



MACKENZIE
Investments

2025 Proxy Season Review

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Table of contents

Our approach to stewardship and proxy voting	3
Trends from 2025 proxy season	4
2025 proxy voting case studies	8





Our approach to stewardship and proxy voting

Proxy voting is a core pillar of Mackenzie Investments' approach to active ownership. In 2025, we further advanced our stewardship practices by introducing vote rationale disclosures and sharpening our focus on proposals with potential implications for long-term value creation. These enhancements reflect growing expectations across global markets for transparency, alignment, and rigour in proxy decision-making.

Mackenzie operates as a multi-boutique asset manager, bringing together a range of independent investment philosophies under a shared stewardship framework. Investment teams retain discretion over proxy voting decisions, allowing them to reflect their distinct perspectives on materiality, risk, and issuer context. This differentiated approach may result in differing votes on select issues, but we consider this to be a strategic strength—allowing teams to apply their expertise and convictions while operating within a shared commitment to fiduciary duty, transparency, and responsible ownership.

A key feature of our 2025 transparency evolution was the publication of vote rationales for all proxy votes cast against management on our [updated proxy site](#). Investors can access explanations for why Mackenzie chose to deviate from management recommendations—helping to clarify how these decisions relate to material risks, thematic engagements, or broader stewardship priorities. This development reflects our goal of providing greater transparency to clients and issuers alike, while also improving internal consistency and oversight around significant votes.

This enhancement also aligns with [our commitment under Japan's Stewardship Code](#), which Mackenzie formally signed in 2025. As a signatory, we have committed to exercising proxy voting rights thoughtfully, maintaining independence in decision-making, and publicly disclosing our stewardship activities—including the rationale behind significant voting decisions. This represents an important step forward in how we demonstrate accountability to clients and signal expectations to investee companies.

While portfolio managers are required to actively vote each of their proxies, our firmwide stewardship efforts are aligned to our largest opportunities and risks. Each year, we identify companies that meet one or both of the following criteria and include them on our proxy voting focus list:

- Highest relative exposure within each [Global Industry Classification Standard \(GICS\) sector](#);
- Aggregate ownership by Mackenzie in excess of 5% of outstanding shares;

This framework supports prioritization of proxy research and stewardship resources where the potential influence is most impactful and ensures that our voting decisions are grounded in both financial materiality and real-time engagement insights.

This approach is further strengthened by the connection between proxy voting and our engagement activities. While these functions are not always applied in tandem, our framework is designed to promote alignment where possible. Engagements can inform voting rationales, and, conversely, voting outcomes may lead to follow-up dialogue. This two-way exchange supports our stewardship objectives and goal of enhancing long-term value creation. Together, these practices form a feedback loop that enhances accountability and provides a more holistic understanding of issuer performance over time.

This philosophy is embedded within a broader set of policies that guide our stewardship approach.



Stewardship governance framework

Mackenzie's proxy voting activities are guided by a layered policy infrastructure:

- [Proxy Voting Approach and Guidelines](#) – outline general voting principles on governance, environmental, and social matters.
- [Stewardship Policy](#) – defines Mackenzie's approach to engagement, proxy voting, and transparency.
- [Proxy Voting Policy](#) (internal) – governs the operational execution, oversight, and escalation process for proxy voting.

These documents ensure that our stewardship decisions are transparent, accountable, and aligned with fiduciary responsibilities.

Trends from 2025 proxy season

The 2025 proxy season took shape amid accelerating scrutiny of sustainability-related claims, evolving global disclosure regimes, and heightened expectations for board accountability on material risks. Regulatory uncertainty across markets—exacerbated by the scaling back of the SEC's climate rule and of the European Union's Corporate Sustainability Reporting Directive (CSRD), and the pausing of the Canadian guidance on mandatory sustainability disclosure—challenged issuers to respond to inconsistent requirements while maintaining investor confidence. Against this backdrop, we observed increased use of shareholder proposals aimed at closing disclosure gaps, strengthening governance structures, and clarifying how companies are managing long-term sustainability risks.

The following are key themes that shaped our voting activity in 2025. They are grouped by proposal category to reflect how we evaluate votes across environmental, social, and governance dimensions.

Environmental shareholder proposals

Environmental proposals in 2025 reflected a narrowing in both volume and focus, shaped by evolving disclosure regimes and regulatory thresholds. This year, we noted that while the number of proposals making it to the ballot declined in some markets, especially in the US, environmental issues remained prominent on proxy ballots. The reduction in proposals was driven in part by the SEC's Staff Legal Bulletin No. 14M published in February 2025, which introduced a narrower interpretation of Rule 14a-8 and enabled more companies to exclude shareholder proposals deemed overly prescriptive or focused on ordinary business matters¹.

