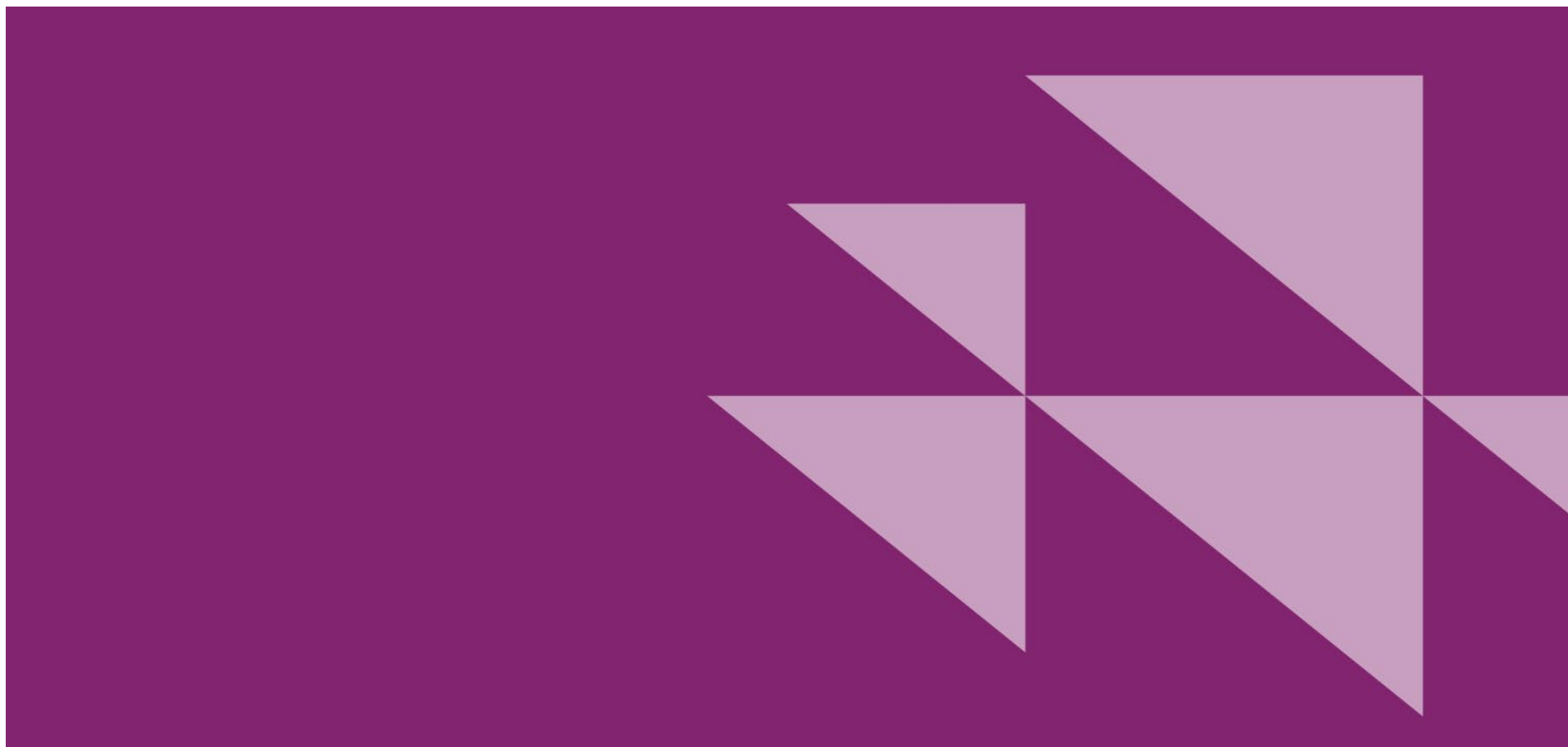




CDP Climate Change 2021 Questionnaire – IGM Financial Inc.



C0 Introduction

(C0.1) Give a general description and introduction to your organization.

IGM Financial Inc. (hereinafter “IGM Financial”, “IGM” or “the Corporation”) is a leading wealth and asset management company supporting financial advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. We create value through three key areas: wealth management, asset management and strategic investments. Our activities are carried out through our operating companies: Investors Group Inc. (“IG Wealth Management” or “IG”), Mackenzie Financial Corporation (“Mackenzie Investments” or “Mackenzie”), and Investment Planning Counsel Inc. (“Investment Planning Counsel” or “IPC”).

- IG Wealth Management is a leading provider of comprehensive, personal financial planning and wealth management services through a network of about 3,300 financial advisors (called “Consultants”) located throughout Canada, with \$103.3 billion in assets under management and administration at December 31, 2020. IG Wealth Management offers an exclusive array of investment solutions, as well as insurance, securities, mortgage products and other financial services.
- Mackenzie Investments is a diversified asset management solutions provider, with \$186.8 billion in assets under management as at December 31, 2020, including \$75.8 billion of sub-advisory mandates for the IGM wealth management segment. Mackenzie Investments offers mutual funds, ETFs, alternative investments, private wealth pools and managed solutions which are primarily distributed by third-party financial advisors. Investment Planning Counsel is an independent distributor of financial products, services and advice in Canada, with approximately 700 financial advisors and \$29.3 billion in client assets under advisement as at December 31, 2020.
- IGM Financial also has a number of strategic investments that diversify earnings sources, expand our capabilities and fuel growth opportunities in key markets and segments, including investments in China Asset Management Corporation, Great-West Lifeco and Wealthsimple.

The scope of our business combined with our association with the Power Corporation group of companies, has placed IGM Financial in a position of leadership and strength in the financial services industry. As of December 31, 2020, IGM Financial had CAD \$240.0 billion in total assets under management and advisement and about 3,500 employees across our operating companies. Fundamental to this strength is our long-standing commitment to responsible management, and the emphasis we place on good governance, operational integrity, ethical practices and respect for the environment. As part of our responsible management philosophy, we proactively consider climate-related impacts on our business, through our own operations, financial products and services, and supply chains.

This report describes the approach taken by IGM Financial and its operating companies in addressing and managing climate-related matters in our business. This report reflects our commitment to increasing disclosure of climate-related matters to our stakeholders.

(C0.2) State the start and end date of the year for which you are reporting data.

Start date	End date	Indicate if you are providing emissions data for past reporting years
January 1, 2020	December 31, 2020	No

(C0.3) Select the countries/areas for which you will be supplying data.

Country/area
Canada

(C0.4) Select the currency used for all financial information disclosed throughout your response.

Currency
CAD

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- ✓ **Financial control**
 - Operational control
 - Equity share
 - Other, please specify

Organizational activities: Financial services

(C-FS0.7) Which organizational activities does your organization undertake?

- Bank lending (Bank)
- ✓ **Investing (Asset manager)**
 - Investing (Asset owner)
 - Insurance underwriting (Insurance company)

C1 Governance

Board oversight

(C1.1) Is there board-level oversight of climate-related issues within your organization?

✓ **Yes**

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	<p>The Board assigns oversight of climate-related issues to the President & CEO, who is also a member of the Corporation’s executive-level Risk Management and Corporate Sustainability Committees, both which have climate-related responsibilities. The President & CEO leads the executive management team and is informed of climate-related issues by the CFO who oversees the Sustainability and Enterprise Risk Management programs.</p> <p><u>Example of a climate-related decision made by the executive:</u> In 2020, the management team established an enterprise-wide TCFD Working Group of senior leaders to lead the planning and implementation of the TCFD recommendations. This working group is focused on enhancing our knowledge and tools to quantify climate risks in tandem with our industry, further integrating climate into our business strategy, operations and product offerings, evolving our engagement approach with investee companies, and addressing increased disclosure expectations.</p>
Board-level committee	<p>We believe that climate change has potential implications on strategy, risk management and financial performance. Having board oversight for climate change is important to ensure we effectively anticipate, assess, manage and disclose climate change risks and opportunities.</p> <p>The Board of Directors of IGM Financial (IGM) is responsible for providing oversight on risk and strategy, which includes sustainability and climate-related matters. The Board monitors implementation of sustainability policies and strategy and discusses plans and ESG issues at least annually.</p> <p>Through its Risk Committee, the Board is responsible for ensuring that material climate-related issues are appropriately identified, managed and monitored. Its responsibilities include ensuring that appropriate procedures are in place to identify and manage risks and establish risk tolerances; ensuring that appropriate policies, procedures and controls are implemented to manage risks; and reviewing the risk management process on a regular basis to confirm that it is functioning effectively.</p>

	<p><u>Example of a climate related decision made by the Board/Committee:</u></p> <p>In 2020, a Board-level Risk Committee was established to assist the Board in reviewing and overseeing our risk governance structure and risk management program. Its responsibilities include ensuring that appropriate procedures are in place to identify and manage risks and establish risk tolerances; ensuring that appropriate policies, procedures and controls are implemented to manage risks; and reviewing the risk management process on a regular basis to confirm that it is functioning effectively. The board decided to include ESG risks in the mandate of the Risk Committee, with climate risks discussed at least annually with the committee.</p>
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(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
✓ Scheduled – all meetings Scheduled – some meetings Sporadic - as important matters arise Other – please specify	✓ Reviewing and guiding strategy ✓ Reviewing and guiding risk management policies ✓ Monitoring and overseeing progress against goals and targets for addressing climate-related issues	✓ Climate-related risks and opportunities to our own operations ✓ Climate-related risks and opportunities to our investment activities ✓ Climate-related risks and opportunities to our other products and services we provide to our clients	<p>The Board has overall responsibility for oversight of sustainability policy and strategy and meets annually with the sustainability leadership team to oversee progress against goals and targets including climate-related matters. In 2020, the Board reviewed progress in implementing the recommendations of the Task Force on Climate-Related Financial Disclosures, in addition to other sustainability matters.</p> <p>IGM’s board also engages leaders on business strategy, including climate-related issues. For example, in 2020, the board engaged with the SVP, Head of Sustainable Investing at Mackenzie to review sustainable investing strategy, engagement strategy including on climate issues, and the acquisition of Greenchip, a new Mackenzie investment boutique focused on investing in the green energy transition.</p> <p>The board’s Risk Committee oversees risk management, and met with the management team in 2021 on climate-related physical and transition risks across IGM’s business.</p>

Management responsibility

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> • Risks and opportunities related to our investing activities • Risks and opportunities related to our other products and services • Risks and opportunities related to our own operations 	Half-yearly
Chief Financial Officer (CFO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> • Risks and opportunities related to our investing activities • Risks and opportunities related to our other products and services • Risks and opportunities related to our own operations 	Half-yearly
Sustainability committee	Reports to the board directly	Other, please specify Oversight of corporate responsibility, including climate change (see 1.2a)	<ul style="list-style-type: none"> • Risks and opportunities related to our investing activities • Risks and opportunities related to our other products and services • Risks and opportunities related to our own operations 	Annually
Risk committee	Reports to the board directly	Other, please specify Oversight of ERM, including climate risk (see 1.2a)	<ul style="list-style-type: none"> • Risks and opportunities related to our investing activities • Risks and opportunities related to our other products and services • Risks and opportunities related to our own operations 	Annually

Other, please specify TCFD working group	Other, please specify Cross-functional working group including Corporate Sustainability, Enterprise Risk Management, Investment Management, Sustainable Investing Centre of Expertise, Financial Reporting, Products, Facilities	Both assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> • Risks and opportunities related to our investing activities • Risks and opportunities related to our other products and services • Risks and opportunities related to our own operations 	Annually
Responsible Investment committee	Investment- CIO - reporting line	Both assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> • Risks and opportunities related to our investing activities • Risks and opportunities related to our other products and services 	Half-yearly

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEOs of IGM and its operating companies are responsible for developing overall business strategy and addressing the risk environment and relevant factors, including climate-related risks and opportunities, subject to the Board's review and oversight. The CEO of IGM Financial ensures the Corporation takes a broad and consistent view of how climate-related matters are addressed, including with respect to governance, strategy, risks, opportunities, and performance. The IGM CEO reports directly to the Board of Directors on a regular basis.

At the executive level, the Chief Financial Officer (CFO) oversees implementation of the Corporate Sustainability program, including climate change, as well as the Corporation's Enterprise Risk Management (ERM) program. The CFO is also a member of the executive-led Corporate Sustainability Committee that is responsible for ensuring implementation of policy and strategy, establishing goals and initiatives, measuring progress, and approving annual reporting for environmental, social and governance matters, including climate change.

The Corporate Sustainability management team reports to the CFO and is responsible for reporting, stakeholder engagement and collaborating with business leaders who are accountable for advancing progress on climate change risks and opportunities. Progress on strategy and initiatives, including relevant climate-related matters, is reported to the Board of Directors on an annual basis and more frequently, where relevant, during quarterly meetings.

The Enterprise Risk Management (ERM) department also reports to the CFO and is responsible for developing and maintaining the Corporation's ERM program, framework and processes; providing risk management guidance and training to the company; and providing oversight, analysis and reporting on the Company's risks, including environmental risks, to the executive-management level Risk Management Committee which reports to the Board level Risk Committee quarterly, and at least annually on climate change.

The TCFD Working Group is a cross-functional group of senior business leaders who lead areas of the business that are most materially affected by, or have the ability to influence how, we address climate risk and opportunities in our business strategy. The working group includes representation from Corporate Sustainability, Enterprise Risk Management, Investment Management, Sustainable Investing Centre of Expertise, Financial Reporting, Products, and Facilities. This group will lead the planning and implementation of the TCFD recommendations, with a focus on measurement of emissions in our investment portfolios, scenario analysis, and reporting.

