



## CORPORATE RESPONSIBILITY

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## RESPONSIBLE MANAGEMENT

GRI 102: 14



### A message from our CEO

At IGM Financial we are invested in helping Canadians.

We want to be their best choice in a financial partner, one who instills financial confidence and helps them make informed decisions that help them reach their financial goals at every stage of their lives. Being the “best choice” also means being a company that approaches our business through a lens of corporate responsibility.

These are dynamic times – for our company, industry and the world.

Advances in technology, enhanced regulation, changing workforce dynamics, and increased client and advisor expectations set continuing new standards for us. Over the past year, we have taken bold steps across IGM Financial to innovate, deliver client-focused strategies, and position our companies to maximize our potential in this changing environment. With this transformation came new opportunities to realize our corporate responsibility goals.

Take responsible investing, for example. In 2017 Mackenzie Investments commissioned a survey that confirmed increasing numbers of Canadian investors believe that socially responsible investments will become more important to their portfolios. We listened – adding three new funds at Mackenzie designed to generate long-term competitive returns while supporting positive environmental, social and governance change. At Investors Group, we continue to offer the Summa SRI Fund, one of the largest socially responsible funds in Canada.

We also listen to our people, who now participate annually in the Gallup® Q12 engagement survey. We instituted best practices for employee development and succession planning, to provide our people with the skills to excel at their jobs and to help us meet our future talent needs. Investors Group has enhanced its focus on advisor excellence, through mandatory CFP accreditation and a new training approach, to ensure a more consistent experience for clients. We also conducted a diversity and inclusion survey and used the results to inform our wide-reaching diversity and inclusion strategy.

As we continue to unify our culture under the IGM Financial banner, our focus on streamlining and digitization is creating a number of benefits. Combining the investment management teams of Investors Group and Mackenzie

Investments has strengthened our ability to deliver the very best solutions and performance to our clients and advisors. Creating more digitized solutions for clients makes their lives easier and helps advisors.

Our transformation has also enhanced our community focus. Now at Investors Group, for example, the company's mission to inspire financial confidence is the basis of new initiatives for those who may struggle financially: youth, seniors, Indigenous Peoples, and new Canadians.

Finally, we are also grateful for the partnerships – local, national and international – that help elevate our corporate responsibility aspirations. Examples include Winnipeg's Indigenous Accord, of which Investors Group is a signatory, and the United Nations' Women's Empowerment Principles, recently adopted by all three operating companies.

It's been a year of much change and great success for our company. We will continue to make decisions that contribute to the positive change happening in our firm, industry, communities, and the world – embracing the possibilities the future has to offer. Through our actions we will inspire financial confidence in Canadians, to help them embrace the future as well.

Jeffrey R. Carney  
President and Chief Executive Officer

July 6, 2018



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## WHO WE ARE

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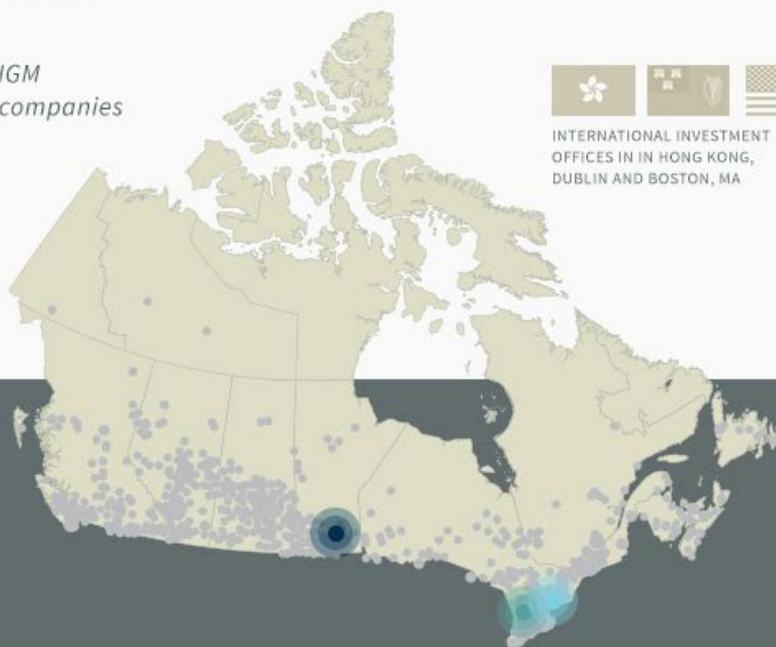
IGM Financial Inc. ("the Company") is one of Canada's premier personal financial services companies and one of the country's largest managers and distributors of mutual funds and other managed asset products. IGM Financial builds its business through a strategic focus on multiple distribution opportunities, delivering high-quality advice and innovative investment and service solutions for investors. Strong relationships are at the core of the IGM Financial philosophy.

IGM Financial's activities are carried out principally through three operating companies – **Investors Group Inc.**, **Mackenzie Financial Corporation** and **Investment Planning Counsel Inc.** – each of which operates as a distinct entity in the financial services market. Total assets under management for these three companies were \$156.5 billion at December 31, 2017.

The Company's head office is located in Winnipeg, Manitoba, and its common shares trade on the Toronto Stock Exchange (TSX: IGM). IGM Financial is a member of the [Power Financial Corporation](#) group of companies.



Offices of IGM  
Financial companies





<sup>1</sup>Mackenzie Investments' AUM includes assets of \$1.5 billion for advisory mandates to other segments at December 31, 2017.



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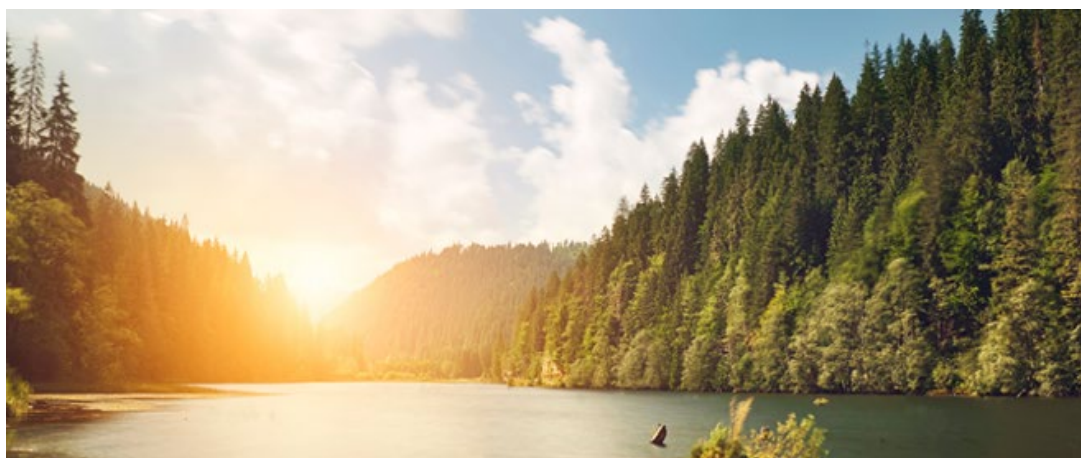


#### Our Communities



### GRI Reporting

## CORPORATE RESPONSIBILITY STATEMENT



IGM Financial has a long-standing commitment to responsible management, which we believe is fundamental to long-term profitability and value creation. We conduct our businesses in a way that emphasizes good governance, operational integrity, ethical practices and respect for our people, our community and the environment. Our aim is to act responsibly in everything that we do, and we believe that long-term shareholder value creation results from an emphasis on client satisfaction, the development and support of our people and constructive involvement in the communities in which we operate.

This Corporate Responsibility (CR) Statement (“Statement”) reflects the core values that have guided us and will continue to guide us in conducting activities on behalf of IGM Financial and its group of companies.

### Our commitment to corporate responsibility

In addition to meeting ethical standards in accordance with the firm’s [Code of Conduct](#), and complying with applicable laws and regulations, IGM Financial strives to:

- uphold principles, policies and procedures that promote integrity and risk management;
- provide value to our clients and the financial advisors who serve them through excellence in our product, service and support offerings;
- incorporate environmental, social and governance issues into our investment management processes;
- advance the financial literacy and financial security of Canadians;
- cultivate a rewarding and progressive workplace for our people;
- support and respect the protection of internationally proclaimed human rights wherever we operate;
- provide an inclusive environment where everyone can thrive;

## HIGHLIGHTS

Our commitment to support and respect internationally proclaimed human rights includes fair consideration for the spirit of the [Universal Declaration of Human Rights](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#).

- manage our environmental footprint responsibly;
- make a positive contribution in the communities where we operate; and
- have a positive impact on the economy while delivering long-term value to our shareholders.

## Formal responsibility

Board oversight for Corporate Responsibility resides with the Executive Committee of the Board, which is responsible for monitoring the implementation of this Statement. At the management level, the Corporate Responsibility Committee comprises:

- the President and Chief Executive Officer of IGM Financial
- the President and Chief Executive Officers of the operating companies
- the Executive Vice-President and Chief Financial Officer
- the Senior Vice-President, General Counsel, Secretary and Chief Compliance Officer
- the Senior Vice-President and Treasurer

and is responsible for overseeing implementation of this Statement. IGM Financial reviews the implementation of this Statement on an ongoing basis.

*Approved by the Board of Directors on September 28, 2017*



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## OUR APPROACH

We understand that to be a responsible company in today's world, we need to think locally and globally. We are very aware that our actions matter.

While international sustainability-focused organizations come together to tackle urgent issues, we work to determine how we can contribute, guided both by the standards they champion and by those to which we hold ourselves – as a corporation working to create long-term, sustainable value for our stakeholders and communities.

### Here are the principles that guide us:

In our efforts to help Canadians achieve their life goals, we are guided by our [seven commitments](#), which underscore our pursuit of excellence in all areas of our business.

In our approach to corporate responsibility, we are aligning our efforts with the principles of the United Nations 17 [Sustainable Development Goals \(SDGs\)](#), which are a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Our corporate responsibility focus is guided by the Global Reporting Initiative (GRI) and our [Corporate Responsibility Statement](#), approved by our Board of Directors. From that statement we developed our five strategic priorities, outlined here, which align the efforts of our operating companies.





## Sustainable Development Goals

The [SDGs](#) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 goals work in the spirit of partnership to unite the world in making positive changes.

Governments, communities, businesses, organizations, and individuals all have a role to play in promoting and advancing the wide-ranging goals. Our commitment to being a responsible company means we are engaged in activities that align with the SDGs and that we will seek opportunities to contribute further. Here are examples of how we are currently supporting six of the global goals.



### No Poverty and Quality Education

**End poverty in all its forms everywhere**

**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

At **Investors Group** our promise is to inspire financial confidence, through expert financial





planning advice backed by superior products and services. Our main community focus is an extension of this promise – we are committed to helping those who may struggle in this regard: namely youth, seniors, Indigenous Peoples, and new Canadians.

A mainstay of our community efforts is our partnership with the Canadian Foundation for Economic Education (CFEE), through which we support programs that promote education in financial literacy. CFEE's programs integrate economic and financial education into the school curriculum. Read more on how we are [promoting financial literacy](#).

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## Gender Equality

### **Achieve gender equality and empower all women and girls**

We have formalized our approach to board and senior management diversity through a diversity policy, and in early 2018 our female representation on our board of directors increased to 33%. In 2017 we introduced our diversity and inclusion strategy, which helps enable our goal to be a leading, contemporary organization, driven by diverse and inclusive leadership. The strategy includes specific goals and initiatives to enable the upward mobility of women and other underrepresented groups.

Read more on how we are [working to empower our female leaders](#).

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## Climate Action

### **Take urgent action to combat climate change and its impacts**

We are committed to reducing our role in climate change and as such, have implemented a number of operational initiatives including purchasing renewable energy and carbon offsets, continually improving energy efficiency in our facilities, and taking a leadership role in related community initiatives. We support the increasing consideration of carbon and climate change within the financial industry overall by reporting our emissions to the CDP and through our commitment to responsible investing.

For more information about our actions, see [Reducing our Footprint](#) and [Responsible Products and Services](#).

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## Peace, Justice and Strong Institutions

### **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

We play a leadership role in Canada's financial services sector through [our leadership roles](#) in a number of regulatory, governance, and standards associations, which work in the interests of the investing public.

We've also taken a lead role in Canada's newest stock exchange, [Aequitas NEO Exchange](#), which seeks to level the playing field for all market participants.

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## Partnerships

### **Strengthen the means of implementation and revitalize the global partnership for sustainable development**

Through our support of initiatives such as the CDP, PRI, and GRI, we are partners in the effort to promote responsible investing principles and to enhance the global reporting and data collection of indicators related to sustainable development and achievement of the SDGs. See the [initiatives we support](#).

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## INITIATIVES WE SUPPORT

GRI 102: 12, 16

### Principles for Responsible Investment

The United Nations-supported PRI initiative is an international network of investors, investment managers and other professionals representing more than US \$60 trillion in assets, who are working together to put into practice [six principles for responsible investment](#). **Investors Group** and **Mackenzie Investments** are signatories and in 2016 completed their first public PRI reporting process.



### Responsible Investment Association

The [Responsible Investment Association \(RIA\)](#) is Canada's membership association for Responsible Investment. Members believe that the integration of environmental, social and governance (ESG) factors into the selection and management of investments can provide superior risk adjusted returns and positive societal impact.



### Imagine Canada

[Imagine Canada](#) works to ensure that charities play a pivotal role in building, enriching and defining our nation. The organization recognizes both **Investors Group** and **Mackenzie Investments** as "Caring Companies."



### CDP

The [Carbon Disclosure Project](#) works to transform the way the world does business, to prevent climate change and protect our natural resources. We report to the CDP on our energy use and greenhouse gas emission performance.

In 2017, we ranked in the top 5 financial services companies in Canada for the fourth year in a row.



