



Sustainable

investing

policy

Creating a more invested world, together



MACKENZIE
Investments

Our commitment

Now, more than ever, investors are responding to the urgent need for greater responsibility in the way businesses and governments tackle the global challenges we face together. We are all stakeholders in the global economy. Citizens, corporations, policy-makers and financial institutions need to act with greater collaboration toward common goals, such as addressing climate change or promoting a more diverse and inclusive economy.

At Mackenzie, our purpose is to create a more invested world, together. We believe that collaborative action is foundational to achieving our purpose and to building a sustainable future for all. We align to a multi-stakeholder model, seeking long-term value creation, by considering the needs of our clients, employees, shareholders, the communities we serve and our planet.

For us, sustainability means that we value progressive corporate and government behaviour, and we consider the long-term societal and environmental viability of the products and services that businesses sell and that sovereigns enable. We aim to build sustainability into Mackenzie's culture, corporate practices and investment processes.

When it comes to our investments, our approach is centered on the belief that material environmental, social and governance (ESG) factors present financial risks and opportunities to our investments, and therefore impact the value that we can generate for clients and the multi-stakeholder framework in which we operate. Across asset classes, we strive to incorporate ESG factors into the investment process and leverage our role as stewards of capital to drive action through engagement, collaboration and voting. Consistent with Mackenzie's independent boutique structure, our investment teams offer our clients diverse perspectives through their unique investment philosophies and approaches, which also applies to their incorporation of material ESG factors.

On our journey towards creating a more sustainable alternative for investors, we know we can't do it alone. We believe that by working together across our industry, our community and with the support of our shareholders and clients, we can make a bigger impact, and that's **better** together.

Luke Gould

President and Chief Executive Officer, Mackenzie Investments



About Mackenzie Investments

Founded in 1967, Mackenzie Financial Corporation (“Mackenzie Investments” or “Mackenzie”) is a leading Canadian global asset manager, headquartered in Toronto with additional investment teams in Winnipeg, Vancouver, Boston, Dublin and Hong Kong. As part of IGM Financial (a subsidiary of Power Corporation), and with a history dating back to 1926, Mackenzie benefits from the financial stability of a deep corporate structure while maintaining a boutique investment management model.

Mackenzie’s distinct and experienced investment teams offer both fundamental and quantitative approaches, with expertise across traditional and non-traditional asset classes, including equities, fixed income, alternatives, currency and multi-asset strategies. Mackenzie is committed to delivering competitive long-term risk-adjusted performance, with a commitment to sustainable practices and a pledge to uphold the United Nations-supported Principles for Responsible Investment (PRI).

Mackenzie has three subsidiaries:

Mackenzie Investment Corporation
(“MIC” or “Mackenzie USA”)

Mackenzie Investments Europe Limited
(“MIEL” or “Mackenzie Europe”)

Mackenzie Investments Asia Limited
(“MIAL” or “Mackenzie Asia”)

Investment talent in a multi-boutique structure

Our independent boutiques deploy distinct investment philosophies and approaches. Each boutique has a team of investment management experts and specialists who collaborate on their specific mandates. Where applicable, each of the boutiques applies our firm-wide sustainable investing policy, which guides how we incorporate ESG factors into our investment analyses and decision-making processes.

Expert leadership

Our boutique structure is led by two chief investment officers: Lesley Marks leads our fundamental equity boutiques and Steve Locke oversees the fixed income, quantitative and multi-asset boutiques. This is consistent with our belief that specialization and expertise are critical in today's investment world.



It is no longer enough for companies to generate investment returns. Our teams and our investors care about the quality of investment returns in terms of how well companies are living up to their sustainability commitments.

Lesley Marks
Chief Investment Officer
Equities



No single research method provides sufficient information for investing in complex markets. By combining macroeconomic, quantitative and fundamental credit and ESG research, we seek to balance the limitations of each method against the strengths of the others.