The IG Wealth Management Sustainable Investment Committee is chaired by the Senior Vice-President, IG Investments and is comprised of senior leaders across IG Wealth Management and IGM Financial. The committee is responsible for reviewing and approving sustainable investing and ESG matters brought forward to the committee. Sustainable investing matters include, but are not limited to, establishing beliefs, defining strategies/approach, consideration of new product needs, evaluating and considering climate-related risks and opportunities, monitoring industry developments, liaison with internal and external stakeholders, oversight of operational execution, research of service providers/tools, and communication with employees, consultants and clients.

The Mackenzie Investments Sustainable Investment Committee is chaired by the Senior Vice-President, Sustainable Investing and includes representation from senior leaders across Mackenzie and IGM Financial. The committee is responsible for alignment for the Sustainable Investing vision, strategy and priorities; approval for investment stewardship priorities including climate; approval and monitoring for targets related to climate change; and evaluation of progress relative to key performance indicators, strategy roadmap, and the market.

Employee incentives

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

✓ **Yes**

No, not currently but we plan to introduce them in the next two years

No, and we do not plan to introduce them in the next two years

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Financial Officer (CFO)	Monetary reward	Other (please specify) ERM system incorporates climate change	The CFO's responsibilities include oversight and management of the enterprise risk management and corporate sustainability processes across our business, including potential impacts from physical and transition risks related to climate change. The senior-most leaders at each of our operating companies have primary ownership and accountability for the ongoing climate risk management associated with their respective activities. The ERM function acts as a second line risk management function who conduct annual risk assessments with leaders, educate them on emerging risks such as climate change, and report results to the Risk Committee of the Board. The CFO's annual performance assessment includes a component of performance related to the enterprise risk and sustainability functions, which incorporates ESG and climate change risks.
Executive officer	Monetary reward	Behavior change related indicator Other (please specify) Advancement of TCFD Recommendations	The Senior Vice-President and Treasurer and Vice-President, Finance and Corporate Sustainability have annual objectives to integrate climate-related considerations into the corporate sustainability strategy and initiatives as well as efforts to disclose and report carbon and energy management performance. The Vice-President, Finance and Corporate Sustainability is co-chair for the TCFD Working Group.

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Environment/ Sustainability manager	Monetary reward	Emissions reduction project Behavior change related indicator Other (please specify) Advancement of TCFD Recommendations	The Director, Corporate Sustainability’s annual objectives include integrating climate-related considerations into corporate sustainability initiatives to reduce emissions, efforts to disclose and report carbon and energy management performance, and plans to engage our people in behaviour changes supporting our energy and climate management plans.
Risk management staff	Monetary reward	Behavior change related indicator Other (please specify) Advancement of TCFD Recommendations	The Vice President, Risk Management and Director, Risk Management have annual objectives to increase education and understanding of climate risk with senior leaders through the annual risk discussions with business unit leaders and TCFD training and implementation planning.
Dedicated Responsible Investment staff	Monetary reward	Portfolio/fund alignment to climate-related objectives	Mackenzie’s SVP, Head of Sustainable Investing and Assistant Vice-President, ESG Research each have objectives to advance the integration of climate into investment processes, products, tools and metrics, including development of a climate action plan for the asset management segment.
Portfolio/Fund manager	Monetary reward	Portfolio/fund alignment to climate-related objectives	Each of Mackenzie boutique investment teams is represented on the sustainable investing champions committee to advance the integration of ESG into the investment process. Each member of the committee has an annual performance objective to support and enhance Mackenzie’s approach to sustainable investment and explore ways to enhance performance using ESG/sustainability metrics. At IG Investments, the VP, IG Investments – Investment Advisory has an annual performance objective to integrate sustainability into asset allocation and sub-advisor oversight processes through regular reporting and reviews, quarterly analysis, and ongoing enhancements to investment sub-advisor selection and monitoring processes to ensure alignment with current best practices.
All employees	Non-monetary reward	Behavior change related indicator	IGM engages its employees to make choices in their work and personal lives to minimize their GHG footprint. For example, we support our employees and clients in using low-carbon commuting options. This includes financial support for employees using public transit programs and providing access to lockers and showers and safe bike lock-ups, where possible. In the state-of-the-art IPC head office, we offer preferred parking and charging stations for green vehicles, as well as preferred parking for those who commute in a high-occupancy vehicle. We’re working with our landlords and property managers to expand the availability of electric charging stations for clients at IG Wealth Management region offices and IG Wealth Management and IPC head offices. Employees are also encouraged to consider their business travel requirements carefully and, to the extent possible, we’ve transitioned to videoconferencing and online training to reduce travel needs and costs in a post-pandemic environment. We also support employees in their climate-related community volunteer work. For example, we offer all employees two paid days per year to volunteer at organizations of their choice.

Retirement schemes

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

We offer an employment-based retirement scheme that incorporates ESG principles, including climate change	Comment
Yes, as the default investment option for all plans offered	<p>IG Wealth Management and Mackenzie Investments offer employees competitive retirements plans, including defined benefit and defined contribution pension plans, and group registered retirement savings plans.</p> <p>All investment products offered to members in the group RRSP and DC pension plan, and all underlying investments in the defined benefit pension plan are managed by asset managers who are signatories to the UN-supported Principles for Responsible Investment who commit to integrate ESG criteria, including climate risks and opportunities, into investment processes, and be active owners through engagement and proxy voting.</p>

C2 Risks and opportunities

Management processes

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

- ✓ **Yes**
No

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

Time horizon	From (years)	To (years)	Comment
Short-term	0	2	Short-term time horizon aligns with our enterprise risk management framework which considers risk events that are likely to occur once in a one to two-year period.
Medium-term	2	5	The medium-term horizon aligns with our enterprise risk management framework which considers risk events that are likely to occur once in a two to five-year period.
Long-term	5	20	The long-term horizon aligns with our enterprise risk management framework which considers risk events that are likely to occur once in a five to 20-year period.

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Through the Enterprise Risk Management process, a risk with a substantive financial or strategic impact would be one that has a significant long-term impact on IGM Financial's revenue, capital or market capitalization. Long-term impact is defined as a 5 to 20 -year time horizon. A significant long-term risk can also be defined as one with a significant impact on the Company's reputation, a significant operational impact, or an enforcement action by a regulator or judicial authority. We quantify substantive financial risks as a risk with a financial impact that exceeds \$200MM but is less than \$500M.

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered	Risk management process	Frequency of assessment	Time horizon(s) covered	Description of process
<ul style="list-style-type: none"> ✓ Direct operations ✓ Upstream 	<ul style="list-style-type: none"> ✓ Integrated into multi-disciplinary company-wide risk management process 	<ul style="list-style-type: none"> ✓ More than once a year 	<ul style="list-style-type: none"> ✓ Short-term ✓ Medium-term ✓ Long-term 	See below

Process used to determine which risks or opportunities could have a substantive financial or strategic impact on the organization:

The identification and assessment of short, medium and long-term risks at a company level is coordinated through the Enterprise Risk Management (ERM) Department who provide oversight, analysis and reporting on the level of risks relative to the established risk appetite of the Corporation. The Company has assigned responsibility for risk management using the Three Lines of Defence model, with the First Line reflecting the business units having primary responsibility for risk management, supported by Second Line risk management functions and a Third Line (the Internal Audit function) providing assurance and validation of the design and effectiveness of the ERM Framework.

Climate risk is integrated into the ERM Framework, which provides the foundation to enable effective risk management and oversight. We recognize that climate risk impacts both financial risks (market and credit risk) as well as non-financial risks (operational, conduct, strategic), and as a result, business leaders are responsible for identifying and managing the physical and transition risks and business opportunities appropriate for their business activities, and ongoing risk assessments and mitigation plans within their respective departments. Oversight is provided by the Chief Executive Officers of the respective operating companies, and ultimately by the executive-led IGM Risk Management Committee and the Board level Risk Committee who meet on a quarterly basis to review enterprise-wide risks.

In 2020 and 2021, we increased our focus on climate training across the enterprise, including for leaders in the ERM and sustainability teams, for our investment professionals and also for our executive-level business leaders who are responsible for identifying and assessing the materiality of climate risks and opportunities appropriate for their activities. Training has covered the physical and transition risks and opportunities of climate change, mitigation strategies and tools, and the ongoing development of regulations.

Through our risk assessments, climate-related risks identified in the value chain include issues such as: demand we are not able to meet for environmentally-focused investment products and services, review of climate-related regulations that could affect our business and disclosures, and exposure to weather-related events that could impact our corporate properties, information technology systems, business continuity plans and physical asset values relating to our mortgage portfolio.

Climate-related risks are assessed by taking into consideration both the likelihood and severity of the impact of the risk event using a standard set of assessment criteria including consideration of financial, reputational, operational, and regulatory/compliance impact. Each one of the risk categories is assessed to determine the overall impact to the Corporation and whether these risks could have a substantive financial or strategic impact. This assessment enables us to determine the inherent risk (absent of controls) and the residual risk (after controls). The executive-led Risk Management Committee establishes the appetite for different risk types, and prioritization is conducted by reviewing residual risks relative to risk appetite.

Physical and Transition case studies:

As an example of a physical risk, we assess the impact of flooding and fires on the asset values and credit risk of our client mortgage portfolio through our ERM process, as a result of increasing chronic and acute physical risks due to climate change. Through our mortgage underwriting and appraisal process, each property is assessed to ensure risk is mitigated to an acceptable level. Mortgages in non-urban locations are adjudicated more conservatively due to limited infrastructure to protect against environmental events. Due to low-exposure to properties in flood plains, our requirements for homeowner insurance and additional impairment insurance undertaken by IG Wealth Management, the level of risk has proven to be not substantive. For example, in 2019, our mortgage portfolio contained ~275 properties in Eastern Canada with potential exposure to loss from flooding from extreme weather events. Of these, less than 10% were impacted from the severe flooding in the area, representing 0.04% of total mortgages under administration, and from initial exposures of \$50MM, associated losses for IG Wealth Management were nil. An additional smaller scale flood event occurred in Alberta in 2020, with no losses experienced. In each of these circumstances, the company follows well defined and tested natural disaster protocols.

As an example of a transition risk, as part of our ERM and business planning processes, we assess the impact of not transitioning our buildings to smarter and more efficient technologies to optimize energy efficiency and reduce exposure to carbon tax. For example, we assess the materiality of our energy costs and the carbon price regulations. Given our relatively small building footprint and that energy costs represent less than 1% of operating costs, these risks are not considered substantive to our business. We understand the importance to act responsibly in our own operations and continue to assess opportunities for energy efficiency improvements in current offices and review the environmental sustainability of new leases, which also continues to manage any potential risk.

Value chain stage(s) covered	Risk management process	Frequency of assessment	Time horizon(s) covered	Description of process
✓ Downstream	✓ A specific climate-related risk management process	✓ More than once a year	✓ Short-term ✓ Medium-term ✓ Long-term	See below

Process used to determine which risks could have a substantive financial or strategic impact on our investments:

As wealth and asset managers, IGM earns revenue from fees associated with the management of our clients’ investment portfolios which are broadly diversified across asset classes, countries, sectors and industries. Diversification is inherent in our business strategy.

As part of the risk management process for our investments, IGM’s operating companies integrate material ESG risks, including physical and transition risks of climate into the investment analysis and decision-making process. Our sustainable investment policies outline our governance and practices regarding ESG integration and active ownership, which we also use as a tool to mitigate risks within our portfolio. We provide data and tools for our investment teams to carry out physical and transition climate risk analysis and we integrate material climate risks into our investment and oversight processes for investment sub-advisors. As we work to implement the TCFD recommendations, we are devoting increased resources to areas such as training, analysis, metrics, target-setting, strategy planning and working with collaborative organizations.

At IG Wealth Management and Investment Planning Counsel, we use third-party sub-advisors to manage the investments of clients. The processes to select and monitor these sub-advisors includes consideration for how ESG risk and opportunity are incorporated into the investment process, including climate change. The sub-advisors are responsible for determining when climate risk and opportunities are material and how to incorporate transition and physical risks into the investment process. This includes engaging with investees when additional information is required and/or to motivate change when in the best interest of the funds.

Mackenzie Investments is directly responsible for the management of ESG risks and opportunities, including climate change, in the assets that are managed by the 17 boutique investment teams. While investment teams apply independent and different investment processes, below is a broad description of how Mackenzie enables its investment teams to manage climate risk.

Identification

The primary environmental database that Mackenzie utilizes to identify climate related risks and opportunities is S&P Trucost. Investment teams have access to historical environmental footprint data (including carbon data) to enable our investment professionals to identify companies with a high environmental footprint that are potentially subject to material transition risks.

For physical risks, investment teams start with a materiality approach to determine how material physical risks are to the investment. For example, physical

risks are assessed by our real estate team as extreme weather events may cause damage and financial losses to properties in our IG Mackenzie Real Property Fund. Companies that have a supply chain with operations in regions subject to the consequences of global warming also carry additional scrutiny from our investment professionals.

Assessment

While current/historical environmental data support the identification of climate risks/opportunities, Mackenzie also utilizes forward looking data such as the Paris Alignment data set of S&P Trucost and data from the Transition Pathway Initiative to assess future transition risks.

Regarding physical risk, the real estate investment team assesses the potential financial impact on property values. For companies with supply chains in regions subject to material risks of facing extreme weather events, investment teams generally assess the company's dependence on the region and agility to continue to operate by adjusting its supplier or consumer base.

Response

At Mackenzie, we favour engagement over exclusion and engage with companies facing transition risk to enable them to de-risk and better manage the risk going forward, as long as the investment thesis is still attractive to meet the investment strategy's objective.