## Global Reporting Initiative

The [Global Reporting Initiative](#) (GRI) provides a widely used framework for reporting on corporate sustainability. Our Corporate Responsibility reporting is guided by the GRI G4 Sustainability Reporting Guidelines, including the Financial Services Supplement.



## Women's Empowerment Principles

The Women's Empowerment Principles are a set of principles for business offering guidance on how to empower women in the workplace, marketplace and community. The Principles emphasize the business case for corporate action to promote gender equality and women's empowerment and are informed by real-life business practices and input gathered from across the globe.



## United Nations Global Compact

Our parent company, Power Financial, is a signatory to The United Nations Global Compact, a voluntary initiative for businesses committed to a consistent approach to corporate social responsibility. In 2016, Power Financial strengthened its reporting to an "Advanced Level" [Communication on Progress](#), with tangible examples of how the principles are implemented throughout the Power Financial group of companies and on the alignment of our group's programs to the United Nations' Sustainable Development Goals.



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## AWARDS AND INDICES

### CDP

The [Carbon Disclosure Project](#) works to transform the way the world does business, to prevent climate change and protect our natural resources. We report to the CDP on our energy use and greenhouse gas emission performance.

In 2017, IGM Financial received a Leadership level score of A-, which is defined as demonstrating the current best practices.



### Jantzi Social Index

Since 2015, IGM Financial has earned a spot on the [Jantzi Social Index \(JSI\)](#), a stock index of Canada's most sustainable companies. Launched in 2000, the JSI is a socially screened, market capitalization-weighted common stock index modeled on the S&P/TSX 60. It consists of 50 Canadian companies that pass a set of broadly based environmental, social, and governance rating criteria.

By the key measures used in the JSI – environmental, social and governance – we are demonstrating leadership in sustainability.



### Corporate Knights Better World Fund Ranking

In 2018 the **Investors Group** Investors Québec Enterprise Fund received the #8 ranking in the Canadian equity fund category of the [Corporate Knights Better World Fund Ranking](#).

Corporate Knights is a Toronto-based media and investment advisory company that promotes an economic system that reflects social, economic and ecological costs and benefits. The ratings help Canadian investors to see which funds provide the best combination of economic and environmental performance.



### Corporate Knights Best 50 Corporate Citizens

IGM Financial was ranked 10th in the [2018 Best 50 Corporate Citizens](#) in

[Canada](#) by Corporate Knights. This recognition came as a result of enhanced reporting on corporate responsibility and strong results in several areas, including women representation on the Board of Directors and in senior management, fair payment of taxes, and the linking of executive pay to sustainability.



## FTSE4Good Index Series

IGM Financial has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the [FTSE4Good Index Series](#).

Created by the global index provider FTSE Russell,<sup>1</sup> the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



FTSE4Good

<sup>1</sup> FTSE Russell is the trading name of FTSE International Limited and Frank Russell Company.



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## STAKEHOLDER ENGAGEMENT

GRI 102: 40, 42-44



### Engagement builds trust and better informs us

We believe that the process of engaging with internal and external stakeholders on ESG topics has great benefits to our business. Listening to our stakeholders is an important part of being a responsible company, as it serves as a mechanism for communication and transparency, and helps us to meet stakeholder expectations.

To develop this report, we reflected on recent stakeholder feedback received either directly or through external mechanisms. Most of our engagement takes place on a day-to-day basis through ongoing interactions with our clients, employees, shareholders, and the financial advisors marketing our products and services.

We also employ more formal methods of engagement such as surveys, forums and meetings. In 2016 and 2017, we undertook a Corporate Responsibility and Diversity Survey with our employees and **Investors Group** financial advisors. The results of the survey have assisted in determining our material [CR report topics](#) and help us to better understand the corporate responsibility priorities of our stakeholders. This survey has also been an exciting opportunity to contribute to ongoing learning within our operating companies on environmental, social and governance topics.

### Clients

#### Engagement Tactics

- Regular client surveys
- Annual Financial advisor surveys seeking feedback from advisors and

#### Examples

- Investors Group clients were invited to participate in a pilot of a new client engagement survey administered by Gallup and Advanis, which will be rolled out in 2018. Results will create opportunities



the clients they work with

- Annual Principles for Responsible Investment reporting and website information
- Client service call centres

to improve the client experience and to align advisor compensation with client satisfaction.

- Investors Group created Client Advisory Councils in Toronto and Winnipeg – where clients share their insights and ideas with senior leadership and provide input on client-related initiatives. The councils are chaired by the Office of Client and Regulatory Affairs. Expansion to additional cities is planned in 2018.
- Mackenzie Investments commissioned a survey of Canadian investors and advisors with Environics Research. The questions included a focus on responsible investing and provided the data for the *50 Insights for Advisors* report and 50 insights.com website.

## Shareholders

### Engagement Tactics

- Annual Meeting and annual report
- Quarterly reports, earnings releases and calls
- Meetings and presentations
- External website
- Annual CDP reporting

### Examples

- We engaged with ESG-focused rating firms regularly to understand and address corporate responsibility trends and disclosure requirements of shareholders.
- We held Investor Day 2017 – an event for investors and analysts to gain insight into our long-term strategies and priorities. A follow-up survey was conducted with shareholders and analysts who attended the event.
- To address our shareholders' requests for more disclosure on carbon management, we completed our fifth [CDP survey](#). We ranked in the top five financial services companies in Canada for the fourth consecutive year.

## Employees

### Engagement Tactics

- Annual surveys
- Employee forums and websites
- Volunteering opportunities
- Annual performance reviews

### Examples

- All three of our operating companies partnered with Gallup® to deliver Gallup's Q12 employee engagement survey. Employees are surveyed annually, and results are benchmarked against global organizations.
- All employees were invited to respond to our Corporate Responsibility and Diversity Survey, and their feedback has been incorporated into our materiality assessment and enhances our approach to diversity and inclusion.
- Investors Group conducted a culture assessment survey of all employees to gain a better

understanding of the current culture and what is important to our employees to help guide decisions and inform future initiatives.

- We hold ongoing Kairos blanket exercises for employees, a learning experience that teaches the history of Indigenous people in Canada and promotes reconciliation. After the exercise, employees can participate in a talking circle to share their feelings about the experience.
- Mackenzie Investments and Investors Group continued use of an online tool for employees to collaborate and share ideas.

## Financial advisors

### Engagement Tactics

- Annual surveys
- Client service teams and call centres
- Annual conferences, events and training
- Region office visitation program
- Advisory groups

### Examples

- Each operating company has a separate annual survey process for their financial advisors.
- Feedback was gathered from the Investors Group field network to inform the development of diversity and inclusion principles and initiatives.
- Investors Group launched a new podcast, *Inspire: Stories of Financial Confidence*, a platform to share and celebrate stories of success from our advisors and executive leadership.
- The independent advisors who work with Mackenzie Investments are invited each year by Environics to complete its Advisor Perception Study, in which they rate the company in terms of product performance, relationship-building, sales and marketing team effectiveness, and overall business operations.
- Investors Group advisors share ideas and best practices related to improving their business and the client experience through the Idea Network, an online collaboration platform.

## Industry partners

### Engagement Tactics

- Memberships on regulatory advisory committees and in industry associations
- Meetings with industry associations, provincial securities regulators and self-regulatory organizations
- Participation on regulatory roundtables and public submissions on

### Examples

- As members of the Investment Funds Institute of Canada and the Conseil des fonds d'investissement du Québec, we participated in member working groups and task forces.
- We participated in the regional and district councils of the Mutual Fund Dealers Association of Canada (MFDA) and the Investment Industry Regulatory Organization of Canada (IIROC).

regulatory proposals

- Conferences and events

- We contributed on committees struck to consult on securities regulation, financial planning, seniors and vulnerable investors, liquidity risk management, accounting and tax legislation.
- We are involved in protecting client interests and resolving issues through our roles on the boards of the Mutual Fund Dealers Association and as a member of the Ontario Securities Commission's Securities Advisory Committee.

## Communities

### Engagement Tactics

- Meetings and events with various charities, non-governmental organizations and national organizations supporting charities and volunteerism
- Employee surveys, events
- Financial literacy publications and website

### Examples

- We have representation with the Conference Board of Canada's Corporate Community Investment Council, Business Council for Sustainability, and Volunteer Canada's Corporate Council on Volunteering. As members, we attend several meetings each year to help advance corporate responsibility in our businesses and throughout Canada.
- Our commitment to financial literacy involves partnership and collaboration with the Canadian Foundation for Economic Education (CFEE). As part of the program, Investors Group financial advisors engage with schools and teachers across Canada to present the *Money & Youth Guide to Financial Literacy*.
- Investors Group was a major sponsor of the Canada Games, including a booth where many employees volunteered and engaged with the community.
- Investors Group sponsorship and community engagement strategy was reshaped to focus on improving the financial confidence of youth, Indigenous peoples, new Canadians and seniors. The process was informed by feedback gathered from employee and business leaders across the company.
- Every second year, the Mackenzie Investments Charitable Foundation hosts a Charity Fair for employees to raise awareness of the partner charities that they support. The event serves as an opportunity to engage and educate employees.

IGM Financial Inc. is a member of the Power Financial Corporation group of companies. Trademarks owned by IGM Financial Inc. and licensed to its subsidiary corporations. Trademarks that include Investors Group are owned by IGM Financial Inc. and licensed to subsidiary corporations of Investors Group Inc. Investment Planning Counsel's trademark is owned by Investment Planning Counsel Inc. and used with permission. Mackenzie Investments' trademark is owned by Mackenzie Financial Corporation and used with permission.



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## REPORT TOPICS

GRI 102: 42, 44, 46, 47



A balanced account of the topics that matter most

Guided by the [GRI Standards](#) for Defining Report Content and an external consultant, we developed a process to identify a wide range of social, environmental, and economic topics relevant to our stakeholders and IGM Financial and its operating companies. When identifying topics we consider emerging trends and the GRI stakeholder topics for sectors and issues relevant to our industry peer group.

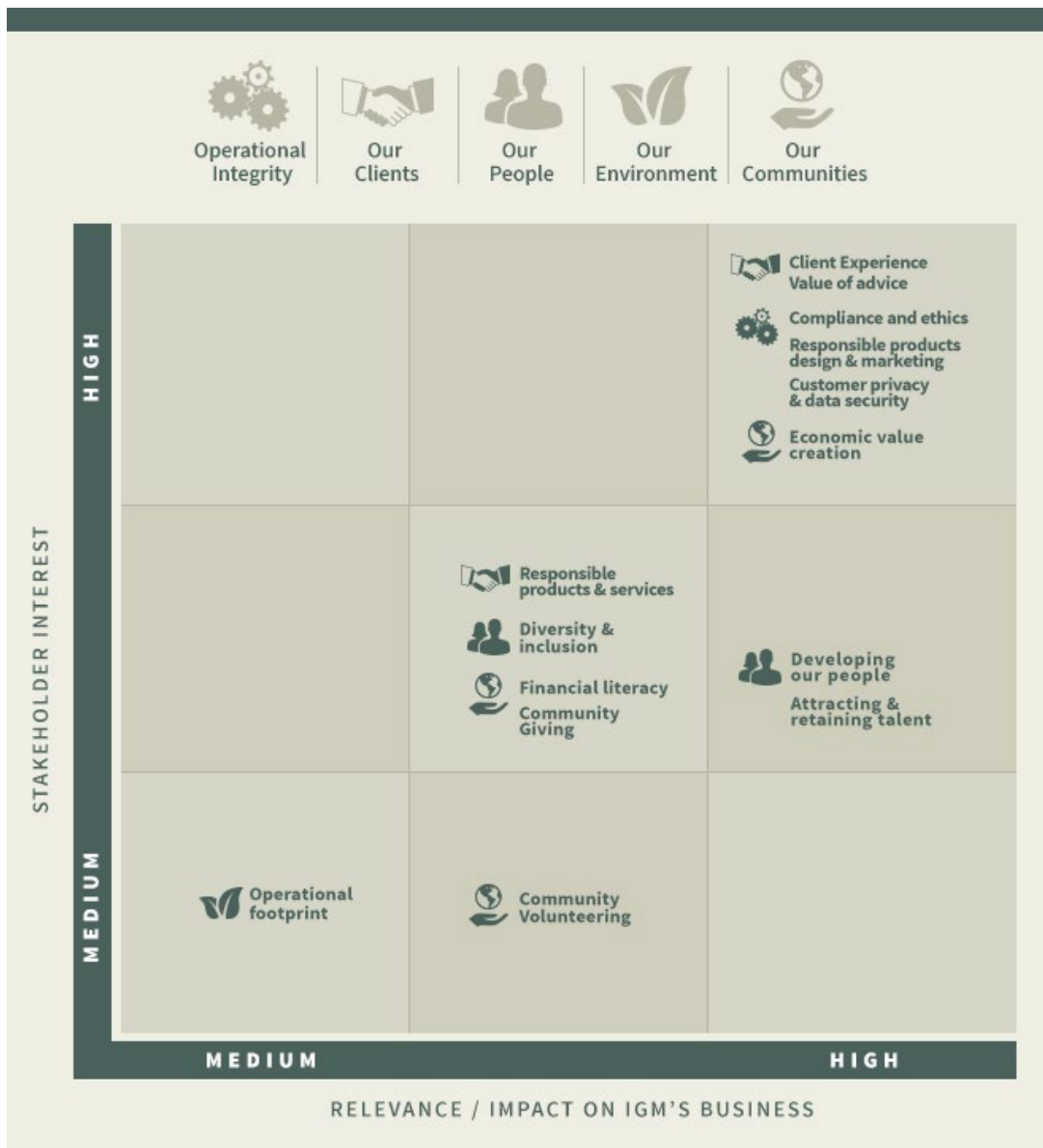
We work with our business leaders to rank the importance of these relevant topics for IGM Financial and our operating companies by assessing a broad range of business impacts, including those that were organizational, financial, reputational, regulatory, societal, environmental, and related to market forces.

