MACKENZIE
Investments

2024 Sustainable Investing Report

Staying the course.

Published on: April 10, 2025

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About this report

In Mackenzie Investments' fourth Sustainable Investing Report, we share with our clients, investors and stakeholders how our investment boutiques consider material environmental, social and governance (ESG) factors in their investment processes and how we, as a company, have committed to sustainable and responsible practices.

We have adopted the terms "sustainability" and "sustainable investing," but you may also see reference to "responsible investing," "ESG investing" or "socially responsible investing."

The information presented in this report is as of December 31, 2024, unless otherwise stated. All dollar amounts are in Canadian currency unless otherwise stated.

This report complements information in other publications, including the following:

- Mackenzie Investments 2023 Sustainable Investing Report
- Mackenzie Investments Sustainable Investing Policy
- 2024 Proxy Season Review
- IGM Financial 2023 Sustainability Report
- IGM Financial Inc. 2024 Annual Report

Learn more at mackenzieinvestments.com

Katie Longboat Fancy Shawl Dancer, designed by Monique (Mo Thunder) Bedard.

Land acknowledgment

We acknowledge that Mackenzie's head office is situated on the traditional territories of the Mississaugas of the Credit, Chippewa, Anishnabeg, Haudenosaunee and Wendat Indigenous Peoples. We are grateful to have the opportunity to work in this community and also recognize our employees working from places, near and far, acknowledging the traditional owners and caretakers of those lands.

About Mackenzie Investments

Founded in 1967, Mackenzie Investments ("Mackenzie") is a Canadian global asset manager with investment offices across Canada, and in Boston, Hong Kong and Dublin. 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"). Mackenzie provides investment solutions and related services to retail and institutional clients through multiple distribution channels. Our 16 specialized investment teams offer expertise across traditional and non-traditional asset classes and cover a wide spectrum of sustainable investment approaches.

Our ownership structure is one of our key differentiators. Mackenzie is wholly owned by IGM Financial Inc. (TSX: IGM), one of Canada's premier financial services companies with approximately $270 billion[1] in assets under management (AUM) and assets under advisement (AUA). Our global footprint extends to our strategic investments in China Asset Management Corporation ("ChinaAMC") and Northleaf Capital Partners ("Northleaf"). Additionally, IGM's controlling shareholder is Power Corporation (TSX: POW), with $3.2 trillion in AUA, giving us access to partners and experts from across Canada Life, Irish Life, Portage Ventures and Power Sustainable.

$213 billion
assets under management[1]

1,362
Mackenzie employees

200+
investment professionals

1 Number has been rounded to nearest integer.

Message from the CEO

It is my pleasure to present Mackenzie's 2024 Sustainable Investing Report.

"Being responsible in all that we do" remains a core principle for everyone at Mackenzie Investments. Responsibility is the bedrock of successful companies, and as an asset manager, this principle extends to our fiduciary duty in managing investments. In a rapidly changing world, it is especially important to hold firm to our principles and the actions they inspire, ensuring we remain steadfast and resilient amidst the evolving landscape. By staying the course, we ensure that our commitment to responsibility continues to guide our actions and decisions, fostering long-term success and stability.

As responsible investors, we are uniquely positioned to navigate today's challenges by diligently assessing the corporate practices of the companies we invest in, the long-term impact of their products and services, and the external factors that may impact their business in the short, mid or long term. By integrating responsibility into our investment strategies, we not only fulfill our duty to our clients but can also contribute to a more resilient future.

In 2024, our company contributed to key milestones that I'm proud to recognize.

We celebrated our 10th anniversary as a signatory to the United Nations-supported Principles for Responsible Investment (PRI), and we earned the distinction of lead sponsor of PRI in Person, the world's foremost responsible investment conference, held in Toronto in October of 2024. The sponsorship selection process is rigorous, and I am honoured that PRI recognized Mackenzie for our leadership in advancing responsible practices both within Mackenzie and across our industry more broadly.

We also marked the 25th anniversary of the Mackenzie Investments Charitable Foundation, our employee-run and employee-funded charitable organization. Since its inception in 1999, the foundation has been a catalyst for employee engagement and has granted nearly $16 million to over 92 grassroots charities that touch the lives of so many Canadians.

We achieved significant business results in 2024. Our clients recognized the value of being invested in the markets despite recent volatility and were rewarded with strong returns. We sustained assets in our sustainable investment funds at $5.8 billion, and the Mackenzie Greenchip Global Environmental All Cap Fund continued to be one of Canada's largest energy transition themed mutual funds.

I am delighted that Mackenzie was awarded the Climate Change Partner Award by Institutional Connect. Our parent company, IGM Financial, continued to be recognized as one of Canada's Best Diversity Employers and, for the sixth year in a row, was named one of the world's 100 most sustainable organizations in Corporate Knights' 2024 Global 100 Most Sustainable Corporations ranking. These accolades, among others, are a testament to our strong corporate culture that values diversity, inclusion and employee well-being.

While we have accomplished much, there's an urgency for continued progress. The sustainability journey continues to be challenging and one we can't tackle alone. That is why we remain steadfast in our commitment to advancing sustainability both within Mackenzie and throughout our industry by working collaboratively with our clients, peers and partners to strive for a more sustainable future for all.

Luke Gould
President and Chief Executive Officer

"As responsible investors, we are uniquely positioned to navigate today's challenges by diligently assessing the corporate practices of the companies we invest in, the long-term impact of their products and services, and the external factors that may impact their business in the short, mid or long term."

Mackenzie's sustainable investing journey

2014

Became a **PRI signatory**

2017

Introduced global sustainable bond strategy and capability and **launched sustainable investment funds**

2018

Launched energy transition fund, sub-advised by Greenchip Financial

2019

Appointed the **first executive to lead sustainability efforts**

2020

Launched the **Sustainability Centre of Excellence**

Acquired Greenchip Financial, **establishing the first sustainably focused boutique**

Partnered with Wealthsimple to **launch socially responsible ETFs**

Resource team **advanced its environmental risk factors** across portfolios

2021

Launched a second sustainably focused boutique, **Betterworld**

Launched **five new sustainable funds**

Global Quantitative Equity (GQE) team **launched ESG factor alpha model**

Became a founding member of **Climate Engagement Canada**

Partnered with IG Wealth Management to **launch four IG Climate Action Portfolios**

2022

Published inaugural Sustainable Investing Report

Announced 2030 interim climate targets **prioritizing 24% of assets**

Launched the Top 100 Engagement Program, focusing on the highest financed emissions

Mackenzie Fixed Income **becomes co-lead investor in the Wildlife Conservation Bond,** referred to as the Rhino Bond

2023

Launch of **Mackenzie Corporate Knights Global 100 Index ETF and Fund**

Mackenzie Greenchip Global Environmental All Cap Fund surpasses **$3 billion in AUM, becoming one of Canada's largest thematic funds**

Partnered with **Bloomberg and MSCI** to enhance sustainability data capabilities

2024

Mackenzie Investments Charitable Foundation **celebrated its 25th anniversary**

Launched **integrated stewardship capabilities**

Selected as the **UN PRI lead sponsor**

Recognized for our comprehensive climate program by Institutional Connect

Mackenzie Sustainability Centre of Excellence and supporting partners.

2024 sustainable investing at a glance

1 Maintained our sustainable investment and ESG integrated offering

- Sustainable investment solutions assets stand at $5.8 billion.
- 95% of assets consider material ESG factors.

2 Increased firmwide stewardship capabilities

- Engaged with 209 companies on 891 topics.
- Implemented proxy voting focused list of 92 companies.
- Published our inaugural Proxy Season Review.

3 Strengthened our industry relationship

- Marked our 10th anniversary as a signatory to the PRI.
- Partnered with Finance Montréal on the 2024 Sustainable Finance Summit in Montreal.
- Signed the Statement by the Québec Financial Center for Sustainable Finance to prioritize sustainable investing in Quebec.
- Continued to partner with the Responsible Investment Association.
- Lead sponsor for the UN PRI in Person 2024 investment conference which took place in Toronto in October 2024.
- Became IFRS Sustainability Alliance member.
- Participated in consultations and forums in support of sustainability disclosures, including with the Canadian Sustainability Standards Board (CSSB) and the Competition Bureau.
- Facilitated education and insights to over 3,500 attendees at over 65 events hosted by Mackenzie and our key partners.

4 Marked 25 years of community engagement

- Celebrated the 25th anniversary of the Mackenzie Investments Charitable Foundation with nearly $16 million donated since inception.

5 Progressed climate action

- Net-zero interim target progressed to 32% verified by Science Based Targets initiative (SBTi).
- Fostered sustainability innovation through sponsorship of Canada's Next Sustainable Changemaker Challenge.
- Advanced our sustainability data infrastructure to automate client and regulatory reporting.

Strategic partnerships

Mackenzie engages in strategic partnerships to create a breadth of opportunities to build global, fully diversified and differentiated investment solutions for our clients. We are proud of the sustainability practices of our two main partners.

Northleaf Capital Partners

Northleaf Capital Partners is a global private markets investment firm with top-tier capabilities across private credit, private equity and private infrastructure. Northleaf introduced its Responsible Investment Policy in 2011 and continues to evolve its practices in line with industry developments. As a PRI signatory, Northleaf is committed to engaging on the topic of responsible investment (RI) and incorporating it into their day-to-day activities, through training sessions, supporting the implementation of new tools and ensuring that the consideration of RI principles is included in the due diligence undertaken for each investment opportunity.

Some of Northleaf's 2023/2024 sustainable investing highlights include:

- Established a central, firmwide RI Team and appointed a Director, Responsible Investing, to support its existing RI Committee.
- Developed and implemented a proprietary ESG scoring framework for Private Credit to enhance the ESG assessment performed during due diligence reviews. This framework leverages the Sustainability Accounting Standards Board (SASB), which provides guidance on material ESG topics.
- Completed the measurement of the firm's own corporate carbon footprint to support future greenhouse gas (GHG) monitoring activities across the firm and provide the RI Team with first-hand knowledge of the processes and effort required to measure GHG emissions.
- Became a signatory to the ESG Data Convergence Initiative (EDCI), a partnership of private equity stakeholders committed to streamlining the private investment industry's approach to collecting and reporting ESG data.

Links to Northleaf's reports and relevant webpages:

- Northleaf RI webpage
- Northleaf RI Policy
- Northleaf RI Report

Northleaf

As a PRI signatory, Northleaf is committed to engaging on the topic of responsible investment and incorporating it into their day-to-day activities through training sessions, supporting the implementation of new tools and ensuring that the consideration of RI principles is included in the due diligence undertaken for each investment opportunity.

ChinaAMC

As the first full-service Chinese asset manager signatory to the PRI, ChinaAMC is committed to embedding ESG considerations into its investment process. The company is the first Chinese asset manager to establish a firm-level ESG committee, which oversees the implementation of ChinaAMC's ESG strategy. ChinaAMC is also the first Chinese financial institution to commit to the Climate Action 100+ initiative, the Task Force on Climate-related Financial Disclosures (TCFD), the Farm Animal Investment Risk and Return (FAIRR) Initiative, and is a founding member of the China Climate Engagement Initiative (CCEI).

As of November 30, 2024, ChinaAMC manages 16 ESG mutual funds (excluding feeder funds), with total AUM of $7 billion.[1]

2024 ESG-related highlights include:

- Expanded the coverage of in-house automated proxy voting platform to include institutional investments, in addition to mutual funds. By the end of 2024, ChinaAMC had cast votes at over 800 shareholder meetings via the platform, involving more than 6,000 motions.
- Launched a carbon accounting system to allow portfolio managers to track the carbon intensity of their portfolios.

Links to ChinaAMC's reports and relevant webpages:

- ChinaAMC Corporate Sustainability webpage
- ChinaAMC ESG Engagement Policy

Looking ahead:

Enhancing sustainability reporting quality driven by mandatory disclosure initiatives

- China made notable progress in sustainability reporting in 2024, driven by the rollout of mandatory ESG disclosure requirements. In April 2024, three stock exchanges issued their Sustainability Reporting Guidelines, followed by a detailed guideline (to solicit public opinion) in November. In December, the Ministry of Finance released the *Sustainability Disclosure Standard for Business Enterprises – Basic Standard (Trial)*, developed in line with the International Sustainability Standards Board (ISSB) Standards, marking a key step towards a unified national disclosure framework.
- These efforts have led to increased transparency on ESG performance among Chinese-listed companies, with over 40% now publishing ESG reports. We are optimistic that the trend of improving ESG disclosure quality will continue in 2025, and ChinaAMC is committed to working with investee companies to facilitate the adoption of enhanced sustainability disclosure standards.

Maturing carbon market infrastructure and biodiversity protection mechanisms

- China's carbon market infrastructure continues to mature, alongside the establishment of biodiversity protection mechanisms. In September 2024, the Ministry of Ecology and Environment released a draft work plan to expand the national emissions trading system (ETS), currently limited to the power sector, to include the cement, steel and aluminum industries. Additionally, following a seven-year hiatus, the national voluntary GHG reduction trading market commenced operations in January 2024, resuming China Certified Emission Reductions (CCER) issuance.
- In 2025, ChinaAMC will seek to leverage the regulatory changes by actively engaging with companies in high-emitting sectors to develop robust decarbonization strategies aligned with national climate goals. We also plan to complete carbon baseline assessments at the portfolio level in 2025, laying the groundwork for long-term carbon reduction strategies across our investments.

ChinaAMC

ChinaAMC is the first Chinese financial institution to commit to the Climate Action 100+ initiative, the Task Force on Climate-related Financial Disclosures (TCFD), the Farm Animal Investment Risk and Return (FAIRR) Initiative, and is a founding member of the China Climate Engagement Initiative (CCEI).

1 *Number has been rounded to nearest integer.*

1

Sustainability is enabled by our culture

At Mackenzie, we pride ourselves on creating a culture where our people are invested and have a strong sense of belonging.

IN THIS SECTION

Our corporate sustainability efforts

Invested in an inclusive world

Our progress by the numbers

Our corporate sustainability efforts

1. We lead with sustainability

Canada's Top 100 Employers

For a fourth year in a row, IGM Financial, our parent company, was recognized as one of Canada's Top 100 Employers by Mediacorp Canada Inc. in its 2024 annual rankings of leading workplaces. The honour noted that we continued to prioritize enhancing the employee experience through a focus on diversity, equity and inclusion (DE&I), engagement with local communities and environmental sustainability.

Canada's Best Diversity Employers

IGM is proud to be recognized as one of Canada's 2024 Best Diversity Employers. Canada's Best Diversity Employers acknowledges employers across Canada with exceptional workplace diversity and inclusiveness programs.

Global 100

IGM Financial, our parent company, was named one of the world's most sustainable organizations in Corporate Knights' 2024 Global 100 Most Sustainable Corporations, ranking for the sixth consecutive year.

Canada's Greenest Employers

IGM has been recognized as one of Canada's 2024 Greenest Employers. Organized by Canada's Top 100 Employers group, this distinction recognizes employers that lead the nation in creating a culture of environmental awareness in their organizations.

Climate Change Partner Award

Mackenzie's Sustainability Centre of Excellence (COE) won the 2024 Climate Change Partner Award, presented by Institutional Connect. The award recognizes the Sustainability COE for its dedication to proactively addressing climate change, with a solid climate strategy and a focus on stewardship and engagement, particularly with top emitters.

Employee engagement

Our IGM 2024 employee survey revealed that our employee sense of belonging and focus on sustainability scores are above the global benchmark.

84% vs 78%

of employees feel they belong at our company

88% vs 80%

of employees feel the company is committed to sustainability

86% vs 78%

of employees feel they can participate in sustainability initiatives

90% vs 86%

of employees indicated that everyone can succeed to their full potential no matter who they are

IGM score Global benchmark[1]

Employee well-being

91% of employees feel their leader supports their efforts to balance work and personal life

1 2025 State of the Workforce: The Evolving Workplace | Workforce Science Associates

2. We engage with our communities

Celebrating 25 years of giving

The Mackenzie Investments Charitable Foundation, established in 1999, is committed to supporting underprivileged women, youth and children at risk or who are facing complex health issues. The foundation is unique in that it is employee-led and employee-funded, with matching donations from Mackenzie. Since its inception it has donated nearly $16 million to 92 Canadian, mostly grassroots charities. In 2024, the foundation granted $1,000,000 to 34 partner charities, engaging more than 900 employees in volunteer opportunities throughout the year.

Caring Company Certification – 2008 to 2024

The Imagine Canada Caring Company Certification recognizes companies that give back at least 1% of pre-tax profits to the communities where their employees live and work.

Annual Giving Campaign

During National Volunteer Week and the company's annual Giving Campaign, Mackenzie employees collectively contributed more than 3,000 pounds of food at our Toronto office, raised over $310,000 and recorded an overall employee participation rate of 66%.

SPOTLIGHT

Jessie's – The June Callwood Centre for Young Women

In 2024, the Mackenzie Investments Charitable Foundation continued its longstanding partnership with Jessie's – The June Callwood Centre for Young Women. Over the years, Mackenzie employees have been deeply involved with Jessie's, dedicating their time to volunteer and support young mothers and pregnant women under 21. Located in Toronto, Jessie's offers a variety of essential services, including health care, educational support, housing assistance and parenting programs. This partnership ensures that these young women and their children receive the comprehensive care and resources they need to succeed, from prenatal support to completing their education and beyond.

Other 2024 highlights include:

Top Peak

Mackenzie has proudly supported skiing in Canada for more than 30 years. Every year, our Top Peak program aims to identify a ski community that embodies our mantra of: *Be Invested. On and Off the Hill*. In 2024, a grand prize of $100,000 was awarded to Équipe de Compétition Mont Adstock in Quebec. Proceeds from the prize will be invested to upgrade their facilities, trails and racing infrastructure.

Supporting women in sports – She Skis program

Aiming to inspire and empower girls to stay committed to skiing, Mackenzie held its second daylong event, where approximately 30 girls aged 12–16 had the opportunity to ski and receive mentorship from two Canadian World Cup alpine ski racers, Laurence St-Germain and Valérie Grenier.