Regarding physical risks, the real estate investment team generally applies a geographical diversification approach to mitigate concentrated physical risk.

In addition, our Sustainable Investment Committee, Sustainable Investing Centre of Expertise, Enterprise Risk Management and Corporate Sustainability teams review emerging tools and approaches available to measure risk in our industry. This information, along with input from our investment management and mortgage teams is used to assess the potential substantive risks or opportunities from our products to the company.

Physical and transition risk case studies:

As an example of a Physical risk in our investments, the IG Mackenzie Real Property Fund invests in commercial buildings throughout Canada. Physical and environmental assessments are part of the due diligence process when making a decision to purchase a property. The properties are also diversified geographically, thus mitigating physical climate risk.

As an example of transition risk in our investment process, Mackenzie Investments is developing a research framework to identify the top 100 highest emitting companies in their retail investment funds, in relation to increased market and reputational transition risks related to our investment in these companies. Mackenzie's boutique investment teams have used their unique investment styles and knowledge to analyze and assess historical and current issuer emissions, company reduction targets, climate governance, ESG rating scores, among other factors. The team learnings are collected in a shared system that can be used in investment analysis and to prioritize specific climate engagement topics by company to manage our transition risks. Through the analysis, Mackenzie's priority companies significantly overlap with those of Climate Action 100+ and this is consistent with the company's strategy to focus on engagement as a top risk management response.

An example of how this process is applied to Transition opportunities is showcased in the Global Environmental Equity fund. This fund invests in industries that are critical to building a sustainable future, primarily industrial companies innovating and building solar panels and wind farms. This product is built to help offset the transition risk associated with investments in traditional energy companies.

C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

Risk Type	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes current regulation.</p> <p>We assess GHG emission regulations in Canada in the context of our corporate properties, energy suppliers, and properties held in the IG Mackenzie Real Property Fund in Canadian provinces. Carbon pricing in Canada currently takes the form of taxation or regulatory fees assessed on the carbon content of fuels consumed, which impacts the cost to purchase energy, and efficiency of corporate and investment properties.</p> <p>We also assess regulatory risks that are financially material in our investments, as they could lead to taxes or penalties for our investee companies. As such, a good understanding of current climate regulation is important to make well informed investment decisions which, if not managed effectively, could impact the market, credit risk or liquidity risk of an individual holding or industry. Diversification and consideration of material environmental risks, including current climate regulations, is inherent in our business and investment strategies.</p>
Emerging regulation	Relevant, always included	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes emerging regulations.</p> <p>We assess emerging regulation associated with the rapidly changing regulatory landscape related to climate, and the potential impact on our operations, compliance and disclosures, corporate properties, and investments. For example, our TCFD working group follows advancements to standardize mandatory climate-related disclosures and collaborate with regulators, peers and policy makers to contribute our perspectives and follow advancements as they occur. As both corporate issuers and sustainable investors who utilize these disclosures, this is of particular significance to our companies. As long-term investors, the Mackenzie investment teams make forward looking assessments to manage emerging climate policy regulation impacts on our portfolios that are or could become financially material to the investments.</p>
Technology	Relevant, sometimes included	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes climate-related technology risks, where relevant.</p> <p>Technological improvements or innovation that affect the competitiveness of certain companies, products, distributions costs and demand have the potential to pose risk to the performance of our funds and our company revenue. Each of our Mackenzie investment boutiques is responsible for assessing the material technological risks in their particular asset classes and sectors to mitigate risks and recognize the technological opportunities in line with their investment strategies.</p> <p>For example, we assess climate-related technology risks in certain sectors in our investment funds which are affected by low emission alternatives, particularly within exposed industries such as energy. Renewable power technologies have become increasingly cost-competitive, and many traditional companies are also implementing net zero strategies. This shift may create opportunities but also has the potential to reduce the value of higher emission fossil fuel providers.</p> <p>In addition, for our Canadian focused investments which tend to be resource intensive, we also assess technology opportunities</p>

		<p>such as carbon capture and storage technology which may add value in a company’s effort to participate in the transition to a low carbon economy. Our Mackenzie Global Environmental Equity Fund provides an opportunity for our clients to invest in green technology and to mitigate transition risk in their portfolio.</p>
Legal	Relevant, always included	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes climate-related legal risks.</p> <p>This is the risk of not complying with laws, contractual agreements or regulatory requirements relating to climate change. These risks relate to regulation governing product distribution, investment management, accounting, reporting and communications.</p> <p>For example, as an asset manager operating globally, we are responsible for ensuring that investment products follow disclosure laws of each country, including those pertaining to ESG and climate change. For example, in response to the new European Union Sustainable Finance Disclosure Regulation, Mackenzie Investments published its first Stewardship Report in early 2021 to provide investors, analysts and other stakeholders with an understanding of Mackenzie Europe, and Mackenzie Investments’ approach to Sustainable Investing. We expect climate disclosure rules to continue to evolve in a number of jurisdictions.</p> <p>The Mackenzie investment teams also aims to incorporate an assessment of climate policies in the financial analysis when managing the investment portfolio as these may result in legal sanctions for companies that do not participate in the transition.</p>
Market	Relevant, always included	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes climate-related market risks.</p> <p>IGM Financial and its subsidiaries operate in a highly competitive environment, competing with other financial service providers, investment managers and product and service types. Client development and retention can be influenced by a number of factors, including shifts in supply and demand for products and services as climate-related risks and opportunities are increasingly taken into account. This is a growing consideration for our companies.</p> <p>For example, the IG Wealth Management and Mackenzie Investments products teams assess demand for products that integrate climate related factors and consider the risk of not meeting client demand on our revenues. They survey and facilitate focus group discussions with advisors and investors regarding sustainable investing, including climate change risk and opportunities, and have built products to satisfy the growing demand. This is an area of focus for our new Sustainable Investing Centre of Expertise.</p> <p>Mackenzie’s boutique investment teams also incorporate market risks into their investment processes. Investee companies may face changes in supply and demand due to climate risks. For example, consumers may no longer be willing to buy products that are adverse to climate change which impact a company’s revenue and growth. Suppliers of carbon intensive products may also pass through the cost of carbon emissions which impact a company’s expenses.</p>

<p>Reputation</p>	<p>Relevant, always included</p>	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes climate-related reputational risks.</p> <p>This is the risk of changing customer or community perceptions resulting from inadequate or failed internal processes or systems, human interaction or external events relating to climate change strategies in our operations and investments.</p> <p>For example, we assess exposure to reputation risk with our investee companies, as intangible value is often a driver of financial return and reputational issues with companies in our investment funds also have the potential to harm the reputation of our own companies.</p> <p>Our investment managers use tools such as Sustainalytics, which flag companies with ESG controversies including climate-related issues, that can have a serious effect on reputation. If material reputational issues arise, our investment management teams or third-party engagement provider will engage with the company for further information and/or to encourage change. Engagement is prioritized over divestment.</p>
<p>Acute physical</p>	<p>Relevant, always included</p>	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes acute physical risks. We assess the impact of physical climate risks that include the increased severity of extreme weather events such as floods, wildfires, and hurricanes that can affect physical assets. For example, we recognize that our offices could be exposed to property damage and operational disruptions from extreme weather-related events, which if not addressed proactively, could impact financial performance. Our business interruption risk assessment includes identification of mitigation plans to prioritize management response actions. Our offices are all insured and widely spread across Canada.</p> <p>We also assess the potential financial impact on property values from acute physical risks on properties in our mortgage portfolio and IG Mackenzie Real Property Fund. For example, in our mortgage portfolio we have developed a Natural Disaster Protocol to assess the impact of acute events, monitor the ongoing situation and implement risk mitigation strategies including payment relief programs from mortgage insurers, accessing federal and provincial programs, default management tools and impairment insurance.</p> <p>Our Mackenzie investment teams also assess acute physical risk impacts on securities of companies held in our clients' investment portfolios located in regions that are materially exposed to extreme weather events in order to appropriately assess physical risk impacts.</p>
<p>Chronic physical</p>	<p>Relevant, always included</p>	<p>Climate-related risks are considered through our ERM processes and through our investment research processes, which includes chronic physical risks. Physical climate risks include the longer term impacts of general warming and increases in sea level that could affect corporate operations and our clients' investments and homes where we have provided mortgage lending..</p> <p>For example, we consider diversification of location and potential physical risks of properties in our mortgage portfolio and IG Mackenzie Real Property Fund and diversify across Canada to mitigate the associated financial risk of property value loss. Also, Mackenzie investment teams aim to incorporate all risks that are financially material which may include chronic physical risks such as the impacts due to shifting temperature patterns. Vulnerable sectors include agriculture and leisure.</p>

(C-FS2.2b) Do you assess your portfolio’s exposure to climate-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Please explain
Investing (Asset manager)	<p>✓ Yes</p> <p>No, but we plan to do so in the next two years</p> <p>No, we don't assess this</p> <p>Not applicable</p>	<p>At IGM, the assessment of climate-related risks and opportunities in our investment funds takes place through the investment analysis and decision-making process, which is formalized under IGM's operating company sustainable investment policies. At IG Wealth Management and Investment Planning Council, these assessments are conducted by high-quality external investment managers (sub-advisors). As a result, IG and IPC's role is to monitor and evaluate the practices of these sub-advisors who are responsible for assessing portfolio exposure to climate related risks and opportunities. At Mackenzie Investments, individual investment teams are responsible for the assessment of climate risk and opportunity, both within the investment analysis process and also through company engagements conducted either with a third-party engagement manager and/or direct meetings, conferences and communications.</p> <p>See FS2.2C for more details.</p>
Other products and services, please specify	Yes	We assess the impact and geographical risks of flooding and fires on the asset values and credit risk of our client mortgage portfolio through our ERM process, as a result of increasing chronic and acute physical risks due to climate change.

(C-FS2.2c) Describe how you assess your portfolio’s exposure to climate-related risks and opportunities.

Portfolio	Portfolio coverage	Assessment type	Description
Investing (Asset manager)	<p>All of the portfolio</p> <p>✓ Majority of the portfolio</p> <p>Minority of the portfolio</p> <p>Unknown</p>	<p>Qualitative only</p> <p>Quantitative only</p> <p>✓ Qualitative and quantitative</p>	<p>At IGM, the coverage of assets managed where climate risks and opportunities are assessed include: IG Wealth Management, Mackenzie Investments and Investment Planning Council, anchored by their formalized commitments through sustainable investing policies. These policies outline the approach taken to integrate ESG criteria, including climate-related risks and opportunities into their investment analysis and decision-making processes. These policies can be found in the ESG Analyst Hub section of our website at: https://www.igmfinancial.com/en/corporate-responsibility/library.</p> <p>Tools used to assess portfolio exposure</p> <p>At IG Wealth Management, we encourage our external investment sub-advisors to consider climate change risks and opportunities in their investment processes. As part of our ongoing monitoring and oversight process, we review our sub-advisors’ use of carbon data and metrics and encourage them to integrate tools which can assess and measure climate related risks and opportunities. For example, at one of IG Wealth Management’s sub-advisors, their approach is to analyze portfolios and investments under a variety of different forward-looking scenarios such as the IEA 450 Scenario (a 50% probability of limiting warming to 2 degrees) and the NPS Scenario (commitments made by Governments to date). Their research to date has concluded that their portfolios are resilient in a reasonable range of 2 -degree scenarios due to low exposure to the highest risk sectors and investment in companies with strong plans for transitioning. An energy management company is used to measure the carbon emissions in the IG Mackenzie Real Property Fund.</p> <p>The primary environmental database that Mackenzie Investments utilizes to identify climate related risks and opportunities is S&P Trucost. Investment teams have access to historical environmental footprint data (including carbon data) to enable our investment professionals to identify companies with a high environmental footprint that are potentially subject to material transition risks. Mackenzie also utilizes forward looking data such as the Paris Alignment data set of S&P Trucost and data from the Transition Pathway Initiative to assess transition risks. PACTA and Climate Action 100+ benchmarking is also used to understand exposures in specific companies.</p> <p>Regarding physical risk, the real estate team assesses the potential financial impact on property values. For companies with supply chains in regions subject to material risks of facing extreme weather events, investment teams also generally assess the company’s dependence on the region and ability to continue to operate by adjusting its supplier or consumer base.</p> <p>IG Wealth Management and Mackenzie Investments also use an engagement service provider with a ~40-person team of engagement specialists (which includes former industry executives, senior strategists, corporate governance and climate change experts, accountants and lawyers, etc.) strategically located around the world to support our engagement efforts with the companies we invest in. Our provider engaged with 979 companies on 3,405 ESG issues on our behalf during the 2020 reporting period and almost 25% of these engagements were focused on environmental issues. Climate change is a priority issue and they</p>

			engage companies specifically with a view to enhance disclosure with a goal of improving the ability for quality assessment of climate risks and opportunities in our portfolio.
Other products and services, please specify	✓ Majority of the portfolio	✓ Qualitative and quantitative	<p>Definition of portfolio coverage</p> <p>We assess the impact of acute and chronic physical climate risks through our mortgage underwriting and appraisal process. The appraisal process varies according to the level of risk, assessed by the loan to value ratio, location, and whether the client already has obtained default insurance, which is mandatory in Canada for down payments of less than 20% of the purchase price.</p> <p>Tools used to assess portfolio exposure- Appraisal report/ CMHC Emili tool</p> <p>One tool used for climate risk assessment is the Appraisal Report, completed by an independent qualified appraiser. The report must include an assessment of the property location, including any risks of the site, for example, if the property is located in a flood prone area. Appraisers are required to have knowledge of the geographic area where they conduct their work.</p> <p>IG also utilizes a property valuation tool from Canada Mortgage and Housing Corporations (CMHC) for low ratio loans called “emili” which uses a consistent, comprehensive and objective approach to assess mortgage risks. The tool validates a number of elements of the application including the property, market and overall risk. The valuation tool provides an overall risk rating of the property.</p>

(C-FS2.2d) Do you assess your portfolio’s exposure to water-related risks and opportunities?