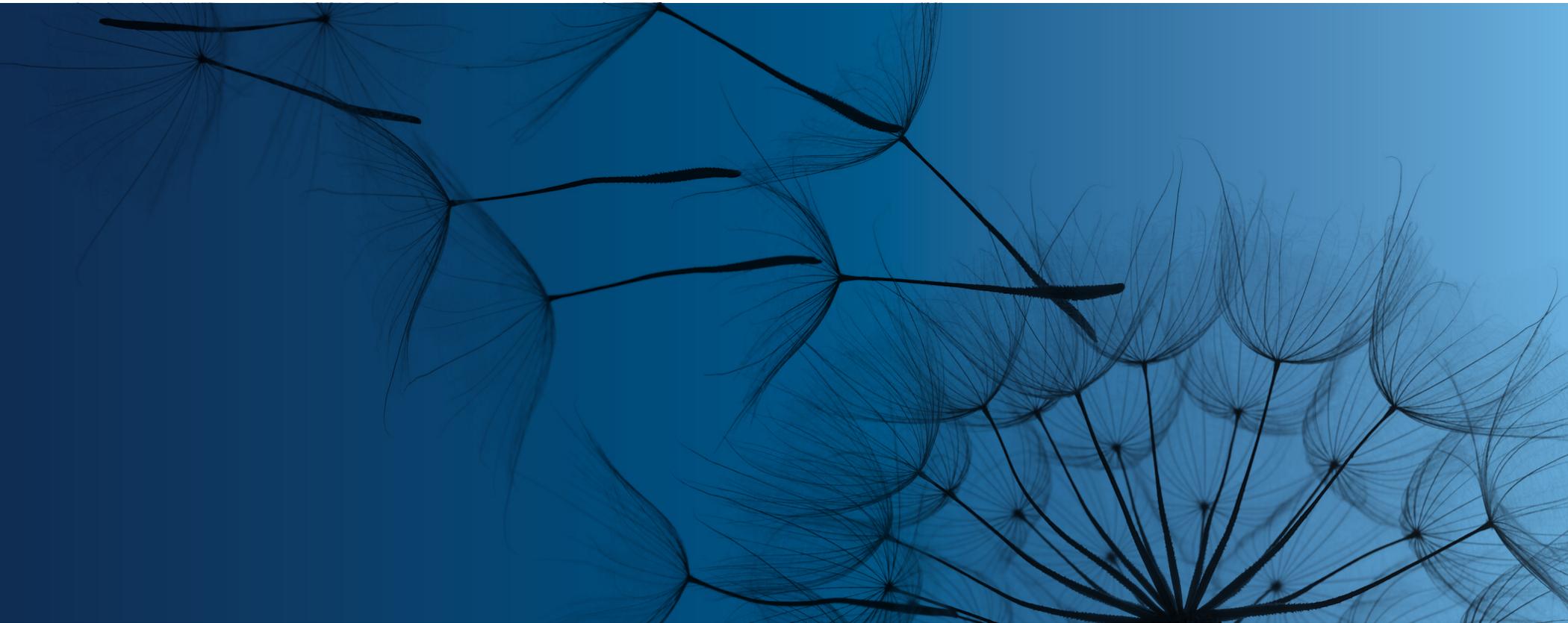
Steve Locke
Chief Investment Officer
Fixed Income & Multi-Asset



Although each investment boutique has developed its own process to apply the sustainable investing policy, some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

Our sustainable investing policy

The purpose of our Sustainable Investing Policy is to formalize Mackenzie's approach to sustainable investing. This policy covers Mackenzie's expectations of our investment teams (across all asset classes), in prioritizing the consideration of ESG factors in their investment process. There are circumstances when our institutional clients may present alternative approaches that require our investment teams or sub-advisors to deviate from this policy. Additionally, some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process, such as Index ETFs, and where this policy would not apply. Please see the applicable prospectus for further details.



What is sustainable investing?

Our clients have always counted on our expertise in proprietary research, best-in-class tools and strong values to help them achieve long-term risk-adjusted returns. Today, we also strive to incorporate ESG risks and opportunities into our investment process and analysis.

Consistent with the value we place on progressive corporate or sovereign behaviour — and the consideration of the long term social and environmental viability of the products and services that businesses sell and that sovereigns enable — we approach sustainable investing in two ways:

1 Investment approaches that integrate financially material ESG factors in consideration of investment risk and returns, which we refer to as **ESG-integrated funds**.

2 Investment approaches that seek to generate a positive impact on one or more ESG factors, which we consider to be **sustainable investment solutions**.

What are ESG factors?