We also rank the interests of our stakeholders by considering feedback received from investors, financial advisors, employees, clients, and our communities at large. We consider issues addressed in the media, industry research and advocacy, matters raised in public debate, direct engagement with individual stakeholders, and survey results.

The process used to define our report topics and rankings was reviewed by our Corporate Responsibility Committee. Our approach to report on topics ranking at or above a medium importance, both to our Company and stakeholders, was approved by our Corporate Responsibility Committee.

We review our report topics and analysis on a regular basis to incorporate new knowledge and issues as they arise. In 2016-17, we formally surveyed our employees and **Investors Group** financial advisors to understand the environmental, social and governance topics that matter most to them for our operating companies. This survey confirmed that IGM Financial's reporting and strategy are focused on the appropriate topics. As a result of this feedback, some minor adjustments were made to the level of importance in these topics to our stakeholders.

## Materiality matrix



## Our impacts

As part of the process to define the content for this report, we identified the report topics and determined where potential impacts could occur within and outside our organization. This process established the scope of this report and the boundaries for our report topics.

See our impacts table [here](#).



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## OPERATIONAL INTEGRITY



Operational integrity is the foundation of everything we do

We undertake to earn the trust and confidence of our stakeholders and understand the importance of acting responsibly in everything we do.

Our goals in support of operational integrity are to:

- Ensure sound [corporate governance](#)
- [Manage risk](#) effectively
- Ensure [compliance](#), integrity and ethical behaviour in all we do
- Protect [privacy and safeguard information](#)

We have established clear systems of control to ensure these goals are met across IGM Financial and our operating companies.

### Our approach

We believe in the importance of strong **corporate governance** and the central role played by directors in the governance process. We believe that sound governance in all areas of the business, including corporate responsibility, is essential to the well-being of our companies and all stakeholders.

**Managing risks** is critical to our ongoing success. Our enterprise risk management framework is coordinated across our operating companies to ensure prudent and measured risk-taking and includes well-defined governance responsibilities.

**Compliance** is also of central importance to our business, and for us, leadership starts at the highest level. Our Board and executives have created a framework to support a culture of compliance across the Company to ensure internal standards, policies, laws and regulations are followed in all aspects of our business. Our key areas of



compliance are: distribution and investment management, protecting public interest, and privacy and information security.

We take **the privacy and safeguarding of information** very seriously. Through our affiliation with the Power Financial Corporation group of companies, we have the strength and efficiency of an integrated information technology platform that is both global in scale and expertise. We have established specific policies and privacy guidelines relating to the collection, use and disclosure of personal information.



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## CORPORATE GOVERNANCE

GRI 102: 18-20, 22, 23, 25-27, 32-34



Responsible management begins with good governance

### Board of Directors

Our Board of Directors plays a central role in the governance process. The mandate of the Board, which it discharges directly or through one of five Board committees, is to supervise the management of the business and affairs of the Company. The Board is led by a non-executive Chair. It has effective structures and procedures in place to ensure its independence from management and to ensure that conflicts of interest between the Company and any of its related parties are dealt with appropriately.

Details of Board governance including the nomination and selection process can be found in our [Management Proxy Circular](#) and in our [Corporate Governance Practices Statement](#).

### Corporate responsibility governance

Our Board of Directors has approved our [Corporate Responsibility Statement](#), which formalizes our long-standing commitment to corporate responsibility.

The Board monitors implementation of the Company's policy and strategy with respect to corporate responsibility. Each year we discuss our corporate responsibility plans and current environmental, social, and governance issues with the Board.

The Senior Vice-President and Treasurer is the appointed corporate responsibility lead and chairs the Corporate Responsibility Committee. Committee members are:

- President and Chief Executive Officer of IGM Financial
- President and Chief Executive Officers of the operating companies
- Executive Vice-President and Chief Financial Officer

## RELATED RESOURCES



Management Proxy  
Circular



Corporate Governance  
Practices Statement



Corporate Responsibility  
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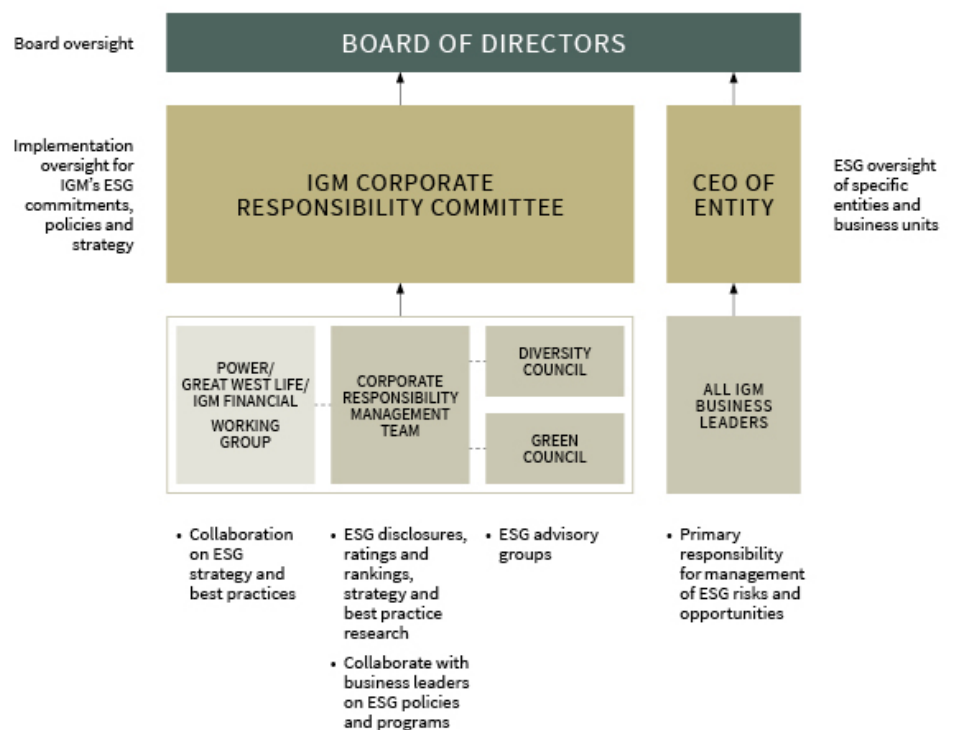
- Senior Vice-President, General Counsel and Secretary and Chief Compliance Officer
- Senior Vice-President and Treasurer

The Corporate Responsibility Committee is responsible for ensuring the implementation of corporate responsibility policy and strategy, as well as the approval of annual corporate responsibility reporting. They report to the Board on an annual basis or as necessary where critical concerns arise. No critical concerns were raised in 2017.

Supporting the Corporate Responsibility Committee is a Corporate Responsibility management team who are responsible for reporting, stakeholder engagement and collaborating with business leaders to advance environmental, social, and governance-related topics. They also meet regularly with the corporate responsibility teams across the Power Financial Corporation group of companies to align our commitments and share knowledge on our initiatives.

Also supporting the Corporate Responsibility Committee are two committees with focused environmental and social mandates. The IGM Financial Diversity and Inclusion (D&I) Council guides the implementation of our D&I strategy, including driving awareness and involvement. The IGM Financial Green Council works with committed teams of employee volunteers to help our people improve their environmental sustainability efforts at work and at home.

## Corporate responsibility governance structure







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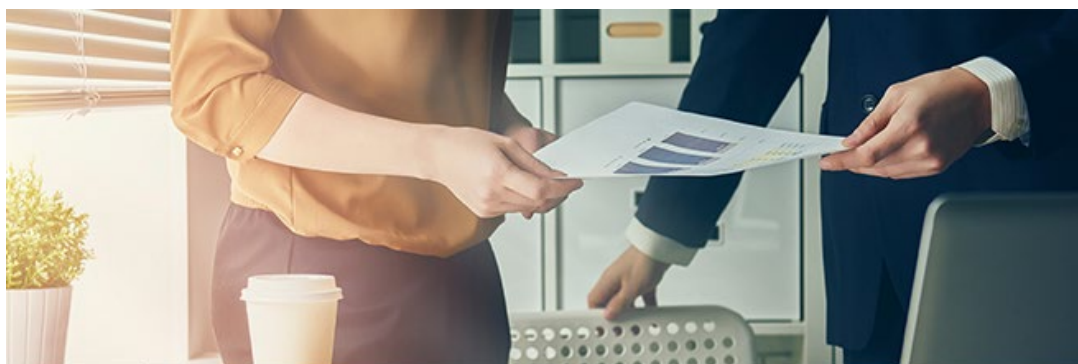


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## RISK MANAGEMENT

GRI 102: 11, 25, 29-31



### Managing risks is critical to our ongoing success

We have a strong risk management culture and process that enables us to proactively identify and manage risks. Our enterprise risk management (ERM) framework is coordinated across our operating companies to ensure prudent and measured risk-taking and includes well-defined governance responsibilities.


Our ERM processes include the evaluation of environmental and social risks, and we continue to enhance our business leaders' knowledge of these risks. Our ERM evaluation includes consideration of our risks and risk management practices relative to authoritative approaches, including the [COSO Internal Control-Integrated Framework](#). The COSO framework sets out principles, the first of which requires organizations to demonstrate a commitment to integrity and ethical values. Our commitment to ethics and integrity is demonstrated through various mechanisms – including our [Code of Conduct](#) for our employees, contractors, and directors; our Supplier Code of Conduct for the firms that do business with us; and other related policies.


### Governance of risk


## 2017 KEY ACHIEVEMENTS


- Enhancements to “second line of defence” risk oversight and support functions, including the creation of an Operational Risk Management Committee
- Formed IGM Conflicts of Interest Management Committee (finalized in 2018)

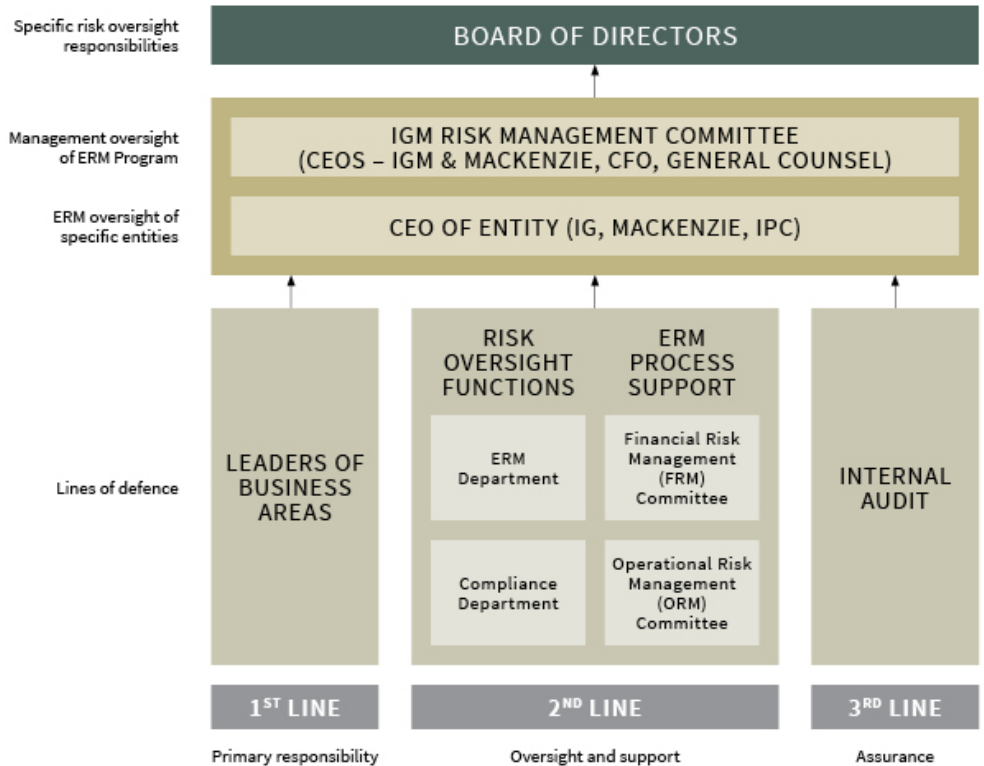
## RELATED RESOURCES

 2017 Annual Report (Risk Management, page 67)

 Environmental Policy

 Code of Conduct

 Supplier Code of Conduct



Our Enterprise Risk Management Policy assigns oversight to our Risk Management Committee, an executive management committee responsible for our ERM framework that is accountable to the Board. Our ERM policy and processes align risk appetite and strategy, enhance our risk response decisions, and identify and manage multiple and cross-enterprise risks.

Also in place to mitigate risk is our Conflicts of Interest Management Committee, which fosters a shared understanding of conflicts across our companies, provides guidance and education to business leaders, and ensures governance and escalation measures are in place.

Our ERM Department develops and maintains our ERM program, framework and processes; provides risk management guidance and training to the company; and provides oversight, analysis and reporting to the Risk Management Committee. The leaders of our various business units are accountable for managing risk within their respective activities. This includes identifying and managing significant environmental, social and governance related risks and opportunities.



## Environmental Risks

IGM Financial manages environmental risks, including climate risk, with business unit management having responsibility for identifying, assessing, controlling and monitoring environmental risks pertaining to their operations. IGM Financial's Corporate Responsibility Committee oversees our commitment to environmental responsibility and risk management as defined in the company's [Environmental Policy](#).

Key environmental risks to IGM Financial include:

- Direct risks associated with the ownership and operation of our businesses, which includes management and operation of company-owned or managed assets and business operations
- Indirect risks as a result of the products and services we offer and our procurement practices
- Identification and management of emerging environmental regulatory issues
- Failure to understand and appropriately leverage environment-related



trends to meet client demands for products and services

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In 2018, we enhanced our supplier policies, formalizing a Supplier Code of Conduct which includes consideration of environmental and social risks. See [Responsible products and services](#) for more on how we incorporate environmental issues into our investment process and [Reducing our footprint](#) for details on our actions to reduce our own operational footprint.