Participants from the on-hill portion of the mentorship day, Mackenzie She Skis/Elle Skie, Tremblant 2024.

Kelly Vanderbeek, CBC broadcaster and Olympic ski racer (left), and Val Grenier, Canadian World Cup ski racer (right), at the fireside chat panel during She Skis/Elle Ski, Tremblant 2024.

Giving around the world

Our community engagement extends to our global offices.

Lesley Marks, Mackenzie's Chief Investment Officer, Fundamental Equities, and our team in Hong Kong participated in the Soap Cycling program, filling and distributing essential items such as liquid soap, shampoo, conditioner and lotion to 50 local families in need. Sourced from hotels in the region, these products were consolidated and rebottled, reducing waste from 85,000 hotel rooms. The Soap Cycling program also helps save plastic bottles from landfills and combats bacteria-driven diseases that affect children and the elderly.

3. We prioritize sustainability education

Sustainable investing advisor webinars and events

In 2024, Mackenzie hosted more than 65 webinars, seminars and due diligence events on sustainable investing for over 3,500 advisors, investors and dealers. These events highlighted the opportunities available to investors to participate in the energy transition, ESG-labelled debt, and other investment vehicles and approaches that are critical to achieving a sustainable future.

Industry partnerships and collaborative efforts are key

We believe the transition to a more sustainable future requires a collaborative effort across sectors, governments and individuals. As an asset manager, we rely on the collaborative advocacy and educational opportunities that organizations such as Finance Montréal and the Responsible Investment Association (RIA) bring to Canadian investors and advisors. We partnered on the release of the 2024 Canadian Responsible Investment Trends Report, which indicated growing adoption of RI across Canada, rising to a new high of almost $4.5 trillion by the end of 2023.

Key partner: Finance Montréal

We're proud of the role that the city of Montreal and the province of Quebec are playing to advance sustainable finance across Canada. Finance Montréal aims to make sustainable finance a cornerstone of Quebec's financial industry with aspirations to extend across Canada and North America. They bring together key players from financial centres to focus on finance that addresses sustainability issues, ensuring positive impacts on the economy and society at large.

In the past year we reinforced our support by being the lead sponsor of the fourth annual sustainable finance conference titled "From Ambition to Action: Transforming Global Finance."

We also signed the Statement by the Québec Financial Center for Sustainable Finance, a charter of commitments by stakeholders in the Quebec financial sector in favour of finance that is based on socially and environmentally responsible principles. All players in Quebec's financial sector are invited to unite their voices in the movement by signing the declaration and by proposing ambitious measures that help position Quebec as a centre of excellence and innovation in sustainable finance in North America. As part of our commitment, we hired two fixed income investment professionals in our Montreal office to support our clients and the industry.

Responsible investment, in Canada, continued to demonstrate strength in 2023, with notable increases in both RI AUM and market share.

~$4.5 trillion

in RI AUM in 2023[1]

71%

a record proportion of assets in Canada are considering sustainability factors in their investment process[1]

1 *2024 Canadian Responsible Investment Trends Report | Responsible Investment Association*

4. We partner with our peers on sustainability

Mackenzie collaborates with various organizations and initiatives, such as Climate Engagement Canada, Climate Action 100+, Ceres, the Canadian Chamber of Commerce's Green and Transition Finance Council, CDP, the International Corporate Governance Network and the IFRS Sustainability Alliance, to advance sustainability, climate action and responsible investment practices.

SPOTLIGHT

Lead sponsor at PRI in Person 2024

Marking Mackenzie's 10-year anniversary as a PRI signatory, we were awarded the honour of lead sponsor of the 2024 PRI in Person conference, which returned to Canada after a decade. The conference brought together over 2,000 delegates from 45 countries around the world. This year's theme focused on progressing global action on responsible investing, while grounded in the local Canadian context. Topics included environmental stewardship, artificial intelligence risks, critical minerals sourcing, geopolitics and responsible political engagement.

Arup Datta, SVP, Portfolio Manager and Team Lead of Mackenzie's Global Quantitative Equity (GQE) boutique, was invited as a panelist for the "Utilising sustainability to generate alpha" breakout session and shared his insights on how ESG factors have contributed to his team's alpha process.

"ESG is an alpha factor and it has been added to our alpha processes across regions."

Arup Datta
SVP, Portfolio Manager and Team Lead, Mackenzie Global Quantitative Equity team

Invested in an inclusive world

We are proud of the progress we have made in creating an inclusive workplace, and commit to continuous improvement and transparency. Mackenzie's Talent Experience Centre of Excellence is responsible for designing, developing and implementing our Diversity, Equity and Inclusion (DE&I) Strategy, founded on three pillars: an inclusive workplace, diverse talent, and support for our clients and brand.

Our DE&I practices, policies and approaches are designed to be inclusive and engaging. We are weaving accountability and transparency in our practices. All Mackenzie people leaders have DE&I goals as part of their annual incentives, and we report on our progress in our annual sustainable investing reports.

2024 DE&I highlights:

- Continued to support the retention of professional women in our industry after an extended period of leave by hiring two full-time positions as part of our commitment to the Women in Capital Markets' (WCM) Return to Bay Street Program.
- Hosted Women in Asset Management Conference with Mackenzie leadership participation across Sales, Product, Sustainable Investments and Investment Management.
- Mackenzie Women's Business Resource Group (BRG) hosted a speed mentorship event and supported IGM's corporate International Women's Day celebrations.
- Sponsored the Women in Asset Management program at the Ivey School of Business, Western University. The program provides skills and knowledge to spur women's interest in asset management, inform them of the varied career options available in the asset management industry and enable them to secure employment in the Canadian asset management industry. Our five-year commitment to offer scholarships to five students annually includes a paid 10-week internship. This past year, we welcomed three interns into our organization from this program.
- Since 2017, Mackenzie has been supporting the Ching Tien Foundation for Women to help address the challenge of limited access to education faced by girls and women in rural China. The foundation is part of the Mackenzie Together platform, which aims to create a more invested world for all, with a focus on the challenges faced by women in our communities around the world. In 2024, we extended our support of the foundation by providing a scholarship to a woman from Shenzhen to complete her Master of Science in Applied Computing at the University of Toronto.

Business Resource Groups (BRGs)

Our seven BRGs are employee-led, executive-backed groups formed around a common interest, identity, bond or background. They are accountable for bringing awareness, education and engagement about their specific focus across Mackenzie and IGM. The BRGs include **DiverseABILITIES**, **Indigenous**, **Women**, **Pride**, **Black**, **Pan-Asian** and **Green**.

SPOTLIGHT

BlackBRG – Empower, connect and community

Mentorship Program

In 2024, the BlackBRG launched its second Mentorship Program to continue to build a workplace where diversity is not just welcomed but celebrated. Mentorship plays a crucial role in fostering inclusive work environments, increasing employee engagement and retention, and facilitating career growth and leadership development. The 2023 inaugural program was a resounding success, with participants experiencing significant personal and professional growth. The 2024 program continued to create mutually beneficial relationships for 20 mentor–mentee connections focusing on career development, knowledge sharing and networking.

"My mentor was invested in my progress, creating time out of her busy schedule to meet with me, encourage and connect me with people in my desired career path."

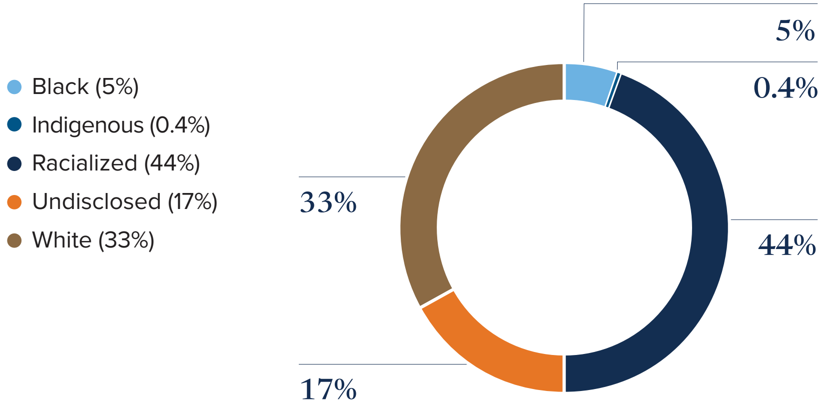
Chi Umenwa
Senior Client Relations Specialist

Our progress by the numbers

87%

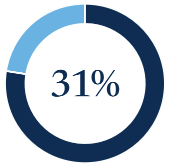
of Mackenzie employees self-identified as part of the *Count Me In!* program,[1] up 5% over 2023

Mackenzie Investments' race/ethnicity snapshot (*Count Me In!* program)



Mackenzie Investments' 2024 progress to a more diverse workforce

Women in AVP+ roles



Goal: 40%

Indigenous representation

Goal: 3%

Black representation in VP+ roles

Goal: 3.5%

Diversity of interns[2]

Goal: 50%

1 *Employee self-reporting tool on attributes such as ethnicity, gender, different abilities, sexual orientation and others.*
2 *Represents percentage of interns who identify from one or more of the following groups: women, Indigenous Peoples, racialized people, people living with a disability and 2SLGBTQ+ people.*

SPOTLIGHT

Designed by Stephanie Babij, an Ojibwe and Ukrainian settler-mixed visual artist from the Wikwemikong First Nation.

Supporting our Indigenous communities

IGM is a Downie Wenjack Legacy Space partner in Toronto. Legacy Spaces are safe and welcoming spaces where Indigenous and non-Indigenous peoples can come together to build connections and understanding while ensuring Indigenous perspectives are represented and celebrated in the workplace. Demonstrating our commitment to the Truth and Reconciliation Commission's Calls to Action, in 2024, IGM Financial released its Indigenous Reconciliation Plan. This is a public acknowledgement and commitment to grow our relationships with Indigenous Peoples and communities and take concrete steps towards ensuring that Indigenous Peoples have more and better socioeconomic opportunities in the future.

2

Our sustainable investing approach

At Mackenzie, we aim to consider the full value chain of the companies we invest in. This includes evaluating material risks and opportunities that affect both internal operations as well as the products and services the companies produce.

IN THIS SECTION

Perspectives from the Head of Mackenzie's Sustainability Centre of Excellence
Sustainable investing governance
Delivering on our sustainable investing goals
Key sustainability characteristics for 2024
In conversation with Petra Funds Group's Senior ESG Director

Perspectives from Fate Saghir

SVP, Head of Mackenzie's Sustainability Centre of Excellence.

Five years into my role as Head of Sustainability, the world feels vastly different, yet many of our challenges persist. We concluded 2019 amidst an emerging global pandemic, a renewed focus on diversity due to various incidents both near and far, and growing concerns about climate change. Today, we continue to navigate heightened geopolitical tensions, environmental challenges, uncertainty around diversity policies and technological disruptions. The practice of sustainable or responsible investing is under intense scrutiny. Now, more than ever, we remain pragmatic in our approach, firmly believing that considering material factors, including sustainability topics, is crucial for long-term stability and growth, in alignment with our fiduciary duty to our clients.

This past year, I emphasized that sustainability lies at the intersection of economic prosperity, social inclusion and environmental stewardship. Balancing these three is challenging, but we strive to achieve optimal outcomes across all of them. Sustainable investing helps us identify companies that are well-positioned for long-term success by effectively balancing these three pillars and addressing existing and emerging external factors.

For example, the recent wildfires in Los Angeles, with claims potentially reaching US$250 billion, highlight the importance of investing in regions and companies resilient to environmental challenges. This underscores the need to assess physical risks in the valuation process. Cyber security is another critical risk factor. The 2017 Equifax data breach exposed the personal information of approximately 147 million individuals, resulting in significant financial losses and a 31% drop in the company's stock price.

Boeing's ongoing struggles with product quality and safety led to stock depreciation as investors reacted to delivery delays, safety incidents and increased competition. The company's ability to regain investor confidence hinges on effectively addressing these concerns. Our team engaged on this topic prior to the Alaska Airlines incident, and at the time of the incident, our exposure to Boeing was minimal.

The relevant data for the examples referenced above may be available in annual financial statements, but it is often missing in its entirety or reported inconsistently across companies in the same industry or sector, making it challenging for investors to obtain a full view. Access to comparable and audited material ESG data allows investors to make informed decisions, ensuring they can evaluate or price the risk accurately. This past year, we supported the CSSB standards, which provide guidelines for financially material sustainability disclosures and climate-related disclosures, ensuring companies are transparent about their business risks and opportunities. Additionally, Bill C-59, targeting misleading environmental claims in marketing materials, reinforces the need for companies to clearly articulate their environmental practices. We responded to the Competition Bureau's request for comments by advocating for further guidance and consistency with other jurisdictions.

In response to these standards and regulations, we hired an external sustainability consultant to assess our corporate and boutique-level sustainability practices to benchmark our efforts and ensure our disclosures are consistent with our practices. I was proud to celebrate the progress made by our investment teams, our Sustainability COE and our employees in understanding and applying sustainability to their own unique roles and responsibilities.

I am proud that our commitment to responsibility and sustainability is not just a guiding principle but a strategic imperative. By considering material sustainability factors in our company practices and investment decisions, we not only fulfill our fiduciary duty but also position ourselves to navigate the complexities of today's world. As we continue to evolve and adapt, we remain dedicated to fostering a sustainable future for all stakeholders.

> "By considering material sustainability factors in our company practices and investment decisions, we not only fulfill our fiduciary duty but also position ourselves to navigate the complexities of today's world."

Fate Saghir
SVP, Head of Sustainability
Centre of Excellence

Sustainable investing governance

Mackenzie's commitment to sustainability starts at the top and extends throughout our organization. Our operating model reinforces executive oversight while encouraging collaboration to integrate sustainability practices across our firm.

The Mackenzie Board of Directors is responsible for oversight of the funds and approval of fund-related policies, including the Sustainable Investment (SI) Policy. The Sustainability Steering Committee, a sub-committee of Mackenzie's Executive Committee, approves and oversees sustainability-related policies, commitments and targets on sustainability-related risks and opportunities.

Mackenzie's Senior Vice President, Head of Sustainability, is responsible for developing the sustainable investment strategy. Mackenzie's two Chief Investment Officers oversee the implementation of sustainable investment practices across all investment boutiques. The investment boutiques maintain full discretion of investment decisions, aligned with fiduciary duty, and implement the Sustainable Investment Policy, which includes managing portfolio material sustainability risks and opportunities. Our Sustainability Centre of Excellence (COE) is responsible for fostering Mackenzie's culture of sustainability by delivering firmwide support and enhancing capabilities across our investment division and the organization.

Additional oversight:

- The Proxy Voting Management Committee oversees the operationalization of the proxy voting process, ensuring ballots are voted.
- The Oversight Committee on ESG Negative Screening oversees the implementation and management of ESG exclusions to ensure funds remain in compliance.

Mackenzie Board of Directors

OVERSEE

Sustainability Steering Committee

Mackenzie President and CEO
Chair: SVP, Head of Sustainability

CIOs | Business Operations and Strategy | Investment Risk | Compliance | Legal

Sustainability Centre of Excellence

Led by SVP, Head of Sustainability

Enable SI Policy | Share best practices | SI solutions | Stewardship | Insights and oversight | Disclosure and reporting

DEVELOP AND ENABLE

Climate Champions

Share industry best practices, climate action plan, ESG data and insights with members of Investment boutiques

Proxy Voting Champions

Share research and views with members of Investment boutiques on ESG-related proposals

Mackenzie Investment Boutiques

Equities | Fixed Income | Alternatives | Multi-Asset

IMPLEMENT

Delivering on our sustainable investing goals

2024 progress made towards our goals

Advance
our corporate and investment sustainability practices

Advanced our cloud-based sustainability data solution to enable firmwide access to analysis and reporting.

Implemented robust materiality framework to thematic and company research leveraging SASB.

Completed thematic research on thermal coal, Scope 3, cyber security, decarbonization.

Conducted external assessment of firmwide and investment team sustainability practices.

Allocate
to sustainable investment solutions

Supported sustainability-related taxonomies and frameworks (i.e., Net Zero Investment Framework 2.0).

Reviewed sustainability-related content across all channels.

Fulfilled review of sustainable investment funds, ensuring compliance with investment objectives.

Align
our collective stewardship efforts

Completed 181 engagements focused on top transition and physicals risks.

Implemented engagement program to support the Mackenzie Global Quantitative Equity team and completed 17 engagements.

Refined proxy voting process, prioritizing outcomes and significant votes.

Introduced integrated stewardship program to ensure feedback loop of engagements and proxy voting.

Advocate
for impact, transparency and disclosure

Prioritized the energy transition through a thought leader campaign with contributions from five investment teams.

Participated in standard-setter consultations and roundtables on various issues including Bill C-59, CSSB, methane regulation.

Action
for climate

Completed 89 engagements from our Top 100 Engagement Program.

Sponsored Canada's Next Sustainable Changemaker Challenge, awarding a total of $40,000 to the top three finalists.

Made progress on net-zero interim target, with 32% of in-scope AUM verified by SBTi.

Key sustainability characteristics for 2024

Sustainability characteristics of Mackenzie's equity assets under management.

Percentage of companies with executive compensation linked to ESG

60% vs 53%

Governance is central to investment decisions and stewardship, including accountability for ESG issues.

Severe controversies

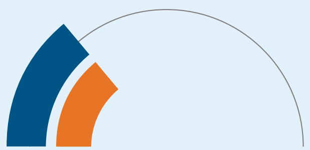
Equity assets with exposure to severe controversies 0.27% vs blended benchmark 0.33%

UN Global Compact (UNGC) non-compliant companies

Equity assets with exposure to non-compliant companies 0.33% vs blended benchmark 0.39%

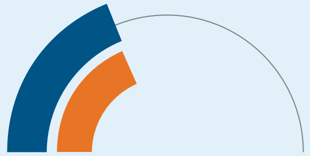
Our exposure to severe controversies and to UNGC violations, which can impact a company's overall performance, are below the benchmark.