Environmental factors

- Energy management
- Greenhouse gas emissions
- Air pollution
- Resource depletion and water scarcity
- Waste and hazardous materials management
- Biodiversity and deforestation



Social factors

- Level of peace
- Income equality
- Human rights
- Customer privacy and data security
- Human capital management
- Diversity and inclusion
- Workplace health and safety
- Community relations



Governance factors

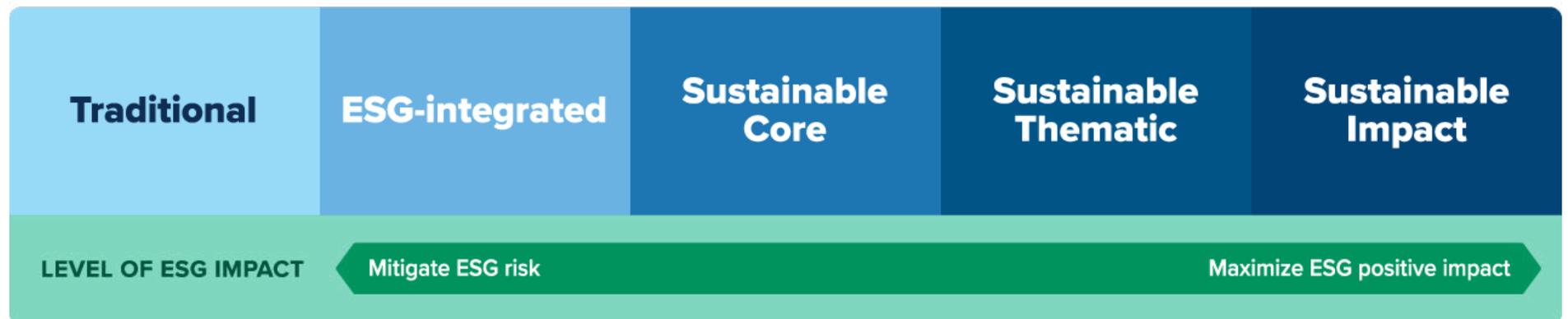
- Board composition and skills
- Executive compensation
- Board diversity and structure
- Tax, accounting and audit practices
- Bribery and corruption
- Political stability
- Rule of law

Our sustainable investing framework

Our simple framework lays out our two broad approaches to sustainable investing:

- 1** Where our investment teams aim to understand and consider material ESG risk, this approach is known as ESG-integrated funds, which include the practices outlined by this Sustainable Investing Policy. Funds and ETFs that consider material ESG factors in their investment process will indicate their unique approach within the Investment Strategy section of the prospectus.
- 2** As we move along the spectrum, ESG impact takes priority in the investment objective. These sustainable investment solutions fall into three categories:
 - Sustainable core investing: Prioritizes investing in companies or issuers with progressive ESG practices and behaviours.
 - Sustainable thematic investing: Invests in sustainable macro-trends such as climate or diversity.
 - Sustainable impact investing: Puts a primary emphasis on sustainable outcomes while also considering the financial performance.

TYPES OF INVESTMENTS



Our sustainable investing principles

Our organization also adheres to a set of principles that guide our decisions:

1

Creating value

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

2

Integrating material ESG factors

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

3

Engaging companies and issuers

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

4

Aligning values

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

5

Prioritizing advocacy

We believe that by aligning our internal and external efforts, we can make a greater impact on building a more sustainable future. We prioritize the following themes:

- We believe good governance is a signal of competent management and that well-managed companies and issuers produce above-average long-term, sustainable returns.
- We also recognize that climate-related physical and transitional risks have an impact on the value we can generate for our clients.
- And we advocate for diverse, equitable and inclusive companies and issuers that respect the rights of all humans and prioritize the best interests of their employees, clients and communities.

Principles for Responsible Investment

We became a signatory of the Principles for Responsible Investment (PRI) in 2014 and have since been committed to the continuous improvement of our practices, policies and disclosures, to better align with the PRI. We require sub-advisors of investment funds to adhere to the PRI by becoming signatories. The six principles ensure that we do as follows:

Incorporate **ESG** issues into investment analysis and **decision-making** processes.



Be **active owners** and incorporate **ESG** issues into our ownership policies and practices.



Seek **appropriate disclosure** on **ESG** issues by the entities in which we invest.



Promote **acceptance and implementation** of the principles within the investment industry.



Work together to **enhance our effectiveness** in implementing the principles.



Report on our activities and progress towards implementing the principles.



Signatory of:



Our governance and oversight of the sustainable investing policy

Our sustainable investing policy is approved by our Sustainability Steering Committee, which is chaired by our Senior Vice President and Head of Sustainability with oversight from the Chief Investment Officers. The Mackenzie's Board of Directors also approves the sustainable investing policy.