## CORPORATE RESPONSIBILITY

Responsible Management +

Stakeholder Engagement

Report Topics

Operational Integrity -

Corporate governance

Risk management

Compliance >

Privacy and Information Security

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## COMPLIANCE

GRI 102: 13, 17 | 103: 417, 418 | 417: 1 | FS: 15



Compliance is of central importance to serve our clients and address public interests

Compliance is of central importance to our business, and for us, leadership starts at the highest level. Our Board and executives have created a framework to support a culture of compliance across the Company to ensure internal standards, policies, laws and regulations are followed in all aspects of our business.

IGM Financial's main operating companies – **Investors Group**, **Mackenzie Investments** and **Investment Planning Counsel** – are governed by internal policies and rules of Canadian and foreign governments and industry regulatory bodies. Our key areas of compliance are:



We have robust compliance programs and controls in place that are regularly assessed for effectiveness by the business units and periodically through our internal audit function. Regular reporting on compliance matters is provided to the Chief Compliance Officer and the President and Chief Executive Officer of IGM Financial and to the IGM Financial Audit Committee. Separate boards and committees at the operating company level also oversee investment management and distribution compliance of our funds.

Our [Code of Conduct](#) sets out our core values of responsible management and is distributed annually to all our directors, officers and employees for review and acknowledgement. The Chief Compliance Officer monitors compliance with the Code, updates as required, and reports to the Audit Committee.

It is supplemented by various operating company policies and procedures that set ethical standards and

## 2017 KEY ACHIEVEMENTS

- **100%** of staff across our operating companies acknowledge our Code of Conduct principles annually
- Implemented Policy Regarding Reporting Concerns
- Implemented Anti-Corruption and Anti-Bribery Policy
- Implemented IGM Financial Supplier Code of Conduct
- Conflicts of Interest Committee formed

## RELATED RESOURCES



Code of Business Conduct

Responsible investing policies



Investors Group



Mackenzie Investments



Investment Planning Counsel



Policy Regarding Reporting Concerns

compliance expectations throughout the supply chain, including compliance manuals for **Investors Group** advisors and a [Supplier Code of Conduct](#) for companies who do business with us.

## Offering products responsibly

### Marketing and sales communications

Our mutual fund offerings are qualified for sale through the filing of a prospectus with regulators. All of our sales communications to clients in connection with those offerings are reviewed for accuracy and compliance with securities rules. We also have internal policies, processes and procedures to ensure we remain compliant with applicable requirements and avoid conflicts of interest.

In addition to applicable laws and regulations, our people must comply with internal policies in communicating product and service information. These policies are designed to ensure that clients are informed and provided with full, true, and plain disclosure about our products and services.

### Knowing our clients and products

In keeping with our commitment to clients, securities requirements and our internal compliance manuals, advisors affiliated with **Investors Group** and **Investment Planning Counsel** must understand, document, and review at least annually the financial and personal situation of every client to ensure the suitability of their investments for their particular circumstances. **Mackenzie Investments** distributes its products through third-party advisors and dealers who are subject to their internal rules.

Our securities dealers and advisors are responsible for conducting due diligence on all products that are available for sale to clients. A team of experts reviews and assesses the products we offer to ensure they are suitable to offer to our clients. Our Enterprise Risk Management Framework also provides a comprehensive IGM-wide process for ongoing management of product-related risks.

### Responsible investing and proxy voting

Our investment management operations incorporate environmental, social, and governance issues into their investment processes and actively engage with the management of companies our funds invest in.

Proxy voting is an important component of responsible investing, and consistent with our responsibility, we vote proxies in the best interests of the funds. Our investment management oversight function monitors our proxy voting. Responsible investment policies and proxy voting policies and procedures establish the principles that govern these activities.

## Protecting public interest concerns

### Anti-money laundering and anti-terrorist financing

We are committed to complying with legislation designed to deter and detect money laundering. We have well-established business practices and procedures to ensure compliance with applicable anti-money laundering laws, covering client identification and record keeping and the reporting of suspicious transactions.

We also carry out regular training for all of our people and incorporate sign-offs on anti-money laundering and anti-terrorist financing as part of our annual Code of Conduct distribution.

See the [Data tables](#) for more information (GRI- 417-2, 417-3, 418-1, 419-1).

### Anti-corruption and anti-bribery

Our Anti-Corruption and Anti-Bribery Policy, which is reviewed and acknowledged annually by all directors, officers, employees and advisors of IGM and its subsidiaries, is overseen by the Vice-President of IGM Financial Corporate



Anti-Corruption and  
Anti-Bribery Policy



Supplier Code of Conduct

Compliance and the Chief Compliance Officers at each of our operating companies.

Our policy does not allow political contributions of any kind.

All of our operations are assessed for risks related to corruption. No critical concerns were raised in 2017.

## Supporting a strong advice-based industry

Throughout our networks, we actively contribute knowledge and advocate in support of regulation that benefits the investing public overall.

We provide key executive leadership to support Canada's financial services sector, through roles in many organizations including the following:

- [Canadian Coalition for Good Governance](#)
- [Canadian Life Insurance \(EDI\) Standards Association](#)
- [FundServ Inc.](#)
- [Investment Funds Institute of Canada](#)
- [Mutual Fund Dealers Association of Canada](#)
- [Chambre de la Securite Financiere](#)

## Reporting concerns

In keeping with our commitment to high business and ethical standards, we established a Policy Regarding Reporting Concerns to address concerns, issues, or complaints regarding accounting, financial, internal controls, auditing matters, and legal, compliance or regulatory matters.

The policy, which is overseen by IGM Financial's Vice-President of Corporate Compliance, applies to each of our operating companies and outlines a confidential process for raising concerns, including a 24/7 whistleblower hotline and website, and a detailed process for a comprehensive investigation where warranted.

## Privacy and Information Security

Because of the work we do, and the trust placed in us by our clients, advisors, and employees, privacy of information and data security are top priorities. See details about our programs and governance in the [Privacy and information security section](#).



## CORPORATE RESPONSIBILITY

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Risk management

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Privacy and Information Security



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## PRIVACY AND INFORMATION SECURITY

GRI 103: 418



Safeguarding sensitive information is central to maintaining trust

In a business built upon the trust of our clients and financial advisors who work with our operating companies, we are committed to protecting personal information, and ensuring information security is of utmost importance to the Company.

### Technology and cyber risk

The Company uses systems and technology to support its business operations and the client and financial advisor experience. As a result, we are exposed to risks relating to technology and cyber security such as data breaches and identity theft and hacking.

To remain resilient to such threats, the Company has comprehensive cyber security programs, follows sound industry practices, and has implemented threat and vulnerability assessment and response capabilities. Through our affiliation with the Power Financial Corporation group of companies, we have the strength and efficiency of a security platform that is both global in scale and expertise. Regular assessments of our security procedures ensure they remain relevant and effective.

In today's ever-changing threat landscape, we recognize that the human element is equally important in the protection of data and have established a security awareness and training program to provide all employees with the knowledge and skills to identify and protect against cybersecurity threats. We also continue to participate in industry-established forums and collaborate with peers on threat intelligence and critical security threats facing the global financial services sector.

### Privacy protection

In accordance with Canadian privacy laws, we only collect personal information that is necessary to our business or where we have consent to do so. We do not disclose personal information about clients unless required by law, when necessary to provide products or services to them, or as otherwise authorized by them.

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We have established specific privacy guidelines relating to the collection, use and disclosure of personal information. See details of this commitment for each of our operating companies:

- [Investors Group](#)
- [Mackenzie Financial](#)
- [Investment Planning Counsel](#)

We also have procedures relating to the protection of confidential information from theft, loss, unauthorized disclosure, access or destruction or other misuse. Our employees and **Investors Group** financial advisors receive mandatory, comprehensive privacy training both when joining and on an ongoing basis thereafter.



## CORPORATE RESPONSIBILITY

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Our People



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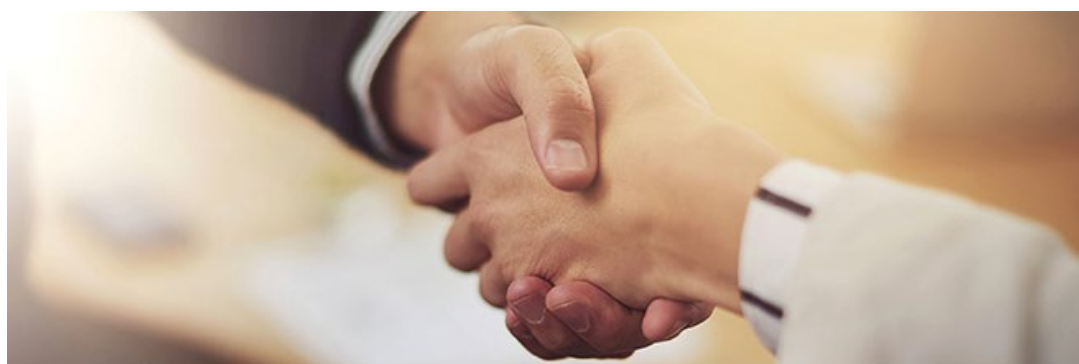


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## OUR CLIENTS

GRI 102: 43 | 103: 417, FS



### Helping Canadians achieve their financial aspirations and a secure future

We are here to inspire financial confidence in our clients – by helping them to make good choices, take appropriate actions, and benefit from as many of the financial opportunities available to them as they can.

We earn our clients' trust through our high standards, strong ethics, and continued excellence and innovation in our product and service offerings. At each of our operating companies we provide the tools, support and solutions to the advisors who distribute our products so they can work to meet the needs of our clients.

Our corporate responsibility goals for our clients are to ensure:

- We provide a [rewarding client experience](#)
- We help clients achieve their financial goals through [professional financial advice](#)
- We offer [responsible products and services](#) that meet our clients' needs

These goals are aligned with the principles that guide us in our commitment to deliver long-term value to all of our stakeholders, including putting our clients first. See [IGM Financial: Our commitments](#).

## Our management approach

Putting the client first drives all of our decision making across the IGM Financial companies. Our internal Client and Regulatory Affairs office champions a client-first approach, advising on regulatory initiatives and trends, and providing support across all business units.

Each of our operating companies is responsible for its own product and service offering to meet the needs of clients, including those with environmental and social considerations. Having the right products and services, providing a rewarding client experience and helping our clients achieve their financial goals through professional financial advice helps us to build sustainable, long-term client relationships.



Financial advisors make up our main distribution channel, and we emphasize support for these advisors as they work with clients to plan for and achieve their financial goals. We seek input from advisors so we can understand and plan for evolving client needs.

We endeavor to ensure our products are offered responsibly and that all of our sales communications to clients regarding our offerings are compliant with securities rules and in the best interest of the clients. See [Compliance-Offering products responsibly](#).

## Responsibilities

We have a clearly defined process and reporting structure for the management and distribution of our products at each of our operating companies.

- Each operating company has its own CEO who reports to a Board of Directors that oversees all functions of the company.
- The Client and Regulatory Affairs office is responsible for championing a client-centric vision for business initiatives, planning and strategy across IGM Financial.
- Each company has a designated investment manager for its funds, governed by an independent Board of Directors. All securities owned by the mutual funds are kept by a custodian, separate from other company business.
- Each company has an Operating Committee of executive managers that leads the strategic initiatives relating to its operations, including product and service offerings.

## Tracking our performance

For all three operating companies, fund performance is reported in the Management Report of Fund Performance. See our websites for details.



At **Investors Group**, portfolio returns and the suitability of client investment portfolios are ways to measure success in delivering financial planning to clients. In 2017, their team of professional money managers and financial advisors delivered an annual client account median rate of return of approximately 5.3%, with 97% of client accounts experiencing positive returns. Over the past five years, the median client return was 6.5%.

Because the client–advisor relationship is at the heart of the **Investors Group** model, understanding the client experience is vital to the company’s success. Clients are surveyed regularly to help understand their experience with their advisor. In 2017, clients were invited to participate in a pilot of a new client engagement survey administered by Gallup and Advanis, which will be rolled out in 2018. Results will create opportunities to improve the client experience and to align advisor compensation with client satisfaction.

At **Mackenzie Investments**, the goal is to deliver competitive and consistent risk-adjusted performance for our clients. Mackenzie monitors its fund performance relative to the ratings it receives on its mutual funds from the Morningstar<sup>†</sup> fund ranking service. At December 31, 2017, 70.1% of Mackenzie mutual fund assets measured by Morningstar<sup>†</sup> had a rating of three stars or better and 32.0% had a rating of four or five stars. Through the feedback of financial advisors from across Canada, Environics annually produces its Advisor Perception Study. In 2017 **Mackenzie Investments** moved closer to its ultimate goal of achieving the top ranking in the study: it moved from fifth to third place in one year, surpassing its 2017 goal of fourth place.

At **Investment Planning Counsel**, through Portfolio Solutions offered by its IPC Private Wealth and Counsel Portfolio Services Divisions, IPC aims to align investment outcomes to its clients' goals-based financial planning objectives.