Portfolio	We assess the portfolio’s exposure	Portfolio coverage	Please explain
Investing (Asset manager)	<p>✓ Yes</p> <p>No, but we plan to do so in the next two years</p> <p>No, we don't assess this</p>	<p>All of the portfolio</p> <p>✓ Majority of the portfolio</p> <p>Minority of the portfolio</p> <p>Unknown</p>	<p>All IGM operating companies are committed to integrating material ESG risks and opportunities into the investment management processes. Each internal investment team or external sub-advisor is responsible for how they integrate water issues into their processes. This includes water-related risks such as drought, flooding, and water scarcity, and opportunities such as cost savings, access to new markets, and supply chains. These types of water-related risks and opportunities will be assessed when they are material issues to the issuing company. For example, the Mackenzie fixed income team’s environmental modelling efforts consider environmental impact within six core themes that includes water stress exposure. The specific data points used in the framework are based on sector specific recommendations from SASB and Fitch Ratings. The team decided to exclude a major food manufacturer from their sustainable bond portfolio due to a significant portion of their 2019 and 2020 water being sourced from high water-stressed regions.</p>
Other products and services, please specify	<p>Yes</p>	<p>✓ All of the portfolio</p> <p>Majority of the portfolio</p> <p>Minority of the portfolio</p> <p>Unknown</p>	<p>We assess the impact of flooding on the asset values and credit risk of our client mortgage portfolio through our ERM process, as a result of increasing chronic and acute physical risks due to climate change.</p> <p>Through our mortgage underwriting and appraisal process, each property is assessed to ensure risk is mitigated to an acceptable level. Mortgages in non-urban locations are adjudicated more conservatively due to limited infrastructure to protect against environmental events. Due to low exposure to properties in flood plains, our requirements for homeowner insurance and additional impairment insurance undertaken by IG Wealth Management, the level of risk has proven to be not substantive. For example, in 2019, our mortgage portfolio contained ~275 properties in Eastern Canada with potential exposure to loss from flooding from extreme weather events. Of these, less than 10% were impacted from the severe flooding in the area, representing 0.04% of total mortgages under administration, and from initial exposures of \$50MM, associated losses for IG Wealth Management were nil. An additional smaller scale flood event occurred in Alberta in 2020, with no losses experienced. In each of these circumstances, the company follows well defined and tested natural disaster protocols.</p>

(C-FS2.2e) Do you assess your portfolio’s exposure to forests-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	✓ Yes No, but we plan to do so in the next two years No, we don't assess this	All of the portfolio ✓ Majority of the portfolio Minority of the portfolio Unknown	<p>All IGM operating companies are committed to integrating material ESG risks and opportunities into the investment management processes. Each internal investment team or external sub-advisor is responsible for how they integrate forest-related issues into their processes. This includes forest-related risks such as fines, loss of license to operate, supply chain disruption, and loss of revenue due to deforestation and forest degradation. It also includes opportunities such as cost savings, and access to new markets. These types of forest-related risks and opportunities will be assessed when they are material issues to the issuing company.</p> <p>For example, sustainable land-use and biodiversity are areas of increasing focus for Mackenzie Investments' engagement service provider. In addition to their current focus on creating more sustainable food supply chains, they are looking into ways to directly affect land-use change through sustainable management and production of palm oil. Four percent of their environmental engagements for Mackenzie in 2020 were directly focused on forestry and land use.</p>
Other products and services, please specify	Not applicable		Not applicable

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

Portfolio	We request climate-related information	Please explain
Investing (Asset manager)	<p>Yes</p> <p>✓ Yes, for some</p> <p>No, but we plan to do so in the next two years</p> <p>No, and we don't plan on requesting climate-related information</p>	<p>There are differences between our operating companies because of their distinct business models but all companies are committed to incorporating ESG into the due diligence and risk assessment practices. Climate related information is requested from investees in cases when it is a material issue to the investee company and an engagement is either ongoing or will be undertaken. This focus on materiality is why we have indicated that the information is requested in some cases.</p> <p>IG Wealth Management and Investment Planning Counsel offer investment funds to their retail clients which are managed by high-quality external investment managers (sub-advisors). As a result, their role is to monitor and evaluate the sustainable investing practices of these sub-advisors.</p> <p>IG Wealth Management and Investment Planning Counsel request all managers provide ESG related policies, accountability structures and specific metrics and examples through the Request for Information and Due Diligence processes, with specific reference to climate change. The responsibility lies with our external managers to manage the oversight and implementation of ESG integration and active ownership with the investees. At Investment Planning Counsel, a pooled engagement service provider is used to work with companies to enhance corporate behaviour and strategy related to topics including climate change.</p> <p>Mackenzie Investments plays a more direct role in responsible investment and specifically, active ownership. Through its engagement service provider, its internal investment teams, and central Sustainable Investing Centre of Expertise team, Mackenzie engages with companies on a variety of issues including climate change risks and opportunities, and disclosures. Climate change has been specifically identified as a priority engagement topic. Our engagement provider has been working with companies to undertake low-carbon scenario analyses and to report on the resilience of their companies to the effects of climate change. This includes physical and financial risks or the potential for asset stranding due to regulatory changes, and the company's preparation for such eventualities. About 20% of their engagements for Mackenzie Investments related to climate change in 2020. We actively monitor and review the learnings from our provider through quarterly calls, regular reports and the client facing portal which allows us to refer to the full history of engagement with each company and track progress.</p> <p>Our internal teams also advocate for TCFD reporting from their investee companies to allow our investment professionals to make better informed investment decisions.</p> <p>In 2020, Mackenzie Investments and IG Wealth Management joined the collaborative investor initiative Climate Action 100+, which targets over 100 of the world's largest corporate greenhouse gas emitters.</p>
Other products and services, please specify	<p>✓ Yes</p>	<p>Through our mortgage underwriting and appraisal process, all properties are assessed to ensure risk is mitigated to an acceptable level. Mortgages in non-urban locations are adjudicated more conservatively due to limited infrastructure to protect against environmental events.</p> <p>The process includes gathering information on 100% of client mortgage originations about location, building details and insurance through appraisal reports or a CMHC "emili" property valuation tool. Our underwriters use this information to inform the overall risk assessment factored into the lending decision.</p>

Risk disclosure

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

- Yes
- ✓ **No**

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Primary reason	Please explain
Risks exist, but none with potential to have a substantive financial or strategic impact on business ✓ Evaluation in process Not yet evaluated Other, please specify	<p>Process used to assess why Company is not exposed to climate related risks with potential to have a substantive impact:</p> <p>Through our ERM process, we assess the likelihood & impact of climate risks using a standard set of criteria including financial, reputational, operational, & regulatory/compliance impact. Our leaders stay informed of the latest industry research and through our assessments to date, we have not identified any climate related risks with the potential to have a substantive financial impact on our business, which is defined in section 2.1b. When conducting this assessment, we take into consideration both physical & transition risks, as illustrated below.</p> <p>For example, we review IG Wealth Management’s mortgage portfolio for extreme weather events which, if not addressed proactively, could impact the financial performance of the business. In 2019, our mortgage portfolio contained ~275 properties in Eastern Canada with potential exposure to loss from extreme flooding. Of these, less than 10% were impacted from the severe flooding in the area, representing 0.04% of total mortgages under administration, and from initial exposures of \$50MM, associated losses for IG Wealth Management were nil. An additional smaller scale flood event occurred in Alberta in 2020, with no losses experienced. Diversification limits, including those based on the geographic location of our clients, is an inherent part of our business strategy which limits our exposure to acute physical risks.</p> <p>As part of our process, we assess climate transition risks in our investments. As an example of transition risk in our investment process, Mackenzie Investments is developing a research framework to identify and assess the transition risks of the top 100 highest emitting companies in their retail investment funds, in relation to increasing market and reputational risks. The findings are that the top 100 companies account for approximately 70% of emissions. The process to engage with these companies is consistent with our overall sustainable investing philosophy to engage over divest. We are reviewing and evaluating rapidly developing climate risk models for the investment industry in order to financially quantify the impact of transition risks on companies in our investment funds, and determine quantitatively whether these risks have a potential to be financially material to IGM Financial. To date, we have relied on qualitative assessment processes for transition risks.</p>

Opportunity disclosure

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

- ✓ **Yes**
Yes, we have identified opportunities but are unable to realize them
- No

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Opportunity 1

Identifier	Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact
Opp1	Direct operations Upstream ✓ Downstream	Resource efficiency Energy source ✓ Products and services Markets Resilience	✓ Development and/or expansion of low emission goods and services Development of climate adaptation, resilience and insurance risk solutions Development of new products or services through R&D and innovation Ability to diversify business activities Shift in consumer preferences Reputational benefits resulting in increased demand for goods/services [Financial services only] Other, please specify	Reduced direct costs Reduced indirect (operating) costs ✓ Increased revenues resulting from increased demand for products and services Increased revenues through access to new and emerging markets Increased revenues resulting from increased production capacity Increased access to capital Increased value of fixed assets Increased diversification of financial assets Increased portfolio value due to upward revaluation of assets [Financial services only] Returns on investment in low-emission technology Other, please specify

Company-specific description

At an IGM Financial level, our sustainability strategy is focused on the material issues for our business, as asset and wealth managers. One key focus area across all operating companies is sustainable investing, which includes incorporating material environmental, social and governance factors, including climate change, into our investment processes, decisions and product development. We are increasingly focused on development and expansion of low emission investment products, in order to meet growing client, advisor and other stakeholder expectations regarding our role in mitigating climate change impacts. At Mackenzie Investments, sustainable, responsible and impact investing is identified as one of its five growth catalysts for the organization, with dedicated leadership established in 2019 to take advantage of a \$2T market with diversified retail and institutional interest.

Mackenzie Investments launched its first “climate-oriented” fund in October of 2018, the Mackenzie Greenchip Global Environmental Equity. The fund was the fastest growing fund at Mackenzie over the past year, with assets at \$32 million at the end of 2019, compared to \$611 million at the end of 2020. Mackenzie Investments acquired the sub-advisor to this fund, Greenchip Financial Corp., at the end of 2020 and created a new environmentally focused investment boutique to help meet the growing demand of both retail and institutional investors.

The Mackenzie Fixed Income team also doubled the number of ESG labelled debt instruments and holdings in companies with sustainable practices compared to the previous year. This has come partially as a result of new fixed income funds being developed, in addition to the recognition of the growth potential associated with climate-friendly products. It is expected that this number will continue to grow as the universe of bonds continues to grow exponentially.

Additional climate-related product enhancements are occurring across the IGM Financial group of companies during 2021.

Time horizon	Likelihood	Magnitude of impact	Are you able to provide a potential financial impact figure?	Potential financial impact figure - minimum (currency)	Potential financial impact figure - maximum (currency)	Explanation of financial impact figure
✓ Short-term Medium-term Long-term Unknown	Virtually certain Very likely ✓ Likely More likely than not About as likely as not Unlikely Very unlikely Exceptionally unlikely Unknown	High Medium-high Medium ✓ Medium-low Low Unknown	Yes, a single figure estimate ✓ Yes, an estimated range No, we do not have this figure	14,400,000	72,000,000	The annual net revenue range is estimated at a high-level using CAD Assets Under Management (AUM) of low carbon solutions over the next 5 years (\$3B to \$15B) multiplied by IGM's publicly available adjusted IGM EBIT margin of 48 bps at December 2020. The minimum potential financial impact is the current AUM in low carbon products and the maximum potential impact assumes \$15B in AUM due to increased market demand and focus on this product strategy across our operating companies.

Cost to realize opportunity	Strategy to realize opportunity and explanation of cost calculation
0	<p>At IGM, we have a longstanding practice of being sustainable investors to better manage risk and generate long-term sustainable returns for our clients. All of our operating companies have formalized their commitments through sustainable investment policies, which outline the approach taken to integrate ESG criteria in investment analysis and decision-making processes, and to enable active ownership through engagement and proxy voting. This approach is aligned with the long-term interests of our clients, with the financial markets and economies in which we operate, and ultimately with broader social and environmental goals. IG Wealth Management and Mackenzie Investments are signatories to the Principles for Responsible Investment (PRI), which offers a framework for integrating ESG factors into the investment analysis and decision-making process for mainstream investment managers.</p> <p>IG Wealth Management and IPC are wealth management companies who create and offer investment funds to their retail clients, which are managed by high-quality external investment sub-advisors. Mackenzie Investments is an asset manager providing investment solutions to retail, institutional and strategic accounts, including IG Wealth Management and IPC, through a boutique investment team structure.</p> <p>Case study example:</p> <p>At Mackenzie, sustainable investing is an area of strategic emphasis, with a dedicated Head of Sustainable Investing that reports to the CEO. In December of 2020, Mackenzie acquired Greenchip Financial Corp. and further to this, added an ESG-focused boutique in April 2021 called “BetterWorld”. Both boutiques focus a significant amount of attention on climate themes, with Greenchip focusing on environmental themed investing exclusively. At IG Wealth Management, the company is focused on educating and communicating with clients and its advisors on sustainable investing and climate change, with an expectation that interest for these products will continue to grow. There are plans to enhance climate-related products over the course of 2021.</p> <p>The additional cost to realize this opportunity has been factored into the adjusted EBIT margin reported above. The development and sale of low carbon products will occur within the current structure of our business operations.</p>

Opportunity 2

Opportunity Identifier	Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact
Opp2	Direct operations Upstream ✓ Downstream	Resource efficiency Energy source Products and services ✓ Markets Resilience	Access to new markets Use of public-sector incentives Access to new assets and locations needing insurance coverage Increased diversification of financial assets (e.g., green bonds and infrastructure) [Financial services only] Increased sales of liability and other insurance to cover climate-related risks [Financial services only] Reduced risk of asset stranding considered in investment decision making [Financial services only] More timely preparation for investors in adhering to current and potentially stricter future regulation in relation to fiduciary duty [Financial services only] Increased demand for funds that invest in companies that have positive environmental credentials [Financial services only] ✓ Enhanced financial performance of investee companies as a result of being able to access new markets and develop new products to meet green consumer demand [Financial services only] The development of new revenue streams from new/emerging environmental markets and products [Financial services only] Improved ratings by sustainability/ESG indexes [Financial services only] Other, please specify	Reduced direct costs Reduced indirect (operating) costs Increased revenues resulting from increased demand for products and services Increased revenues through access to new and emerging markets Increased revenues resulting from increased production capacity Increased access to capital Increased value of fixed assets Increased diversification of financial assets Increased portfolio value due to upward revaluation of assets [Financial services only] ✓ Returns on investment in low-emission technology Other, please specify

Company-specific description

At Mackenzie Investments, sustainable, responsible and impact investing is identified as one of its five growth catalysts for the organization, with dedicated leadership established in 2019 to take advantage of a \$2T market with diversified retail and institutional interest.