The sustainable investing policy is developed and enabled by Mackenzie's Sustainability Centre of Excellence (COE). The Sustainability COE was established in 2020 to bring focus to ESG factors across our organization. Our group of experts is responsible for bringing sustainable solutions to market; distributing ESG best practices, insights and oversight; advocating for improved ESG performance in the companies and issuers we invest in; and promoting stewardship.

The policy is implemented by Mackenzie's investment boutiques, across applicable funds, through approaches outlined in the policy. The boutiques collaborate on responsible investing practices through various working groups such as the Climate Champions group. The group is intended to encourage collaboration, training and best practice sharing across all the boutiques.



Govern and oversee

Sustainability Steering Committee*

Sub-committee of the Mackenzie Operating Committee

- Approves and governs corporate and investment sustainability related policies
- Approves and oversees stewardship priorities
- Oversees targets related to climate change
- Evaluates various risks and opportunities associated with sustainable investing

CIO Investment Oversight

- Oversees investment boutiques' responsible investing practices and progress

Mackenzie Board of Directors¹

- Approves sustainable policy and sustainable product launches

Develop and enable

Sustainability Centre of Excellence

- Grows Mackenzie's culture of sustainability
- Launches sustainable investment solutions enabling the allocation of capital to progressive and sustainable companies
- Brings advocacy, thought leadership and disclosure founded on ESG research and insights
- Strengthens corporate and investment management sustainability practices
 - Develops best practices and training
 - Leads ESG data and insights
 - Prioritizes top-down ESG risks and opportunities
 - Provides required support to investment boutiques
- Advances stewardship efforts through collaborative action, engagement and proxy voting framework development and implementation

Implement

Various Champions Group

Representative from investment boutiques

- Champions responsible investing standards and best practices – stewardship and ESG integration
- Identifies and communicates risks and opportunities associated with advancing practices
- Collaborates on climate action plans, ESG data, research, and insights

Mackenzie Investment Boutiques

- Implements sustainable investing policy across all asset classes
- Manages portfolio ESG risks and opportunities

EQUITIES

FIXED INCOME

ALTERNATIVES

MULTI-ASSET

Our approach to sustainable investing

Consistent with related frameworks provided by the UN-supported PRI and by the CFA Institute, we believe that there are several approaches to considering material ESG risks across our investment products.

Our investment teams are required to evaluate and consider material ESG factors into their decision-making processes at the individual holding level or in the overall portfolio. Although each investment boutique has developed their own process to apply the sustainable investing policy, some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

Our sustainable investing policy requires investment teams managing investment funds to consider the following approaches in their investment analysis and process:

Strategy, performance and risk

In alignment with their philosophy, our investment boutiques are required to complete extensive due diligence on companies or issuers, which includes but is not limited to investees' business strategies, earnings potential, risks, and opportunities. The onset and ongoing monitoring process may include, but is not limited to:

- An extensive cycle of meetings with potential investee companies or issuers
- Quantitative and qualitative assessments of their financials, non-financial performance and risk measures
- Discussions with sell-side investment analysts
- On occasion, thematic research



A core focus of the analysis is to understand and evaluate the strategy of companies or issuers, which includes the impact of ESG factors on their operations and performance. Companies or issuers and their oversight bodies, such as boards, should have awareness, plans and oversight to overcome material ESG risks that can negatively impact investment returns or to capitalize on ESG opportunities that can benefit investment returns.

Specific to MIEL (in accordance with the EU Shareholder Rights Directive II)

In addition to the above and consistent with their own unique philosophies and approaches, the Mackenzie Europe Team invests in companies that they believe have a sustainable competitive advantage in attractive markets, which translates into companies that are well-positioned to generate long-term risk-adjusted returns.

Firmwide exclusions

Definition: The negative screening from a fund or portfolio of certain industries, companies, or practices based on specific ESG criteria.

Mackenzie Investments supports the Anti-Personnel Landmines Convention and the Convention on Cluster Munitions as international efforts aimed at addressing humanitarian concerns surrounding the use of these weapons.

As part of our commitment to these conventions, we will not knowingly invest in companies involved in the production, use or distribution of anti-personnel land mines or cluster munitions where we control the investment policy.