At the same time, disclosure mandates advanced in other regions. The EU's CSRD took effect for some large EU-based companies, raising the bar for transition plan and emissions-related transparency. In Canada, while the Canadian Securities Administrators (CSA) paused efforts to mandate the Canadian Sustainability Standards Board (CSSB) disclosure standards across public markets, climate-related disclosure expectations remain in place for large federally regulated financial institutions, in line with OSFI's Guideline B-15 on Climate Risk Management. In this evolving context, we saw proposals that increasingly focused on comparability, risk assessment, or alignment with emerging frameworks.



Key proposals reflecting these priorities included:

- **Energy Supply Ratio (ESR) proposals** emerged as a leading climate disclosure theme in Canada. These proposals requested disclosure of the financing mix between low-carbon and fossil fuel energy supply, offering insight into how capital is being allocated across the energy system. Mackenzie investment teams unanimously supported these proposals in 2025, viewing the ESR as a forward-looking metric that can help investors understand the glidepath of transition exposure in sectors where energy security, affordability, and macroeconomic resilience are key considerations.
- **Proposals on biodiversity disclosure**, while less prevalent, gained traction in sectors with complex supply chains. We observed that these proposals increasingly referenced the Taskforce on Nature-related Financial Disclosures (TNFD) and sought clarity on how companies assess and manage nature-related risks. In our review of these filings, we noted that investors are beginning to look for decision-useful data on biodiversity exposure, particularly in sectors where nature-related risks are concentrated.
- **Plastics-related proposals**, though fewer in number, continued to target companies in consumer goods, retail, and packaging sectors. We observed that some filings linked plastics exposure to material risks, including evolving regulation, brand reputation, and license to operate, particularly in the context of the ongoing Global Plastics Treaty negotiations.
- **Transition planning proposals** in 2025 increasingly focused on governance structures and board-level accountability. Many requested that companies strengthen oversight of climate strategy through clearer board mandates, enhanced executive compensation linkages, or disclosure of how transition plans interact with public policy objectives. We observed that several proposals underscored the importance of disclosure in contexts where regulatory guidance remains limited or evolving, particularly in markets without consistent climate-related reporting frameworks.
- **Climate lobbying proposals** received increased attention in the wake of corporate net-zero rollbacks. In 2025, we noted that several proposals called for clarity on whether companies' public policy engagement aligns with their stated climate targets. In our view, these proposals reflect a continued and growing focus on coherence between corporate strategy, disclosure, and external advocacy.

WHY IT MATTERS

We noted that the 2025 season demonstrated a shift from high-volume proposal filing to more targeted, disclosure-focused asks, particularly where investors see gaps in issuer preparedness. Mackenzie supported 24% of environmental proposals in 2025, with a focus on those that enhanced data quality, supported peer benchmarking, or aligned with global frameworks. We continue to support proposals that enhance transparency around material environmental risks, while allowing boards to retain accountability over strategic implementation.

Social shareholder proposals

This season, we observed that investor interest in social proposals centered on the quality, credibility, and comparability of workforce-related disclosures.

Across markets, we saw proposals continue to shift away from general policy statements toward more structured, benchmarked transparency. Some proposals referenced third-party audits, demographic metrics, and, increasingly, Indigenous-led standards. While the volume of racial equity audit proposals declined compared to prior years, we observed that those that were filed tended to be more targeted and grounded in established reporting approaches. Mackenzie supported 23% of social proposals in 2025, with an emphasis on those addressing clear disclosure gaps or referencing credible governance expectations. Across social themed proposals more broadly, we noted an emphasis on transparency around board oversight, measurable outcomes, and consistency with peer practices.



Key proposals reflecting these priorities included:

- **Racial equity audit proposals** continued to be key theme that we observed this proxy season. We supported a shareholder proposal at the Bank of Nova Scotia calling for a third-party racial equity audit, which received 38% support from investors overall, indicating broad investor support for enhanced racial equity oversight. Mackenzie supported the proposal based on the clarity of the request and its relevance to workforce governance in the Canadian market.
- **Proposals on Indigenous relations** increasingly referenced structured, Indigenous-led frameworks. We observed that some filings in this area referenced frameworks such as the Canadian Council for Indigenous Business's (CCIB) Partnership Accreditation in Indigenous Relations (PAIR) and the development of Reconciliation Action Plans (RAPs). In our analysis, these frameworks offer a clear lens through which investors can assess how companies approach reconciliation and long-term partnership-building with Indigenous communities. One such example was the proposal at EQB Inc., which we supported. The proposal received 24.6% support from investors overall, reflecting significant interest in the issue from the broader investor base.
- **Metrics-based workforce disclosure** remained a central feature of social proposals. We observed proposals calling for disclosure of data points such as promotion rates, demographic representation by level, and pay equity trends. We view these metrics as more decision-useful than one-time narrative-based disclosures that offer limited ability to track progress. In our assessment, these proposals reflect an ongoing shift away from program-based reporting toward outcome-focused indicators that enable comparability across peers while allowing companies flexibility to apply strategies suited to their business model.

