuer to meet pre-defined sustainability targets, providing strong alignment between the sustainable and financial objectives of the issuer. <p><i>ESG-labelled debt indicators depend on the release of sufficient evidence of underlying security documentation at the time of issuance. As additional information becomes available, indicators may be updated thereafter. All data is as of end of Q4 2021.</i></p> <p><i>This metric is not subject to our coverage threshold of 70% and is applicable for fixed income instruments only.</i></p>	Bloomberg (2022)
Science Based Targets	<p>Science-based targets are emission reduction targets that are aligned with climate science to reduce emissions in line with net zero and/or the Paris Agreement goals. The Science Based Targets initiative (SBTi) validates the pathway of science-based company targets.</p> <p><i>SBTi updates their database on a rolling basis, depending on when targets have been validated and when commitments have been made. All data used is as of the end of Q4 2021.</i></p> <p><i>This metric is voluntary for a company and our coverage threshold of 70% is not applicable.</i></p>	Science Based Targets, 2022

Supplementary Report: Sustainability Practices of Mackenzie Europe

This supplementary report focuses on the sustainability and stewardship activities of Mackenzie Investments Europe Limited (“MIEL” or “Mackenzie Europe”) and its wholly owned subsidiary Mackenzie Investments Asia Limited (“MIAL” or “Mackenzie Asia”).

EU Shareholder Rights Directive II (SRD II) compliance

The Mackenzie Europe and Mackenzie Asia teams maintain an active dialogue with investee companies on themes that are material from a financial and sustainability perspective. Engagements are a means to influence corporate behaviour and positive change.

In accordance with the requirements of the EU SRD II, Mackenzie Europe and Mackenzie Asia are required to disclose an engagement policy on a comply or explain basis. The engagement policy is described in the Mackenzie Sustainable Investing Policy. Consistent with Mackenzie’s boutique structure, each investment team is required to systematically integrate material ESG risks using approaches that align with the CFA Institute ESG Integration Framework. This framework provides detailed guidelines that can be applied at various stages throughout the investment process.

Mackenzie Europe

The Mackenzie Europe team invests in companies that they believe have a sustainable competitive advantage in attractive markets, which translates into companies that are well positioned to generate superior long-term risk-adjusted returns. To enable ESG integration, Mackenzie Europe has developed a proprietary model for assessing investments. The model uses minimum assessment criteria for evaluating investments in all strategies managed by the team.

Analysis of ESG-related issues is integrated into due diligence tools through company analysis and by leveraging the proprietary model, which is updated in real time. ESG factors are prioritized using an internally developed scoring system as well as analysis of third-party research. Companies are ranked on governance, industry, ESG trajectory, regulatory environment, and social and environmental issues.

Through macroeconomic and industry-focused research, the team has identified specific industry features that are core to stewardship of ESG risks across companies within their peer groups. This assists the team in identifying where companies can add meaningful contributions to ESG issues on both an absolute basis and relative basis within their industry.



STEWARDSHIP IN ACTION:

ALIGNING TO THE SCIENCE-BASED TARGETS INITIATIVE (SBTi)

Cloetta AB (Sweden) is a leading confectionary company with a long-established brand and franchise in the Nordic countries. Mackenzie Europe's analysis noted that the quantity and quality of the company's ESG-related disclosures were below the standard of its industry peers. Through a series of engagements starting in 2020, including a management meeting, the team emphasized several areas requiring improvement, such as supply chain management and carbon emissions reduction. Since those engagements, the company implemented a new supplier code of conduct in early 2021 and published carbon-reduction targets, which envisage a 46% reduction in GHG emissions by 2030, relative to a 2019 baseline. These targets were submitted to the SBTi for verification in 2021.

46%
targeted reduction
in GHG emissions by 2030

Smurfit Kappa Group (Ireland) is a leading provider of paper-based packaging globally. While paper-based packaging can replace plastic, paper production is energy-intensive with a significant carbon footprint. The team continued to engage with management in 2021 to better understand their plans and actions pertaining to the company's carbon footprint and to accelerate the global transition to net-zero emissions. In our 2021 engagements we learned the group was making improvements in the energy efficiency of its corrugated factory footprint, which will reduce the firm's carbon dioxide output. This investment was financed through a capital raise in 2020, which Mackenzie Europe supported. The team also learned more about the company's interim carbon-reduction targets (on a path of well below 2°C), which were verified by the SBTi. The company started working with partners on developing cleaner and more efficient energy usage. Smurfit also developed innovative products such as a plastic-free, 100% renewable, recyclable and biodegradable alternative to the traditional shrink wrap consumer pack which has a lower carbon footprint.