These exclusions apply to equity and corporate credit holdings, but do not apply to investments in derivatives or to funds that track an index where our exposure is indirect and outside of our control. For mandates where we do not control the investment policy, our clients may request different exclusions or no exclusions.

ESG integration

Definition: The systematic and explicit inclusion by an investment team of ESG factors into its investment process. A key consideration of ESG integration is understanding a company or issuers material ESG risks and opportunities.

Material ESG factors are ones that could likely have an impact on the financial condition or operating performance of a company or credit issuer – those most important to investors.

We recognize the relative importance of material ESG factors across industries, geographies and time. In analyzing the investment holdings in our mandates, our investment teams are encouraged to identify, evaluate and consider ESG risks, or capitalize on opportunities that are, or could become, material to long-term performance.

Our investment teams can leverage a variety of resources to develop insights on the ESG factors that are material to their investment holdings or funds.

As an organization we have adopted industry-accepted frameworks to guide our investment practices.

CFA Institute ESG Integration Framework

The CFA Institute ESG Integration Framework provides detailed guidelines that can be applied at various stages throughout the investment process. Material information helps our investment teams throughout the research, valuation and portfolio construction stages.

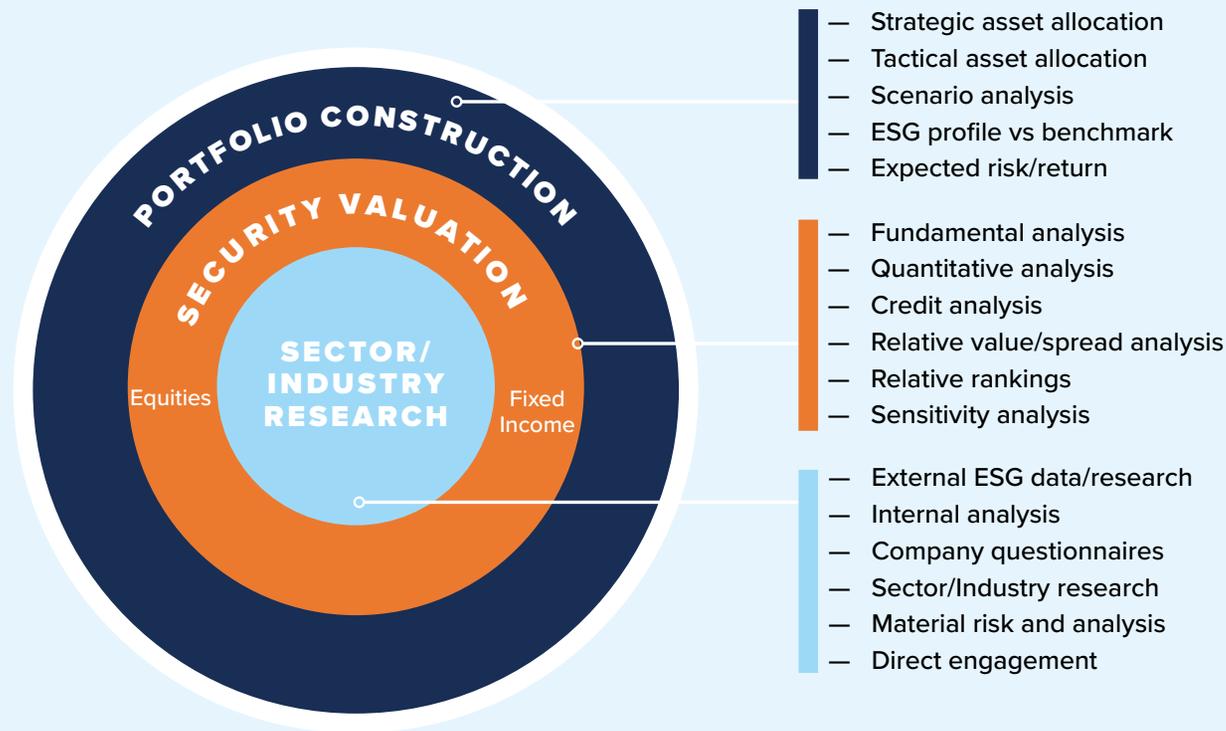


Figure 2. Source: Adapted from CFA Institute ESG Integration Framework.