WHY IT MATTERS

We observed that the 2025 season continued a shift toward more targeted, decision-useful proposals on workforce equity. Rather than requesting general commitments, these filings focused on governance accountability and measurable outcomes. Mackenzie supported 23% of social proposals in 2025, with an emphasis on those that enhanced disclosure quality, aligned with credible frameworks, or enabled performance benchmarking over time. We continue to assess social proposals based on their ability to support transparency, comparability, and long-term value creation, while allowing companies the flexibility to tailor implementation to their business model and context.

DEI proposals in 2025: Navigating with consistency

Proposals related to diversity, equity, and inclusion (DEI) became more polarized in 2025, especially in the U.S. market. While traditional DEI proposals—such as racial equity audits—declined in volume, a renewed wave of anti-DEI proposals emerged. These included requests to roll back existing DEI programs, prohibit demographic tracking, or mandate viewpoint diversity reviews.

Our votes reflected a view that boards are best positioned to determine workforce strategies, including efforts to attract and retain diverse talent, where those efforts are material to long-term performance.

Across all DEI-related votes, our approach is anchored in:

- **Materiality:** Does the proposal relate to risks or opportunities that could affect long-term value?
- **Disclosure quality:** Has the company already addressed the issue credibly through data or narrative?
- **Governance oversight:** Is the board actively engaged in managing the topic?

This year, we assessed each proposal case-by-case, balancing fiduciary duty, regional legal context, and the evolving needs of our clients and beneficiaries.



Governance and compensation shareholder proposals

This season, we observed continued investor focus on board accountability, executive oversight, and the alignment of pay practices with long-term performance. These proposals are often viewed as addressing near-term shareholder risks and therefore tend to draw consistent investor attention. Mackenzie investment teams maintained an emphasis on shareholder rights and governance effectiveness.

- **Proposals on lobbying transparency** remained a recurring theme across large-cap technology firms. Mackenzie supported a proposal at Alphabet requesting greater transparency on political lobbying alignment. Similar proposals at Amazon and Meta, where we observed sustained investor interest in understanding how corporate influence activities intersect with governance and risk oversight.
- **Say-on-Pay proposals** referencing sustainability-linked performance criteria continued to appear on ballots in 2025. Mackenzie supported select proposals where we identified gaps in disclosure or a lack of alignment between stated ESG goals and executive incentive structures. One such example was our support for a Say-on-Pay resolution at Nexans, following engagement with the company after a workplace safety incident. Nexans clarified how safety metrics were integrated into performance evaluations, which informed our voting decision. In our view, clear linkages between sustainability oversight and incentive frameworks are becoming an expected practice, particularly in high-risk operational sectors.

WHY IT MATTERS

In our analysis, governance proposals that clarified accountability or reinforced investor rights remained important levers for board effectiveness and risk oversight. Mackenzie continues to support proposals that promote transparency, safeguard shareholder influence, and drive alignment between leadership incentives and long-term value creation.

Mackenzie's support level of proposals, January 1 - June 30, 2025

Shareholder proposal category	Mackenzie support level ¹
Environment	24%
Social	23%
Governance	10%
Compensation	2%
Miscellaneous	24%

¹Percentage of Mackenzie shares that voted FOR the proposal. Results exclude proposals commonly viewed as anti-ESG to more accurately reflect category support levels.



2025 proxy voting case studies

The following case studies illustrate how Mackenzie's stewardship priorities were applied across sectors and geographies. Each reflects a broader market trend described earlier—whether related to disclosure expectations, governance oversight, or long-term risk management—and demonstrates how our votes were informed by both company-specific context and thematic research.

Our stewardship in action: Climate transition planning

Addressing climate-related proxy votes remains a priority within Mackenzie's stewardship program. In 2025, our focus was on proposals that supported high-quality disclosure and helped investors assess how issuers are managing transition-related risks—particularly in sectors exposed to carbon-intensive assets. The transition to a low-carbon economy is complex, often non-linear, and highly dependent on regional dynamics such as energy affordability and security. Our role is to evaluate how issuers respond to these challenges and to reinforce disclosure expectations that enable informed decision-making.