Global investments to tackle climate change are growing significantly. In 2019, around US\$940 billion was invested in this space, and in order to meet the Paris Agreement, at least US\$60 trillion will need to be invested into renewable energy and carbon-reducing technologies by 2050. We know that now more than ever, investors have a strong appetite to take a stance against climate change and that the demand for renewable energy has increased because it has become much cheaper to produce in recent years. The Mackenzie Greenchip team looks for opportunities to invest in clean energy companies that are extremely innovative and committed to considerable growth.

The Mackenzie Greenchip Team believes that as resource and environmental issues become more challenging, prices will be forced to adjust and strong “blue chip” companies operating in the green economy will be in great demand. Having focused exclusively on environmental sectors for over a decade, they have a deep knowledge of these sectors and are confident that their sustainability thesis, combined with a proven value discipline, can continue to pursue superior returns for investors. They apply intensive due diligence and only hold stocks when there are significant discounts to intrinsic value.

Time horizon	Likelihood	Magnitude of impact	Are you able to provide a potential financial impact figure?	Potential financial impact figure - minimum (currency)	Potential financial impact figure - maximum (currency)	Explanation of financial impact figure
✓ Short-term Medium-term Long-term Unknown	Virtually certain Very likely Likely ✓ More likely than not About as likely as not Unlikely Very unlikely Exceptionally unlikely Unknown	High Medium-high Medium Medium-low ✓ Low Unknown	Yes, a single figure estimate ✓ Yes, an estimated range No, we do not have this figure	0	1,500,000	Since inception (October 2018), the annualized compound return of the Mackenzie Greenchip Environmental Equity Fund has been 33.9% (October 2018 to June 30, 2021) compared to the MSCI All Country World Index of 14.4%, therefore generating additional returns of 19.5% annually on a current fund size of CAD\$1.6B in assets. The minimum potential financial impact figure assumes there is no premium for investing in the green transition. The maximum potential financial impact figure assumes the 18.9% excess return is earned by clients on the current fund size of \$1.6B over the short-term, or ~\$310M for clients in the fund annually which is significant. The company would earn an EBIT margin on these additional returns (assumed to be 48 basis points as of Dec 2020, per publicly reported margin for IGM).

Cost to realize opportunity	Strategy to realize opportunity and explanation of cost calculation
0	<p>Case study example:</p> <p>With this growing demand for renewable energy and other low carbon technology, Mackenzie Investments launched its first “climate-oriented” fund in October of 2018, the Mackenzie Greenchip Global Environmental Equity which has significantly outperformed the MSCI All Country World Index (see Explanation of Financial Impact Figure for further details). Over the past 13 years, Greenchip’s long-term investment performance is top quartile among environmental thematic mandates and the firm has developed unique sector expertise that is not easily duplicated. Because of this strong performance and the growing client demand for clean energy investments, the fund was the fastest growing fund at Mackenzie over the past year, with assets at \$32 million at the end of 2019, compared to \$611 million at the end of 2020. Mackenzie Investments acquired the sub-advisor to this fund, Greenchip Financial Corp., at the end of 2020 and created a new environmentally focused investment boutique to help meet the growing demand of both retail and institutional investors. An additional fund, the Mackenzie Greenchip Global Environmental Equity Fund was launched in 2021.</p> <p>The additional cost to realize this opportunity is zero as the realization of additional market returns for clients will occur within the current structure of our business.</p>

Opportunity 3

Opportunity Identifier	Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact
Opp3	Direct operations Upstream ✓ Downstream ✓	Resource efficiency Energy source Products and services ✓ Markets Resilience	Access to new markets Use of public-sector incentives Access to new assets and locations needing insurance coverage ✓ Increased diversification of financial assets (e.g., green bonds and infrastructure) [Financial services only] Increased sales of liability and other insurance to cover climate-related risks [Financial services only] Reduced risk of asset stranding considered in investment decision making [Financial services only] More timely preparation for investors in adhering to current and potentially stricter future regulation in relation to fiduciary duty [Financial services only] Increased demand for funds that invest in companies that have positive environmental credentials [Financial services only] Enhanced financial performance of investee companies as a result of being able to access new markets and develop new products to meet green consumer demand [Financial services only] The development of new revenue streams from new/emerging environmental markets and products [Financial services only] Improved ratings by sustainability/ESG indexes [Financial services only] Other, please specify	Reduced direct costs Reduced indirect (operating) costs Increased revenues resulting from increased demand for products and services ✓ Increased revenues through access to new and emerging markets Increased revenues resulting from increased production capacity Increased access to capital Increased value of fixed assets Increased diversification of financial assets Increased portfolio value due to upward revaluation of assets [Financial services only] Returns on investment in low-emission technology Other, please specify

Company-specific description					
<p>When considering potential acquisitions, we conduct a robust business assessment to identify the potential long-term risks and opportunities of the investment. ESG factors are considered in this process.</p> <p>Case study example: In 2020, Mackenzie acquired an interest in Northleaf Capital Partners, a private equity investment firm that shares our values and our commitment to sustainable investing. Northleaf’s portfolio includes more than 400 active investments in 40 countries, with a focus on mid-market companies and assets. Northleaf currently manages eight global private equity funds, three specialist private equity secondaries funds, one direct private equity investment fund, three Canada-focused venture capital funds, three global private credit funds, three direct OECD-focused infrastructure funds and a series of customized investment mandates tailored to meet the specific needs of institutional investors and family offices.</p> <p>Northleaf holds infrastructure investments around the world that support a wide range of environmental, social and governance initiatives in the communities in which they operate, including renewable energy investments like the South Branch Wind Farm and Waterloo Wind Farm. Within the private credit funds, the company has recently employed a novel ESG-linked margin ratchet in a loan agreement with think project which includes ESG covenants tied to green electricity and GHG reduction targets. ESG is also a consideration in private equity.</p> <p>This investment provides our clients access to additional opportunities to diversify into infrastructure, private credit and private equity relating to the low carbon transition.</p>					
Time horizon	Likelihood	Magnitude of impact	Are you able to provide a potential financial impact figure?	Potential financial impact figure (currency)	Explanation of financial impact figure
✓ Short-term Medium-term Long-term Unknown	✓ Virtually certain Very likely Likely More likely than not About as likely as not Unlikely Very unlikely Exceptionally unlikely Unknown	High Medium-high Medium ✓ Medium-low Low Unknown	✓ Yes, a single figure estimate Yes, an estimated range No, we do not have this figure	10,000,000	Calculation is based on an estimate of \$10M annual net earnings from Northleaf in the near term, which is expected to grow over the short to medium term.
Cost to realize opportunity	Strategy to realize opportunity and explanation of cost calculation				
200,000,000	Mackenzie Investments and Great West Lifeco Inc., partnered in the acquisition of an interest in Northleaf Capital Partners Ltd. (“Northleaf”), a global private markets investments firm, establishing a strategic relationship among the three organizations. The relationship was announced on September 17, 2020 and will provide Mackenzie with a significant presence in the growing private markets investment industry, which includes an opportunity for clients across the IGM Financial group to have increased exposure to renewable energy and infrastructure, sustainability linked loans and other ESG related private investments.				

	<p>The transaction includes Mackenzie and Lifeco jointly acquiring a 49.9 per cent non-controlling voting interest and a 70 per cent economic interest in Northleaf through an acquisition vehicle 80 per cent owned by Mackenzie and 20 per cent owned by Lifeco.</p> <p>The additional cost to realize this opportunity is based on the company's \$200M capital investment in Northleaf.</p>
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C3 Business strategy

Business strategy

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

- Yes, and we have developed a low-carbon transition plan
- ✓ **Yes**
- No

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
✓ Yes, in the next two years No, we do not intend to publish a low-carbon transition plan in the next two years	Yes, we intend to include it as a scheduled AGM resolution item ✓ No, we do not intend to include it as a scheduled AGM resolution item No, we do not hold AGMs	IGM, through its TCFD working group and IGM Sustainability Committee is in the process of enhancing its climate change strategy and low carbon transition plans, together with its operating companies.

Scenario analysis

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

- Yes, qualitative
- Yes, quantitative
- Yes, qualitative and quantitative
- Yes, qualitative but we plan to add quantitative in the next two years
- ✓ **No, but we anticipate using qualitative and/or quantitative analysis in the next two years**
- No, and we do not anticipate doing so in the next two years

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

Climate-related scenario analysis is a rapidly developing area within the investment industry. In 2020 we continued to enhance our climate change readiness, including furthering our tools and skills to prepare for decision-useful scenario analysis. We are in the process of implementing S&P Trucost to enhance our quantitative assessment of climate risks by analyzing emissions and other environmental data sets at the investee company and portfolio levels. This system enables us to model potential transition pathways and track our portfolios against the goal of limiting global warming to 2°C above pre-industrial levels and examine the adequacy of emissions reductions over time in meeting the goals of the Paris Agreement.

We are exploring additional scenario analysis tools to manage physical and transition risk across our investments and assess risk at the company level. As we are invested across a wide range of asset classes and regions data availability and accuracy is currently a challenge but we are closely following and assessing new climate risk management tools as they become available. We are in discussion with several external data providers to support us in our efforts to run climate-related scenario analysis across our investments and company, however models are still developing to a point where they will provide decision-useful information.

We aim to partner with best in class scenario analysis providers to support us further in the measurement of climate related risks across our business and expect to be able to perform climate-related scenario analysis within 2 years. As we continue to advance in our use of scenario analysis, the TCFD working group, consisting of cross-functional leadership, will advance the incorporation of this information into strategy.

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

Business Area	Have climate-related risks & opportunities influenced your strategy in this area?	Description of influence
Products and services	✓ Yes No Evaluation in progress Not evaluated	<p>As a result of market trends and increasing requests from clients and financial advisors on how climate change and other ESG issues are integrated into our products, we have continued to strengthen our business strategy for the short and medium term (approximately 0 to 5 years).</p> <p>In addition to our commitment to integrate material climate related issues into our investment funds through ESG integration practices and engagement, our operating companies also offer and are working to increase the number of thematic and impact funds addressing ESG and climate-related considerations, consistent with our strategy to offer a broad number of investment options for our clients. For example, the IG Mackenzie</p>

		<p>Summa SRI Fund, launched in 1987, was one of the first of its kind in Canada, and is focused on companies with progressive practices towards environmental, human rights and other social issues. Additional product development is underway for 2021.</p> <p>Mackenzie has been expanding its products to provide clients opportunities to invest in specific ESG themes or funds that optimize social or environmental needs. For example, Mackenzie launched its first “climate-oriented” or “environmental-focused” fund in October of 2018. This product, the Mackenzie Global Environmental Equity, has now evolved to become one of our firm’s flagship products. In 2021, Mackenzie also launched the first truly environmentally focused balanced fund in Canadian retail, and a globally focused sustainable bond fund. Within the balanced fund, the fund must invest at least 2/3 of its fixed income exposure at all times in labelled (or certified) green bonds.</p> <p>Case study of substantial strategic decision: Mackenzie has specified five areas of strategic product emphasis to capitalize on market growth, including sustainable, responsible and impact investing, which is a CAD 2T market with diversified retail and institutional interest.</p> <p>To expand capabilities, Mackenzie acquired Greenchip Financial in December 2020, a prior sub-advisor to the Global Environmental Equity Fund. In 2021, they also added a sustainability-focused boutique called Betterworld, by acquiring additional ESG investment talent. Both boutiques focus a significant amount of attention on climate, with Greenchip focusing exclusively on environment and climate.</p>
Supply chain and/or value chain	<p>✓ Yes No Evaluation in progress Not evaluated</p>	<p>Where we select investment firms as sub-advisors for our investment funds, we focus on selecting high-quality investment firms who are responsible investors and we monitor their ongoing performance. As part of the RFP and ongoing assessments, our teams request information about how ESG, including climate risks and opportunities, is resourced, what processes and tools are used, and how strategy and governance are influenced. Some specific examples include requests for data and analysis relating to emission footprints, use of scenario analysis and outputs, and public support for the Paris Agreement, TCFD, and Climate Action 100+. Sub-advisor relationships are considered for the longer-term (over 5 years) and evaluations occur annually to ensure that our requirements are being met.</p> <p>Case study of substantial strategic decision: In 2019, IG Wealth Management mandated that all sub-advisors align with its philosophy in being PRI signatories. This commits sub-advisors to ensure integration of material ESG factors into the investment analysis and decision-making processes, and to be active owners. Many of IG’s sub-advisors are leaders in climate risk and opportunity management. Climate change will continue to be a growing topic of consideration in the selection and management of sub-advisors, as we continue to further implementation of the TCFD recommendations. Mackenzie is also changing its policy in 2021, to require sub-advisors to be PRI signatories.</p>
Investment in R&D	<p>✓ Yes No Evaluation in progress</p>	<p>Our business strategy includes financial support and engagement with industry organizations such as RIA, CERES and Climate Action 100+ who undertake climate-related R&D work on behalf of our companies and the investment industry. We also have been investing in new tools, such as S&P Trucost to enhance climate risk and opportunity assessment capabilities for our investment teams, and purchase renewable energy</p>