Weighted average of the percentage of women executives



28% vs 28%

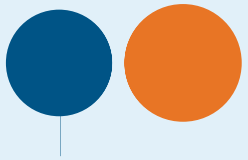
Weighted average of the percentage of women on boards



38% vs 37%

Gender diversity is well-represented across the firm's equity assets compared to the blended benchmark.

Weighted Average Carbon Intensity (tCO_2e/USD$M)



154 vs 170

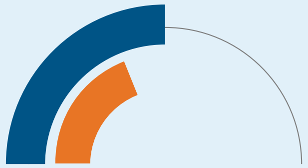
WACI is a measure of the equity assets' exposure to carbon-intensive companies by calculating tonnes of carbon dioxide equivalent emitted per million US dollars of revenue (tCO_2e/USD$M) and is lower than the blended benchmark.

Percentage of equity assets with decarbonization targets

46% vs 41%

46% of the equity assets have corporate targets aligned with the Science Based Targets initiative (SBTi), which is higher than the blended benchmark.

Percentage of equity assets with exposure to environmental impact solutions



51% vs 38%

51% of the equity assets are exposed to companies with greater than 0% estimated revenue from any of the following environmental themes, including alternative energy, energy efficiency, green building, pollution prevention or sustainable water, which is higher than the blended benchmark.

● Firmwide equity assets ● Blended benchmark[1]

1 Blended benchmark is made up of 45% TSX (Toronto Stock Exchange), 35% SPX (S&P 500) and 20% ACWI (MSCI All Country World Index).

Please refer to ESG metrics and definitions for more details on definitions and methodology.

IN CONVERSATION

Mackenzie sustainable investing due diligence review

In 2024, Mackenzie engaged Petra Funds Group to conduct a due diligence review of our 16 investment boutiques and at the corporate level. We spoke with Tamara Close, Senior ESG Director at Petra Funds Group.[1]

What did the assessment reveal about the maturity of Mackenzie's sustainable investing practices?

Tamara: There is a very good understanding of sustainability at all levels within Mackenzie, and the company is proactive in integrating material ESG considerations at the firm level and across the investment boutiques. The COE supports and provides resources to help enhance the investment teams' knowledge of sustainable investing. This has increased the maturity of sustainable investing integration across the boutiques, especially regarding data, engagements with companies and proxy voting. The boutiques are also well aware of the evolving nature of sustainability issues and what this means for the investment landscape. Importantly, Mackenzie is open to recommendations for the continuous improvement of its practices at both the boutique and firm level.

How is Mackenzie positioned in terms of industry best practices, and what challenges and areas for improvement were identified by the assessment?

Tamara: On average, Mackenzie scored higher than its peers[2] across all assessed categories, with some boutiques receiving top marks for their knowledge of sustainable investing integration practices, use of data, active ownership and investment decision processes. As the market and practices evolve, resource constraints could become a challenge for some teams and the COE, especially as new regulations emerge. And the physical risks of climate change remain challenging to assess and evaluate across all strategies. There are opportunities for the COE to provide consistent industry research versus on an *ad hoc* basis. Overall, I was impressed with how quickly Mackenzie initiated addressing some of our recommendations and how engaged the company's senior leadership is, clearly demonstrating Mackenzie's commitment to advancing sustainability.

What trends and opportunities do you see that will influence sustainable investing?

Tamara: We're seeing climate disclosure becoming mainstream, with more and more companies communicating how they are decarbonizing and meeting their net-zero interim targets while also assessing their climate risks. At the same time, increasing scrutiny is being placed on those disclosures to ensure companies aren't greenwashing. For example, in Canada, Bill C-59 targets misleading environmental claims made by companies. So, the accountability for sustainability disclosure will now have to be at the board and senior management levels of an organization, which is where it should be.

Another trend we're seeing is the opportunities the energy transition presents and the potential for AI to accelerate it by optimizing energy generation, distribution and consumption. The infrastructure required for AI also requires a huge demand for electricity, for which hyperscalers are willing to pay premiums for carbon-free power. This, in turn, is creating opportunities for companies in the renewable energy space.

> "I was impressed with how quickly Mackenzie initiated addressing some of our recommendations and how engaged the company's senior leadership is, clearly demonstrating Mackenzie's commitment to advancing sustainability."

Tamara Close
Senior ESG Director,
Petra Funds Group

1 *Tamara Close, founder of Close Group Consulting, joined Petra Funds Group as of Sept. 10, 2024.*
2 *Peers refers to companies assessed by Petra Funds Group.*

3

Overview of our stewardship priorities

We are committed to being long-term stewards of capital and encouraging the companies we invest in to adopt responsible practices. Advancement of our climate action plan and sustainable investing is propelled through active engagement, ownership and advocacy efforts.

IN THIS SECTION

Overview of our integrated stewardship approach

Mackenzie engagements

Firmwide proxy voting

Overview of our integrated stewardship approach

We take a multifaceted approach to investor stewardship, which includes company-specific, programmatic and collaborative engagements, proxy voting and advocacy.

Integrated stewardship

In 2024, Mackenzie improved its stewardship approach by creating feedback loops to share information and insights from engagement and proxy voting activities, resulting in a more unified strategy that enhances outcomes. This refined strategy will help create a more cohesive approach, amplifying our influence and effectiveness.

Stewardship disclosure

We have expanded our stewardship disclosures, which were highlighted by the release of our inaugural proxy voting report, the 2024 Proxy Season Review. This report underscores our commitment to transparency and accountability in our stewardship practices, providing insights into our voting decisions and engagement activities.

Proxy voting

Voting at the annual general meetings (AGMs) of companies held in Mackenzie funds on topics such as board election, re-election of the auditor and sustainability-related management, as well as shareholder proposals.

Engagements

Company-specific engagements – Engaging with companies on material risks specific to a company or portfolio, generally completed by an investment boutique.

Programmatic engagements — Our Sustainability Stewardship team generally coordinates firmwide thematic engagements with companies to address systemic risks or opportunities.

Collaborative engagements – Engaging alongside other investors, such as Climate Engagement Canada, to address systemic risks.

Advocacy

We advocate for sustainable financial markets and improved sustainability disclosure by participating in consultations from standard-setters seeking input from financial market participants. Our contributions to these consultations are often facilitated through participation with organizations such as the Investment Funds Institute of Canada, Ceres and RIA.

“At Mackenzie, we believe it is extremely important to participate in policy consultations with securities regulators. By providing input on key issues, we advocate for a regulatory framework that meets the needs of investors and the market.”

Joanna Barsky
AVP, Legal

Policy consultations for which Mackenzie or IGM submitted its response in 2024 include:

- December 2023: Provided comments on the CSA Staff Notice 81-334 consultation to ensure that ESG strategies use best-in-class disclosure practices.
- January 2024: Provided feedback to the Canadian Investment Funds Standards Committee on the definitions of ESG investing terms.
- February 2024: Signed an investor letter drafted by Ceres, addressed to Environment and Climate Change Canada, in support of Canada’s federal methane regulations for the oil and gas sector.
- April 2024: Participated in the consultation on the Net Zero Investment Framework (NZIF) 2.0.
- May 2024: Provided feedback on the CSSB-proposed criteria for modification of the IFRS Sustainability Disclosure Standards to formulate them through a Canadian lens.
- September 2024: Participated in the Bill C-59 consultation to provide input on how the new regulation can foster fair competition while addressing environmental claims and greenwashing concerns.

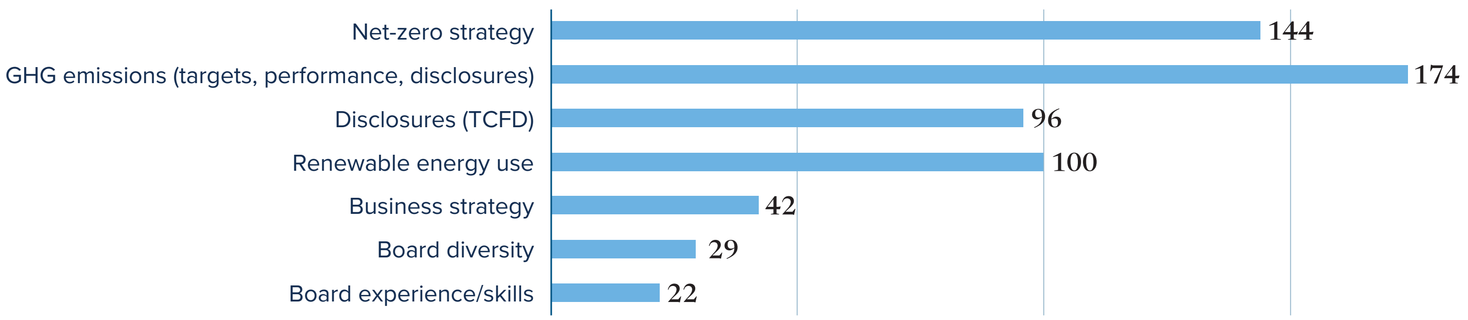
Mackenzie engagements

Our engagement program focuses on addressing systemic and material sustainability risks, such as risks associated with a changing climate or changing consumer behaviour. We expanded our efforts to cover a wider range of company- and industry-specific risks, such as product quality, corporate governance and supply chain management.

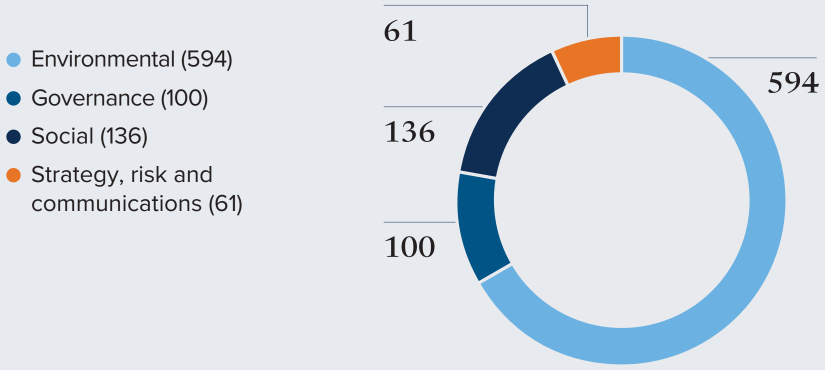
Additionally, we continued improving our centralized engagement logging system. This enhanced system has improved our oversight and tracking of engagements and allows us to better monitor progress, measure impact and report on our activities.

In 2024, we engaged with 209 companies around the world on 891 topics across the following themes:

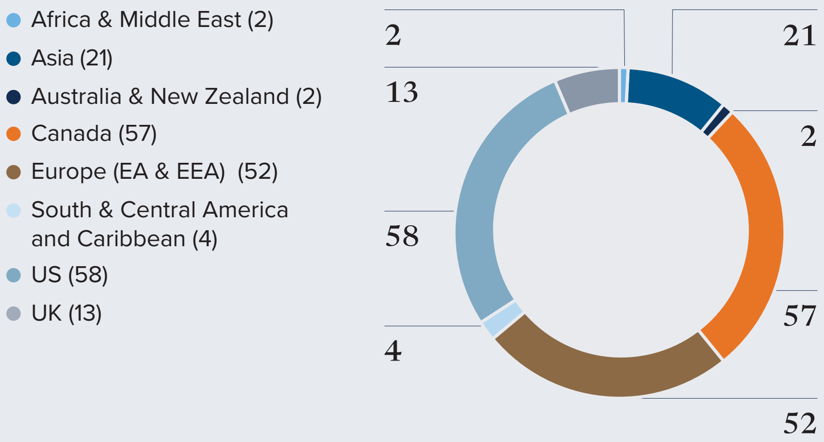
Top engagement discussion topics



Total engagement topics



Number of companies engaged by region



ENGAGEMENT CASE STUDY

Boeing: Enhancing safety governance and oversight

In Q1 2024, we engaged with Boeing to address significant and ongoing product quality concerns related to the 737 MAX aircraft. Our discussions focused on how Boeing is enhancing governance and safety practices across its value chain, emphasizing the need for top-down oversight to embed safety into the company culture.

In our meeting, Boeing highlighted strengthened safety protocols, including appointing a Chief Safety Officer, establishing an Aerospace Safety Committee and implementing a Safety Management System (SMS). Boeing's commitment to transparency was evidenced by the implementation of its "Seek, Speak and Listen" principle and the "Speak Up" whistleblowing program. We were encouraged by these initiatives but advocated for further insight and public disclosure into a) how these programs will translate to tangible safety outcomes; b) third-party certification of the SMS; and c) addressing issues raised in the Speak Up program.

Boeing continued to enhance its safety culture and disclosures, including providing further details on the Speak Up program, which saw a rise of more than 500% in employee submissions in the first two months of 2024 compared to the same period in 2023. Boeing has been engaging with other design and manufacturing companies for the SMS to ensure alignment with industry standards and best practices. We were encouraged to hear of these developments and the further strengthening of safety-related transparency and accountability within the company, particularly after the Alaska Airlines safety incident, which took place shortly after our engagement call. We are committed to ongoing dialogue with Boeing to ensure that product safety remains a top priority and that the company maintains transparency and accountability in its safety practices. This engagement underscores our dedication to promoting good governance and sustainability across our investments.

"As responsible stewards of our clients' capital, we are committed to engaging with our portfolio companies and issuers to enhance our understanding of the key sustainability-related risks and opportunities they face."

Merriam Haffar
Director, Sustainability Stewardship

Firmwide proxy voting

Proxy voting is both an essential part of our fiduciary duty and role as active owners. We vote proxies in line with investors' best interests, taking into consideration material sustainability risks. As a multi-boutique asset manager with diverse investment styles and perspectives, our portfolio managers also consider the unique circumstances of their investments and may vote differently between boutiques.

Our approach to proxy voting involves collaboration between our investment teams and the Sustainability Stewardship team to develop research and perspectives on key issues. The team also provides custom research for a focused list of companies based on our highest exposures or those holdings where we deem our vote to have a big impact. Reviewed annually for relevance, the list helps manage risks, align with Mackenzie's broader engagement program and prioritize efforts to drive meaningful change through regular interactions with these companies.

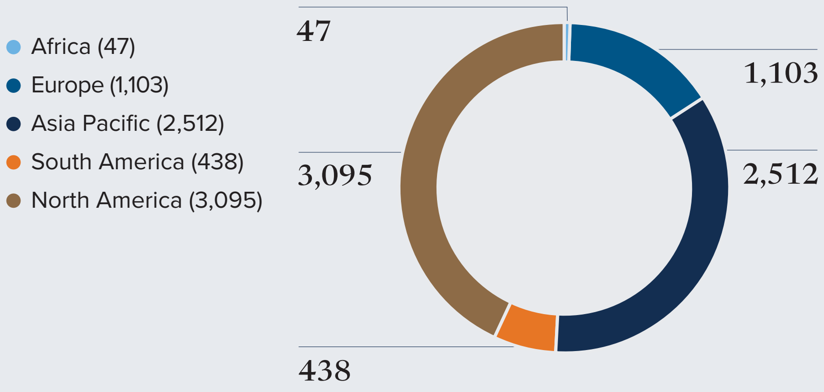
Proxy voting for our traditional and ESG-integrated funds and ETFs is informed by the standard Glass Lewis guidelines, and voting for our sustainable investment solutions is informed by the Glass Lewis ESG guidelines. Our proxy voting guidelines are available on our website.

We conduct our own research and analysis on significant shareholder proposals. Our portfolio managers may refer to their own research when reviewing such proposals, which sometimes leads us to vote against management recommendations or Glass Lewis recommendations. Our proxy voting record is available on our website.

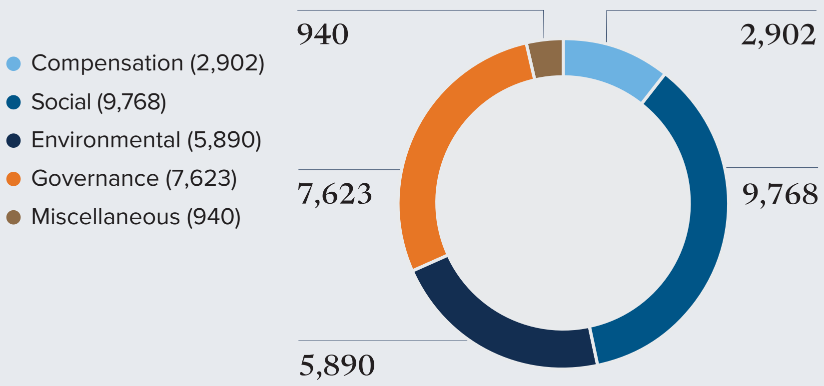
2024 proxy voting across Mackenzie

Total meetings voted	Total proxy items voted[1]	Votes with management	Votes against management	Other	% of votes with management	% of votes against management
7,195	487,581	442,296	40,084	5,201	91%	8%

Number of meetings voted by region



Number of proxy votes on shareholder proposals by topic



1 *Total proxy items voted include the sum of votes with and against management, plus 'Other Votes.' 'Other Votes' include votes without management recommendations and votes submitted as 'Take No Action' or 'Do Not Vote.' Investment managers may choose to submit votes as 'Take No Action' or 'Do Not Vote' for various operational reasons, including voting on dissident voting cards, withholding votes on shares sold prior to the meeting date, or preserving the ability to trade the security where ballot blocking is required.*

PROXY VOTING CASE STUDIES

Fostering transparency in high-emission industries

The oil and gas and homebuilding sectors are two of the largest contributors to global GHG emissions, making them pivotal in the transition to a low-carbon economy. By advocating for robust GHG emission disclosures and reduction targets, we aim to safeguard against climate risk and enhance the long-term carbon competitiveness of companies within these sectors.

Kinder Morgan Inc.: GHG targets and alignment with the Paris Agreement

In 2024, we supported a shareholder proposal at Kinder Morgan Inc., which called for the company to set an emissions reduction target for its operational Scope 1 and 2 emissions. Despite being one of the largest energy infrastructure companies in North America, Kinder Morgan had not yet established specific GHG reduction targets. Given that the oil and gas sector accounts for approximately 15% of total energy-related emissions globally,[1] setting these targets is essential for addressing the material risks associated with GHG emissions. The proposal's flexibility allows Kinder Morgan to adopt targets that align with its operational realities while enhancing its resilience and competitiveness in a low-carbon economy.