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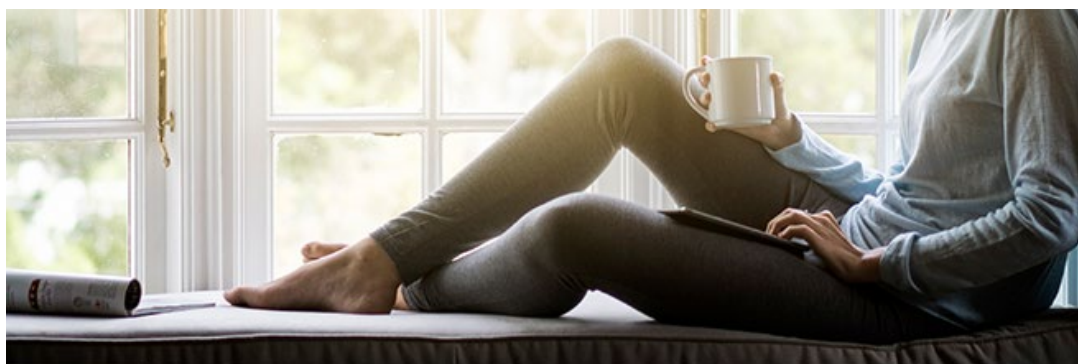


## CORPORATE RESPONSIBILITY

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Rewarding client experience	>
Value of advisors	
Responsible products and services	
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## REWARDING CLIENT EXPERIENCE

GRI 102: 43



Our clients deserve a relationship based on understanding, trust and expertise

We strive to respond to client needs in a changing marketplace and regulatory environment through ongoing product, service, and support enhancements.

We are committed to a client-focused vision across all of our business functions, with our Office of Client and Regulatory Affairs helping to navigate the changing regulatory landscape for our clients and the financial advisors who serve them.

The business model at each of our operating companies is distinct. At all three companies, generally a client's first point of contact is through their advisor. This makes our relationship with advisors key to the success of our business. At both **Investors Group** and **Investment Planning Counsel**, clients have direct contact with a financial advisor who is directly affiliated with the company. At **Mackenzie Investments**, third-party advisors distribute the company's products and services. It's the one-on-one relationship with clients that works to ensure people receive the personalized financial advice, products and services that are right for them.

### Client feedback

All three operating companies have in-house contact centres to support financial advisors in their servicing of clients. Each contact centre solicits feedback regularly from a number of advisors to identify issues and improve service levels. At **Investors Group** and **Mackenzie Investments**, clients are secondary users of these contact centres.

Our primary feedback is from our advisors to gauge their own satisfaction levels and, through them, better understand the over two million client relationships they manage on our behalf. We also solicit feedback from clients where possible.

Our operating companies have formal procedures in place to handle written or verbal complaints from clients in a fair and timely manner. They are guided by principles of fairness and reasonability in their assessment of each issue.

## 2017 KEY ACHIEVEMENTS

- **Investors Group** introduced new Gallup survey to clients, with results to be linked to Advisor compensation
- **Mackenzie Investments** increased overall scoring, from 5<sup>th</sup> to 3<sup>rd</sup> in the 2017 Environics APS survey
- Three **Mackenzie Investments** funds and three **Investors Group** funds were recognized for outstanding performance at the Lipper® Fund Awards
- Six **Mackenzie Investments** funds have been recognized for their leading risk-adjusted performance at the annual Fundata FundGrade A+ Awards.
- **Investors Group** enhancing its client engagement through new Client Advisory Councils
- 69.2% of **Investment Planning Counsel** mutual fund assets measured by Morningstar† had a rating of three stars or better

A client's first point of resolution is through their advisor. Call centres at each company can also assist with routine inquiries and complaints. When problems are escalated, the resolution process includes a thorough examination of the complaint. The investigator contacts the client and engages in a personalized review of the client's concern. The client then receives a written summary of the investigation addressing their concerns.

## Operating company programs and highlights

### Investors Group

Investors Group financial advisors maintain a high degree of contact with clients, reinforcing the importance of long-term planning and a diversified investment portfolio.

Understanding the client experience is vital to the company's success, and clients have been surveyed regularly for 20 years to measure various aspects of their relationship with their advisor and their experience with financial planning and advice. In 2017, clients were invited to participate in a pilot of a new client engagement survey administered by Gallup and Advanis, which will be rolled out in 2018. Results will create opportunities to improve the client experience and to align advisor compensation with client satisfaction.

The company's client advisory councils are a forum for selected clients, who serve a two-year term, to share their insights and ideas with senior leadership, and to provide input on specific client-related initiatives. It is chaired by the Office of Client and Regulatory Affairs.

Quarterly satisfaction surveys have also been conducted directly with Investors Group financial advisors since 2000, surveying each of the over 4,000 advisors annually. The purpose of these surveys is to measure satisfaction with their business relationship with the company – the support and services that help them to serve clients.

### Mackenzie Investments

The annual Environics Advisor Perception Study is used by Mackenzie Investments and other mutual fund companies to assess advisor satisfaction. This is the most comprehensive tracking study of Canada's mutual fund and insurance companies and is a valuable benchmark that provides vital information on how the company is perceived by the advisors who distribute their products.

### Investment Planning Counsel

An annual advisor satisfaction survey has been conducted since 2007 to measure the satisfaction levels of their advisors regarding the support and services they receive. The company polls a group of its advisors monthly to measure their satisfaction levels regarding the support and services they receive.

The results of the survey are used to derive an Advisor Satisfaction Index, which provides additional insight into what's important to their clients. In addition, a task force meets monthly to review commentary from advisors to identify trends and to address immediate needs.

Investment Planning Counsel also considers the external survey, [Investment Executive Dealers' Report Card](#), which measures advisors' overall level of satisfaction with their dealer.





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## VALUE OF ADVISORS



### Results show that Canadians who work with an advisor do better over time

A [recent study](#) by Montreal-based Centre for Interuniversity Research and Analysis of Organizations (CIRANO),<sup>1</sup> found that investors who work with a financial advisor have a higher savings rate on average than those who do not. For example, over a 15-year period, households working with an advisor had 3.9 times the assets of a household without a financial advisor. The study highlights the value advisors add by encouraging more disciplined saving and investment behaviour.

There is independent research that shows that these differences are due to three main factors:

- Planning helps people set and achieve their financial targets
- Those who use an advisor often have better use of tax-advantaged savings vehicles
- Advisors help ensure people have the right mix of investments

We encourage, train, and expect advisors to recommend products that are suitable for each client's individual situation. This means performing a financial analysis or delivering a written financial plan before making product recommendations to them.

At **Investors Group**, all advisors with more than four years of experience must have, or must be working towards, their Certified Financial Planner (CFP) designation or, in Quebec, their Financial Planner (F. Pl.) designation. This industry-recognized training is enhanced with the company's own education programs to help advisors create optimal client outcomes.

In a world that is increasingly complex, we believe that it is now more important than ever for Canadians to have a financial advisor to provide them with a plan that considers an appropriate approach for their situation. We continue to evolve our products, services, support, and training so that our advisors can continue to enhance the financial well-being of our clients.

## 2017 KEY ACHIEVEMENTS

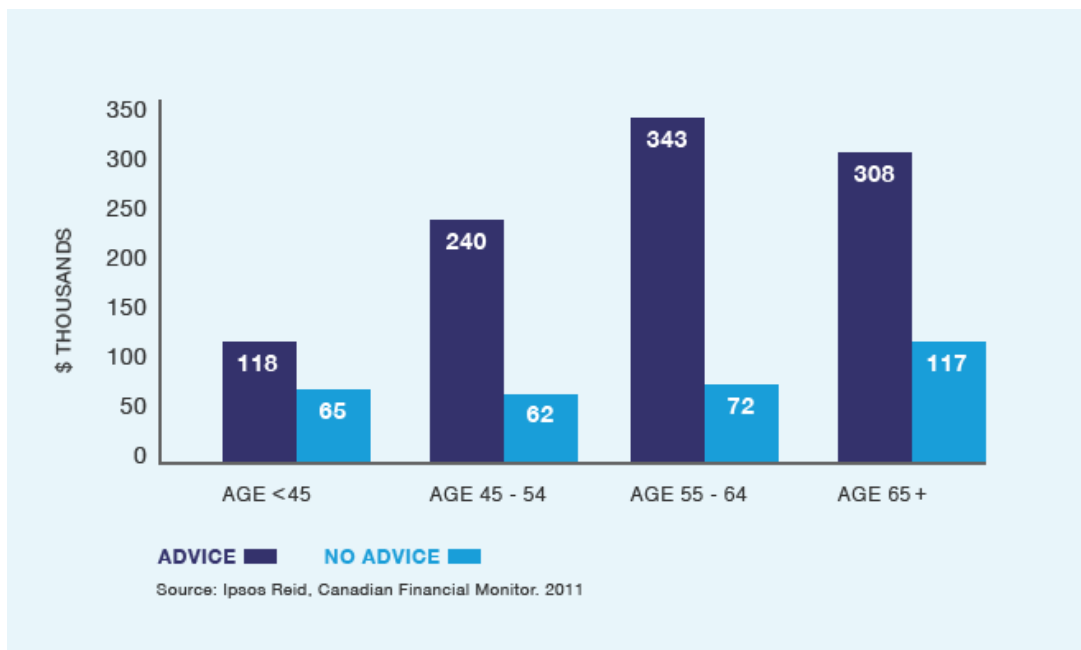
- **Investors Group** has more than 1,500 Certified Financial Planners working with clients, more than any other Canadian financial services firm

## Financial advice key for lower income Canadians

The help of a financial advisor makes a difference for Canadians in all age groups and income levels – including those in lower income ranges who were not wealthy when they sought help from an advisor. This is potentially life changing for these people as they head toward their retirement years.

We believe in working with Canadians at all income levels. Our mutual fund solutions are available at very low investment minimums, making it possible to provide much-needed access to financial products and services to all households, regardless of income or wealth levels.

### Household average net wealth by age (income under \$35,000)



<sup>1</sup>The Gamma Factor and the Value of Financial Advice. August 2016.



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## RESPONSIBLE PRODUCTS AND SERVICES



We focus on meeting evolving client needs

We have had a long-standing practice of considering environmental, social and governance (ESG) factors within our investment processes and believe there is alignment between companies that practice good ESG management and those that have strong long-term investment performance.

As signatories to the United-Nations Supported Principles for Responsible Investment (PRI), **Investors Group** and **Mackenzie Investments** have formalized this commitment within the investment processes of all funds.

In addition, our operating companies offer a number of products and services that have positive social and environmental impacts:

- The Investors Summa SRI Fund – one of the largest socially responsible investment funds in Canada
- Mackenzie Investments Global Leadership Impact Fund and ETF – launched in 2017
- Mackenzie Investments Global Sustainability and Impact Balanced Fund – launched in 2017
- Two of the market's most respected charitable giving funds
- Registered Disability Savings Plans
- Mortgages for energy-efficient homes and renovations that are eligible for mortgage insurance premium savings
- No-fee chequing accounts for youth and reduced fees for seniors through Solutions Banking™

See the [Data tables](#) for further information on our product portfolio (GRI- FS6, FS7, FS11).

We have also taken a lead role in creating a new Canadian stock exchange that puts the needs of investors,



## 2017 KEY ACHIEVEMENTS

- **Mackenzie Investments** launched three new sustainable, responsible, and impact funds
- **Investors Group** Quebec Enterprise Fund ranked in the top 10 of Corporate Knights 2018 Better World Fund Ranking
- Our clients' charitable giving funds provided 4,190 grants to charities totaling \$13.5 million. Since 2006, over 25,000 grants have been made, totaling \$59.1 million
- Our clients' Registered Disability Savings Plans assets increased by over 40% to \$680 million
- **Mackenzie Investments** expanded the choice of products for RDSP account holders
- **Mackenzie Investments** sponsored a survey of investors with focus on responsible investing trends
- **Investors Group** presented at a CFA Winnipeg seminar on "Sustainable Investing: Philosophies and Evidence, Challenges, and Stakeholder Engagement" CFA luncheon.

## RELATED RESOURCES

Responsible investing policies:



Investors Group

businesses looking to raise capital, and dealers first. The Aequitas NEO Exchange, launched in 2015, seeks to level the playing field for all market participants.

## Responsible Investment

All of our operating companies have policies to formalize how we implement responsible investing principles at each of the companies. Our responsible investment policies are centred on:

**Integration of ESG criteria in investment analysis and decision-making processes.** The relative importance of ESG factors varies across industries, geography and time. In analyzing the risks of each investment, our teams look to identify, monitor and mitigate ESG risks and opportunities that are, or could become, material to long-term performance.

**Active ownership through engagement with company management and proxy voting.** We believe that active ownership provides important value within the investment processes employed in our funds. We vote proxies in the best interests of our funds and engage in an active two-way dialogue to positively influence company approaches on ESG factors that are material and relevant for each specific circumstance.

We generally adopt a policy of engagement over divesting a holding, in order to contribute positively to the investee companies' ESG progress. Very few companies are screened out of our universe of eligible investments, except where restricted by a fund's investment objective. We are currently working to enhance our policies to exclude companies involved in the production, use or distribution of cluster munitions and anti-personnel landmines.



**Investors Group** and **Mackenzie Investments** are signatories to the [United Nations-supported Principles for Responsible Investment \(PRI\)](#). The PRI is a collaborative effort of 1,900 global investors, asset owners and service providers representing more than US \$70 trillion in assets under management whose common goal is to develop a more sustainable global financial system.

The PRI is a voluntary set of [six principles](#) that offer a framework for integrating environmental, social and governance (ESG) factors into the investment analysis and decision-making process for mainstream investment managers. Since 2016, **Investors Group** and **Mackenzie Investments** have been publicly reporting on their progress in implementing the principles.

See the latest **Investors Group** and **Mackenzie Investments** PRI reports for more details on our commitment to incorporate ESG in our investment processes.

## Charitable giving funds


**Mackenzie Investments** and **Investors Group** are leaders in the provision of donor-advised giving programs in Canada. The companies' charitable giving programs are designed to help donors increase and sustain their charitable giving. Clients who open a charitable giving account have the advantages of a private foundation without the up-front costs and administrative responsibilities.


Each program is run through a Foundation – a non-profit charitable corporation. The Foundation administers the charitable giving funds and applies all or part of the principal and income from those funds to eligible charities on behalf of clients.


Both companies' charitable giving programs were established in 2006. This past year, assets under management grew to over **\$230 million** to be administered by the Foundation in support of charities of choice.