To remain authentic to their unique styles and philosophies, each investment team can apply the most appropriate approach to ESG integration to their investment process. At the same time, each team is required to demonstrate that their ESG integration practices are applied in a systematic and explicit manner. Suggested methods of demonstration include, but are not limited to:

- Specific examples of material ESG factors impacting the security selection, valuation or allocation decisions
- Evidence of proprietary ESG research
- Insights on investment holdings or portfolio tilting to achieve a more favourable ESG profile

While we are actively advancing our sustainable investing practices and adherence to the policy, some investments do not lend themselves to ESG integration. For example, index-based investments that aim to replicate the same exposures as the parent index do not integrate ESG factors.

Stewardship

Definition: The use of shareholder rights to influence company or issuer behaviour, including through direct engagement, collaborative engagement, filing or co-filing shareholder proposals, and proxy voting.

We recognize that we are living in a rapidly evolving time. For example, some of the highest corporate emitters of greenhouse gases are also the most essential to our daily lives. Rather than applying broad-based exclusions across all our portfolios, we believe that our role as active owners is best suited for constructive dialogue with companies or issuers that are deemed to present the highest ESG risks. We believe in working with industries and sovereigns to ensure that we are building for a sustainable future.

Our active ownership strategy ensures we leverage our voting rights, as well as engagements with the companies or issuers that we invest in. This enables us to highlight material ESG risks and opportunities that may impact long-term performance and conflict with the objectives of the portfolios we manage.



We believe in working with industries and sovereigns to ensure that we are building for a sustainable future.

The following is how we seek to influence the companies or debt issuers we invest in:

Direct engagement

Engagement with investee companies or issuers has long been fundamental to the Mackenzie approach. There are many ways we can engage with the investment holdings in our portfolios. Through ongoing industry, sectoral and thematic research, our investment teams are expected to develop insights on material ESG factors for the investments we hold. This research is foundational to our active ownership strategy, where we strive for better disclosure, willingness to improve, and positive outcomes.

From a debt perspective, our investment professionals are expected to engage with corporate debt issuers and sovereign debt agencies to encourage greater ESG-labelled debt issuances and to reinforce the values associated with sustainable investing.

Our engagements are entered into our Mackenzie Engagement Tracking Portal, and progress is tracked.

Ways we engage

Conducting dialogue with investee companies or issuers

As material risks or opportunities are identified, our teams are expected to engage directly with company or issuer stakeholders to inform, align and take action to mitigate risks and maximize opportunities. Our teams may engage:

1. In writing. To request additional information or clarification to further research, to advise of the intent to engage further on risks or opportunities identified or to request a formal meeting to align and set actionable goals.
2. In meetings. Well researched meetings allow the team to develop a perspective on the impact associated with the relevant risk, gain a better understanding of the company's perspective and, where required, involve the development of action planning to address risks or opportunities.

Shareholder or investor collaboration

We recognize that there are circumstances where we can achieve greater positive impact by collaborating with other shareholders or investors on specific ESG risks and opportunities pertaining to a company or issuer.

These collaborations will be considered on a case-by-case basis, with the approval of the Sustainability Steering Committee. The committee's criteria include, but are not limited to, Mackenzie's investment exposure to the holding, the material impact of the ESG risk or opportunity and alignment to Mackenzie's advocacy priorities.

Proxy voting

Proxy voting is an important component of active ownership and good governance. Consistent with our responsibility, we vote proxies in the best interests of our clients' objectives, taking into consideration material ESG risks. A summary of our Proxy Voting Policy is included in the Annual Information Form for our retail mutual funds and ETFs and a full copy is available upon request. Our proxy voting record is disclosed on our website for each of the mutual funds and ETFs available to the public.

Collaborative action

When appropriate, we work with industry peers and partners to bring attention to specific ESG risks and opportunities. Mackenzie Investments is a participant of the Climate Action 100+, a founding member of Climate Engagement Canada, a founding signatory of the Responsible Investment Association's (RIA) Canadian Diversity and Inclusion Investor Statement and a founding signatory to the RIA Canadian Investor Statement of Climate Change.





It is also important to develop solutions that intentionally allocate capital to companies with progressive sustainable behaviours and promote positive sustainable outcomes.

Sustainable investment solutions

While integrating material ESG into the investment process is a foundational practice, it is also important to develop solutions that intentionally allocate capital to companies with progressive sustainable behaviours and promote positive sustainable outcomes.

We offer solutions that prioritize ESG factors in the investment objectives and strategies by employing approaches such as best-in-class ESG or sustainable thematic portfolio construction.