Lennar Corporation: GHG targets and alignment with the Paris Agreement

Similarly, in 2024, we also supported a shareholder proposal at Lennar Corporation, which requested the company to issue a report on how it intends to reduce its full range of GHG emissions in alignment with the Paris Agreement's 1.5°C goal. The building sector is responsible for 21% of global GHG emissions and 34% of global energy demand,[2] with US residential construction alone emitting over 50 million tons of embodied carbon annually.[3] Lennar lacked emission reduction targets, which is a significant gap compared to the broader industry. Addressing this gap is crucial for enhancing Lennar's resilience and carbon competitiveness, ensuring it remains aligned with regulatory expectations and market trends.

By supporting these two proposals, we aim to drive meaningful climate action in sectors that are critical for the transition to a low-carbon economy. This approach not only helps mitigate climate risks but also positions our portfolio companies to capitalize on emerging opportunities, thereby enhancing their resilience and competitive edge in a rapidly evolving market landscape.

1 *Emissions from Oil and Gas Operations in Net Zero Transitions* | *International Energy Agency*
2 *Global Status Report for Buildings and Construction* | *United Nations Environment Programme*
3 *The Hidden Climate Impact of Residential Construction* | *RMI*

4

Progress on our climate action plan

We remain committed to advancing the transition to a low-carbon economy.

IN THIS SECTION

Climate action plan

Our commitment to net zero

Details on interim target reporting

Climate action plan

At Mackenzie, we are dedicated to supporting the transition to a low-carbon economy and managing the long-term risks and opportunities presented by climate change.

Our strategy

Our climate action plan remains grounded in the Canadian perspective, while keeping a broad view of global events. Physical and transitional climate-related risks could negatively impact the value we deliver to clients, and with broader implications. Climate change also presents opportunities for companies to evolve their business models and create innovative solutions. We are committed to navigating these challenges and leveraging opportunities to deliver value to our clients and drive positive change.

Collaborating

across our industry to set Canadian standards

- Engage through Climate Engagement Canada and Climate Action 100+.
- Oversight and reporting on our interim target.
- Advocate with Canadian and international standard-setters and policymakers.

Managing

portfolio risks and opportunities to achieve better client outcomes

- Advance data capabilities and tools to develop environmental insights on investee companies.
- Integrate physical and transitional climate-related risks into investment process.

Engaging

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

- Expand engagements beyond top 100 emitters.
- Support investment teams' engagements with in-depth thematic research and insights.
- Integrate engagement and proxy voting efforts for maximum impact.

Investing

to directly support the transition to a low-carbon economy

- Grow assets in sustainable investment solutions.
- Increase allocation to green-labelled debt.
- Invest in Canadian and global innovative companies with local and global partners.

Our commitment to net zero

Our interim target was set under the Net Zero Asset Managers initiative. In lieu of their 2025 review, and until further notice, we will continue reporting on the progress towards aligning our in-scope assets with Mackenzie's net-zero interim target.

In 2024, our progress was measured by investee companies' credible net-zero plans. We advanced towards our interim target, which aims for 50% of our in-scope assets to have validated science-based targets from the Science Based Targets initiative (SBTi) or equivalent pathways.

Our interim target:

50%

in-scope AUM verified by SBTi by 2030

Our 2024 progress:

32%

in-scope AUM verified by SBTi

Our progress

The number of companies with science-based targets has surpassed 6,800, while over 3,600 have committed to net-zero pathways as of 2024 year end. Due to increasing regulation for mandatory disclosure and changing consumer and investor sentiment, we witnessed accelerated momentum for climate disclosure and credible climate transition plans. This positively impacted our progress where we have benefited from external efforts (such as SBTi commitments) and our internal efforts (stewardship activities) towards our 2030 goal. As our engagement efforts have taken a Canadian focus, given our portfolio exposures, many of our Canadian strategies and the assets within these strategies have continued to benefit from our internal efforts.

A closer look

Progress on our net-zero journey

	2021 (baseline year)	2022	2023	2024	2030 target
% of total assets in scope[1]	24%	29%	25%	**25%**	–
% of in-scope AUM that has committed[2] to SBTi	30%	38%	41%	**41%**	70%
% of in-scope AUM that has been verified by SBTi	20%	23%	30%	**32%**	50%

Interim target scope and methodology
applied to ESG integrated strategies and sustainable investment strategies invested in equities.

Monitoring and oversight
through measurement and progress tracking, including quarterly reviews by the Sustainability Steering Committee.

Commitment to transparency
through the Sustainable Investing Report and PRI and CDP disclosures.

1 *The initial percentage of in-scope assets is 24% of the 2021 AUM (baseline year), amounting to $49 billion. This percentage and AUM figure will vary annually due to market fluctuations and asset flows.*
2 *Committed values include commitments and validations through SBTi.*

Details on interim target reporting

As stewards of our clients' capital, Mackenzie is committed to addressing climate change risks and opportunities across all our investment boutiques. Our interim target, guided by the Net Zero Investment Framework, is applied to:

- Investment strategies invested in equities with above-average contributions to Mackenzie's overall Scope 1 and 2 financed equity emissions, where we prioritize stewardship to address our fair share of global decarbonization efforts.
- Sustainable investment strategies invested in equities where sustainability takes priority in the investment objective.

Other asset classes or investment strategies were not included at this time due to lack of data coverage, lack of adequate target methodologies or insufficient standards or regulations. In setting science-based targets, investment holdings will need to follow criteria for covering Scope 1 and 2 emissions, as well as Scope 3 emissions, as defined by frameworks such as SBTi. We continue to measure investment holdings' emissions reduction pathways against 1.5°C science-based pathways, such as those offered by SBTi.

SPOTLIGHT

Canada's Next Sustainable Changemaker

In 2024, in partnership with Elevate, Mackenzie was once again a proud sponsor of Canada's Next Sustainable Changemaker Challenge, which provides an opportunity for sustainability-focused startups to earn grants totalling $40,000 to develop innovative solutions to help Canada achieve its net-zero emissions goal. Eight participants, selected from a pool of 176 candidates, received mentorship and coaching from thought leaders and experts in areas such as sales, marketing and fundraising. They also had the opportunity to meet potential partners and connect with experienced founders in the sustainability space to gain insights into how to scale up their start-up technology.

Three finalists were invited to our offices in Toronto to make their pitches to Mackenzie employees. Over 80 employees in attendance had the opportunity to vote for their favourite startup for the Mackenzie Choice award.

Grand prize and Mackenzie Choice award winner: Aruna Revolution

Aruna is revolutionizing menstrual health management with compostable products made from a proprietary fibre extraction process collected from food and crop waste, creating compostable, affordable and inclusive menstrual products. By repurposing agricultural by-products, the company significantly reduces reliance on virgin materials, thereby minimizing the carbon footprint associated with raw material extraction and processing.
The products also avoid the long-term environmental impact of traditional plastic-based products by reducing waste and decreasing methane emissions from decomposing organic waste in landfills.

Second place winner: CERT Systems

CERT Systems Inc. has developed an electrochemical process that converts captured carbon dioxide into molecules that are chemically identical to those derived from fossil fuels and which form the basis for common products such as plastics. CERT Systems' process uses CO_2 captured in liquid media, eliminating most of the energy costs associated with direct air capture. CERT Systems focuses on transforming CO_2 into ethylene, which can be used for a broad range of applications including plastics, textiles and sustainable aviation fuels. This process has the potential to reduce annual emissions by one gigaton.

Third place winner: NANOSentinel Technologies Corp.

Extracting and purifying metals from the earth are very energy-intensive and inefficient processes that produce large amounts of carbon dioxide and chemical waste. They also require instrumentation to measure metals. Obtaining relevant data is slow, and instruments are difficult to use, produce waste and often require specialized training and sophisticated setups for operation. NANOSentinel Technologies is a business-to-business platform-as-a-service company that provides instant, reliable and hassle-free metal testing. The company's solutions enable users to optimize their critical mineral refinement processes and monitor and analyze the environment in real time while significantly reducing CO_2 emissions and chemical waste.

5

Highlights from our investment teams

Our 16 specialized investment boutiques offer diverse solutions which include their approach to considering sustainability factors in their investment process.

IN THIS SECTION

In conversation with our CIOs

FEATURED INVESTMENT BOUTIQUES

Mackenzie Fixed Income team
Mackenzie Greenchip team
Mackenzie Betterworld team
Mackenzie Multi-Asset Strategies team
Mackenzie Asia team
Mackenzie Bluewater team
Mackenzie North American Equity and Income team
Mackenzie Global Quantitative Equity team
Mackenzie Global Equity and Income team
Mackenzie Resource team
Mackenzie Ivy team
Mackenzie Europe team

IN CONVERSATION

Sustainable investing oversight

Highlights for 2024

Lesley Marks and Steve Locke, Mackenzie's two Chief Investment Officers (CIOs) responsible for overseeing sustainable investing practices, discuss the highlights for 2024.

Lesley Marks
CIO, Fundamental Equity boutiques

Steve Locke
CIO, Fixed Income, Quantitative and Multi-Asset boutiques

What were some of your teams' key accomplishments in 2024?

Lesley: In 2024, our teams collaborated closely with our COE to leverage their expertise and utilize the resources of the centre in our stewardship practices, such as for proxy voting – an important component of our approach to sustainable investing through which we aim to achieve meaningful change. We advanced our efforts to consider material sustainability risk factors into our investment processes by strengthening our programmatic engagement with a focus on the top emitters. This program is essential to Mackenzie's plan to reduce its portfolio-level emissions and advance the energy transition.

Steve: On the fixed income side, we progressed our consideration of material sustainability factors into our risk analysis with the aim of investing for the best risk-adjusted returns for our clients. In 2024, our AUM in sustainable debt continued to grow at a steady pace and now represents 6.9% of our total fixed income AUM, which positions us among the market leaders in Canada in sustainable debt financing. I'd also point to the PRI in Person conference as a high point of 2024. The conference allowed us to showcase our investment management processes and sustainable investment practices on a global stage. We engaged with institutional investors directly to highlight our industry-leading sustainable investment practices and demonstrated that we can deliver customized strategies.

In 2024, Mackenzie's investment boutiques underwent an independent review by a third-party consulting firm. What highlights from the assessment can you share with us?

Lesley: Overall, our boutiques scored very well. The assessment showed that there is a strong understanding of ESG integration across all our boutiques, and we received acknowledgement for our progressive stewardship practices, which include our active engagement, ownership and advocacy work. Mackenzie's Resource team received a well-advanced overall assessment score, which speaks to Mackenzie's long legacy of resource investing. The team has a deep understanding of how resources are essential to the energy transition and to a sustainable future while influencing companies to adopt best practices in becoming more environmentally responsible.

Steve: Mackenzie's Fixed Income team also earned top marks and was commended for the "Dear CFO" letters program through which we engage with companies we believe have the potential to issue a green or sustainability-linked bond. In 2024, we engaged with 25 newly issued bonds. The assessment also provided us with validation of our company's sustainability practices and served as a recognition of the hard work that everyone at Mackenzie has contributed over the past decade towards our ambition to be a leader in sustainable investing.

What's ahead in 2025?

Steve: The sustainability standards and regulatory environment is evolving rapidly, as we've seen with the passing of amendments to the deceptive marketing provisions of the *Competition Act* aimed at deterring greenwashing in advertising. However, these broadly worded amendments have created some uncertainty and there is concern that some companies, especially smaller companies, will pull back on their environmental disclosure for fear of exposing themselves to potentially large penalties. But we also see this as an opportunity for companies to improve their sustainability reporting processes, so we anticipate that our engagement program in 2025 will reflect our views on the importance of the new regulatory landscape and the compliance with these standards, which are critical for us to make assessments on material ESG risks for the companies in which we invest.

Lesley: We remain committed to investment excellence, so we'll continue to focus on improving our practices when incorporating ESG risks into research and portfolio management across our boutiques. We seek to further deepen our knowledge around sustainable investing, which means leveraging sustainability and climate data and the available tools to enhance investment processes. Additionally, we will participate in training sessions to stay abreast of upcoming standards, frameworks and taxonomies. Leveraging the advanced climate risk tools and ESG data, we will continue to conduct research to uncover emerging risks and generate thought leadership on sustainable investing to share with our advisors, clients and industry stakeholders.

Mackenzie Fixed Income team

ESG integration – Advancements made

In 2024, the Mackenzie Fixed Income team continued to advance its ESG integration practices, both from an analysis and engagement perspective. We remain committed to ensuring we develop solutions that aim to deliver the best risk-adjusted returns for our clients while seeking to continuously contribute to global sustainability goals.

ESG scores

The team evolved its proprietary quantitative models for Sovereign and Corporate ESG scores through the transition from S&P TruCost to MSCI ESG Manager. The team's models consider a materiality framework in which each variable and theme is weighted relative to the materiality of the topic to the respective issuer to form a holistic evaluation. The sovereign risk assessment leverages 75 ESG data metrics across 12 sustainability themes, and the corporate assessment uses 94 ESG data metrics across 17 themes, enabling the team to compare the risk and relative value of issuers within their portfolios. To learn about our ESG score process see page 36.

The most recently developed analytical tools have been at the bond level to provide a green bond score to assess the environmental impact of the project and the quality of the annual green bond reporting for both government and corporate bonds, enabling the team to better understand the quality of the instruments within both the team's sustainable and traditional strategies.

> "We believe that it is no longer enough to avoid enabling harmful activities. By investing in innovative transactions, which deliver measurable impact and tangible alpha, we aim to be amongst the leaders across Canadian and global investors."
>
> **Konstantin Boehmer**
> SVP, Portfolio Manager, Head of Fixed Income

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

Sustainable core:
Mackenzie Global Sustainable Bond Fund and ETF

Sustainable thematic:
Mackenzie Global Green Bond Fund

1 Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

Team contributors

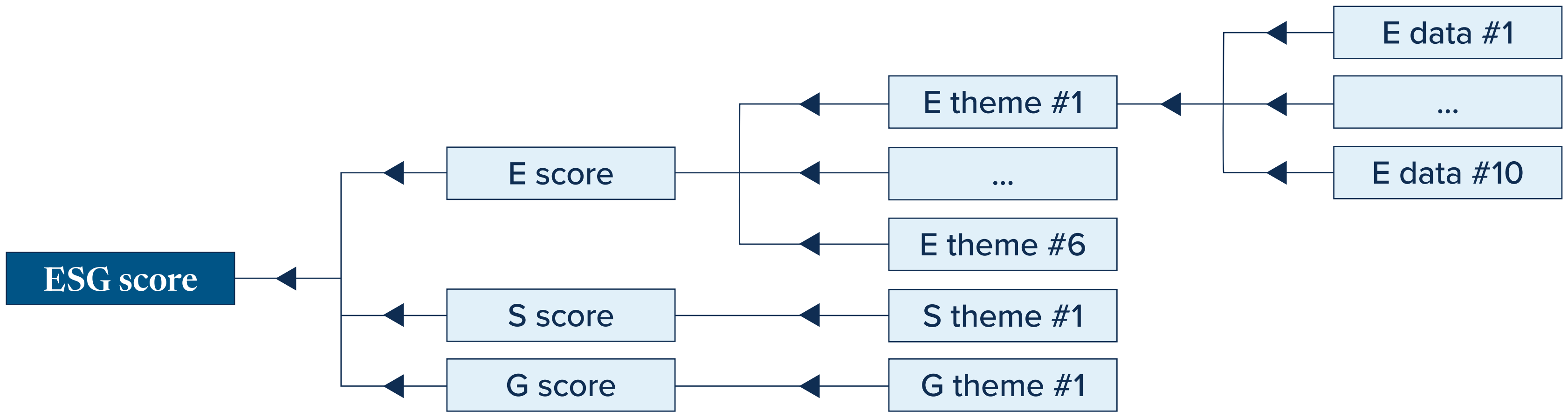
Konstantin Boehmer
SVP, Portfolio Manager,
Head of Fixed Income

Hadiza Djataou
VP, Portfolio Manager

Andrew Vasila
Director, Investment Research

Erica Roa
Senior Investment Analyst

Mackenzie Fixed Income corporate ESG score



Engagements

The Fixed Income team continued its engagement program to accelerate financing towards the energy transition with its third round of CFO letters directed at company executives. The team sent 25 letters with its top green bond, sustainable bond and sustainability-linked bond ideas and encouraged the issuance of more than $1 billion in sustainable debt. The team received 10 responses and held subsequent meetings with management teams, with four companies issuing sustainable debt during the year.

The most prominent sector theme in 2024 was once again power and utilities, focusing on renewable power and clean power projects along with the related transmission and distribution required to connect supply with demand. Financials, such as banks and insurance companies, were also active with a sustainable bond program that financed both green and social projects.

Looking ahead, the team is focused on engaging with companies who are likely issuers of green, sustainability and sustainability-linked bonds. These include both new and repeat issuers from a range of sectors across Canada, the United States, Europe and Emerging Markets.

Fixed Income engagements for 2024

Direct engagement letters by sector	Total	%
Power & Utilities	5	20%
Industrial	6	24%
Consumer	8	32%
Financials	6	24%
TOTAL	25	100%

ENGAGEMENT CASE STUDY

Sun Life Financial Inc.: ESG-labelled debt

The financial sector, and insurers in particular, play a crucial role in the sustainable transition by directing capital towards responsible investments, managing sustainability risks, and incentivizing resilient business practices through underwriting and investment decisions. Recognizing this, we engaged with Sun Life Financial Inc. ("Sun Life") in March 2024, as part of Mackenzie's sustainable credit ("Dear CFO") engagement program, to encourage future sustainable bond issuance and express interest in participating as an anchor order in their next sustainable bond. We initiated our engagement by sending a letter to Sun Life's Chief Financial Officer, which was followed by a meeting with the company in April 2024 to discuss their broader sustainability strategy and goals, referencing their annual sustainability reporting. A few months after our initial engagement, in May 2024, the company issued their third sustainable bond with a $750 million offering, and they report annually on the use of proceeds for these sustainable bonds. Although Sun Life's offering was already under development prior to our engagement, our discussions further reiterated investor demand for sustainability bonds to help finance the transition to a sustainable and low-carbon future.