Climate-related votes are informed by our integrated stewardship model, which connects thematic research, engagement, and proxy analysis. Through this lens, we supported proposals that requested forward-looking emissions data, sector-specific transition indicators, and alignment with emerging frameworks like the Energy Supply Ratio (ESR). The following case highlights our support for financed emissions disclosure at a Canadian insurer.

Supporting sector-relevant climate disclosure at Fairfax Financial

Fairfax Financial, a Canadian insurance and investment firm with global operations, was the subject of a 2025 shareholder proposal filed by Investors for Paris Compliance (I4PC), requesting disclosure of financed emissions across all material scopes. As long-term investors, we view this disclosure as a foundational step in understanding how climate-related risks may affect financial performance, particularly for firms with exposure to carbon-intensive sectors.

We commend Fairfax for early steps including reporting some operational emissions and building internal carbon accounting capabilities. However, the company has yet to disclose Scope 3 financed emissions or set greenhouse gas reduction targets, which are areas where many North American and global peers have already made progress.

We believe enhanced transparency on financed emissions would strengthen Fairfax's risk management and better align it with evolving investor expectations and regulatory standards. Supporting this proposal reflects our commitment to advancing climate-related disclosure across the financial sector. The proposal received 38% support from independent shareholders, though overall support was reduced to approximately 18% due to the Fairfax CEO's opposing vote.



Our stewardship in action: Workforce equity and indigenous reconciliation

Our approach to proxy voting on reconciliation and Indigenous rights reflects the unique responsibility we hold as a Canadian asset manager. These proposals carry historical, legal, and financial significance—and our decisions aim to support transparency, alignment with Indigenous-led frameworks, and the evolution of inclusive economic partnerships.

We assess these votes with a focus on materiality and sector context. In financial services, Indigenous representation, access to services, and long-term partnership models are increasingly relevant to growth strategy and stakeholder trust. We support proposals that strengthen the credibility and visibility of reconciliation commitments—particularly where shareholders lack sufficient disclosure to evaluate company performance.

Encouraging alignment with Indigenous-led frameworks at EQB Inc.

EQB Inc. is a leading Canadian digital financial services provider, with over \$130 billion in assets under management and administration, and a growing national presence through its Equitable Bank and Concentra Trust brands. As of early 2025, EQB serves eleven Indigenous communities as clients, including ten First Nations and one Métis Nation, through trust and lending services. As a purpose-driven institution committed to inclusive growth, EQB views its engagement with Indigenous communities as both a social responsibility and a strategic opportunity. Indigenous Peoples represent one of the fastest-growing populations in Canada, and ensuring equitable access to financial services is essential for long-term economic inclusion and sustainable value creation.

In 2025, we supported a shareholder proposal requesting that EQB disclose how its policies and practices regarding Indigenous community relations, recruitment and advancement of Indigenous employees, internal education on reconciliation, and procurement from Indigenous-owned businesses compare to (or are certified by) external Indigenous-led standards. While EQB has acknowledged the Truth and Reconciliation Commission's Call to Action #92 and expressed its intent to deepen relationships with Indigenous Nations, shareholders lacked sufficient information at the time of the proposal to assess the effectiveness of these efforts. The proposal highlighted the value of aligning with established frameworks such as the Canadian Council for Indigenous Business's (CCIB) Partnership Accreditation in Indigenous Relations (PAIR) and the development of a Reconciliation Action Plan (RAP), both of which are increasingly adopted across Canada's financial sector, including by peers such as ATB Financial and TMX.

We were encouraged by EQB's enhanced disclosure in its 2024 Responsibility Report, released after the AGM, which included data on Indigenous representation and details on recruitment, education, and reconciliation initiatives. As the report was not yet available at the time of the AGM, we supported the proposal to signal the importance of transparent, externally validated reporting on Indigenous relations. We commend the subsequent actions taken and the commitments made to further progress, as disclosed in their 2024 Responsibility Report. We encourage EQB to evaluate Indigenous-led certification and benchmarking against external standards as they develop their Reconciliation Action Plan. We believe this disclosure will strengthen EQB's risk management, reinforce its social license to operate, and support its long-term competitiveness in a diverse and evolving Canadian economy. The proposal received 24.6% shareholder support in 2025.



Our stewardship in action: Biodiversity risk

Nature-related risk is gaining prominence as a systemic issue in financial markets. In 2025, we evaluated biodiversity proposals through the lens of supply chain resilience, reputational exposure, and alignment with emerging frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD). As investor expectations sharpen around nature governance, we prioritized votes that requested credible, decision-useful transparency—particularly in high-impact sectors like retail, agriculture, and forestry.