## Registered Disability Savings Plans

Both **Mackenzie Investments** and **Investors Group** continue to be market leaders in offering Registered Disability Savings Plans (RDSPs). Under this program, clients or family members with disabilities can access a tax-preferred

 Mackenzie Investments

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PRI Report

savings vehicle and at the same time take advantage of generous government grants and bonds.

The RDSP program, in conjunction with our products and services, allows us to help Canadians in a meaningful way. Assets under management grew significantly this past year to over **\$680 million**.

All of our operating companies offer various electronic delivery options for products and services.

## Supporting innovation for fair markets

IGM Financial has taken a lead role in Aequitas Innovations Inc., a company founded by a diverse group of prominent investors representing all Canadian capital markets stakeholders, to build Canada's newest stock exchange, the [Aequitas NEO Exchange Inc.](#) ("NEO Exchange").



The NEO Exchange's vision is of an innovative and cost-efficient marketplace that puts the needs of investors, capital-raising companies, and their dealers first.

Aequitas seeks to level the playing field for all market participants to address issues such as:

- Eroding investor and issuer confidence
- Predatory high-frequency trading practices
- Capital formation issues
- Lack of meaningful competition and innovation in the marketplace

Launched in 2015, the NEO Exchange is redefining the role of the stock exchange and offers an alternative to the TSX and TSX Venture exchanges. NEO is a Partner Exchange of the Sustainable Stock Exchanges (SSE) – an international initiative of the UN Conference on Trade and Development exploring how exchanges can enhance corporate transparency on ESG issues. As a Partner Exchange, NEO has made a voluntary public commitment to promote improved ESG disclosure and performance among its listed companies.

## Operating company programs and highlights

### INVESTORS GROUP

#### The Investors Summa SRI™ Fund



Investors Group has been a pioneer and industry leader in promoting socially responsible investing (SRI).

Its [Investors Summa SRI™ Fund](#), launched in 1987, is one of the largest socially responsible funds in Canada, with over **\$500 million** in assets under management at the end of 2017. The Fund invests primarily in companies that have adopted progressive standards and practices towards the environment, human rights and other social issues and does not invest in companies whose revenues are primarily derived from alcohol, tobacco, gambling, pornography or critical weapons systems.

Investors Group continues to offer mortgages for energy-efficient homes and renovations that are eligible for mortgage insurance premium savings as well as no-fee chequing accounts for youth through Solutions Banking™.

The company has protocols for clients affected by significant natural disasters to allow them to focus on the safety of their families in dire times. These protocols included deferral of mortgage and credit payments and expediting redemption requests to ensure clients receive money as quickly as possible.

## **MACKENZIE INVESTMENTS**

New products in 2017 offer investors competitive, risk-adjusted returns in sustainable, responsible investments and the opportunity to effect change.

The Mackenzie Global Sustainability and Impact Balanced Fund provides Canadian investors with a solution that helps their investments have a positive environmental and social impact. The fund selects companies that are willing to engage in or have incorporated strategies to improve ESG.

The Mackenzie Global Leadership Impact Fund and Mackenzie Global Leadership Impact ETF provide an opportunity for investors to affect social and governance change through a focus on companies that promote gender diversity and the benefits of women in leadership.

## **INVESTMENT PLANNING COUNSEL**

Investment Planning Counsel has partnered with a leading firm in the environmental, social and governance (ESG) engagement field to advise on proxy votes and to engage companies in its portfolios on material ESG issues. Under this arrangement, the company's voice and votes are combined with those of like-minded shareholders to exert greater influence over resolutions involving ESG issues.



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## OUR PEOPLE

GRI 103: 401, 403-405



We are committed to helping our people do great work

We count on our people to do great things for our clients, shareholders and community partners. We enable a high-performing and diverse culture that supports and recognizes their talents, experience and productivity.

Our corporate responsibility goals for our people are to:

- [Attract and retain talent](#) through competitive compensation and benefits, and progressive workplace programs
- Enable growth through [training and development](#)
- Promote a [respectful, diverse, and inclusive workplace](#)

Our 3,500 employees share common values and principles – spelled out in our [Code of Conduct](#), which includes our [Corporate Responsibility Statement](#) and Respectful Workplace policies. Employees come to understand and engage with our values through learning, communication and an annual confirmation of commitment.

## Our management approach

Our business relies on human capital for success. To attract and retain outstanding people, it is essential that we build great places to work through tailored programs and initiatives aligned with our corporate responsibility goals. Training and development contributes to the engagement of our people and best positions them to serve our clients. We also value diversity and inclusion, as we believe having a range of perspectives and backgrounds improves our decision making, contributes to successful client relationships and helps to engage all of our employees in our success.

## Responsibilities

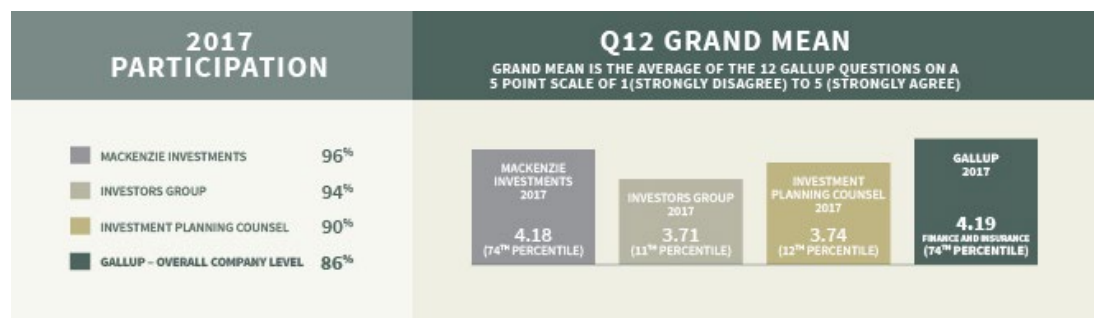
Our approach to our people begins at the top.

- The Human Resources Committee of our Board of Directors oversees compensation policies.
- Executive-management level human resource committees provide oversight on priorities, track performance and ensure that appropriate resources are allocated to deliver on our strategies.
- The Executive Vice-President of Human Resources oversees IGM Financial's integrated human resource policies and programs.

## Tracking our performance

We understand that the passion, commitment and dedication of employees are key drivers that can influence an organization's culture, client experience and shareholder returns. Each of our companies has a strong culture of engagement and regularly seeks employees' opinions, to understand what matters to them, how we are doing and how we can improve.

Each of our operating companies partners with Gallup® to deliver Gallup's Q12 employee engagement survey, which takes a holistic view of engagement and identifies areas of strength and opportunity. Employees are surveyed annually, and results are benchmarked against global organizations in the same industry. Leaders review results with their work teams, and the knowledge gained from these indicators helps inform decision-making and action plans for improvement.



**Mackenzie Investments** was the first to partner with Gallup®, and in 2017, its fourth year of participating in the survey, the company achieved an industry-leading score of 4.18. **Investors Group** and **Investment Planning Counsel** both participated for the first time in 2017 and are working on initial action plans to increase engagement.



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## ATTRACTING AND RETAINING TALENT

GRI 103: 401 | 401: 2 | 404: 2



Being a good employer is key to attracting and retaining the right people

Our strong brands attract smart people looking for new opportunities to grow and thrive in their career. We are skilled at identifying top talent through career expos, social media and collaborative relationships with educators and professional organizations.

See the [Data tables](#) for new hire and turnover measurements (GRI- 401-1).

### Compensation and benefits

We ensure fair and competitive compensation and benefits by benchmarking our remuneration within the company, across the industry and against local market conditions. Our goal is to have competitive compensation and benefits to attract, retain and appropriately reward our people.

Our full-time and regular part-time employees are eligible for:

- A base salary plus performance incentives
- Benefits like short- and long-term disability, life, health, vision care and dental insurance
- Employee share ownership plans with generous company matching
- Company-supported retirement plans
- Industry-leading maternity leave benefits at Mackenzie Investments and Investors Group
- Parental and elder care leave
- Company-supported transit and fitness programs
- Tuition assistance programs

## 2017 KEY ACHIEVEMENTS

- **Investors Group** announced support for the creation of the University of Manitoba's *Institute for Leadership Development*
- **IGM Financial** transitioned to use Gallup's Q12 employee engagement survey across its three operating companies
- **Investors Group** held a month-long wellness challenge and activities at the Québec general & Winnipeg head offices
- **Mackenzie Investments** exceeded target in Gallup's employee engagement survey, reaching the 74<sup>th</sup> percentile for the industry

- Wellness programs focused on physical and mental wellness
- Flexible work options
- Generous training and development, and career development options
- Employee and family assistance programs
- Free financial education for employees
- Paid volunteer day and matching giving programs

## Health and wellness and safety

We are committed to providing a healthy, safe and productive work environment in which everyone is treated with dignity and respect, as set out in our Respectful Workplace Policy.

We promote employee health, well-being, and safety, helping employees balance the demands in their lives. We are sensitive to the pressures of workplace deadlines and conflicting expectations in their personal and professional lives. We provide training and programs and regular communications to build tools to manage stress at work and at home, and to improve their health and personal performance.

We offer confidential employee assistance programs, as well as short- and long-term disability programs. Human resources leaders review the drivers of program use to identify trends and determine ongoing support requirements. Trends and recommendations on programming changes are reviewed with the human resources committees.

Employees have access to skills training to support continued education and employability, or to help them with career transitions. Courses are offered to improve business and career skills and enhance employees' knowledge of health and wellness. We support those retiring or involuntarily leaving the company with pre-retirement planning, job placement support and severance, as applicable.

Health and safety policies are in place for each company. Emergency response procedures and processes are communicated to all employees and safety inspections are performed. Health and safety and wellness committees work on continuous improvements in these areas.

## Internships

We understand the importance of hands-on, structured work experience and mentorship within a student's education. Our operating companies offer paid internship opportunities through partnerships with a number of educational institutions and professional designation programs.

These internships help us develop our pipeline of future leaders and often lead to permanent employment within our operating companies. Working with these interns, our employees develop their mentorship and leadership skills.

## Operating company programs and highlights

### HEALTH AND WELLNESS

#### Investors Group

The company's wellness program focuses on four pillars of wellness: physical, mental, social, and financial. Throughout the year, employees are offered training and resources to help them in all four areas.

An employee-led Wellness Committee actively promotes and encourages healthy living for employees by providing support for wellness initiatives. A weekly running club is a current initiative. In 2017 the committee hosted a 10-week fitness challenge and a "Motionball" activity day in support of Special Olympics.

Investors Group also provides head office employees with convenient access to an employee financial planning centre, where they can receive professional advice from an Investors Group advisor to assist with their financial well-being.

## **Mackenzie Investments and Investment Planning Counsel**

The mandate of the health and safety committees of these companies includes "wellness," which means they focus not only on safety activities, such as workplace inspections, but also provide education and tools for employees to work on their personal, physical and mental health and wellness.

At Mackenzie Investments, every October is "Healthy Workplace Month," featuring employee lunch-and-learn sessions and on-line resources on one or more health topics. In 2017 the emphasis was on mental health through the "Not Myself Today" campaign of the Canadian Mental Health Association.

## **INTERNSHIPS**

### **Investors Group**

Investors Group has developed relationships with several partners across the country over the years, enabling the company to offer co-op, internship and graduate programs in a variety of areas, including marketing, actuarial studies, internal audit, accounting, investment management, and management development. Investors Group is one of the few companies in Manitoba, outside traditional public accounting firms, that is an approved Certified Professional Accountant (CPA) training office. This offers students a non-traditional career path to meet their practical experience requirements.

Along with Power Corporation and Great-West Life, Investors Group has committed support to the creation of the University of Manitoba's Institute for Leadership Development, a teaching and research institute focused on developing leaders in the province. This support includes funding but also a commitment to an advisory role and providing mentors and presenters for the program.

### **Mackenzie Investments**

Mackenzie Investments engages with several leading universities for co-op, intern and graduate placements to acquire top entry-level talent. In 2017 eight students participated in work rotations of a two-year internship program with Queen's University and the University of Toronto. The program features two streams – investment management and general business. In the fall of 2017, a fourth cohort of participants was recruited for the program. In addition, a variety of roles are filled each year with summer interns.







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## DEVELOPING OUR PEOPLE

GRI 103: 404 | 404: 2



### Investing in our people for growth and advancement

Our operating companies offer extensive support for developing our people's skills and capabilities including support for mandatory licenses and industry training programs. Over the years we have added a range of programs, responding to employee feedback that told us we needed to do more.

All three companies offer a variety of in-house programs to support technical skill development and leadership skills. They also encourage external training and offer reimbursement programs to help cover costs.

## Employee performance and career development

Our operating companies provide tools and support to help employees shape their career paths and grow and enrich their careers. We promote meaningful discussions with our people around performance and development and have a policy to promote from within, wherever possible.

Annual performance reviews are conducted with employees across each operating company. We view performance management as an integral part of engaging and developing our people.

## Developing leaders

Our strategies for business growth and transformation at our operating companies require a strong focus on developing our current leaders and attracting the best and brightest to lead us into the future.

We support and develop employees at all levels of the organization while working to anticipate emerging talent gaps. Our leadership development approach includes a consistent succession planning framework across all three companies to identify and develop employees who have leadership potential, and to identify successor candidates for critical senior roles. Annual talent and succession reviews use the *Learning Agility*® model to assess leadership potential, from which strategies to develop talent and other action steps are created as required. Training and resources are geared to the specific needs of both new leaders and targeted high-potential individuals, and

## 2017 KEY ACHIEVEMENTS

- Grew the experience and skills of 18% of our workforce through secondments, lateral moves or promotions
- Talent movement increased at the VP+ levels, providing development opportunities for incumbents and filling talent gaps
- Enhanced formal talent review and succession planning for senior leaders using the Learning Agility® model
- Launched “Leading Performance: Building Careers” at **Mackenzie Investments** – a new approach to performance management designed to enhance employee engagement and performance

emphasize experience-based learning.