	<p>Not evaluated</p>	<p>credits to offset our natural gas usage in our IG Wealth Management and Mackenzie Investments head offices and to support further R&D in the renewable energy industry. We have expanded efforts in the short term (0-2 years), but view our efforts to be long term in nature (5+ years).</p> <p>Case study of substantial strategic decision: An example of a strategic decision for R&D influenced by climate-related risks and opportunities is our recent integration and customization of S&P Trucost into our investment systems, processes and reports. In 2020/21 we have developed customized portfolio-level carbon performance reporting and continue to advance the implementation into systems and investment analysis and decision-making. Another example of leading research practices in from the Mackenzie Fixed Income team who have developed a sophisticated proprietary country risk model that integrates climate related factors alongside various ESG indicators.</p>
<p>Operations</p>	<p>✓ Yes No Evaluation in progress Not evaluated</p>	<p>Our business strategy includes investing in efficiencies in our corporate and regional offices to address potential energy cost increases associated with third party suppliers from carbon pricing in Canada while creating greener buildings, reducing energy costs over time and enabling us to meet our short to medium (0 to 5 years) and long-term (over 5 years) carbon reduction target of 40% of Scope 1 and 2 by 2020 and 50% by 2036, based on a 2013 baseline.</p> <p>Case study of substantial strategic decision: An example of a strategic decision influenced by climate risks and opportunities is our building management strategy, where we are investing in green building upgrades, including installing efficient heating and cooling systems, air handling units, information technology systems, LED lighting and motion sensors. We also continue to review the footprint of IG Wealth Management and Mackenzie head offices and IG Wealth Management's region offices to ensure we are using space efficiently, moving to more efficient buildings over time, and managing our carbon emissions. Since 2015, we have also been purchasing green natural gas to match the annual conventional natural gas used at the IG Wealth Management and Mackenzie Investments head offices to further manage our carbon impact. Not only does this investment lower our greenhouse gas emissions enough to exceed our 2020 goal, it supports the development of the renewable energy industry in Canada.</p>

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that have been influenced	Description of influence
<ul style="list-style-type: none"> ✓ Direct costs ✓ Acquisitions and divestments 	<p>As a result of our commitment to responsibly manage our business, and our participation in the CDP survey since 2013, we consider climate change impacts in our short-term (0-2 year) financial planning processes. Recent examples of how climate risks and opportunities have influenced our financial planning and direct costs are as follows:</p> <ul style="list-style-type: none"> • Dedication of internal and external resources to enable the company to transparently report to CDP, Principles for Responsible Investment, and to produce an annual IGM Sustainability Report, following GRI standards and addressing the Sustainability Accounting Standards Board and Task-Force for Climate-Related Financial Disclosure. • Initiatives to reduce carbon emissions in our operations, such as continuous building improvements, purchasing Bullfrog green natural gas, and purchasing the services of an energy data management company to measure and manage energy and emissions in our corporate properties and IG Mackenzie Real Property Fund. • Hiring third-party professional climate experts to focus on advancing the TCFD recommendations through training our leadership teams, gap analysis and advisory services in our climate strategy planning. • Sustainable investing advancements, for which climate change is a priority ESG topic, including industry research, ESG focused product development and management, tools for ESG integration, procuring the services of industry-leading engagement companies, and dedicated personnel through Mackenzie’s Sustainable Investing Centre of Expertise team. • In 2020, Mackenzie acquired Greenchip Financial Corp., an environmental investment firm founded in 2007 on a thesis that changing demographics, resource scarcity and environmental degradation would drive historic opportunities and new risks for investors, particularly relating to climate change. Mackenzie also acquired an interest in Northleaf Capital Partners in 2020, a long-term investor in private markets. As an example, their infrastructure investments support a wide range of ESG initiatives, including climate action, through investment in wind farms.

Business strategy: Financial services

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

- ✓ **Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities**
 - Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks
 - Yes, both of the above
 - No, but we plan to consider policy-related risks in our policy framework in the next two years

(C-FS3.6a) In which policies are climate-related issues integrated?

Portfolio	Type of policy	Portfolio coverage of policy	Description
Investing (Asset manager)	<ul style="list-style-type: none"> Credit policy Risk policy ✓ Sustainable/ Responsible Investment Policy Investment policy/ strategy Underwriting policy Policy related to other products and services Proxy voting policy Engagement policy Other, please specify 	<ul style="list-style-type: none"> ✓ All of the portfolio Majority of the portfolio Minority of the portfolio Unknown 	<p>All IGM operating companies have formalized Sustainable Investing (SI) policies that are made public on the company websites and in the Corporate Sustainability section of the IGM Financial website (ESG Analyst Hub).</p> <p>As defined in the “Scope” sections of our operating companies’ Sustainable Investing policies, we are committed to incorporating material ESG issues into our investment process across all of our assets under management (100% of AUM). Each internal investment team or external sub-advisor is responsible for how they integrate climate issues into their processes.</p> <p>Overall, the SI policies centre on:</p> <p>Active ownership: This includes engagement with company management and proxy voting, which are important value added practice within the investment process.</p> <p>Integration of material ESG factors in investment analysis and decision making processes: ESG factors, including climate change, are considered as part of the investment process. The relative importance of the ESG factors varies across industries, geography and time. In analyzing the risks of each investment, our investment management team looks to identify, monitor and mitigate ESG risks and opportunities that are, or could become material to long-term performance. In addition to integrating ESG factors into our mainstream investing practices, we also employ screening and thematic investment strategies for some of our clients and manage exclusions for institutional clients to address their unique ESG needs.</p> <p>Divestment only in exceptional circumstances: We generally adopt a policy of engagement over divesting a holding. This approach is consistent with our responsibility to engage companies and improve performance on ESG issues. Selling an investment for ESG reasons alone is an option of last resort.</p>

			<p>At IG Wealth Management and Investment Planning Counsel, the Sustainable Investing policies are carried out through selection and monitoring of all sub-advisors. ESG topics are covered in the Due Diligence questionnaire, including requests for specific climate-related information.</p> <p>At Mackenzie Investments, the Sustainable Investing policy pertains primarily to the investment activities undertaken by the 17 boutique teams. Climate change is a priority ESG topic that is incorporated when it is a material matter to the investee company.</p>
Other products and services, please specify	<p>Other, please specify</p> <p>Mortgage Lending policy and guidelines</p>	All of the portfolio	<p>All mortgage loans must be made in accordance with IG’s Mortgage Lending Policy and Guidelines. Relevant areas of the policy and guidelines include: eligible location definitions and geographic diversification ratios, requirements for appraiser expertise and appraisal/value reports, credit risk thresholds (credit risks are connected to climate risks), and explanations of the appraisal and underwriting processes.</p> <p>IG seeks to originate residential mortgage loans that offer a relatively low likelihood of default and a low likelihood of capital loss in the event of default. The overall quality of the residential mortgage originations would be classified within the mortgage industry as Prime, or “A” business. Prime lending criteria focus on good quality covenants and underlying real estate, both meeting certain minimum standards. This includes analysis of the physical location of properties. The policy requires the residential mortgage portfolio be diversified across Canada and specifies the maximum allowable concentration in each province or region. An appraisal report or confirmation of value of the underlying real estate is required on all conventional loan submissions where mortgage default insurance has not been obtained.</p>

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

- ✓ **Yes, for all assets managed externally**
- ✓ Yes, for some assets managed externally
- ✓ No, for none of our externally managed assets
- ✓ Not applicable, because we don’t have externally managed assets

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

Process for factoring climate-related issues into external asset management selection	Comment
<ul style="list-style-type: none"> ✓ Review asset manager’s climate-related policies ✓ Assessment of asset manager’s climate-related performance (e.g. active ownership, proxy voting records, under-weighting in high impact activities) 	<p>IG Wealth Management and Investment Planning Counsel offer investment funds to their retail clients which are managed by high-quality external investment managers (sub-advisors). Mackenzie Investments employs sub-advisors on select mandates. As a result, their role is to monitor and evaluate the RI practices of these sub-advisors, including their incorporation of climate issues.</p> <p>We request all managers to provide ESG related policies, accountability structures and specific metrics and examples through the RFI and Due Diligence processes, with specific reference to climate change. The responsibility lies with our external managers to manage the oversight and implementation of ESG integration and active management with the issuers.</p>

C4 Targets and performance

Emissions targets

(C4.1) Did you have an emissions target that was active in the reporting year?

✓ Absolute target

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number	Year target was set	Target coverage	Scope	Base year	Covered emissions in base year (metric tons CO2e)	Covered emissions in base year as a % of total base year emissions	Target year	Targeted % reduction from base year	Covered emissions in target year	Covered emissions in reporting year (metric tons CO2e)	% of target achieved
Abs 1	2015	Company-wide	Scope 1+2 (market-based)	2013	2,331	100%	2020	40%	1,398.6	244.6	223.77
Target status	Is this a science-based target?			Please explain							
Achieved	Yes, and this target has been approved by the Science Based Targets initiative Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative No, but we are reporting another target that is science-based ✓ No, but we anticipate setting one in the next 2 years No, and we do not anticipate setting one in the next 2 years			This target (2013–2020) applies to Scope 1 and 2 emissions in Canada, which includes property-level electricity, natural gas, jet fuel, back-up diesel, and refrigerants consumption at its corporate head office. We are exploring the new Science Based Targets Initiative methodology for financial services companies and its application to our business.							

Target reference number	Year target was set	Target coverage	Scope	Base year	Covered emissions in base year (metric tons CO2e)	Covered emissions in base year as a % of total base year emissions	Target year	Targeted % reduction from base year	Covered emissions in target year	Covered emissions in reporting year (metric tons CO2e)	% of target achieved
Abs 2	2015	Company-wide	Scope 1+2 (market-based)	2013	2,331	100%	2036	50%	1,165.5	244.6	179.01 %
Target status	Is this a science-based target?		Please explain								
Achieved	Yes, and this target has been approved by the Science Based Targets initiative Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative No, but we are reporting another target that is science-based ✓ No, but we anticipate setting one in the next 2 years No, and we do not anticipate setting one in the next 2 years		This target (2013–2036) applies to Scope 1 and 2 emissions in Canada, which includes property-level electricity, natural gas, jet fuel, back-up diesel, and refrigerants consumption at its corporate head office. We are exploring the new Science Based Targets Initiative methodology for financial services companies, and its application to our business.								

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

- ✓ **Target(s) to increase low-carbon energy consumption or production**
 - Target(s) to reduce methane emissions
 - Other climate-related target(s)
 - No other climate-related targets

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target ref number	Year target was set	Target coverage	Target type: absolute or intensity	Target type: energy carrier	Target type: activity	Target type: energy source	Metric	Base year	Figure or percentage in base year	Target year	% in Target Year	% in reporting year	% of Target Achieved	Target status in reporting year
Low 1	2015	Company-wide	Absolute	Heat	Consumption	Renewable energy source(s) only	%	2013	0	2020	80%	100%	125%	Achieved
Is this target part of an emissions target?				Is this target part of an overarching initiative?				Please explain						
Yes, Abs 1 and Abs 2 are successfully achieved in large part due to target Low 1. As our owned office building is located in Manitoba, hydro-electricity is almost zero emissions, therefore natural gas is the main focus of our target to reduce scope 1 and 2 GHG emissions by 40% by 2020 and 50% by 2036.				No, it's not part of an overarching initiative				At this time, we are accomplishing this goal (same goal as C4.2 from 2020) through an agreement with Bullfrog Power to purchase green natural gas from a unique methane capture project situated on a Canadian landfill. The gas is injected into the Canada-wide pipeline system and IGM Financial receives a renewable energy credit. This process is audited and verified annually by Deloitte. Not only does this partnership significantly reduce our greenhouse gas emissions footprint, it supports the development of the green energy industry across Canada. Target is for 80% of natural gas used in our owned property (Scope 1) to be renewable by 2020. Target was achieved in 2020, with 100% achievement (3,414 MWH).						

Emissions reduction initiatives

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

- ✓ **Yes**
No

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

Stage of development	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	-
To be implemented*	3	641.76
Implementation commenced*	0	0
Implemented*	1	0.08
Not to be implemented	0	-

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category	Initiative type	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency, as specified in C0.4)	Investment required (unit currency, as specified in C0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency in buildings	Building Energy Management Systems (BEMS)	0.08	Scope 2 (location-based) Scope 2 (market-based)	Voluntary	3,600	157,000	>25 years	>30 years	The building automation system was upgraded in our owned office building. The building is located in Manitoba which uses hydro-electricity, and therefore related emissions are very low.