TEAM MEMBERS WHO SPECIALIZE IN ESG



John Mullane

AVP, Portfolio Manager

John specializes in small and mid-cap equities. He has been successful in identifying several companies that are leaders in their sector with respect to the circular economy. He has worked with portfolio companies to support improvements in operational performance and reductions in GHG emissions.



Patrick Crown

Senior Investment Analyst

Patrick supports all Mackenzie Europe funds. He has identified and integrated credible datasets specific to each sector into due diligence tools that support targeted engagements. This has resulted in positive results, including water consumption policies at semiconductor companies and responsible gaming policies at consumer companies.



Mackenzie Asia

The Mackenzie Asia team believes success in fundamental investing is achieved by identifying undervalued, under-appreciated companies with a sustainable competitive advantage. Their primary skill is in identifying companies that combine credible management, a solid business strategy and strong governance – and trade at valuations that create the potential to produce superior investment returns for investors.

As investors with a long-term investment horizon, the team values resilient and sustainable business models. Given the concern over climate change, and the greater awareness of social and governance issues, the team believes long-term returns can be enhanced by incorporating sustainability characteristics into portfolio construction.

To support their analysis, an internal ESG ratings system is used. The proprietary ratings address the diversity of the Asian market and cultures: Asia has many developing regions with exposure to commodities and high-emitting industries, so country and industry characteristics are taken into consideration. The team considers relative exposures of the companies in a region and industry, and their plans to address the spectrum of ESG issues and opportunities, including governance concerns and climate change in a medium- to long-term time horizon. Absolute levels or measurements are merely the starting point – future strategy, expected changes and reinvestment plans are also important.

STEWARDSHIP IN ACTION:

ADVANCING GOVERNANCE PRACTICES

China Overseas Land & Investment (China):

In November 2020, global political conditions prohibited some investors from transacting in publicly traded securities of certain Chinese companies. While the company was not explicitly included in this investment ban, investors started to sell off shares. The team wrote to the Board of Directors, urging the company to conduct share buybacks and raise the dividend payout ratio to regain investors' confidence. The company acted: it bought back 10.27 million shares (0.21% of free-floated shares) in the next two months and raised the dividend payout ratio to 30% (from 28% in 2019), which helped to minimize the selloff. This shows the strong emphasis we place on robust corporate governance and the positive impact it brings to stakeholders.

WH Group (China), a global pork producer, appeared to be grossly undervalued. The company had not articulated a comprehensive capital return framework. The team engaged with management and suggested three potential ways to boost its share price: 1) Conduct a share buyback (the company had never done one); 2) Impose a progressive dividend policy; or 3) Separate the listing for its U.S. and European subsidiary. Shortly after the engagement, the company announced an unexpected large-scale tender offer and buyback, equivalent to 13% of outstanding shares. Through strategic corporate engagement with management, our governance concerns were noted and acted upon, indicating the influence we can have as active owners.

TEAM MEMBERS WHO SPECIALIZE IN ESG



Mark Whelan

Director, Investment Research
Mark has a research specialty in electric batteries and electric vehicles. Asia has many global leading companies in the field, mainly in China and South Korea, and the development of these industries will make a significant contribution to carbon neutrality.



Michael Chan

Senior Investment Analyst
Michael covers China and Hong Kong. He has participated in several key engagements with Chinese companies to improve corporate governance and shareholder value. These engagements have helped persuade companies to improve some of their capital return policies.

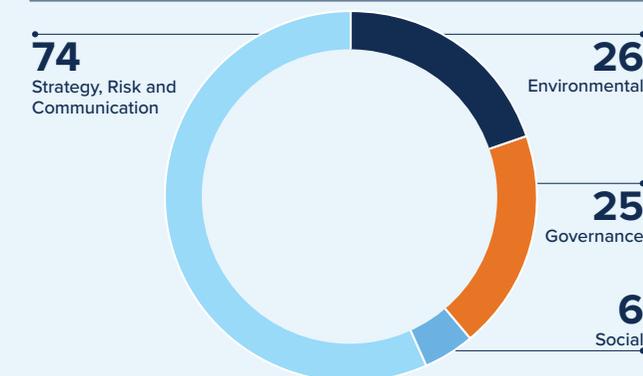
DIRECT ENGAGEMENTS:

MACKENZIE EUROPE AND MACKENZIE ASIA

Our two investment teams engaged with a total of 120 companies in 2021, holding 131 discussions on ESG topics. The majority of these discussions led to positive outcomes.