We are also committed to diversity within our leadership team and have recently introduced the Humphrey Group *Taking the Stage*® program to assist in strengthening the leadership skills of women. The program focuses on a strong presence, communication skills, and building mentorship support.

Our strategic partnerships with leading Canadian universities help us to continue to attract top entry-level talent and to develop our pipeline of future leaders. **Investors Group**’s involvement in the University of Manitoba’s Institute for Leadership Development will allow us to play a key role in programming in this area.

## Operating company programs and highlights

### Investors Group

In addition to external training opportunities, employee training is also provided through the in-house Employee Development Centre to strengthen business and financial planning skills, career development, and health and wellness. Investors Group hosted 107 learning programs in 2017 through instructor-led and online delivery methods.

Leadership development is geared to the specific needs of each level. All leaders are required to complete three mandatory training programs that include policy knowledge, people skills, and an in-depth look at the company vision, values and commitments. Additional leadership development programs, focusing on experience-based learning, are offered. Senior leaders attend leadership roundtables to build capabilities in the areas of strategy, critical thinking, innovation, and change.

The Investors Group Institute is well known for its industry-leading training, which provides the company’s advisors with the financial competencies and skills essential to run a successful business. For the past nine years, Investors Group has finished first among full-service dealers in the “Ongoing Training” category of the Investment Executive Dealers’ Report Card. In 2017, enhancements to the development program for new advisors were put in place with an increased emphasis on application of the company’s financial planning standards, processes, and tools. The program was rebranded as the Field Mentoring Program to reflect the important role of field management as coaches and mentors for new advisors.

### Mackenzie Investments

“Leading Performance: Building Careers” – a new approach to performance management designed to enhance employee engagement and performance – was piloted in 2017. Based on best practice research, the new program recommends that employee annual objectives be SMART (Specific, Measurable, Attainable, Relevant, and Time Bound) and aligned with the company’s overall strategy, and that employees engage with their leader in ongoing performance and development discussions at least quarterly. By 2019, “Leading Performance” will be at both Mackenzie Investments and Investors Group to ensure a consistent approach for leaders with employees at both companies.

A broad range of e-learning and classroom programs are delivered and supported internally and externally to build business and professional skills. Mackenzie Investments’ training includes an annual Leadership Summit for the company’s top 125 leaders and a hallmark program, “LEADing at Mackenzie,” for high-potential leaders that features experience-based development through business challenge projects tackling real Mackenzie issues.

### Investment Planning Counsel

Each employee has at least one learning and development objective per year, and their bonus is tied to achieving it. Training for leaders is tailored to their experience and seniority. The company is currently looking to introduce a Career Planning Centre to expand its leadership training programs.

In-depth training for financial advisors, assistants, and branch managers is designed to provide knowledge and skills to help them excel and assist them with their professional growth. The approach consists of online learning tutorials, weekly virtual classrooms, and in-class training.



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## DIVERSITY AND INCLUSION

GRI 103: 405 | 405: 1



### Embracing diversity and an inclusive culture

IGM Financial's operating companies benefit from attracting a diverse workforce. Having a range of perspectives, experiences, lifestyles and cultures helps us to be innovative, make better decisions and better serve our clients.

We want our people to feel included, valued and respected, in a workplace that:

- Offers equality and diversity in employment, appointment and advancement
- Ensures that the business of the company is carried out with the highest ethical standards, guided by our Code of Conduct and Respectful Workplace policies
- Protects them from discrimination, harassment, threats or violence
- Treats them with dignity
- Is 100% committed to respectful workplace behaviour
- Voluntarily commits to support and respect internationally proclaimed human rights wherever we operate

## Governance

Our approach to diversity and inclusion starts at the top. The CEOs and Presidents of IGM Financial and **Mackenzie Investments** serve as Advisory Chairs to our Diversity and Inclusion Council who are responsible for championing diversity and inclusion initiatives, to drive awareness and involvement. The council includes senior leaders with responsibility for the **Investors Group** advisors network, as well as leadership for employees.

Implementation of the employee Diversity and Inclusion Strategy and related initiatives for our 3,500 employees is lead by the Executive Vice-President, Human Resources, together with the Vice-President, Organizational

## 2017 KEY ACHIEVEMENTS

- IGM's senior executive Diversity and Inclusion Council was formed to oversee implementation of the new Diversity and Inclusion Strategy.
- **Investors Group** deepened its commitment to Indigenous reconciliation by signing on to the City of Winnipeg Indigenous Accord.
- Opened 1st Downie-Wenjack Legacy Room in Manitoba, where our people can learn the story of residential schools and be inspired to act in the name of reconciliation.
- All three operating companies signed the UN's Women's Empowerment Principles in 2018, committing to enhancing women's equality in the workplace, marketplace and community.
- Set gender diversity targets for senior executive level positions, and for **Investors Group's** financial advisor network.
- Barry McInerney, Mackenzie Investment's President and CEO, was a featured speaker at the Toronto CFA conference, Alpha and Gender Diversity.

## RELATED RESOURCES



Management Proxy  
Circular



Development. The human resource team is our Centre of Expertise for our diversity and inclusion focus, working with employees and external partners to fulfill our strategic objectives. In 2018, the team is looking to establish employee "Partners in Action" employee affinity groups that will work together on, and sustain awareness of, key areas of focus.

With over 4,100 independently employed financial advisors located coast to coast, we are uniquely positioned to attract a diverse group of financial advisors to our company that represents the Canadians we serve.

A Diversity and Inclusion Committee made up of senior leaders reviews the diversity and inclusion practices of our advisor network. The committee spearheads a number of initiatives that focus on leadership competencies, development of mentorship programs and affinity groups, diversity training, and the piloting of diversity and inclusion recruitment tools. In addition, the Diversity and Inclusion Field Network Advisory Group, led by our Executive Vice-President of Financial Services, gives a group of advisors the opportunity to contribute their thoughts and ideas on various initiatives and policy developments.

## IGM's Diversity and Inclusion Strategy

Fundamental to our Diversity and Inclusion Strategy, was feedback received through a confidential, voluntary Diversity & Inclusion Survey completed by **Investors Group** advisors and employees across all three operating companies in 2016-17. The survey gathered information on their personal backgrounds, enabling us to better understand the composition of our workforce and our independently employed network of **Investors Group** advisors.

IGM FINANCIAL: EMPLOYEE COMPOSITION

	2016
Women <sup>1</sup>	58.6%
Visible minorities <sup>2</sup>	17.8%
Aboriginal people <sup>2</sup>	2.1%
People with disabilities <sup>2</sup>	3.8%
LGBT <sup>2</sup>	2.0%

<sup>1</sup> Includes permanent and temporary employees at December 31, 2016

<sup>2</sup> Data voluntarily disclosed through 2016 survey

INVESTORS GROUP: ADVISOR COMPOSITION<sup>1</sup>

	2016
Women <sup>2</sup>	30.0%
Visible minorities <sup>3</sup>	8.3%
Aboriginal people <sup>3</sup>	1.6%
People with disabilities <sup>3</sup>	3.7%
LGBT <sup>2</sup>	1.6%

<sup>1</sup> Commission-based advisor network

<sup>2</sup> As at December 31, 2016

<sup>3</sup> Data voluntarily disclosed through 2016 survey

Our [Data tables](#) include additional information on our workforce composition based on age and gender (GRI 405-1).

The survey also gathered information regarding perspectives and experiences with diversity and inclusion. From this information, we developed our Diversity and Inclusion Strategy with three common objectives to escalate high performance and help evolve and grow our business:



Data Table

Advance internal education, skill building and awareness

Enable upward mobility of women and other underrepresented groups through talent management

Deepen partnership opportunities with key internal and external community groups

## Advance internal education, skill building and awareness

We will enhance the skills of our people to help foster work environments where a variety of different voices are encouraged and heard.

- In 2017 our IGM Financial Operating Committee was briefed on the importance of understanding implicit biases in the workplace, and, as result, Unconscious Bias Training sessions are planned in 2018 for all employees at Investors Group and Mackenzie Investments, to help them recognize and prevent these biases in their day-to-day actions.
- Our ongoing hosting of the Kairos Blanket Exercise helps employee participants to better understand the policies and actions that have affected, and continue to affect, Canada's Indigenous Peoples.
- Our "Bias Free for an Inclusive Me" speaker series in 2018 will invite employees at Investors Group and Mackenzie Investments to hear from a variety of diverse speakers.
- Both Investors Group and Mackenzie Investments continued to offer the "Taking the Stage®" program for women, including a specialized program for Investors Group advisors, which focuses on how to drive leadership presence and effectiveness.
- Diversity and inclusion training is a priority in Investors Group advisor field management education programs, at the company's national conferences and also at local region offices. All Regional and Division directors participated in a self-assessment in 2017 to measure their individual effectiveness and commitment to being an inclusion champion.

## Enable upward mobility of women and visible minorities

Diversity in the workplace is a powerful advantage – improving our problem-solving capabilities and helping us to be more collaborative, innovative, and creative.

- A sponsorship program pairs women and people from other underrepresented groups with senior leaders to support their leadership and advancement.
- New gender-neutral recruiting work to remove impairments to the successful recruitment and selection of women – including those around job posting content, targeted sourcing strategies, candidate attraction, and interviewing.
- We are implementing talent review tracking to better measure and monitor – in regard to gender – who we hire and promote, who our potential leaders are, our succession planning needs, and how we are tracking relative to our peers.

We continue to monitor our progress annually to ensure we are making real gains regarding gender diversity

among our leaders and among our **Investors Group** advisors:

- At the IGM Board level, 33% of our directors are women, up from 6% in 2015 – the year the Board diversity policy was established.
- Among employees, our goal is to have at least 35% of each gender represented in our executive roles – Vice-President and above – by 2020. In 2017, women comprised 28% of our executive team, with women achieving 50% of the promotions at these levels.
- Among our independent financial advisors at Investors Group, the goal is to have at least 35% of each gender in the role by 2020 and at least 40% by 2025. At the end of 2017, women made up 31% of the company's total advisor network and accounted for 37% of all new recruits in 2017.

Early in 2018, all three companies became signatories to the United Nations Women's Empowerment Principles, which promote gender equality in the workplace, communities and marketplace. The Principles will guide us as we assess our policies and programs and help us to take action to empower women.

## Deepen partnership opportunities with key internal and external community groups

- To help us gain new perspectives on gender-related challenges, IGM Financial partnered with the Institute for Gender and the Economy, which promotes an understanding of gender inequalities and how they can be remedied in the world of business; and Catalyst, a global nonprofit that works with some of the world's leading companies to build workplaces that work for women.
- Investors Group has become a partner of Winnipeg's Indigenous Accord. As such, the company commits to acting on one goal each year for three years to help advance a specific Call to Action of Canada's Truth and Reconciliation Commission.
- In 2017 we opened the first Downie-Wenjack Legacy Room in Manitoba at our head office in Winnipeg, a space where our people can learn the story of residential schools and be inspired to act in the name of reconciliation. The associated financial commitment to the Downie-Wenjack Legacy Fund helps support grassroots acts of reconciliation across Canada.
- Our own people are also critical to our mission. In 2018, new employee "Partners in Action" teams at Investors Group and Mackenzie Investments will work to engage their colleagues in diversity and inclusion initiatives.
- Business Resource Groups were established by Investors Group advisors – one for women and one for Millennials – to identify and achieve goals that support improvements in their area of diversity.
- Investors Group is a supporter of the [Aboriginal Business Education Partners \(ABEP\)](#) scholarship program at the University of Manitoba and in 2017 supported the [Canadian Aboriginal Human Resource Management Association](#).
- Both Mackenzie Investments and Investment Planning Counsel support the Toronto Region Immigrant Employment Council (TRIEC) Mentoring Partnership, providing opportunities for its employees to work with new immigrants seeking employment in Canada.

Also supporting our diversity and inclusion strategy is our Respectful Workplace Policy, which all employees and **Investors Group** advisors review and acknowledge each year as part of our [Code of Conduct](#) review.







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## RELATED RESOURCES



IGM Financial  
Environmental Policy

## OUR ENVIRONMENT

GRI 103: 302, 305



We believe everyone has a part to play in protecting the environment

We believe that managing our environmental impacts contributes to running an efficient business for our shareholders, empowers our employees and financial advisors to participate in environmental initiatives, and addresses client and community expectations.

In comparison to many industries, our business operations are not directly related to the use of air, land, water or other natural resources; however, we take our shared responsibility seriously to protect the environment from harm.

Our main goals in this regard are to:

- [Reduce our environmental footprint](#)
- [Engage our people](#) to raise awareness and reduce our collective impact on the environment

## Our management approach

We impact the environment directly through our business operations and indirectly through our procurement practices and our product and service offerings. We believe that incorporating environmental considerations into our business decisions makes our business stronger and contributes to overall environmental sustainability.

We are currently focused on managing the direct impacts from our operations in four main areas— energy use, business travel, waste management and paper use.

Key to our success is promoting employee awareness and knowledge of environmental sustainability issues, and engaging our employees in managing our collective impacts. We formalize our specific commitments through an [environmental policy](#) that applies to IGM Financial and our operating companies. All employees agree to this policy annually when signing the Code of Conduct.



IGM Supplier Code of Conduct



2017 CDP Report

Expectations for our suppliers, set out in our [Supplier Code of Conduct](#), include compliance with applicable environmental laws and conducting their activities in an environmentally responsible manner, including reducing greenhouse gas emissions and water usage, increasing use of renewable or recycled content, considering biodiversity, reducing waste and pollution, and working with third parties in their supply chain to improve environmental performance.

See [Responsible Investment](#) for more information on how we integrate environmental considerations into our investment processes and products we offer.