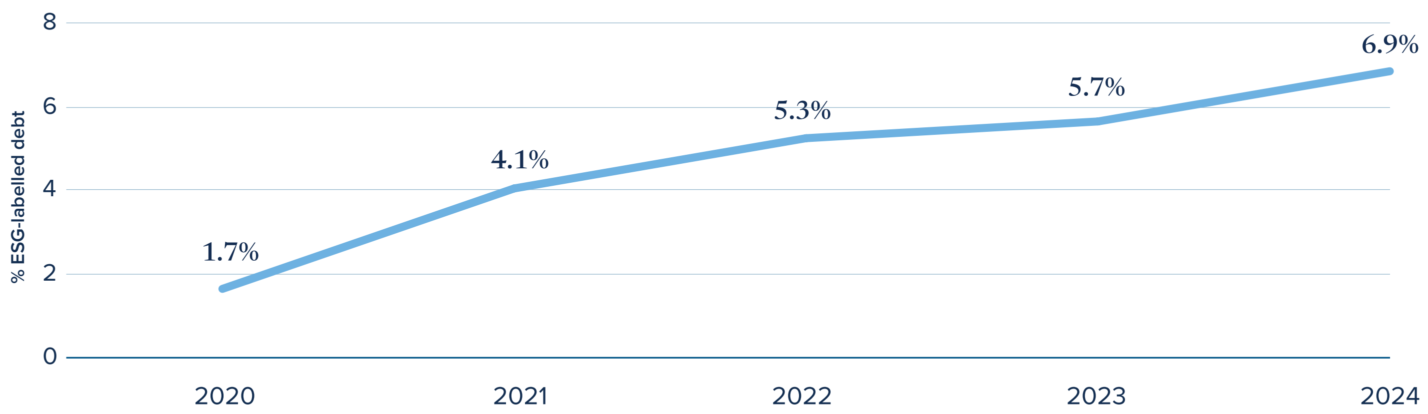
Summary of ESG-labelled debt

The Fixed Income team continues to increase its allocation to ESG-labelled or use-of-proceed debt.

ESG-labelled debt (millions)

	2020	2021	2022	2023	2024
Green bonds	$709	$1,630	$1,994	$2,080	**$2,516**
Sustainable bonds	118	421	450	620	**665**
Social bonds	0	85	77	10	**34**
Transition bonds	0	12	12	10	**–**
Sustainability-linked bonds/loans	9	364	314	424	**384**
Total ESG-labelled debt	$836	$2,512	$2,847	$3,144	**$3,599**

% ESG-labelled debt (increased allocation of ESG-labelled debt by over $400 million)



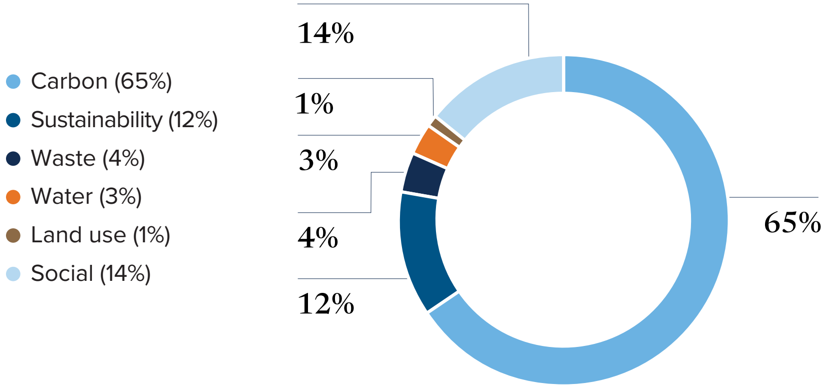
SPOTLIGHT

Province of Ontario green bond issue

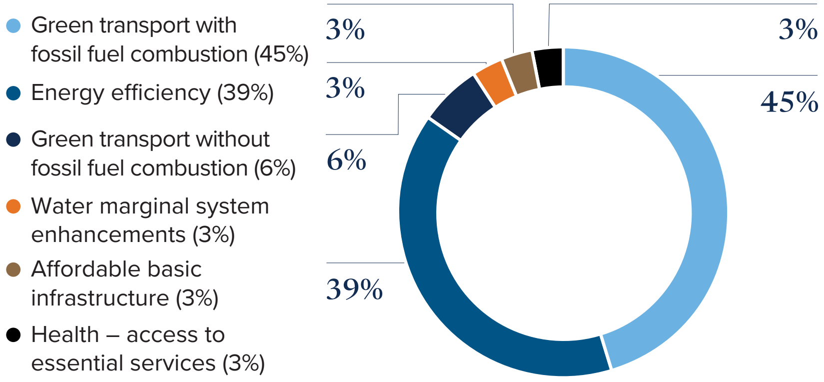
The Mackenzie Fixed Income team participated in the Province of Ontario's nine-year, $2.75 billion green bond, issued in March 2024, and the subsequent $1.2 billion issue in October 2024, under the new Ontario Sustainable Bond Framework. Some of the projects that these bonds will be funding will include Ontario's electrification and clean transportation projects such as Ontario Line subway and GO Transit expansions.

Impact assessment summary of green, sustainability and social (GSS) corporate and government bonds

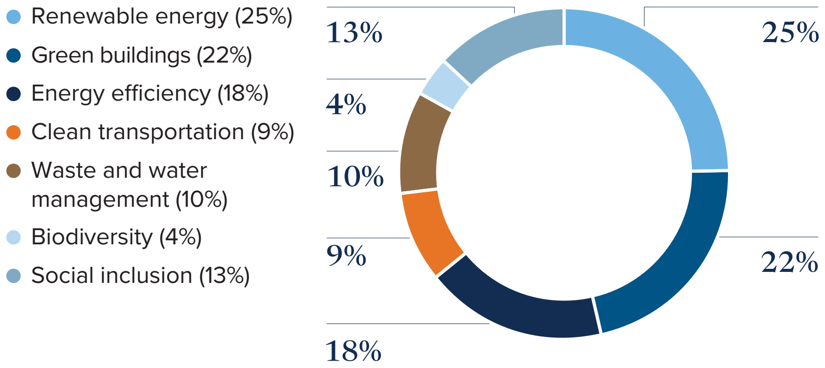
Project category funded by GSS bonds



Project type funded by government bonds

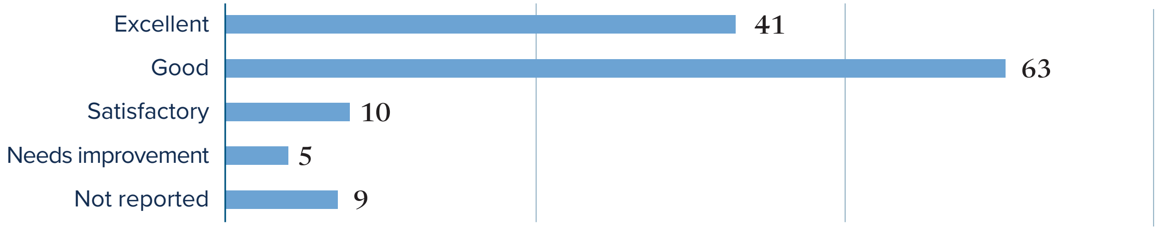


Project type funded by corporate bonds



Number of bonds funding key SDGs

Distribution of issuers based on reporting adequacy



Investing in impact through innovation

The Mackenzie Fixed Income team has been commended for their leadership in the development and execution of unique impact-focused debt structures. In this process, the team has sought to dispel the assumption that investors must choose between doing well and doing good. This commitment has been exemplified through anchor investments in the world's first outcome bonds. Through rigorous research and diligent reporting, the team has shown that impact can not only be measured, but also maximized and monetized. With a specialized approach considering both issuer risk and instrument impact, the team has a proven record of investing in transactions which have jointly generated sustainable alpha and positive change.

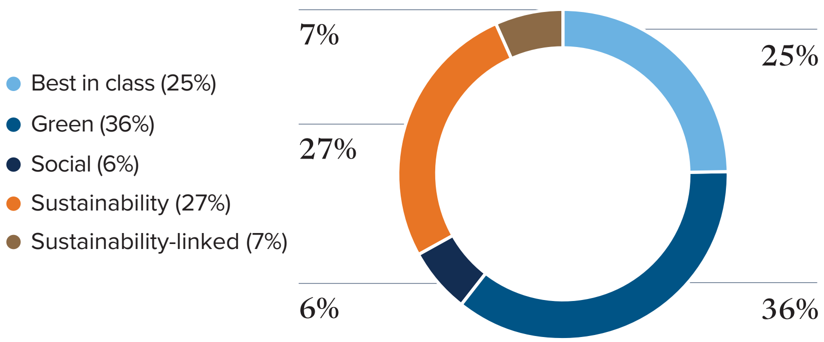
This past year saw two new outcome bonds sponsored by the Mackenzie Fixed Income team, the first supporting waste reduction in Indonesia and Ghana, and the second funding the reforestation of the Amazon rainforest. These projects have already seen exceptional progress, joining the Wildlife Conservation Bond, which has almost surpassed its five-year target in the first two years of operation, enhancing Black Rhino populations in South African nature sanctuaries by nearly 20%. As a continued sponsor for this financially beneficial and societally impactful investment pool, the team is actively in discussions surrounding outcome bonds related to Indigenous reconciliation, alternative energies and maternal health.

Amazon Reforestation Bond

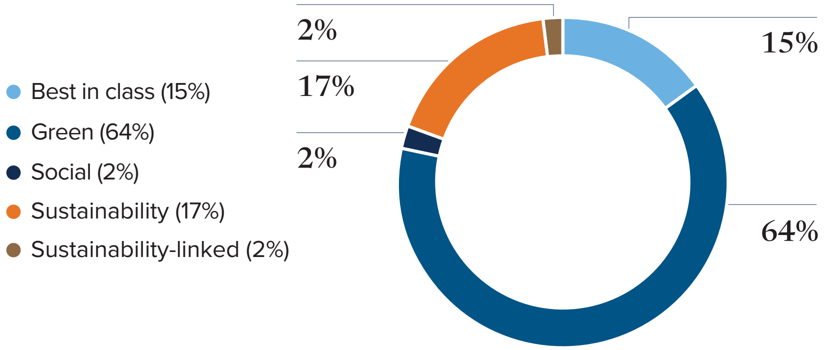
Issued by the World Bank's International Bank for Reconstruction and Development, the use of proceeds from the bond finance the World Bank's series of programs under their sustainable bond framework with the objective to alleviate poverty while enabling positive environmental co-benefits. A portion of the bond's interest stream is redirected to reforestation projects in the Amazon rainforest with organizations such as Mombak that reforest the land with native tree species. The carbon credits produced by the projects, calculated based on how much carbon is removed by the planted trees, are sold to generate a supplemental revenue stream linked to the successful delivery of the program.

> "This transaction offers a landmark opportunity in nature-positive investment while supporting land stewardship principles and being a catalyst for further innovation in the sustainable fixed income market."
>
> **Hadiza Djataou**
> VP, Portfolio Manager

Mackenzie Global Sustainable Bond Fund



Mackenzie Global Green Bond Fund



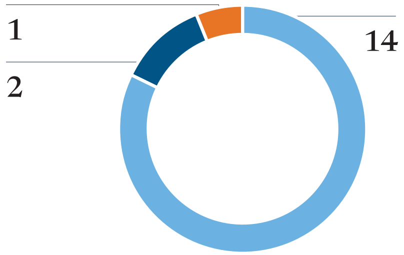
Mackenzie Greenchip team

In 2024, global investment in the energy transition continued to be strong, with clean tech CapEx increasing from $1.7 trillion in 2023 to over $2.0 trillion. However, clean tech faced several headwinds over the past year. The first was related to higher input costs. This was exacerbated by new tariffs and increasing trade impediments. The second headwind is linked to the stability of the aging electricity grid and its capacity to incorporate new renewable power projects at the rapid pace they were being developed. Additionally, despite increasingly attractive valuations in clean tech stocks, the momentum in AI and other (primarily US) tech stocks generally distracted investors away from the capital-intensive businesses that dominate environmental sectors. This dynamic has created some notable opportunities, and we continue to see tremendous demand for power equipment, cabling and energy efficiency technologies.

Since its inception, Greenchip has built a proprietary investment universe of around 2,000 businesses worldwide, with approximately $15 trillion in aggregate market capitalization. While there is an element of subjectivity in determining how much of a business' products and services qualify as environmental solutions, the team has used a combination of experience and judgment as well as external research to build and maintain this universe. The team's investment process starts with an exclusive focus on the products that companies sell. These generally fit into six sectors across 23 environmental subsectors: clean and renewable energy, energy efficiency, clean-up technologies, water, sustainable agriculture and transportation. In 2024, the team conducted a full green revenue review of existing constituents.

Total engagement topics

- Environmental (14)
- Social (2)
- Strategy, risk and communications (1)



Proxy voting

Total meetings voted	Total proxy items voted[1]	% of votes with management	% of votes against management	Other
48	2,753	84%	13%	3%

1 Total proxy items voted include the sum of votes with and against management, plus 'Other Votes.' 'Other Votes' include votes without management recommendations and votes submitted as 'Take No Action' or 'Do Not Vote.' Investment managers may choose to submit votes as 'Take No Action' or 'Do Not Vote' for various operational reasons, including voting on dissident voting cards, withholding votes on shares sold prior to the meeting date, or preserving the ability to trade the security where ballot blocking is required.

Team offers

Sustainable thematic:

Mackenzie Greenchip Global Environmental All Cap Fund

Mackenzie Greenchip Global Environmental Balanced Fund

Team contributors

John A. Cook
SVP, Portfolio Manager, Team Co-Lead

Gregory Payne
SVP, Portfolio Manager, Team Co-Lead

Johnathan Prestwich
Senior Investment Analyst

Lourdeena Kudaliyanage
Investment Director

CASE STUDIES

The Chinese solar sector

The Chinese solar sector has faced considerable financial challenges recently, with China driving global oversupply of solar production capacity, which has led to a significant drop in prices. Chinese producers face political and economic resistance from major export markets in the West. Prices for the solar supply chain products have dropped in response to this surging supply, and inventories have increased, even with demand growth of greater than 30% in 2024. Accusations of dumping and unfair trade have extended to the Chinese companies' offshore manufacturing operations in Southeast Asia, and new tariffs have been levied by the US administration. There are also allegations of forced labour of largely Islamic populations in the supply chain linked to polysilicon production in Xinjiang province, and banning of any imports that can't traceably prove alternate polysilicon sourcing.

The team visited each of the three Chinese solar companies that have been important components of the Greenchip portfolio for many years: Jinko Solar, Canadian Solar and Daqo New Energy. In visiting manufacturing sites for solar panels, solar cells, utility-scale battery systems and polysilicon, we witnessed first-hand the scale and modern manufacturing processes the most recent wave of solar sector investment has created. Jinko's plant, for example, is at near complete automation, and Jinko is reducing its production workforce from 57,000 to 40,000, even as its volumes are expected to grow by more than 20%.

Daqo New Energy's operating subsidiary has plants in Xinjiang and Inner Mongolia provinces, with the former a source of controversy as Western sanctions for human rights concerns, such as forced labour, have targeted Xinjiang. While in China, we discussed these allegations with company management. Daqo stated that they have been the subject of third-party audits from their customers, including Jinko Solar, and is, in turn, auditing its own suppliers. They indicated that suppliers have signed documentation asserting that there are no financial, legal or physical methods by which their labour force is being detained.

The team learned of similar investments in safety and automation at Daqo's operations that we saw in Jinko's plant. We discussed with management the barriers to using solar energy even though their product is an important part of offsetting the coal that powers their furnaces today. One significant challenge is the local state grid company, which is reluctant to permit solar development operating "behind-the-meter" due to its own demand and grid management concerns. Daqo management seemed resigned to these restrictions and were more focused on developing behind-the-meter solar only at their newer plant in Inner Mongolia. The Greenchip team will be following up with the company to see if they can more proactively encourage increased contribution from solar energy as part of the energy mix in Xinjiang.

Gregory Payne visits Chinese solar plants during his 2024 trip.

Carrier Global Corporation: Governance and social considerations in investment decisions

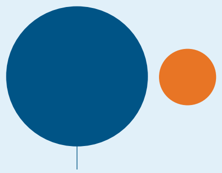
We invested in Carrier Global Corporation ("Carrier") in June 2023. Carrier scored a yellow at that time based on our proprietary ESG risk stoplight scoring system. The rating resulted from Carrier's historical use of aqueous film forming foam (AFFF) to produce firefighting foam within its Kidde Fenwal Inc. (KFI) business, which our research indicated led to health issues resulting in lawsuits. At the time of the initial investment, Carrier was looking to sell its fire business, but the outcome of the lawsuits facing KFI was unknown, and it was uncertain whether a buyer could be found. In 2024, Carrier was performing well, executing its transformation plan to become a leading global heat pump and efficient HVAC player. In July 2024, KFI sold its business to an affiliate of Pacific Avenue Capital Partners, and three months later Carrier announced it had reached a settlement agreement for the lawsuits and would make settlement payments of over $600 million. Given the resolution of this risk, the team revised the ESG risk rating to green and subsequently adjusted down our equity discount rate.