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other For our facilities, we have an annual dedicated budget for building improvements.	This budget includes energy efficiency projects, such as equipment replacements for boilers, lighting, air handling and HVAC systems.

Low-carbon products

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

- ✓ **Yes**
- No

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation	Description of product/Group of Products	Are these low-carbon product(s) or do they enable avoided emissions?	Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions	% revenue from low carbon product(s) in the reporting year	% of total portfolio value	Asset class / product types	Comment
Group of Products	Mackenzie Global Environmental Equity Fund, Maximum Diversification Funds and ETFs	Low-carbon product and avoided emissions	Other, please specify Mackenzie Global Environmental Equity Fund invests in the low carbon transition. The Maximum Diversification funds and ETFs optimize to 20% less carbon.	0.81	0.81	Listed equity	The percentage of total portfolio value is calculated as the Assets Under Management (AUM) value of the low carbon products as a % of our total AUM, as at December 31, 2020. Revenue is assumed to be the same proportion.

Group of products	Corporate and government green bonds	Low-carbon product and avoided emissions	Other, please specify Corporate and government green bonds.	0.26	0.26	Fixed Income	The percentage of total portfolio value is calculated as the Assets Under Management (AUM) value of the low carbon products as a % of our total AUM, as at December 31, 2020. Revenue is assumed to be the same proportion.
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C5 Emissions methodology

Base year emissions

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope	Base year start	Base year end	Base year emissions (metric tons CO2e)	Comment
Scope 1	01/01/2013	31/12/2013	2,313	
Scope 2 (location-based)	01/01/2013	31/12/2013	18	
Scope 2 (market-based)	01/01/2013	31/12/2013	18	

Emissions methodology

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

- ✓ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6 Emissions data

Scope 1 emissions data

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Gross global Scope 1 emissions (metric tons CO ₂ e)	Start date	End Date	Comment
241	January 1, 2020	December 31, 2020	

Scope 2 emissions data

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Scope 2, location-based	Scope 2, market-based (if applicable)	Start Date	End Date	Comment
4	4	January 1, 2020	December 1, 2020	

Exclusions

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

✓ No

Scope 3 emissions data

(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.

Sources of Scope 3 emissions	Evaluation status	Metric tons CO2e	Emissions calculation methodology	% of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, explanation provided	-	N/A	N/A	The main source of emissions would be the procurement of paper goods. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.
Capital goods	Not relevant, explanation provided	-	N/A	N/A	The main source of emissions would be from the production of IT infrastructure and building equipment. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided	-	N/A	N/A	The main source of emissions would relate to diesel and kerosene fuel used in our operations (excluding scope 1 emissions). As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.
Upstream transportation and distribution	Not relevant, calculated	0.02	Cubic meters of water used by building was multiplied by 1.276 kWh/m3 and then multiplied by appropriate electricity emissions factor using: Environment and Climate Change Canada. National Inventory Report 1990–2019: Greenhouse Gas Sources and Sinks in Canada Part 1. (Ottawa: Environment and Climate Change Canada, 2021.), 61-73	100	This would include emissions associated with the distribution of water to and from the IG Wealth Management head office. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.

Waste generated in operations	Not relevant, calculated	81	Indirect measurement using provincial emission factors. Source: Environment and Climate Change Canada. National Inventory Report 1990–2018: Greenhouse Gas Sources and Sinks in Canada Part 2. (Ottawa: Environment and Climate Change Canada, 2020.), 173	100	The main source of emissions relates to the waste we generate in our business. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds. Despite our limited impact we have calculated the emissions from waste generated at our owned property.
Business travel	Relevant, calculated	422	Source: EPA, Emissions Factors for Greenhouse Gas Inventories (March 2018): https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf	100	The main source of emission relates to the business travel. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.
Employee commuting	Not relevant, explanation provided	-	N/A	N/A	The main source of emission relates to our employee travel to and from work. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.
Upstream leased assets	Relevant, calculated	4,484	Indirect measure using provincial emissions factors. Source (Fuels): Environment Canada. Greenhouse Gas Division, National Inventory Report 1990–2019 Part 2: Greenhouse Gas Sources and Sinks in Canada. (Ottawa: Environment Canada, 2021.) (Electricity and Water) Environment Canada. Greenhouse Gas Division, National Inventory Report 1990–2019 Part 3: Greenhouse Gas Sources and Sinks in Canada. (Ottawa: Environment Canada, 2021.) (Steam) Enwave, Mark Quattrociochi, Feb 13, 2020 and Creative Energies, Lori Parker, April 4 th , 2021. (Chilled Water) Enwave, Mark Quattrociochi, Feb 13, 2020	19	The main source of emissions calculated relate to natural gas and electricity usage within corporate leased properties and leased IG Wealth Management region offices. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds. However, due to the importance to our stakeholders, we have categorized upstream leased assets as relevant.

Downstream transportation and distribution	Not relevant, explanation provided	-	N/A	N/A	The main source of emissions relates to the transport of financial advisors to clients. As a company operating within the financial services sector, these emissions are marginal when compared to Scope 3 emissions from investments held within client investment funds.
Processing of sold products	Not relevant, explanation provided	-	N/A	N/A	Given the nature of our business, we do not process products for sale.
Use of sold products	Not relevant, explanation provided	-	N/A	N/A	Given the nature of our business, we do not sell physical products.
End of life treatment of sold products	Not relevant, explanation provided	-	N/A	N/A	Given the nature of our business, we do not sell physical products. Therefore, end of life treatment of sold products is not relevant.
Downstream leased assets	Not relevant, explanation provided	-	N/A	N/A	We do not lease properties to other companies.
Franchises	Not relevant, explanation provided	-	N/A	N/A	We do not own or sell franchises.
Other (upstream)		-	N/A	N/A	
Other (downstream)		-	N/A	N/A	

Emissions intensities

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change	Reason for change
0.000000081	245	unit total revenue	3,017,982,000	Location-based	71.6	Decreased	Revenue increased by 2.5% and year-over-year GHG emissions decreased by 595 tCO ₂ e, mainly due to decreased Scope 1 air travel, which is in line with our energy reduction strategy that includes a focus on lowering the emission footprint of our commuting. In 2020, travel was restricted further due to COVID. Plans for 2021 include permanent reduction of the Scope 1 travel emissions.
0.1108785053	245	full time equivalent (FTE) employee	2,206	Location-based	71.4	Decreased	Employee count increased by 1.9% and emissions decreased by 595 tCO ₂ e, mainly due to decreased Scope 1 air travel, which is in line with our energy reduction strategy that includes a focus on lowering the emission footprint of our commuting. In 2020, travel was restricted further due to COVID. Plans for 2021 include permanent reduction of the Scope 1 travel emissions.
0.0009061264	245	square foot	269,938	Location-based	70.9	Decreased	Decrease was mainly due to a reduction in Scope 1 air travel, which is in line with our energy reduction strategy that includes a focus on lowering the emission footprint of our commuting. In 2020, travel was restricted further due to COVID. Plans for 2021 include permanent reduction of the Scope 1 travel emissions.

C7 Emissions breakdown

Emissions performance

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

✓ **Decreased**

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (%)	Please explain calculation
Change in renewable energy consumption	0	No change	0%	The annual renewable natural gas purchased from Bullfrog Energy is 520,000 m3. This zero-emission green natural gas is used as a renewable energy credit for our Scope 1 head office natural gas, with the remainder covering Scope 3 leased offices. Calculation of emissions was as follows: $(0 \text{ tCO}_2\text{e}/839 \text{ tCO}_2\text{e}) * 100 = 0.00\%$.
Other emissions reduction activities	0.02	Decreased	0.002%	The head office building automation system upgrade in 2020 is estimated to reduce electricity by 40.000 kwh per year. The building is located in Manitoba which uses hydro, thus low associated emission savings of 0.08 tCO2e per year. The project was completed in the fourth quarter. Calculation was as follows: $(-0.02 \text{ tCO}_2\text{e}/839 \text{ tCO}_2\text{e}) * 100 = -0.002\%$
Divestment	-	-	-	-
Acquisitions	-	-	-	-
Mergers	-	-	-	-
Change in output	596.27	Decreased	71.04%	Decrease in air miles flown, mainly due to COVID-19 travel restrictions. In 2020, Scope 1 travel consumed 80,790 litres of fuel, versus 311,760 litres in 2019. Emissions reduction calculation was as follows: $(596 \text{ tCO}_2\text{e}/839 \text{ tCO}_2\text{e}) * 100 = -71.04\%$
Change in methodology	-	-	-	-
Change in boundary	-	-	-	-
Change in physical operating conditions	-	-	-	-

Unidentified	1.01	Decreased	0.12%	After accounting for all changes, the remaining 1.01 tCO ₂ e reduction remains unidentified, however it may relate to changes in weather or rounding. Calculation was as follows: $(-1.01 \text{ tCO}_2\text{e}/839 \text{ tCO}_2\text{e}) * 100 = -0.12\%$.
Other	2.5	Increased	0.3%	The Head Office required a refrigerant top up in 2020 amounting to 29 tCO ₂ e, as well as a diesel top-up of 3.5 tCO ₂ e. This resulted in an increase of 2.5 tCO ₂ e. Calculation was as follows $(2.5 \text{ tCO}_2\text{e}/839 \text{ tCO}_2\text{e}) * 100 = 0.30\%$.

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

- ✓ Location-based

C8 Energy

Energy spend

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

✓ **More than 0% but less than or equal to 5%**

(C8.2) Select which energy-related activities your organization has undertaken.

Activity	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

Energy-related activities

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Energy carrier	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	3,414	793	4,207
Consumption of purchased or acquired electricity		4,270	0	4,270
Total energy consumption		7,684	793	8,477

C9 Additional metrics

Other climate-related metrics

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description	Metric value	Metric numerator	Metric denominator (intensity metric only)	% change from previous year	Direction of change	Please explain
Waste	81	tCO2e		31.85%	Decreased	Waste generation from the Head Office decreased by 38 tCO2e due to COVID-19 restrictions, requiring offices to close and employees to work from home.
Other, please specify IG Mackenzie Real Property Fund	60,738	tCO2e		4.29%	Decreased	Emissions from the IG Mackenzie Real Property Fund portfolio decreased by 2,724 tCO2e from 2019 to 2020, largely due to reductions in electricity and natural gas usage as a result of COVID-19 office closures.
Other: Water	0.02	tCO2e		51.31%	Decreased	Water emissions from the Head Office decreased by 0.02 tCO2e from 2019 to 2020 due to COVID-19 restrictions requiring employees to work from home during lockdown periods.
Other: Business Travel	421.95	tCO2e		81.55%	Decreased	Business Travel emissions were reduced by 1865 tCO2e from 2019 to 2020, due to COVID-19 travel restrictions.
Other: Leased properties	4,484	tCO2e		22.24%	Decreased	Emissions from the leased portfolio decreased by 1,283 tCO2e from 2019 to 2020, largely due to COVID-19 restrictions requiring offices to close or reduce hours during lockdown periods.


C10 Verification

Verification



(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

Scope	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place


(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions and attach the relevant statements.

Scope	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 1	Annual process	Complete	Limited assurance	 IGM-PwC-Limited-Assurance-Report-on-GHG-Statement-FY20-Final.pdf	Pages 3-8	ISAE 3410	100%

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 2 Location-Based	Annual process	Complete	Limited assurance	 IGM-PwC-Limited-Assurance-Report-on-GHG-Statement-FY20-Final.pdf	Pages 3-8	ISAE 3410	100%
Scope 2 Market-Based	Annual process	Complete	Limited assurance	 IGM-PwC-Limited-Assurance-Report-on-GHG-Statement-FY20-Final.pdf	Pages 3-8	ISAE 3410	100%

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/ section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 3: Business Travel	Annual process	Complete	Limited assurance	 IGM-PwC-Limited-Assurance-Report-on-GHG-Statement-FY20-Final.pdf	Pages 3-8	ISAE 3410	0.6

Other verified data

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

✓ Yes

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.
C6. Emissions data	Year on year change in emissions (Scope 2)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.
C6. Emissions data	Change in Scope 3 emissions against a base year (not target related)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.

C11 Carbon pricing

Project-based carbon credits

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

✓ **Yes**

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose e.g. compliance
Credit purchase	Landfill gas	Integrated Gas Recovery Services Inc. (IGRS) operates the IGRS Essex-Windsor Regional Landfill Gas Capture and Destruction Project, a facility designed for the collection and flaring of landfill gas (LFG) originating at the Essex-Windsor Regional Landfill.	Other, please specify Other: CSA Group Supply	296.1	296.1	Yes	Voluntary Offsetting

Internal price on carbon

C11.3 Does your organization use an internal price on carbon?

Yes

✓ **No, but we anticipate doing so in the next two years**
No, and we don't anticipate doing so in the next two years

C12 Engagement

Value chain engagement

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- ✓ **Yes, our investee companies**
- ✓ **Yes, other partners in the value chain**
- No, we don't engage

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement	Details of engagement	% of investees by number	% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b	Portfolio coverage	Rationale for the coverage of your engagement	Impact of engagement, including measures of success
✓ Information collection (Understanding investee behavior)	✓ Collect climate change and carbon information at least annually from long-term investees	1	92	All of the portfolio Majority of the portfolio ✓ Minority of the portfolio Unknown	The IG Mackenzie Real Property Fund invests in office, retail, industrial and residential buildings across Canada. Due to the nature of the fund, we work with a third-party energy data management company to collect energy data and calculate emissions. They solicit information from all property managers across the fund annually and estimate data where information is not available to determine total portfolio emissions. Our rationale to engage these building managers is to stress the importance of energy data collection and management to reduce emissions.	Property managers are engaged to optimize the level of actual energy data used in the management and calculation of emissions. IGM Financial's measure of success will be an increase in the % of actual emission data reported for the IG Mackenzie Real Property fund versus estimates. Actual data increased from 19% in 2019 to 37 % in 2020. Another measure of success is a decrease in the square footage emission intensity of the buildings. This was achieved with 0.0049 tonnes CO2e per square foot in 2019 and 0.0047 tonnes CO2e per square foot in 2020.