Our sustainable investment solutions exclude companies and industries that cause significant harm and that have no possibility to transition to a sustainable business model. As a result, exclusions for our sustainable investment solutions include:

- Expansion to the controversial weapons exclusion: companies or issuers with any direct involvement to controversial weapons which includes nuclear weapons, anti-personnel landmines, biological and chemical weapons, cluster weapons, white phosphorus, and depleted uranium;
- Adult entertainment or pornography: companies with over 10% revenue associated with the production and distribution of adult entertainment or pornography;
- Gambling: companies with over 10% revenue associated with operating, manufacturing of specialized equipment, or providing supporting products and services for gambling;
- Tobacco: companies with over 10% revenue associated with the production, retail sales, or related products and services of tobacco products;
- Private prisons: companies deemed to be “private prison operators” as sourced by Prison Free Funds (<https://prisonfreefunds.org/companies>) and validated by Mackenzie Sustainability COE.

While the exclusions listed above will apply broadly across our sustainable investment solutions, in rare cases, the Sustainability COE may choose to prioritize engagement over divestment.

Taking a clear stance

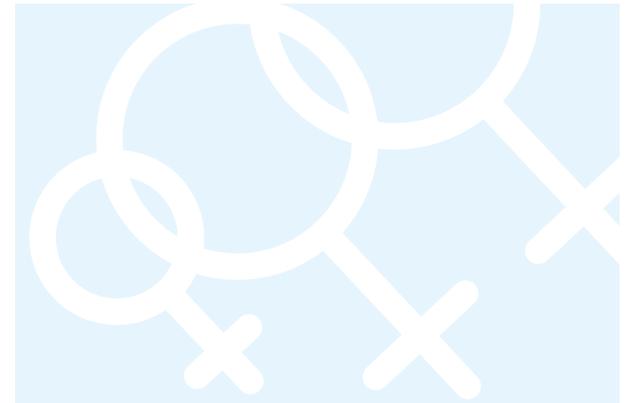
We believe that stewardship and advocacy require both a corporate- and a portfolio-level focus to be most effective. At the portfolio level, we expect our investment teams to engage with companies or issuers on material ESG risks and opportunities that may impact the value that they're able to deliver to clients. From our corporate perspective, our Sustainability Steering Committee will set the agenda for advocacy priorities that present the greatest risks as a result of our overall investment exposure, that align with our corporate values, and where we can make the most significant impact. Among our advocacy priorities are diversity, climate action and good governance.

Diversity, Equity and Inclusion

We believe that diversity, equity, and inclusion (DEI) are linked to better corporate outcomes. But more importantly, we know that we need a broader collection of voices and opinions in positions of leadership and authority to address global issues that affect everyone. In support of diversity, Mackenzie is aligned to the following initiatives:

We signed the [Women's Empowerment Principles](#) in **2018**

Established by the UN Global Compact and UN Women, the principles are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.





In **2020**, we became a founding signatory of the Responsible Investment Association's Canadian Investor Statement on Diversity and Inclusion.

This is a collaboration across Canadian asset managers and owners to contribute to addressing inequities in Canada by taking intentional steps to promote diversity and inclusion across our portfolios and within our organizations.

We are a signatory of the BlackNorth Initiative Pledge.

This is a collaboration across Canadian companies to acknowledge the existence of anti-Black systemic racism and its impact on Canada's Black citizens (who represent

3.5% of the population) and the need to create opportunities within our companies for Black people.



As part of our continued commitment to DEI, we engage with investment holdings on the following:

- 1** Enhancing annual public disclosures of diversity data
- 2** Strategic and demonstrated actions to advance DEI

Climate action

The move toward a more sustainable way of doing business coincides with how the global economy deals with the climate crisis. The damage caused by climate-related events ripples through society forcing millions of people out of their homes and into poverty, while costing hundreds of billions of dollars in damages. At Mackenzie, we believe that physical and transitional risks have the potential to present negative consequences to the value that we can deliver to our clients, with a broader impact to other stakeholders. At the same time, we believe the climate crisis can present opportunities for companies or issuers that are able to adapt their business models or create innovative solutions. Foundational steps to assessing, integrating and monitoring climate risks or opportunities are measurement and disclosure.

Our parent company, IGM Financial, has been a long-standing participant in the Climate Disclosure Project (CDP), including annual disclosure of its greenhouse gas emissions, including Mackenzie's. Along with IGM Financial, we also support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which aim to improve and increase climate-related financial information.