The Mackenzie Greenchip Global Environmental All Cap Fund for 2024

The transition from fossil fuels to renewable forms of energy requires investors to reconcile with processes and products that create emissions and other environmental impacts. For example, large quantities of steel are needed to build wind turbine towers. This steel is primarily made using metallurgical coal, also known as coking coal, while solar modules are made using energy and water intensive processes. According to the think tank Energy Transitions Commission, the energy transition is estimated to require 6.5 billion tons of end-use materials such as steel, copper, lithium, cobalt and nickel, amongst others derived through energy-intensive processes.[1]

The team wants to ensure that the companies it invests in are aligned to find more carbon and resource efficient ways to manufacture their products and solutions, which is measured by their commitment to the Science Based Targets initiative (SBTi) and the alignment of revenue to environmental solutions. ESG scores and carbon intensity data help us make decisions at the company level, but at the portfolio level, we believe that to assess the sustainability characteristics of the Fund, green revenue is a more accurate climate solutions indicator than focusing on Weighted Average Carbon Intensity (WACI) and SBTi metrics. While WACI calculation is widely used in the industry, it presents certain challenges when comparing companies' intensity values across geographies caused by inflation and currency differences. The COE, in collaboration with the Greenchip team, has been working on addressing these challenges by introducing purchasing power parity in the calculation to get a more accurate measure of companies' carbon-intensity values. A new iteration of this approach is expected to be launched in 2025.

Weighted Average Carbon Intensity (tCO_2e/USD$M)



278 vs 114

- Mackenzie Greenchip Global Environmental All Cap Fund (278)
- Benchmark: MSCI ACWI (114)

Percentage of portfolio with decarbonization targets

70% vs 55%

- Mackenzie Greenchip Global Environmental All Cap Fund (70%)
- Benchmark: MSCI ACWI (55%)

Percentage of portfolio with exposure to environmental impact solutions

85% vs 43%

- Mackenzie Greenchip Global Environmental All Cap Fund (85%)
- Benchmark: MSCI ACWI (43%)

1 *It's in the Charts – Materials needed to deliver the energy transition* | *Energy Transitions Commission*

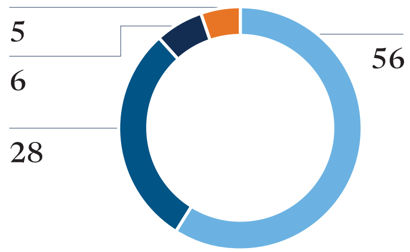
Please refer to ESG metrics and definitions for more details on definitions and methodology.

Mackenzie Betterworld team

The Mackenzie Betterworld team employs a rigorous sustainable investment approach through 1) ESG analysis to identify companies with sustainable business models; and 2) active stewardship to enhance further the ESG practices at our investee companies. The team's portfolios consist of diversified large-cap equities, selected through proprietary research, prioritizing a company's ESG practices, UN SDG alignment and governance. In 2024, focus engagement areas included promoting board gender diversity, advancing the circular economy and improving climate risk management.

Total engagement topics

- Environmental (56)
- Governance (28)
- Social (6)
- Strategy, risk and communications (5)



Proxy voting

Total meetings voted	Total proxy items voted[1]	% of votes with management	% of votes against management	Other
107	5,474	85%	15%	0%

1 *Total proxy items voted include the sum of votes with and against management, plus 'Other Votes.' 'Other Votes' include votes without management recommendations and votes submitted as 'Take No Action' or 'Do Not Vote.' Investment managers may choose to submit votes as 'Take No Action' or 'Do Not Vote' for various operational reasons, including voting on dissident voting cards, withholding votes on shares sold prior to the meeting date, or preserving the ability to trade the security*

Team offers

Sustainable core:

Mackenzie Betterworld Global Equity Fund

Mackenzie Betterworld Canadian Equity Fund

Team contributors

Andrew Simpson
SVP, Portfolio Manager, Team Lead

Jonas Cuypers
Director, Investment Research

CASE STUDY

TD: Divestment due to governance concerns

The Toronto-Dominion Bank ("TD") is under regulatory scrutiny for alleged anti-money laundering (AML) compliance failures at its US banks. In October 2024, two of its US entities pleaded guilty to violations under the *Bank Secrecy Act* and reached settlements with various US regulatory bodies. TD was fined $3.09 billion and faces an asset cap on its US retail units, stricter branch approval processes and five years of probation.

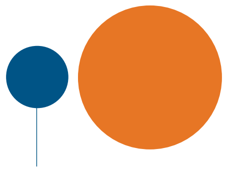
The Betterworld team believes that AML issues can be a significant long-term drag on the bank's performance. There are regulatory fines, a cap on growth, rising expenses to remedy the AML programs and, importantly, it results in a lack of stakeholder confidence from shareholders, employees and customers. Therefore, the team exited their position in early 2024, in anticipation of such issues materializing financially.

Sustainability-related characteristics of the Betterworld funds

Mackenzie Betterworld Canadian Equity Fund

The Mackenzie Betterworld Canadian Equity Fund continues to deliver better sustainability outcomes relative to its benchmark, managing exposure to climate transition risk.

Weighted Average Carbon Intensity (tCO_2e/USD$M)



87 vs 201

Percentage of portfolio with decarbonization targets

30% vs 21%

Portfolio weight of companies with at least 30% women on boards

98% vs 96%

Severe controversies

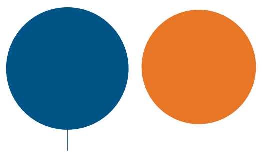
Mackenzie Betterworld Canadian Equity Fund 0% vs Benchmark: S&P/TSX Composite Fossil Fuel Reserves Free Index 0%

● Mackenzie Betterworld Canadian Equity Fund ● Benchmark: S&P/TSX Composite Fossil Fuel Reserves Free Index

Mackenzie Betterworld Global Equity Fund

Overall, the Mackenzie Betterworld Global Equity Fund continues to deliver better sustainability outcomes relative to its benchmark, focusing on environmental and social risks.

Weighted Average Carbon Intensity (tCO_2e/USD$M)



75 vs 70

Percentage of portfolio with decarbonization targets

67% vs 61%

Portfolio weight of companies with at least 30% women on boards

81% vs 74%

Severe controversies

Mackenzie Betterworld Global Equity Fund 0.0% vs Benchmark: MSCI World ex Fossil Fuels Index 0.5%

● Mackenzie Betterworld Global Equity Fund ● Benchmark: MSCI World ex Fossil Fuels Index

ENGAGEMENT CASE STUDY

Procter & Gamble: Executive compensation

In 2024, we engaged with the company on executive compensation linked to sustainability as we believe linking ESG factors and executive compensation helps to align management incentives to the ESG performance of the company. We encourage transparency on how these ESG factors are being calculated annually for investors to assess the effectiveness and impact of the factors, as well as to hold management accountable for ESG goals.

Currently, the ESG factor is one of the multipliers that impact the short-term achievement reward (STAR) of Procter & Gamble's executive compensation program. The ESG factor accounts for progress against key long-term metrics in environmental sustainability, as well as equality and inclusion. Adjustments can be made to the salary and long-term incentives of the named executive officers based on their individual contributions to equality, inclusion and governance. Through engagement, the team encouraged management to provide more disclosure on the calculation of ESG factors annually to further strengthen transparency and help investors reconcile the company's ESG performance to the executive compensation. The company acknowledged the issue, and we expect this to lead to improved disclosure in 2025.

ENGAGEMENT CASE STUDY

EQB: Improving ethnic diversity

EQB Inc. is a leading digital financial services company with $127 billion in combined assets under management and administration (as at October 31, 2024). Its wholly owned subsidiary Equitable Bank is Canada's seventh-largest bank by assets. The Mackenzie Betterworld team has been a long-time investor in EQB, and is in an ongoing dialogue with the company to encourage them to improve their diversity performance. In 2024, EQB improved its diversity performance in relation to DE&I leader seniority, workforce ethnic composition disclosure, promotion and retention rates disclosure, and its supply chain diversity policy.

Betterworld has developed a proprietary diversity scorecard to help evaluate the performance of companies such as EQB on various diversity-related metrics. Year-over-year, EQB has demonstrated an improvement of 12 points in its score between 2023 and 2024.

Betterworld's proprietary diversity scorecard

Pillar	Key Performance Indicator	Weight	Max Score	2023 EQB Score	2024 EQB Score	Change
CEO oversight	CEO responsibility	7%	7	7	7	–
	Solicits input from racial minority employees	3%	3	3	3	–
	CEO oversight subtotal	**–**	**10**	**10**	**10**	**–**
DEI implementation	Designated DEI team	5%	5	5	5	–
	DEI leader seniority	15%	15	9	12	↑ +20%
	DEI implementation subtotal	**–**	**20**	**14**	**17**	**↑ +15%**
DEI data disclosures	Workforce ethnic composition disclosure	10%	10	8	10	↑ +20%
	Workforce availability study completed	5%	5	0	0	–
	Racial pay equity	7%	7	7	7	–
	Promotion rates	7%	7	0	2	↑ +33%
	Recruitment rates	7%	7	2	2	–
	Retention rates	7%	7	0	2	↑ +33%
	Racial diversity targets	20%	20	0	0	–
	Supply chain diversity policy	7%	7	0	2	↑ +33%
	DEI data disclosure subtotal	**–**	**70**	**17**	**26**	**↑ +13%**
Adverse impact on people of colour (POC)	Racial discrimination lawsuits or controversies	-20%	0	0	0	–
	Adverse impact on POC subtotal	–	**0**	**0**	**0**	–
TOTAL		**–**	**100**	**41**	**53**	**↑ +12%**

Mackenzie Multi-Asset Strategies team

ESG considerations are integrated in the Multi-Asset Strategies investment team's approach, as we believe it is essential for prudent and responsible investing. The team's research shows that greater exposure to companies with favourable ESG risk scores generally has a neutral to positive impact on portfolio returns. Therefore, the team aims to construct portfolios with ESG and climate factor exposures that meet or exceed our benchmarks. The team favours companies with better and improving ESG and climate ratings while reducing exposure to high-controversy companies. The team leverages the COE's stewardship expertise to engage with investee companies. In 2024, the team transitioned to using climate and ratings data from MSCI to provide better coverage of climate risks. MSCI's scenario-based approach offers greater transparency into factors affecting portfolios, including risks from extreme weather events such as temperature changes, heavy precipitation, snowfall and wind patterns.

> "Our team leverages the expertise of the COE to stay ahead of the evolving sustainability regulatory landscape and implement best practices in utilizing and integrating ESG data in our investment process."
>
> **Nelson Arruda**
> SVP, Portfolio Manager, Team Lead

Team offers

ESG-integrated:

Majority of strategies[1] consider material ESG risks in their investment process

Sustainable thematic:

Mackenzie Global Women's Leadership Fund and ETF

Team contributors

Nelson Arruda
SVP, Portfolio Manager, Team Lead

Andrea Hallett
VP, Portfolio Manager

Michael Kapler
VP, Portfolio Manager

1 *Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.*

PROXY VOTING CASE STUDY

Amazon: Addressing pay equity disclosure

In 2024, Amazon received a shareholder proposal requesting the disclosure of median gender and racial pay metrics. Although Amazon reports a 99.9% global gender pay equity metric, the proposal called for using an alternative median pay gap methodology. This methodology, which is mandatory for UK companies with over 250 employees, is particularly useful for highlighting gender balance at higher ranks within an organization by removing adjustments for factors like position. This approach provides a clearer picture of overall pay distribution and gender balance, often revealing a larger gap if more men hold high-paying jobs.

Amazon already releases a regional report in the UK with much of the requested information and thus, Amazon's existing methodologies align well with the shareholder proposal's requirements. Mackenzie Global Women's Leadership Fund supported this proposal, viewing it as an opportunity for Amazon to demonstrate industry leadership and improve pay equity transparency.

The proposal received 29% support from shareholders, highlighting the growing importance of adopting more nuanced methodologies to address complex issues like pay equity.

Mackenzie Global Women's Leadership Fund

In 2024, the team began managing the Mackenzie Global Women's Leadership Fund. This Fund aims to provide long-term capital growth by investing in companies committed to gender diversity in their board of directors and leadership positions. The team's quantitative, fundamental approach evaluates growth, quality and valuation drivers to identify compelling opportunities. The team also applies additional sustainability screens to minimize risk, diversify geographically and identify the best opportunities for long-term capital appreciation among companies that promote gender diversity and women's leadership globally.

The investment portfolio of the Fund includes equity securities that are selected from constituents of the MSCI Women's Leadership Index. This index is designed to represent companies that demonstrate a strong commitment to gender diversity, particularly in leadership roles and board representation. To be included, companies must meet specific criteria such as having a minimum number of female directors or leaders, exceeding the average percentage of female board members within their country, and maintaining a favourable score in labour rights and workforce diversity.

Sustainability-related characteristics of the Global Women's Leadership Fund

Portfolio weight of companies with any women executives

92% vs 89%

Portfolio weight of companies with at least 30% women on boards

96% vs 73%

Labour-related severe controversies

Global Women's Leadership Fund 0.00% vs Benchmark: MSCI World 0.02%

Relevant UN SDGs

Global Women's Leadership Fund
Benchmark: MSCI World[1]

1 *Performance of sustainability characteristics compared against MSCI World to highlight the relative effectiveness of the strategy against a global benchmark.*

Mackenzie Asia team

China's net-zero ambitions continue at an accelerated pace. Technology and cost leadership have allowed China to move more aggressively into export markets in 2024. Chinese green technology is emerging as world-leading and poised to provide investment opportunities in the Chinese market, while creating opportunities for the West to decarbonize in a cost-effective manner. Japan continued on its path of corporate governance reform, which caught the attention of international investors in 2024, while Korea has begun to adopt reform policies that present investment opportunities in the coming years. Amid such a dynamic landscape, characterized by evolving economic conditions, regulatory changes and technological advancements, the team constantly monitors for emerging risks and opportunities.

> "China's highly ambitious environmental policies have the potential to cap growth in their emissions and can provide investment opportunities within the renewable supply chain for years to come."

Nick Scott
SVP, Portfolio Manager, Team Lead

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

Nick Scott
SVP, Portfolio Manager, Team Lead

Ryoichi Hayashi
AVP, Portfolio Manager

Mark Whelan
Director, Associate Portfolio Manager

1 Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

CASE STUDY

Adani Ports

Adani Ports, India's largest integrated logistics player, operates key ports on both the western and eastern coastlines. Historically, the company faced scrutiny for environmental concerns, such as allegations related to destroying mangroves around one of its ports. However, the Indian courts did not find Adani Ports liable, and the Indian government confirmed the company's compliance with environmental orders.

Since then, Adani Ports has significantly increased its focus on environmental sustainability, including mangrove reforestation, waste reduction and recycling processes. The company has also established a long-term sustainability roadmap to manage its environmental footprint and strengthen corporate governance, providing detailed sustainability updates annually.

While historical ESG issues raised concerns, the company's rate of positive change and progress, not fully captured by third-party service providers' backward-looking analysis, convinced us that Adani Ports represents a positive investment opportunity with potential for future growth. This renewed commitment to sustainability and governance, coupled with the strategic initiatives, positions Adani Ports as a promising investment despite past challenges.

Mackenzie Bluewater team

The Mackenzie Bluewater team maintains a long-term investment horizon where they evaluate material factors, including ESG factors, and their impact on the durability of free cash flow growth for a business over 10-plus years. Both qualitative and quantitative factors are considered in their investment analysis. As an example, regarding the social aspect, companies are not viewed in a vacuum, but rather as existing in an ecosystem, and the treatment of all stakeholders, including employees, suppliers, customers and the communities in which they operate, will define how successful they are in the long run. The process at Bluewater involves a combination of top-down and fundamental bottom-up analysis, incorporating a proprietary model to assess ESG factors and integrating them into their valuation models where possible.

"The energy transition is a massive undertaking – upending everything from how energy is produced, distributed and ultimately consumed. Companies that are critical in enabling this transition will benefit from a multi-year tailwind to growth, driving superior business performance in the decades to come."