Theme	Mackenzie Asia	Mackenzie Europe	Total
Strategy, Risk and Communication	23	51	74
Environmental	13	13	26
Governance	17	8	25
Social	3	3	6
Total	56	75	131

ASIA AND EUROPE



Outcomes	Mackenzie Europe	Mackenzie Asia
Objective fully achieved	6	15
Objective or outcome partially achieved	53	12
Issue acknowledged and pending commitment or action	5	10
Engagement in progress	22	30

120

companies were engaged by our two investment teams in 2021

86

engagements yielded positive outcomes and met the teams' objectives

ENGAGEMENTS COMPLETED BY FEDERATED HERMES EOS ON OUR BEHALF

We supplement our internal engagement through our partnership with Federated Hermes Equity Ownership Services (EOS). This extends our reach and influence, and enhances our market insights. In 2021, Hermes EOS engaged on our behalf with 160 European and Asian companies, holding 660 conversations. These engagements are grouped into the following themes:

Theme	Mackenzie Europe	Mackenzie Asia
Strategy, Risk and Communication	54	29
Social and Ethical	111	53
Governance	153	81
Environmental	115	64
Total	433	227



136
engagements on
Climate Change



106
engagements
on Executive
Remuneration



57
engagements on
Board Diversity,
Skills and Experience

PROXY VOTING

We vote proxies in the best interests of our clients, taking into consideration material ESG risks. We conduct our own analysis, which means at times we do not vote in accordance with management recommendations. Our proxy voting record for mutual funds and ETFs is disclosed on our website.

	Total meetings voted	Total proxy items voted	Votes with mgmt*	Votes against mgmt*	% of votes with mgmt*	% of votes against mgmt*
Mackenzie Europe	344	15,935	15,004	744	94%	5%
Mackenzie Asia	502	15,957	14,495	801	91%	6%

* mgmt = management

Alignment to the UN SDGs

Mackenzie supports the 17 UN SDGs that collectively represent a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. Federated Hermes EOS categorizes engagements conducted on our behalf according to the SDG objectives.

SDG		Mackenzie Europe	Mackenzie Asia
	01: No poverty	5	2
	02: Zero hunger	4	0
	03: Good health and well-being	17	6
	04: Quality education	1	1
	05: Gender equality	29	26
	06: Clean water and sanitation	3	3
	07: Affordable and clean energy	29	18
	08: Decent work and economic growth	46	10
	09: Industry, innovation and infrastructure	11	3

SDG		Mackenzie Europe	Mackenzie Asia
	10: Reduced inequalities	23	17
	11: Sustainable cities and communities	3	3
	12: Responsible consumption and production	75	35
	13: Climate action	82	53
	14: Life below water	1	0
	15: Life on land	9	2
	16: Peace, justice and strong institutions	23	9
	17: Partnerships for the goals	4	1

SIGNIFICANT PROXY VOTES IN 2021

Vinci (France): We voted against the remuneration policy on the basis that the targets included the company's Climate Disclosure Project (CDP) score, rather than an actual carbon emissions reduction target. Given the threshold for the CDP score was below what the company has achieved in recent years, this reinforced our perception that this could be a soft target. In addition, we felt the fee structure could undermine the role of the lead director, which we felt was inappropriate since there is a combined CEO and Chair. (Vote outcome was FOR.)

Bakkafrost (Faroe Islands): We voted against the election of a number of nomination committee members due to the lack of gender diversity on the Board. We believe shareholders' interests are best served by companies having sufficient gender diversity at board level. Having reviewed the proposals and noting that the company had continually failed to achieve a higher level of gender diversity in alignment with the Norwegian Public Company Act, we voted against the company's election of nomination committee members. (Vote outcome was FOR.)

Alstom (France): We voted against the remuneration of the Chair and CEO. Our rationale was that both return on assets and return on invested capital metrics for the company lagged its peer group over a five-year period; as a result, we would not support an executive pay structure above the industry peer group. (Vote outcome was FOR.)

Fujitsu (Japan): We voted for the election of a director, who is Chief Investment Officer of the company's largest investor and has been encouraging the company to improve corporate governance and shareholder return. Our proxy advisor recommended we vote against the election due to potential lack of sufficient time to allocate to a director's role. The team considered the director's contribution in the past and expected contribution in the future, and voted for the individual. (Vote outcome was FOR.)

Industrial and Commercial Bank of China (China): We voted against the election of directors and our view was that the group's declining profitability and poor share price performance did not indicate that the directors are protecting the interests of shareholders. (Vote outcome was FOR.)

Steadfast Group Limited (Australia): The team communicated with this company about our concerns with their remuneration proposal in 2020, which at the time lacked sufficient performance-based compensation. In 2021, the company introduced more performance-based pay. Considering this incremental improvement, the team voted for the proposal. (Vote outcome was FOR.)



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