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Prioritizing engagement and education with advisors on climate change, climate related products and ESG integration is crucial to increase their understanding of how our company is enabling clients to participate in the low energy transition, mitigate climate risks in investment portfolio, and accelerate the role of financial advisors as change agents for climate action. Our relationship with advisors is different across our operating companies.

- IG Wealth Management is a leading provider of comprehensive personal financial planning and wealth management services through a network of about 3,300 financial advisors. These IG Wealth Management advisors offer an exclusive array of investment solutions, as well as insurance, securities, mortgage products and other financial services to approximately one million clients across Canada.
- Investment Planning Counsel is an independent distributor of financial products, services and advice in Canada, with approximately 700 financial advisors.
- Mackenzie Investments is a diversified asset management solutions provider, and offers mutual funds, ETFs, alternative investments, private wealth pools and managed solutions, primarily distributed by third-party financial advisors.

As we continue to advance climate risk and opportunities throughout the development of our products, a significant aspect of our strategy is to educate advisors on the topic of climate change overall, as well as training on sustainable investing and our specific climate-related products. This is done through a variety of strategies including training through the “IG University” advisor training platform, speakers at regular sales training conferences, client and advisor facing communications, and special events.

We measure success in several ways including the number of advisors who receive our training and the net sales of our climate-related products.

For example, 2021 Earth Day activities included climate change training with advisors. Mackenzie Investments sponsored Elevate Earth Day a special event, focused on their third-party advisors (which was also open to IG Wealth Management advisors) featuring former US Vice President Al Gore, one of the most notable environmental and business visionaries of our time. During the event, he highlighted the risks that the climate crisis presents to society, discussed how it is intertwined with other serious social challenges and discussed climate opportunities in investments. The event was considered a success with thousands in attendance including many advisors.

IG Wealth Management also featured an interview between IGM's CEO and Larry Fink at their virtual sales conference, which included discussions relating to sustainable investing and the risks and opportunities of climate change in finance.

Public policy engagement

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- ✓ **Trade associations**
Funding research organizations
- ✓ **Other**
No

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

- ✓ **Yes**
- No

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you influenced, or are you attempting to influence their position?
Responsible Investment Association of Canada	✓ Consistent Inconsistent Mixed Unknown	<p>On page 26 of the 2020 RIA Annual Report, found at riacanada.ca, the RIA states their support of the Expert Panel on Sustainable Finance's recommendation to build a Canadian focused collaborative engagement group to focus on transitioning the high emitting issuers and industries in Canada. This is in agreement with our strategy of engaging versus divesting and we agree with the need for a customized approach to address Canadian issuers. The following is the excerpt from the RIA report:</p> <p>"Recommendation 10.2 from Canada's Expert Panel on Sustainable Finance, regarding a national investor-led engagement program to accelerate Canada's transition to a low carbon future:</p> <p>The RIA, working in collaboration with SHARE, Ceres and the PRI, began discussions in 2020 to establish a model for Climate Engagement Canada (CEC). CCGG provided governance advice during the development phase. The CEC will facilitate collaborative engagements with Canadian issuers to communicate the concerns and expectations of the finance community regarding the transition to a low carbon economy. This initiative will focus on high GHG emitters with the aim of encouraging such companies to build climate resilience in alignment with Canada's commitment to the Paris Agreement."</p>	We have to date not been involved in influencing or attempting to influence their position.

(C12.3e) Provide details of the other engagement activities that you undertake.

We also undertake to engage with non-profit groups that support various climate-related issues and support the engagement and education of our employees and other stakeholders. Some examples include:



- Commuter Challenge – We support this program financially and through the IG Wealth Management Green Committee who work to increase staff engagement. Participation demonstrates business support for sustainable commuting which in turn influences infrastructure, program and policy.
- MB Race to Reduce – In 2016, we joined the Leadership Advisory Council of Manitoba Race to Reduce, engaging with leaders of the largest property owners and management companies in Winnipeg to design the program. The mission of the program is to reduce total energy use by 10% in participating buildings over four years. IG Wealth Management participated in the program, engaging employees and using the program's metrics to influence building improvements. IG Wealth Management was the winner of three final awards: **Largest Natural Gas Reduction, Most Improved Energy Use and Sustained Excellence.**
- Business Council for Sustainability - We are a member of the Conference Board of Canada BCS, a network of senior business leaders responsible for environmental management and sustainability who convene to learn and share best practices across a wide range of organizations. Many of the expert speakers at events have a focus on climate-related topics
- In 2020, we continued support for environmental programming at Fort Whyte Alive, provided since 1986. Fort Whyte sits on 640 acres of protected urban green space and is known for its programs that connect people with nature and foster sustainability, including education about climate change. The centre sees more than 100,000 visitors a year. One attraction is to visit the solar farm, built with the financial support of IG Wealth Management.

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our IGM Sustainability Committee, comprised of our senior executives from across IGM and its subsidiaries, provides oversight to ensure that all direct and indirect public policy activities related to the environment are consistent with our internal policies, strategies and procedures, including our climate strategy. The Committee reviews and/or approves ESG-related policies, commitments, disclosures or positions and strategies of IGM or its subsidiaries.

Communications

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication	Status	Attach the document	Page/Section reference	Content elements
In mainstream reports, incorporating the TCFD recommendations	✓ Complete Underway – previous year attached Underway – this is our first year	 2020 IGM Annual Report_E_Web.pdf	Environmental and social risk: Pages 88- 89	✓ Governance ✓ Strategy ✓ Risks & Opportunities Emissions figures Emission targets Other metrics Other, please specify
In voluntary sustainability report	✓ Complete Underway – previous year attached Underway – this is our first year	 IGM_Financial_2020_Sustainability Report_Final.pdf	Governance: Pages 20-21 Risk Management: Pages 27-29 Sustainable Investment: Pages 38-42 Environmental Footprint: Pages 61-63 Environmental Data Table: Pages 73-74 TCFD Reporting: Pages 84-87	✓ Governance ✓ Strategy ✓ Risks & opportunities ✓ Emissions figures ✓ Emission targets ✓ Other metrics

Industry collaboration

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

Type of collaboration	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD)	
Industry initiative	Principles for Responsible Investment (PRI) Climate Action 100+	
Commitment	-	

C14 Portfolio Impact

Portfolio Impact

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

Portfolio	We conduct analysis on our portfolio's impact on the climate	Disclosure metric
Investing (Asset manager)	Yes	Category 15 "Investment" total absolute emissions
Other products and services, please specify	No, but we plan to do so in the next two years	To be determined

(C-FS14.1a) What are your organization’s Scope 3 portfolio emissions? (Category 15 “Investments” total emissions)

Source of Scope 3 Emissions	Evaluation status	Scope 3 portfolio emissions (metric tons CO2e)	Portfolio coverage	Percentage calculated using data obtained from client/investees	Emissions calculation methodology	Please explain
<p>✓ Investment</p>	<p>✓ Relevant, calculated</p> <p>Relevant, not yet calculated</p> <p>Not relevant, calculated</p> <p>Not relevant, explanation provided</p> <p>Not evaluated</p>	60,738	More than 0% but less than or equal to 10%	37	<p>IG Mackenzie Real Property Fund building managers were surveyed to gather 2020 consumption data. Where data was not provided or was erroneous, estimations were used based on calculated provincial/asset intensities of the portfolio. Our surveyed and estimated energy consumption data was multiplied by applicable emissions factors as per below:</p> <p>(Fuels): Environment and Climate Change Canada. National Inventory Report 1990–2019: Greenhouse Gas Sources and Sinks in Canada Part 2. (Ottawa: Environment and Climate Change Canada, 2021.), 211-212 (Electricity) Environment and Climate Change Canada. National Inventory Report 1990–2019: Greenhouse Gas Sources and Sinks in Canada Part 1. (Ottawa: Environment and Climate Change Canada, 2021.), 61-73 (Water) As above for electricity, with electricity intensity factor of 1.276 kWh/m³ of water. Maas, Carol. Greenhouse Gas and Energy Co-Benefits of Water Conservation. POLIS Project on Ecological Governance, University of Victoria. November 2008. Tables B-1 and D-3. (Steam) Enwave communication March 8, 2021 (Chilled Water) Enwave communication March 8, 2021</p>	<p>Per section 15.2 of the GHG protocol, we are optionally reporting investments managed of behalf of clients. As a company operating within the financial services sector, we have determined that the potential emissions associated with investments held within client investment funds would represent the majority of our Scope 3 footprint. Our reported emissions represent those of our IG Mackenzie Real Property Fund, a mutual fund available to retail clients to invest in the Canadian real property market. This is the third year that we are including emissions from this fund. In 2018 we reported emissions from multi-tenant commercial and residential buildings for properties where we could obtain actual data (about 30% of portfolio square footage). For 2019/2020, we reported emissions for 100% of the fund. In many of our properties, our tenants are directly billed for their energy consumption.</p> <p>Our recent integration of an industry-leading emissions measurement tool for equities and fixed income will allow us to expand the coverage of our portfolio emissions.</p>

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)

Tools and methodology for analyzing the climate impact of mortgage portfolios are a rapidly developing space within the finance industry. The Partnership for Carbon Accounting Financials (PCAF) is developing a methodology for measuring portfolio emissions and we are following developments in models and approaches. The Mortgage team is represented in our TCFD Working Group. In the next 2 years, we expect that through our work in this group, as well as that through the Mortgage department and our Corporate Sustainability team, we will be implementing tools and able to conduct analysis to understand how our mortgage portfolio impacts the climate.

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class Yes, by industry Yes, by country/region ✓ None of the above, but we plan to do this in the next 2 years None of the above and we don't plan to do this	We have recently selected a tool to enhance our quantitative assessment of emissions in our portfolio to equities and fixed income and expect to be able to provide a breakdown of our Scope 3 portfolio impact within 2 years

Portfolio alignment

(C-FS14.3) Are you taking actions to align your portfolio to a well-below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Investing (Asset manager)	✓ Yes No, but we plan to do so in the next two years No Not applicable	<p>We understand that climate change is one of the most pressing issues of our time and that we all have a role to play. We have taken the following steps in support of a well-below 2-degree world:</p> <ul style="list-style-type: none"> • In 2019, IGM Financial and all operating companies committed to the TCFD recommendations, which are in line with a well-below 2- degree scenario. We have set up a TCFD working group to action implementation of the recommendations • We are monitoring advancements of The Science Based Targets Initiative and other net zero collaborative investors commitments as they further develop a harmonized methodology framework and implementation guidelines for financial institutions to set climate targets for their investing and lending portfolios in line with the Paris Agreement. • Our companies advocate for a just transition to a low carbon economy in their investment management processes. This includes: <ol style="list-style-type: none"> 1) Climate risk management, when material, is part of the investment process. Internal investment teams are supported with climate data, insights and training and climate is part of the monitoring process of our sub-advisors. We also monitor the implementation of climate into the investment and engagement processes of our sub-advisors. 2) Climate change is a topic of priority in our engagement strategy through Mackenzie investment teams, and its Sustainable Investing Centre of Expertise who provide products to retail and institution clients, as well as to IG Wealth Management and IPC. 3) Mackenzie Investments and IG Wealth Management also participate in collaborative engagements such as Climate Action 100+ and through our external service providers, EOS Hermes and ISS. 4) Advocacy for better climate disclosures and standardized reporting. 5) Launching products that enable clients to invest in climate solutions.
Other products and services, please specify	Yes ✓ No, but we plan to do so in the next two years No Not applicable	<p>In the next 2 years, we plan to evaluate physical climate risk models, analytics and scenario tools to further evaluate risks and opportunities within our mortgage portfolio and inform our approach to align our portfolio to a well-below 2-degree world. This is an evolving area and we are following developments in models and approaches.</p>

(C-FS14.3a) Do you assess if your clients/investees’ business strategies are aligned to a well below 2-degree world?

Portfolio	We assess alignment	Please explain
Investing (Asset manager)	Yes, for all ✓ Yes, for some No, but we plan to do so in the next two years No Not applicable	Mackenzie Investments assesses alignment with a below 2-degree world through data from S&P Trucost, the Transition Pathway Initiative and the Science Based Targets Initiative. Note that Mackenzie Investments is a supporter of the Transition Pathway Initiative. The assessment is applied when material; hence, this is generally mostly relevant in carbon intensive industries such as utilities, materials, energy and industrials. Mackenzie Investments provides services to retail and institutional clients, as well as to IG Wealth Management and IPC.

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Investing (Asset manager)	Yes, for all ✓ Yes, for some No, but we plan to do so in the next two years No Not applicable	Mackenzie Investments has identified its most carbon intensive exposures across its portfolios and seeks engagement with these companies that ideally result in a commitment of investee companies to the SBTi. This is in line with IG Wealth Management and Mackenzie Investments partnerships with Climate Action 100+ and our third-party engagement service provider, EOS Hermes.

C15 Signoff

Further information

C15.1 Provide details for the person that has signed off (approved) your CDP climate change response.

Job title	Corresponding job category
President and Chief Executive Officer, IGM Financial Inc.	Chief Executive Officer (CEO)