Dave Taylor
VP, Portfolio Manager

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

David Arpin
SVP, Portfolio Manager,
Team Co-Lead

Dave Taylor
VP, Portfolio Manager

1 *Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.*

ENGAGEMENT CASE STUDY

Waste Connections: Decarbonization and net-zero strategy

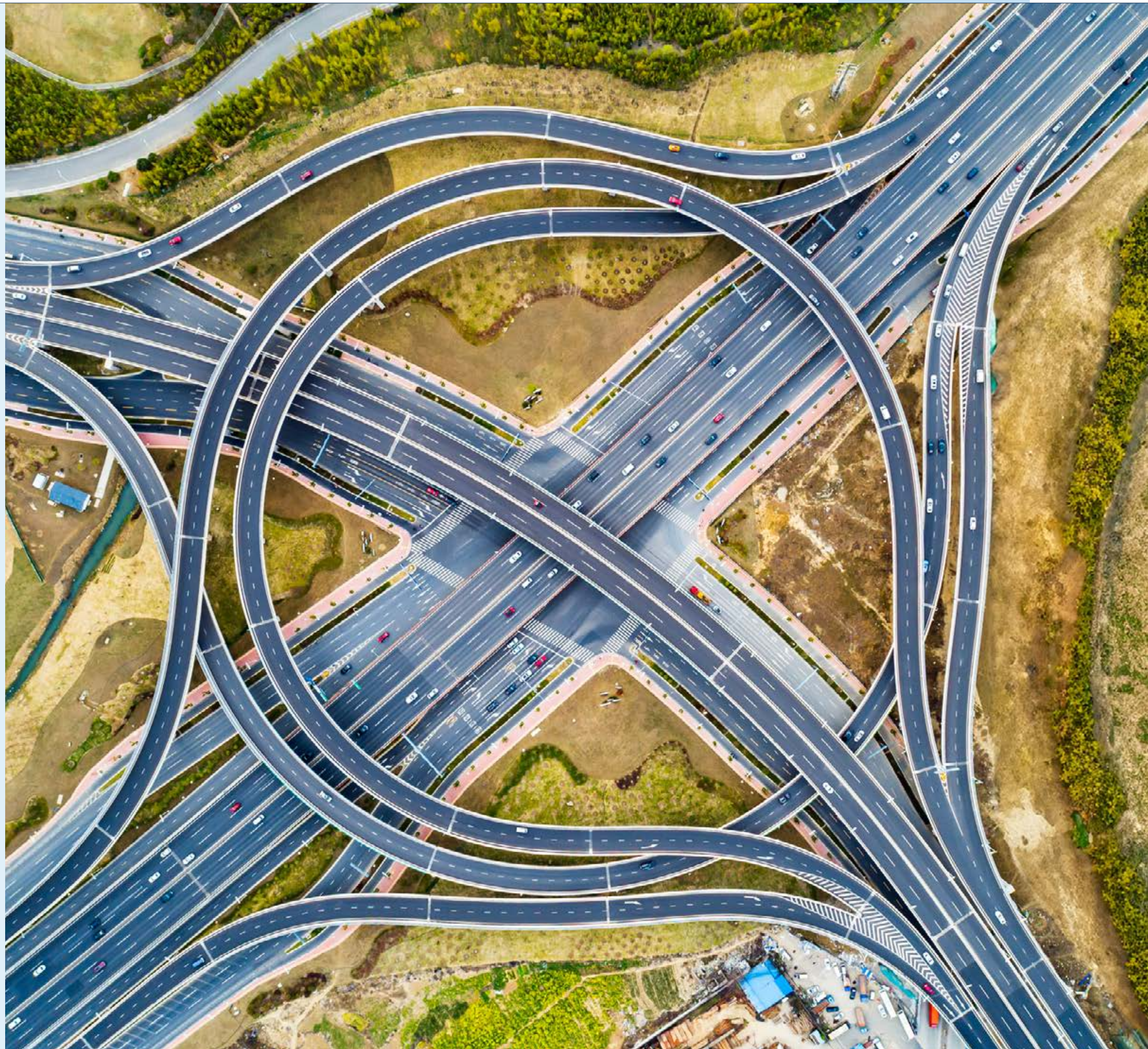
For many years, the Mackenzie Bluewater team has been an investor in Waste Connections, a North American integrated waste services company that provides waste collection, transfer, disposal and recycling services, primarily of solid waste. The team has a history of engaging with management, and in 2024, we followed up with the senior management of Waste Connections as part of Mackenzie's climate action engagements to receive an update from the company on their climate-related initiatives. The team was pleased to learn that the company has doubled their Scope 1 and 2 absolute emission reduction target to 30% by 2033 and have already achieved 13% of that goal despite the company's outsized revenue growth. Achieving these targets is a function of operational efficiency and enhanced gas collection at landfills – given that approximately 85% of Scope 1 emissions are fugitive landfill emissions – and resource recovery through recycling and renewable natural gas (RNG) facilities. The company is also exploring aligning these targets with the SBTi methodology, which the team views as a major milestone in their transition plans. As standard practice, the team will continue to monitor and follow up on the company's progress.

CASE STUDY

Schneider Electric: Environmental considerations in investment decisions

Schneider Electric stands at the forefront of the global energy transition, specializing in software and low- to medium-voltage electrical equipment that supports the transformation of the electrical grid to accommodate renewable energy sources. Traditionally, electrical systems operated under a "hub and spoke" model, where energy flowed from centralized generation points through transmission lines to consumers. As the industry moves towards a more decentralized "mesh" network, integrating renewable sources such as wind and solar farms, and battery storage, becomes imperative. This shift necessitates substantial investments in advanced software and electrical infrastructure to enhance grid resiliency and efficiency. The evolution of the energy system towards a mesh network is not merely a logistical challenge but also a technological one. It requires sophisticated software solutions to manage real-time data to balance energy loads effectively. Schneider Electric's role is pivotal in this context, as it leverages AI to dynamically facilitate forecasting and resource allocation. This capability allows for greater flexibility and resilience in energy systems worldwide, contributing significantly to efforts in reducing global carbon emissions. As such, Schneider Electric exemplifies how technology can drive sustainability in the energy sector.

Through comprehensive top-down analysis combined with bottom-up fundamental research incorporating ESG factors, the Bluewater team concluded that Schneider's leadership in energy solutions will provide a substantial tailwind for the company over the next decade. As a result, Schneider is seeing accelerated adoption of its products and business growth at multiples of GDP. This strategic position underscores Schneider Electric's critical role in the global energy transition. Based on these considerations, Bluewater has maintained a position in Schneider across all portfolios, and as a result, Schneider has contributed to Bluewater's investment performance.



Mackenzie North American Equity and Income team

The North American Equity and Income team continued following its three-step ESG integration process, shifting focus in response to macro factors, market trends and an evolving regulatory environment. In 2024, we focused on governance issues, namely compensation, succession planning and the Board's role in considering corporate actions like takeovers, mergers and acquisitions, and capital deployment. We also increased our focus on ensuring a company has a comprehensive understanding of its social license to operate and the importance of managing regulatory issues and government relations, particularly in relation to resource companies. Diversity policy was another key focus area, given the increased scrutiny this issue has received.

> "We invest in companies that understand the value of maintaining a social license and the importance of strong relationships with all stakeholders."
>
> **William Aldridge**
> SVP, Portfolio Manager, Team Co-Lead

Team offers

ESG-integrated:
The majority of strategies[1] integrate material ESG factors

Team contributors

William Aldridge
SVP, Portfolio Manager, Team Co-Lead

Dean Highmoor
AVP, Portfolio Manager

1 Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

PROXY VOTING CASE STUDY

Gildan Activewear: Leadership stability and strategic vision

Montreal-based Gildan Activewear is a leading global manufacturer of T-shirts and other apparel, and is a key holding in the Mackenzie Canadian Equity Fund. In December 2023, co-founder Glenn Chamandy was ousted from his role as CEO amid claims that he lacked the vision to lead the company forward. With the support of Gildan's Board of Directors, he was swiftly replaced by Vince Tyra, a former Fruit of the Loom executive. However, activist shareholder Browning West LP, Gildan's largest shareholder, campaigned for Chamandy's reinstatement and proposed the appointment of eight new board members, including Chamandy. After an expensive six-month battle, Tyra, board members and two executives resigned, Chamandy was reinstated as CEO, and the eight new proposed board members were appointed. The team was actively involved in the proxy battle that led to the reinstatement as we believed that Chamandy's vision, leadership and commitment to long-term growth are instrumental in shaping the company's trajectory.

ENGAGEMENT CASE STUDY

Enbridge Inc.: Decarbonization and net-zero strategy

As a leading Canadian energy infrastructure company with an extensive portfolio of pipelines, utilities and renewable power assets across North America, Enbridge Inc. plays an important role in enabling the energy transition and meeting the growing global demand for a secure, reliable and affordable supply of energy.

Progression of engagement efforts

2022

Initial engagement to understand the company's strategy to decarbonize its operations and support a cleaner energy future.

2023

Enbridge received a shareholder proposal requesting disclosure of the company's Scope 3 emissions across all categories of emissions. We engaged with management to advocate for enhanced reporting on Scope 3, and the Mackenzie North American Equity and Income team voted in support of this proposal. In their 2023 Annual Report, Enbridge announced the expansion of their Scope 3 emissions reporting.

2024

Enbridge received a second shareholder proposal requesting the disclosure of the company's Scope 3 emissions across all categories of emissions. Although the company has made improvements in emissions reporting, Scope 3 – Category 11 emissions reporting was limited to Enbridge's natural gas utilities business but did not include its liquids or natural gas transmission pipelines businesses. In our 2024 engagement meeting, we advocated for additional disclosure and continue to track Enbridge's progress.

"Our commitment to advocating for comprehensive emissions reporting underscores our dedication to transparency and accountability in the pursuit of a cleaner energy future. By engaging with Enbridge and supporting enhanced Scope 3 disclosures, we aim to drive meaningful progress in their decarbonization strategy and ensure long-term sustainability for all stakeholders."

Dean Highmoor
AVP, Portfolio Manager

Mackenzie Global Quantitative Equity team

The Global Quantitative Equity (GQE) team's philosophy is rooted in a disciplined, data-driven approach to investing. Recent advances in computing power, such as machine learning and natural language processing, generate insights in areas formerly reserved for human research. This has enabled increased analysis of non-traditional data sets that may provide valuable investment insights and a competitive edge amongst active equity investors.

The same approach applies to the integration of ESG factors in the investment process. ESG is integrated as part of our stock selection model with two components, one measuring the company's ESG performance relative to its peers and the other measuring the company's effort to disclose the relevant material ESG metrics. It is important for the team to identify ESG-related factors that we believe enhance alpha and address risks across the market. To keep up with the ever-changing ESG space and sustainability data, the team evaluates the model every two years to leverage the improved data quality and availability to accurately compare stock performance and disclosure metrics.

> "For us, ESG is a 'quality factor.' We systematically assess a company's ESG management and processes and have found that ESG is an alpha factor."
>
> **Arup Datta**
> SVP, Portfolio Manager, Team Lead

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

Arup Datta
SVP, Portfolio Manager, Team Lead

Haijie Chen
VP, Portfolio Manager

1 *Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.*

CASE STUDY

Woolworths: Driving emission reductions

Woolworths Group, a leading Australian food retailer, has significantly improved its climate action strategy by incorporating ambitious Scope 3 reduction targets and rebaselining its emissions goals. Recognizing that most of its emissions stem from its value chain, Woolworths has continually increased its climate-related ambitions. In 2023, Woolworths published the third iteration of its Sustainability 2025 Plan, aiming to reduce absolute Scope 1 and 2 emissions by 63% by 2030, compared to their 2015 baseline. However, in the fourth version of their plan, released in 2024, Woolworths rebaselined its targets, setting an even more ambitious goal to reduce absolute emissions by 80% by 2030, and have introduced a mid-term target to reduce emissions by 90% by 2040 from a 2023 baseline, thus demonstrating their confidence and capability to achieve these targets.

Understanding the critical impact of its value chain, Woolworths has introduced specific targets for various material categories of Scope 3 emissions. These targets will help the company achieve net-zero emissions by 2050 by addressing emissions from agriculture, raw material production, product manufacturing and transportation. For this reason, our team bought Woolworths as part of the Mackenzie International Quantitative Large Cap Fund. The ESG performance and disclosure scores were important contributors to the buy decision.

Mackenzie Global Equity and Income team

The Global Equity and Income team continues to use ESG integration, incorporating both opportunities and risks for the companies we seek to invest in. Factors such as sustainable and secure energy production, grid electrification, clean transportation, sustainable supply chain sourcing, and the safe and fair usage of data, all remained key topics in 2024.

Also, in 2024, the team enhanced the investment management processes. This included: identifying outperformance and risks at a sector level within the team's mandates; leveraging portfolio calibration tools to identify relative ESG performance amongst companies within the team's mandates or on the team's Investment Universe; completing deep-dive analysis on the largest securities held in the team's mandates; and leveraging the SASB standards to identify any material risks to company enterprise value. The team combined this with a bottom-up approach by factoring ESG risks and opportunities in forecasted profit and loss (P&L) statements or by adjusting the terminal growth rates of the team's companies within our Discounted Cash Flows (DCFs) models. The Global Equity and Income team believes these improvements will lead to better outcomes for our investment funds and investors.

> "In 2024, we leveraged the significant resources available to our team through Mackenzie and the COE to enhance our fundamental ESG research process."
>
> **Darren McKiernan**
> SVP, Portfolio Manager, Team Lead

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

Darren McKiernan
SVP, Portfolio Manager, Team Lead

Katherine Owen
VP, Portfolio Manager

Sean Swift
Senior Investment Analyst

1 *Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.*

ENGAGEMENT CASE STUDY

Shell: Integrated stewardship in action

In 2024, Shell, one of the world's largest oil and gas companies, introduced a new climate ambition of reducing customer emissions using oil products by 15%–20% by 2030, thereby addressing the company's most material Scope 3 emissions, use of sold oil products. Our team voted against a binding climate shareholder proposal regarding Scope 3, instead, choosing to engage with the company. Shell is positioned to become a leader in liquified natural gas (LNG), which is recognized as a transition fuel. Our team engaged management on changes in the business model and targets with respect to net zero.

Shell is focused on reducing its Scope 1 and 2 emissions through better operations (e.g., reduced flaring) and Scope 3 by transitioning to more sustainable fuels, including LNG. In power, Shell is focused on flex production, storage and trading, and carbon capture solutions for emissions generated using legacy fuels. On remaining oil exposure, Shell has pivoted to deepwater oil production with lower emissions intensity and marketing and trading of oil, significantly de-emphasizing oil production from shale and oil sand.

The company remains committed to their 2025 and 2030 reduction targets as well as to additional investments in renewable generation, low-emissions oil, and an overweight to LNG. Shell is emerging as a leader in low-carbon LNG exposure, which has led to our continued overweight in the position throughout 2024.

Mackenzie Resource team

The Mackenzie Resource team continues to evolve its sustainable investing approach by periodically reviewing the ESG materiality framework and integration process, as well as actively engaging with companies to improve their practices. The team emphasizes key themes such as climate risk management and sustainable resource use, focusing on ESG improvers committed to enhancing their social license to operate.

> "We must mobilize capital while simultaneously ensuring the responsible and active management of the environmental and social risks related to resource extraction."

Benoit Gervais
SVP, Portfolio Manager, Team Lead

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

Benoit Gervais

SVP, Portfolio Manager, Team Lead

Onno Rutten

VP, Portfolio Manager

1 Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

ENGAGEMENT CASE STUDY

Russel Metals: Strengthening executive compensation practices for enhanced alignment with performance

Russel Metals, a Canadian-based company specializing in distributing and processing metal products for various industries, is a significant investment within the Resource team's portfolio. The company operates in three segments: metals service centers, energy field stores and steel distributors, serving sectors such as construction, energy and manufacturing.

After the 2024 AGM, the team engaged on the issue of executive compensation with concerns about the growing divergence between the company's financial performance and rising executive compensation. Despite the company's efforts, executive compensation increased year-over-year, even as earnings per share (EPS) remained lower. This trend prompted the team to review the effectiveness of the current compensation plan in aligning with shareholder interests.

In June 2024, the team engaged with Russel's Chair of the Management Resources and Compensation Committee to provide context for the team's voting decision, share the team's expectations, and advocate for a more robust compensation plan that ensures stronger alignment with the company's performance and greater transparency regarding the EPS threshold for executive compensation. The team's discussions emphasized the importance of linking executive pay to the company's financial health and long-term shareholder value. The team suggested introducing diverse metrics such as return on invested capital and growth topline metrics, re-evaluating the EPS threshold and providing more detailed disclosures on compensation thresholds and targets. This engagement reflects the team's dedication to active ownership and focus on promoting good governance practices across investments, as well as its commitment to continuing the dialogue with Russel Metals to ensure that executive compensation is fair, transparent and aligned with the company's performance.

Mackenzie Ivy team

The Mackenzie Ivy team has expertise in global equities and manages various Canadian and international funds. We believe that a concentrated portfolio of high-quality businesses, bought at reasonable prices, will deliver above-average returns over time. ESG analysis contributes to our assessment of quality and, in select instances where deemed material, will be factored into the evaluation of what a "reasonable price" is. Given our shared emphasis on opportunities and risks over the long term, we continue to see alignment between our investment analysis and most facets of ESG investing. ESG analysis can also contribute to our decision to forego investment in what we previously deemed a potential investment candidate.

> "ESG analysis is integrated into our investment decision-making process to help us assess the quality of the companies in which we invest."
>
> **Matt Moody**
> SVP, Portfolio Manager, Team Lead

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

Matt Moody
SVP, Portfolio Manager, Team Lead

Adam Gofton
VP, Portfolio Manager

1 Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

CASE STUDIES

Social risk

US-listed food company and human rights in the supply chain.
Our perception that a US-listed food company with a global footprint was behind peers on traceability of its supply chain reinforced our view that the company has limited cost-saving opportunities (i.e., traceability adds cost to the P&L and the company may lag on traceability because it does not have cost-savings opportunities to offset the added cost). This incremental information contributed to our decision to pursue other investment opportunities at the time of analysis.

Social risk

US-listed transport company and employee health and safety.
A divergence between insurance accruals decreasing while lost-time injury rates continued to increase reinforced our negative view of management of the transport company. We were previously concerned that the management team was too financially oriented and was communicating a narrative of the business that was more positive than the underlying reality. The incremental information that we gleaned from ESG-related data reinforced our view and contributed to our decision to deprioritize our analysis and shift our focus to other investment opportunities.

Environmental risk

Impact of electric vehicles on US-listed auto parts retailer.
Electric vehicles are seen by policymakers as a tool to reduce carbon emissions. There is ambiguity over how much of an impact the transition of the fleet to electric vehicles will have on aftermarket parts demand. Our analysis suggests the impact in the next 10 years will be small, but we currently believe a lower terminal value is warranted given the uncertainty. Demand for parts related to fuel injection, combustion and exhaust will weaken, while some offsetting factors such as increased demand of cooling and sensor components will come into play. The decision to use a lower terminal multiple had the impact of decreasing our expected return to a level viewed as unattractive relative to other opportunities in the market.

Mackenzie Europe team

In 2024, the team continued to refine the integration of ESG factors into the investment decision-making process. As a subsidiary of Mackenzie, MIEL adheres to Mackenzie's Sustainable Investing Policy. To emphasize European regulations, the team issued a Sustainable Investment and ESG Integration Policy in 2024 which publicly outlines the fundamentals of the team's framework. The team also enhanced active ownership practices, both in terms of engagement and proxy voting, and optimized the proxy voting process by finalizing the team's internal assessment system and voting decision mechanisms. Additionally, the team launched a team-led SDG engagement project. This project aims to address the lack of comparability in SDG disclosure due to varying reporting methodologies and ultimately assess the social and environmental impact of the team's holdings based on progress towards the targeted SDGs. This initiative will help the Mackenzie Europe team develop a better comparison tool for both intra- and inter-sector analysis across different markets, focusing on companies' impacts on environmental and social factors.

> "Evaluating how companies incorporate environmental and social factors and manage related risks is essential for our team to achieve long-term value and sustainable growth."