Our integrated stewardship approach emphasizes engagement-informed voting. Where proposals are refiled, we assess how issuers have responded over time and whether material gaps in governance or disclosure persist. The case below illustrates our support for a biodiversity risk disclosure proposal following a multi-year engagement with a US retailer.

Advancing nature-related risk transparency at Home Depot

Biodiversity loss is increasingly recognized as a systemic risk to global economic stability, with over half of global GDP dependent on nature and the ecosystem services it provides. Companies with complex global supply chains—particularly in sectors such as retail, forestry, and agriculture—face growing scrutiny over their exposure to nature-related risks and dependencies.

In 2024, Home Depot received a shareholder proposal requesting a biodiversity assessment aligned with the Taskforce on Nature-related Financial Disclosures (TNFD). At the time, the Mackenzie Betterworld team acknowledged the company's progress, including the release of its Sustainable Forestry Report and updated Wood Purchasing Policy, informed by an external legal review. While these developments were positive, we noted that the company's disclosures lacked the depth needed to fully assess its biodiversity risk mitigation strategy. As a result, the Betterworld team abstained from voting on the proposal, signaling support for the issue while prioritizing future engagement.

The proposal was refiled in 2025. Over the past year, we monitored Home Depot's implementation of its new policies and reviewed its updated disclosures. Despite improvements, the company had not yet conducted a comprehensive biodiversity assessment across its full value chain. It remains exposed to risks related to deforestation, forest degradation, and the sale of products linked to biodiversity harm.

Given the importance of biodiversity to long-term value creation and the need for more robust disclosure, the Betterworld team supported the proposal in 2025. This decision reflects our belief that enhanced transparency is necessary to evaluate the company's exposure to nature-related risks and to ensure alignment with emerging investor expectations and global frameworks. Following the Betterworld team's support of the proposal, they have prioritized an engagement with Home Depot to emphasize the importance of biodiversity disclosure. The proposal received 16.5% shareholder support.



Our stewardship in action: Governance and compensation

Strong governance and transparent incentive structures remain foundational to long-term value creation. In 2025, we focused on how boards incorporated material ESG risks—such as safety, compliance, and operational integrity—into performance management frameworks. We supported proposals and Say-on-Pay resolutions that demonstrated a clear link between ESG oversight and executive incentives, and we engaged with companies where those links were not clearly communicated.

Where health and safety risks are material, we expect companies to ensure executive accountability is embedded in their compensation structures. The case below illustrates how we approached Say-on-Pay voting at an energy infrastructure firm following a workplace fatality and a review of board-level risk governance.

Linking safety oversight to executive pay at Nexans

Nexans is a global manufacturer of cables and electrification infrastructure. Ahead of its 2025 AGM, the company disclosed a workplace fatality in its 2024 Universal Registration Document. The Mackenzie Europe team engaged with Nexans to understand how the incident had influenced executive and operational pay outcomes, and the company intended to strengthen the transparency of these linkages in future disclosures.

The company confirmed that the incident negatively affected pay outcomes at both site and senior management levels. Safety performance is embedded as a KPI in short- and long-term incentive plans, and facilities may be disqualified from bonuses based on safety violations. However, this linkage had not been clearly disclosed in the company's 2025 URD. Nexans committed to strengthening transparency in future reporting cycles.

We also raised concerns regarding a deterioration in the company's Lost Time Injury Frequency Rate, which rose from 1.78 in 2023 to 2.47 in 2024. Nexans noted ongoing investigations and efforts to address risk hotspots across its operations.

In light of the company's responsiveness, integration of safety in performance management, and commitment to enhanced disclosure, the Europe team supported the Say-on-Pay resolution. We will continue to engage on safety governance and its treatment in compensation frameworks.



Conclusion

The 2025 proxy season underscored the importance of clarity, structure, and judgment in proxy decision-making. Mackenzie, in turn, advanced the transparency of our voting rationales, applied our governance framework consistently, and focused on proposals that supported meaningful improvements in disclosure and oversight. Across environmental, social, and governance topics, our investment teams cast votes informed by materiality, issuer context, and long-term investment considerations.

Looking ahead, we will continue to evolve our stewardship practices in step with shifting market expectations, regulatory developments, and company-level progress. Proxy voting remains one of the most visible expressions of our approach to active ownership, grounded in research, responsive to complexity, and connected to our broader engagement efforts. As the stewardship landscape continues to develop, we remain committed to acting thoughtfully, transparently, and in the best interests of our clients.

¹[SEC.gov | Shareholder Proposals: Staff Legal Bulletin No. 14M \(CF\)](#)

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