In addition, we prioritize engagement over divestment. Mackenzie is part of the following organizations that help us deliver on our climate related initiatives:

- A member of the **Ceres Investor Network**: Members engage in and collaborate on environmental, social and governance issues to advance leading investment practices, corporate engagement strategies and policy solutions, through working groups and shared learning opportunities, such as webinars and events. Ceres works with investors specifically to better manage carbon, water and supply chain risks, and ramp up global investments in clean energy and sustainable food and water systems.
- In 2021, we became a participant in the **Climate Action 100+**: This investor-led initiative aims to ensure that the world's largest corporate greenhouse gas emitters take necessary action on climate change.

As we recognize that climate risk presents financial risk, we encourage our investment teams to support such climate-related initiatives as part of their stewardship accountabilities, as they pertain to their individual mandates:

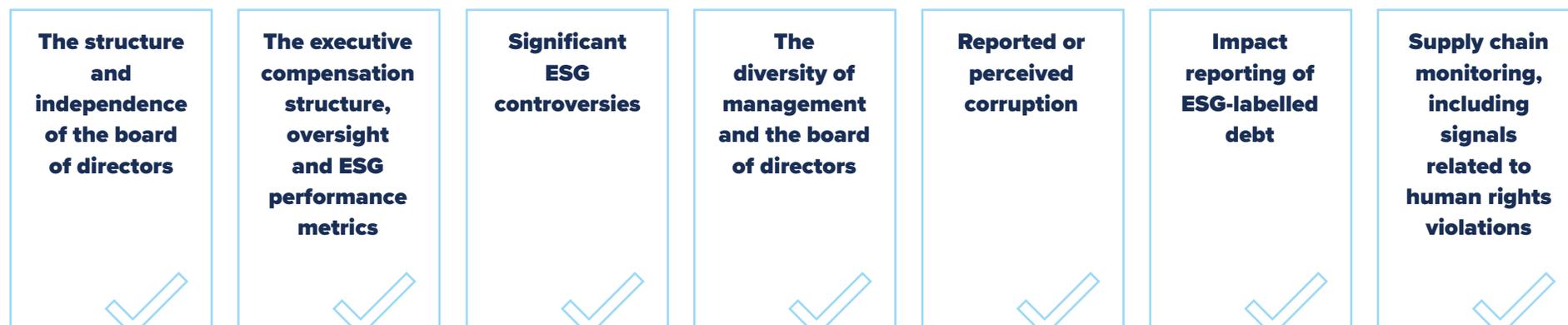
- 1 Promote annual climate-related disclosures through standards such as the CDP**
- 2 Request and understand climate risk or transition mitigation strategies**
- 3 Assess and discuss management and board oversight of climate risks and opportunities**

Good governance

Good governance is the foundation of strong companies and sovereigns that can generate sustainable long-term growth. It ensures that a company or sovereign operates with integrity and has policies and procedures that minimize risk exposure and effectively represent stakeholders' interests.

To promote further advancement of sustainable finance in Canada, our Fixed Income team is represented on the **Canadian Fixed Income Forum (CFIF) Sustainable Virtual Network**, which is a group set up by the Bank of Canada. Its financial market participants are willing to contribute to the development of sustainable finance and to work towards mobilizing the industry to support the transition towards a sustainable economy.

As we welcome such industry collaborations, we further encourage our investment teams to emphasize the following as part of their stewardship practices:



Communicating with stakeholders

Consistent with our goal to include transparency and disclosure in the solutions that we bring to the market, we will make our best effort to publish annual reporting outlining our sustainability practices and outcomes.

In accordance with the PRI, we report annually on our sustainable investment activities. [Visit the PRI website to access Mackenzie's latest PRI Transparency Report.](#)



Conflicts of interest

We have in place an appropriate policy framework and organizational structure to identify, mitigate and manage actual and potential conflicts of interest which may arise in the context of our engagement. We maintain appropriate segregation of duties between investment decision-makers, trading personnel and second-line functions responsible for oversight. Any material conflicts of interest identified are recorded and reported to the appropriate boards and committees, together with a description of how they are managed.



Looking forward

Innovation and imagination will continue to fuel good ideas that promote a more sustainable way of doing business. We are committed to taking a leadership position on behalf of our clients, our employees, our shareholders and all citizens of the world. That's better together.





MACKENZIE
Investments