Seamus Kelly
SVP, Portfolio Manager, Team Lead

EU Shareholder Rights Directive (SRD) II compliance requirements

The EU SRD II establishes rules promoting the exercise of shareholder rights at general meetings of companies with registered offices in the EU and publicly traded on a regulated market in the EU. SRD II requires asset managers to report annually on their shareholder engagement and investment strategy. Voting behaviour must also be disclosed in addition to using proxy advisor services. In accordance with the SRD II requirements, Mackenzie Europe is committed to disclosing how the engagement policy and proxy voting activities are carried out during the reporting periods.

Team offers

ESG-integrated:

The majority of strategies[1] consider material ESG risks in their investment process

Team contributors

Seamus Kelly
SVP, Portfolio Manager, Team Lead

Bryan Mattei
VP, Portfolio Manager

Francesca Ricchetti
ESG Analyst

1 *Some funds do not integrate ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.*

ENGAGEMENT CASE STUDY

RWE AG: Encouraging more ambitious decarbonizing strategy

RWE AG ("RWE") is a globally active energy company focusing on generating and trading electricity. RWE is a leading player in renewable energy and is creating the foundation for a carbon-neutral future through innovation and investment. However, it is currently one of the top emitters in the team's portfolios and a significant contributor to the portfolio's Weighted Average Carbon Intensity. Since 2022, the team has engaged frequently with RWE representatives to ensure the company maintains its positive trajectory towards ambitious clean energy and GHG emission reduction targets. In 2024, the team engaged with management three times during the course of the year.

RWE is actively advancing its sustainability and low-carbon strategy through a comprehensive approach that includes ambitious decarbonization targets, significant investments in renewable energy and a clear plan for phasing out coal. The company has recently set new, stricter targets to align with a 1.5°C pathway, aiming for a 68% reduction in Scope 1 and 2 absolute emissions and a 42% reduction in Scope 3 emissions by 2030 based on a 2022 baseline. By 2040, RWE plans to achieve net zero, with a 99% reduction in Scope 1 and 2 emissions and a 90% reduction in Scope 3 emissions, offsetting any remaining emissions through certified methods.

RWE's Growing Green Program commits €55 billion by 2030 to green growth, focusing on offshore and onshore wind, solar, flexible generation, hydrogen and battery storage. The company is also accelerating the phase-out of its lignite assets to 2030 (instead of 2038) and converting its remaining hard coal plants in the Netherlands to biomass, aiming for 100% biomass combustion by 2025. RWE is exploring the use of carbon capture and storage (CCS) and hydrogen to decarbonize its existing fleet and new projects. Additionally, RWE is engaging with ESG funds and stakeholders to reflect its transition efforts and improve transparency.

The company is preparing for new ESG regulations and reporting requirements, ensuring its board and executive teams are equipped with the necessary ESG knowledge. RWE's commitment to sustainability is further demonstrated by its plans for major recultivation projects, including converting former coal sites into renewable energy hubs and integrating agriculture. Despite challenges, RWE remains focused on its long-term goal of becoming a leading renewable energy developer and achieving a sustainable, low-carbon future.

While some rating agencies highlight the company's current and past emissions with a retrospective view, the team believes in the potential of the significant shift carried out in the recent past and proactively decided to reflect this in the outcome of its investment process.

RWE set new, stricter 2030 decarbonization targets (based on a 2022 baseline)

68% reduction
in Scope 1 and 2 absolute emissions

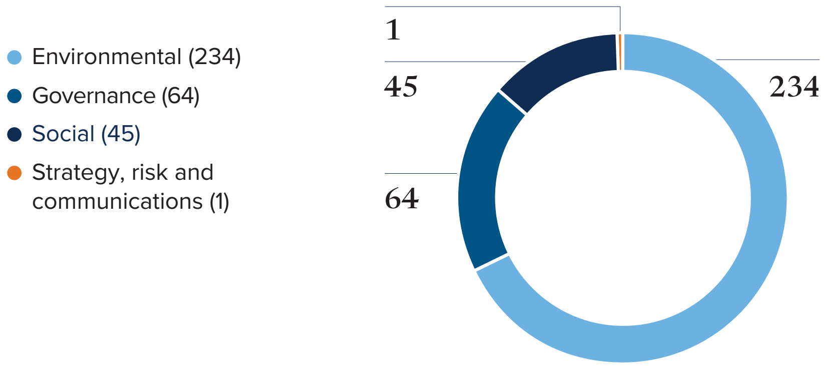
42% reduction
in Scope 3 emissions

Team engagements

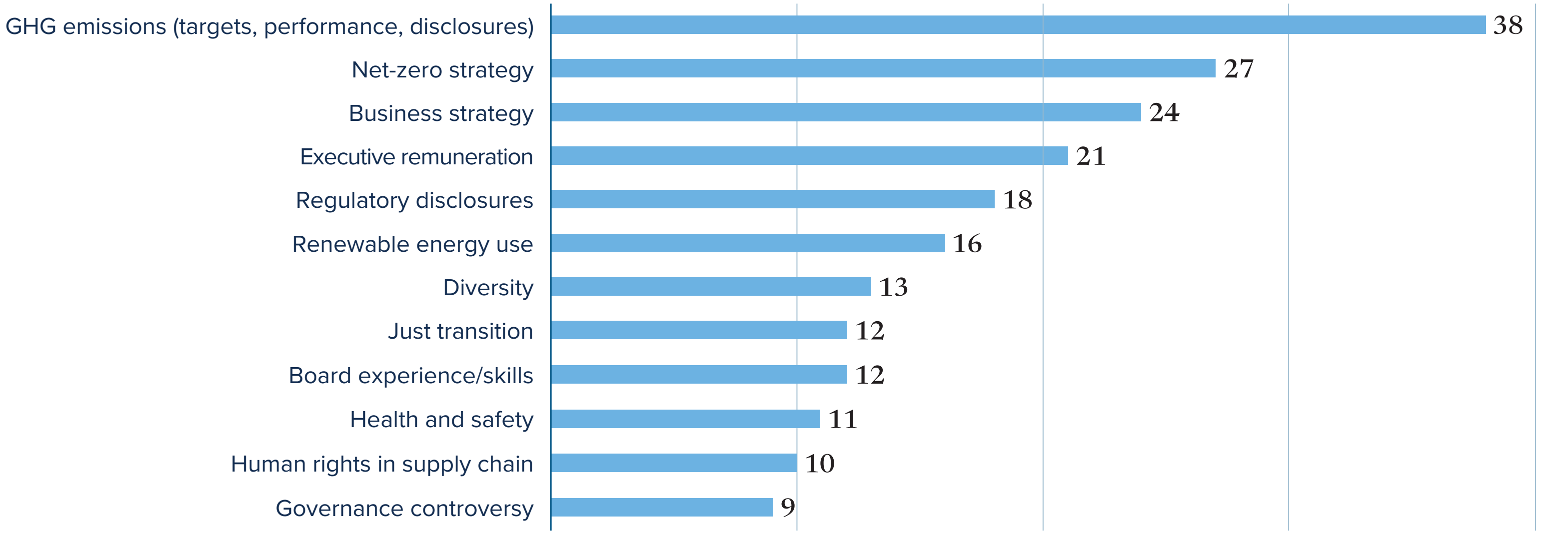
As part of their engagement process, the team frequently meets with companies to discuss ways to enhance their ratings and overall ESG performance. They assess potential material issues and evaluate the company's progress since the last engagement. A positive ESG trajectory strengthens the investment case. Additionally, engagement helps identify companies with significant or worsening ESG issues that the market might overlook.

In 2024, the Mackenzie Europe team engaged with 55 companies, 62 times, around the world, on 344 topics across the following themes:

Total engagement topics



Top engagement discussion topics



ENGAGEMENT CASE STUDY

Verbio: Addressing environmental and governance risks

Vereinigte BioEnergie AG ("Verbio") produces and distributes biofuels, including first-generation biodiesel and second-generation biogas from slop and straw. Despite contributing to renewable energy and decarbonization, Verbio has not adequately addressed certain environmental and governance risks. Since 2021, the Mackenzie Europe team has engaged with Verbio to enhance the company's ESG framework and disclosures. The team highlighted the absence of SBTi-approved targets and the need for improvement in Scope 1, 2 and 3 disclosures. At the governance level, the small size of the board, the lack of disclosure of non-financial skills, both at the board and management level, and the team's concerns regarding the remuneration policy were the major topics for which the team advocated for improvement. While there have been positive environmental steps, and despite the company's commitment to greater transparency, significant improvements in executive remuneration disclosure and supervisory board size have not been achieved. Consequently, the team voted against the remuneration report at the 2024 AGM. Additionally, fundamental issues such as significant headwinds from GHG quota pricing due to mis-declared Chinese imports, profit warnings, missed guidance and poor communication led to the team's decision to divest.

PROXY VOTING CASE STUDIES

Significant proxy votes in 2024

Uniphar Plc: Board diversity and remuneration

Uniphar Plc ("Uniphar"), a diversified health-care services company, focuses on multinational pharmaceutical and med-tech manufacturers. As one of the company's major shareholders, we have engaged in numerous interactions leading to significant improvements in the structure and disclosure of various governance elements.

In 2022, we voted against the re-election of a board member due to insufficient female representation on the board of directors and inadequate board-level oversight of environmental and social issues. Consequently, the company committed to achieving 33% female representation on the board by 2023 in line with Balance for Better Business guidance, a target that has since been surpassed, with representation at 37.5% as of January 2024. In January 2023, the board approved a diversity policy to formalize and expand their commitment to diversity in succession planning, ensuring an inclusive and diverse board. In early 2023, the board expanded the duties of the Nominating and Governance Committee to include sustainability oversight, and the committee was renamed the Nominations, Governance and Sustainability Committee.

In 2024 we raised concerns regarding the executive remuneration structure and disclosure, particularly the adequacy of the metrics used to determine the annual bonus. We engaged with the company in April and will be seeking amendments to the short-term incentive plan structure for FY2025. We also requested an increase in the size of the Remuneration Committee, which currently consists of only two members. The company acknowledged our feedback and indicated they would consider adding a third member to the committee. We will continue to monitor these issues going forward.

Bawag Group: CEO remuneration

In April 2024, the team engaged with Bawag Group regarding the CEO's remuneration for 2023 and the proposed amendments to the remuneration policy to be presented at the 2024 AGM, expressing significant concerns about the excessive fixed compensation allocated to the CEO. Specifically, the CEO's base salary and total target pay opportunity appeared to exceed both the primary and secondary peer groups disclosed by the company. Additionally, the company did not provide background information on the salary-setting criteria considered by the supervisory board, nor did they include details on the salary-setting mechanisms in the proposed remuneration policy document. Lastly, for FY2023, the CEO pay ratio compared to the workforce was 127.6:1, highlighting a clear misalignment between executive pay and workforce experience.

During our meeting, the company acknowledged the high fixed remuneration compared to its peers but justified it as a retention measure, citing special European regulations for financial institutions that cap variable pay at twice the fixed pay. The company also outlined positive amendments to the remuneration structure proposed at the general meeting. Despite recognizing the positive direction and the company's outstanding results, the team concluded that the misalignment of the base salary with company peers was too significant and voted against both the remuneration policy and remuneration report.

Although these proposals were advisory, they did not receive a majority of favourable votes. The remuneration report and policy received 50.2% and 52.4% of votes against, respectively. The team has scheduled further engagement to discuss potential changes the company will propose at the 2025 AGM in response to this significant shareholder dissent.

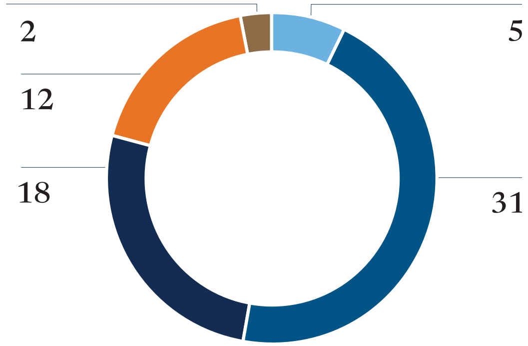
Proxy voting

Total meetings voted	Total proxy items voted[1]	Votes with management	Votes against management	Other	% of votes with management	% of votes against management
213	5,830	5,583	210	37	96%	4%

2024 proxy votes on shareholder proposals by topic

Number of proposals voted (% in favour)

- Compensation – 5 (60%)
- Social – 31 (39%)
- Environmental – 18 (22%)
- Governance – 12 (33%)
- Miscellaneous – 2 (0%)



1 *Total proxy items voted include the sum of votes with and against management, plus 'Other Votes.' 'Other Votes' include votes without management recommendations and votes submitted as 'Take No Action' or 'Do Not Vote.' Investment managers may choose to submit votes as 'Take No Action' or 'Do Not Vote' for various operational reasons, including voting on dissident voting cards, withholding votes on shares sold prior to the meeting date, or preserving the ability to trade the security where ballot blocking is required.*

ESG metrics and definitions

ESG metric	Definition	Source	Methodology
Impact to the UN SDGs	The percentage of the portfolio's market value exposed to companies that are Aligned or Strongly Aligned with the 17 UN SDGs based on the nature of their products and services and their operational alignment to the goal and their involvement in controversies, as per the SDG Impact Rating. Data is updated on an annual basis through the integration of the newest annual/segment reporting by a company. 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.	MSCI ESG	The 17 Sustainable Development Goals MSCI SDG Alignment Methodology
Weighted Average Carbon Intensity (WACI) tCO_2e/US$M	WACI, a carbon-intensity metric, measures a fund's exposure to carbon-intensive companies expressed in tonnes of carbon dioxide equivalent (tCO_2e) per USD million sales. This metric acts as a comparable between the fund and the benchmark, utilizing MSCI's Scope 1 and Scope 2 greenhouse gas emissions data. Climate-oriented solutions tend to be more carbon intensive than their benchmarks. Data is as of February 12, 2025. 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.	MSCI ESG	MSCI's WACI methodology
Science-Based Targets	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. SBTi updates their database on a rolling basis, depending on when targets have been validated and when commitments have been made. Data is as of February 12, 2025. This metric is voluntary for a company, and our coverage threshold of 70% is not applicable.	MSCI ESG	Science Based Targets initiative
ESG-Labelled Debt Exposure	ESG-labelled debt includes four categorizations: 1. Green Bonds: Debt issued to companies or governments, with the use of proceeds directed towards financing environmentally related projects, certified by second party opinion providers. 2. Social Bonds: Debt issued with the intention of addressing social issues or supporting the transition to positive social outcomes. 3. Sustainable Bonds: Bonds with use of proceeds that combine environmental and social issues, allowing companies and governments to have a wider-ranging influence. 4. Sustainability-linked Bonds: Debt with sustainability targets that the issuer needs to achieve before maturity, otherwise a financial penalty is applied as a coupon step up paid to the bond-holder. 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 2024. This metric is not subject to our coverage threshold of 70% and is applicable for fixed income instruments only.	Bloomberg	

ESG metric	Definition	Source	Methodology
Environmental Impact Solutions Revenue Involvement ("Green Revenue")	Portfolio weight of companies that derive revenue from products or services with positive impact on the environment. Eligible revenue-generating activities have or result in one or more of the following attributes: • Improve positive environmental outcomes. • Reduce adverse environmental impact. • Support the achievement of UN Sustainable Development Goals specific to environmental matters. • Technologies that enable the above to occur. Data is as of February 12, 2025.	MSCI ESG	MSCI Sustainable Impact Metrics
30% Gender Diversity on the Board	Portfolio weight made of companies with more than 30% women on their boards of directors. Data is as of February 12, 2025. 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.		
Board Diversity (Women)	Weighted average percentage of women sitting on a company's board of directors. Data is as of March 25, 2024. Under our internal methodology, at least 70% of an equity assets' weight must be eligible and covered in order for the metric to be reported.	Company filing data has been sourced from Bloomberg	
Diversity at the Executive Level	Weighted average percentage of women sitting on a company's board of directors. Data is as of March 25, 2025. Under our internal methodology, at least 70% of an equity assets' weight must be eligible and covered in order for the metric to be reported.	Company filing data has been sourced from Bloomberg	
Severe Controversies	Sustainalytics assesses company involvement in controversial events on a scale from no evidence of relevant controversies to severe (Category 5). Data is as of March 4, 2025.	Morningstar Inc.	Controversies Research
Labour-Related Severe Controversies	Portfolio weight of companies with Category 5 controversies in the Sustainalytics categories of Employees – Human Rights SC, Employees – Human Rights, Occupational Health and Safety SC, Occupational Health and Safety, and Labour Relations. Data is as of February 12, 2025.	Morningstar Inc.	Controversies Research
Compliance with United Nations Global Compact – Human Rights Violations	Intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. It includes Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Morningstar Inc.	Sustainalytics Global Standards Screening Methodology for UN Global Compact Principles

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To enable comparisons between our portfolios, we adjust our portfolio metrics to approximate 100% ratings coverage for all dataset utilized within our ESG Analysis for equity and corporate fixed income instruments. Due to the nature of ESG Data coverage, non-eligible securities, such as Cash & Equivalents, ETFs, Government Securities, Commodities, Derivatives, Short Positions, have been excluded from the analysis, as they are not applicable and/or available. The ESG-Labelled Debt indicator is applicable for fixed income instruments only – including corporate and sovereign securities. As per our methodology, we have only reported ESG metrics for funds with above 70% portfolio weight coverage taking into account only the eligible securities. This threshold is not applicable for our ESG-Labelled Debt.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

This document may contain forward-looking information which reflect our or third party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of December 31, 2024. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

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Each Fund's ESG characteristics and performance may differ from time to time. Each Fund's ESG scores do not evaluate the ESG-related investment objectives of, or any ESG strategies used by the Fund and is not indicative of how well ESG factors are integrated by the Fund. Other providers may also prepare fund-level ESG scores using their own methodologies, which may differ from the methodologies of the data providers shown in this report. Please refer to the simplified prospectus for each Fund for further information about each Fund's investment objectives and strategies.

The information relating to assets under management (AUM) contained herein have not yet been subject to audit review.

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