## Responsibilities

- The Enterprise Risk Management department provides oversight, analysis and reporting on the Company's risks, including environmental risks, and reports those to our executive-management level Risk Management Committee.
- Our Corporate Responsibility Committee oversees environmental policies and plans across our operating companies.
- Business leaders direct the creation, implementation and evaluation of environmental risks and opportunities within each of their operating areas. The IGM Financial Green Council provides executive support to committed teams of employee volunteers focused on helping our people improve their environmental sustainability efforts at work and at home.

## Tracking our performance

Since 2013 we have been reporting to the CDP on our energy use and greenhouse gas emission performance – a response to investor requests to participate in the survey. In 2017, IGM Financial received a Leadership level score of A-, which is defined as demonstrating current best practices. We ranked in the top five financial services companies in Canada for the fourth year in a row.

Since 2016, we have engaged an energy and data management company to track and manage information across our offices, providing the expertise for more accurate data and recommendations for operational improvements. We have set GHG emission reduction targets for Scope 1 and 2 emissions. We will continue to look for ways to better measure and manage the impacts from Scope 3 emissions. Our targets are public in our [CDP submissions](#).

In 2016 CDP added a focus on science-based greenhouse gas reduction targets, however there is currently no methodology set for asset manager targets. We are committed to continually assessing our reduction targets as further advancements in this area occur.

We will continue to track our ongoing performance and plan for continuous improvement. For example, we use the results of waste audits in our corporate offices to highlight improvement opportunities and increase engagement with employees.



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2017 KEY

## REDUCING OUR FOOTPRINT

GRI 302: 4 | 305: 1-3, 5



Focused on improving our environmental performance

Reducing our environmental footprint contributes to the operational efficiency of our business and enables us to realize our goal to reduce greenhouse gas (GHG) emissions.

### Energy consumption

Consumption of electricity and natural gas at our owned and leased properties is the primary driver of energy use. We continually assess and work to improve our energy efficiency in owned and leased spaces and to look for opportunities to be more efficient in our use of space. We also purchase laptops, monitors, and multi-function devices that meet Energy Star guidelines.

In recent years, a number of environmental upgrades have been completed at the **Investors Group** head office, our only owned office building. In 2017 this included automating the lighting systems to turn off outside business hours.

**Investors Group** has committed to participate in the Manitoba Race to Reduce initiative through both a leadership advisory role and in actively participating in the race to reduce energy use at its head office. Race to Reduce is a challenge where commercial building landlords and tenants publicly commit to work together to reduce the total collective energy use in participating buildings by at least 10% over four years.

The remainder of our corporate office space is leased by our operating companies, and 94% of these buildings have green certifications.

**Investors Group** also leases office space across Canada for its 4,150 financial advisors and support staff. Our ability to directly manage consumption in shared leased premises is more difficult, as the vast majority of the space is in large multi-tenant buildings. Since 2016 we have engaged an energy and data management company to better track and manage information across our offices.

## ACHIEVEMENTS

- 100% of electricity and natural gas used in owned premises is from low-carbon sources
- 94% of IGM Financial's corporate office space is in green-certified buildings
- 100% computer waste landfill-avoidance through redeployment, donation and recycling
- **Investors Group** discontinued distribution of its Simplified Prospectus, saving approximately 1.6 million pages of paper annually
- Received top score for environmental performance in 2018 from ISS

## RELATED RESOURCES



IGM Financial  
Environmental Policy



IGM Supplier Code of  
Conduct



2017 CDP Report

## Business travel

As a global financial services company, we engage in business travel as a necessary part of our operations. We encourage our employees to consider their business travel requirements carefully, and we are continually improving video conferencing facilities to reduce the need for travel. We significantly reduced our commercial travel in 2017 with the introduction of online training for new **Investors Group** advisors. In 2016 we began purchasing green fuel and carbon offsets, further reducing the impact of commercial air travel by approximately 35% in 2017.

## Waste and recycling

Each of our operating companies is committed to reducing waste and recycling wherever possible.

All three operating company head office buildings offer multi-material recycling and organics composting services. We also donate used office and computer equipment to charities, and where donation of computer equipment is not possible, we partner with our suppliers to recycle the remaining electronic equipment.

Although we offer paper shredding and recycling programs at all of our offices, we are challenged in our efforts to offer consistent multi-material recycling programs across the country in our **Investors Group** leased offices due to the variety of municipal recycling capabilities and landlord approaches. **Investors Group** continues to review options and to use our influence as a tenant to increase waste diversion services across the country.

## Reducing our paper use

We continually seek opportunities to reduce paper used for communications, marketing, reporting and other business operations. We also look for ways to increase the use of recycled paper and paper from responsibly managed forests. As an example, 100% of our office paper used in photocopiers and printers is from responsibly managed forests. We also use photocopiers that are pre-programmed to print double-sided and to track usage for reporting that is used to determine priorities for paper reduction projects.

## Greenhouse gas emissions

Since 2013 we have collected data to measure our greenhouse gas emissions and address investor requests to disclose this information in CDP reporting. Though responsible management has always been part of our culture, the CDP process has increased our awareness of the impacts of our operations across Canada and the drivers of our emissions.

Read our latest [CDP report](#) for more details of our processes, assessments, and actions.

We have set short- and long-term GHG emission reduction targets for our business using 2013 as our base year:

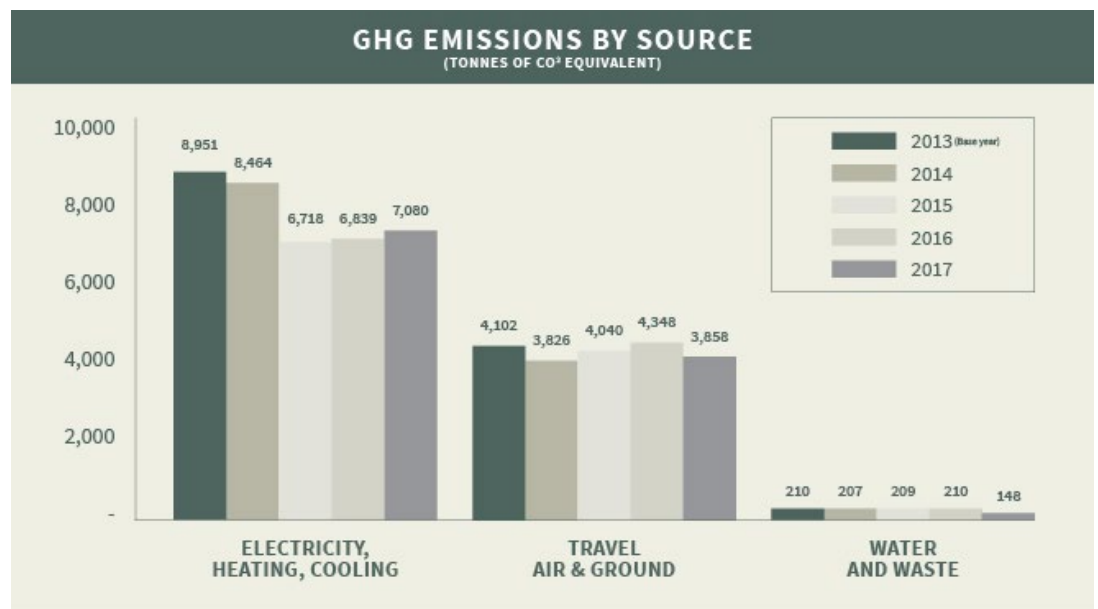
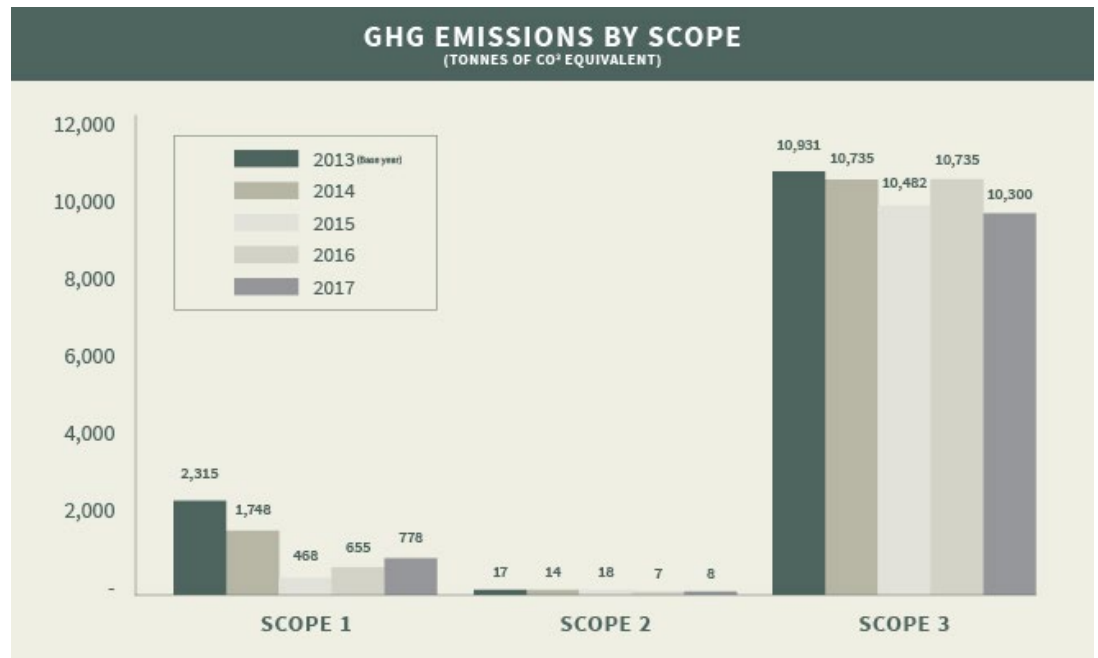
- **40% reduction in absolute GHG emissions from energy use at owned assets by 2020 (Scope 1 and 2)**  
This target represents a reduction of 933 tonnes from our 2013 emissions of 2,332 tonnes CO<sub>2</sub>e.
- **50% reduction in absolute GHG emissions from energy use at owned assets by 2036 (Scope 1 and 2)**  
This target represents a reduction of 1,166 tonnes from our 2013 emissions of 2,332 tonnes CO<sub>2</sub>e.

We will continue to assess our targets, and how these support science-based methodologies.

Our Scope 1 and 2 emissions have decreased substantially compared to our 2013 base year from energy efficiency projects and execution of our strategy to purchase renewable energy for our owned office building. We expect to meet or exceed our short and long-term reduction targets as we continue a focus on behavioural changes and

facility upgrades.

Our Scope 3 emissions have also decreased from our 2013 base year. The main drivers of this reduction are facility upgrades and consolidation of our footprint, the purchase of green natural gas, and more recently, reducing the need to travel through introduction of on-line advisor training programs. Our ongoing plans for office space consolidation are expected to contribute to further Scope 3 emissions reductions in the coming years.



## Committed to renewable energy

We are committed to increasing our use of low-carbon, renewable energy and choose a sustainable way to heat our **Investors Group** and **Mackenzie Investments** primary corporate offices with renewable natural gas.

We accomplished this through an agreement with [Bullfrog Power](#), Canada's leading green energy provider.

Bullfrog Power's green natural gas comes from a unique methane-capture project situated on a Canadian landfill. Not only does this partnership significantly reduce our greenhouse gas emissions footprint, it supports the



development of the green energy industry across Canada.

The Power Financial Corporation group of companies – **Investors Group**, **Mackenzie Investments**, **Investment Planning Counsel**, Great-West Life, London Life, Canada Life and Canada Life Europe – strategically invested in the development of a state-of-the art, energy-efficient data processing facility in Winnipeg that draws its energy from very low-carbon emission electricity.

In Manitoba, where the **Investors Group** head office and the Winnipeg data processing facility are located, about 99% of electricity is produced by GHG-free hydroelectric generating plants that do not burn fossil fuels. Forty-nine per cent of our total electricity used in all office space is situated in provinces with low carbon sources – Manitoba, Quebec, and British Columbia.

## Operating company programs and highlights

### Investors Group

Investors Group owns and operates the Winnipeg head office and contracts Sodexo for cleaning and cafeteria services. Sodexo has a strong focus on energy, water and waste reduction. Meetings are held regularly between management and Sodexo to discuss areas for improvement.

The Winnipeg head office building is also heated with Bullfrog Power green natural gas. This commitment was made in 2015 and saves close to 1,000 tonnes of CO<sup>2</sup> equivalent per year, surpassing our target to reduce GHG emissions relating to energy use in our owned property.

Investors Group follows a design standard for offices that includes the use of recycled materials, energy-efficient lighting and other environmentally friendly materials. There is also a commitment to recycle furniture and produce as little waste as possible through the project. These standards are incorporated across the country as new offices are built and others are refurbished.

### Mackenzie Investments

Mackenzie Investments' head office premises are located in certified [LEED® Gold](#) and BOMA BEST® buildings.

Bullfrog Power green natural gas has been purchased for the primary corporate office since 2015. This commitment has saved over 200 tonnes of Scope 3 greenhouse gas emissions annually.

### Investment Planning Counsel

Investment Planning Counsel situated its head office in a LEED® Gold office complex with state-of-the-art energy and water efficiency, organic composting and recycling and employee collaboration and fitness facilities. The office was built with a focus on environmentally sustainable construction materials.

IGM Financial Inc. is a member of the Power Financial Corporation group of companies. <sup>TM</sup> Trademarks owned by IGM Financial Inc. and licensed to its subsidiary corporations. Trademarks that include Investors Group are owned by IGM Financial Inc. and licensed to subsidiary corporations of Investors Group Inc. Investment Planning Counsel's trademark is owned by Investment Planning Counsel Inc. and used with permission. Mackenzie Investments' trademark is owned by Mackenzie Financial Corporation and used with permission.





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Reducing our footprint

Engaging our people



Our Communities

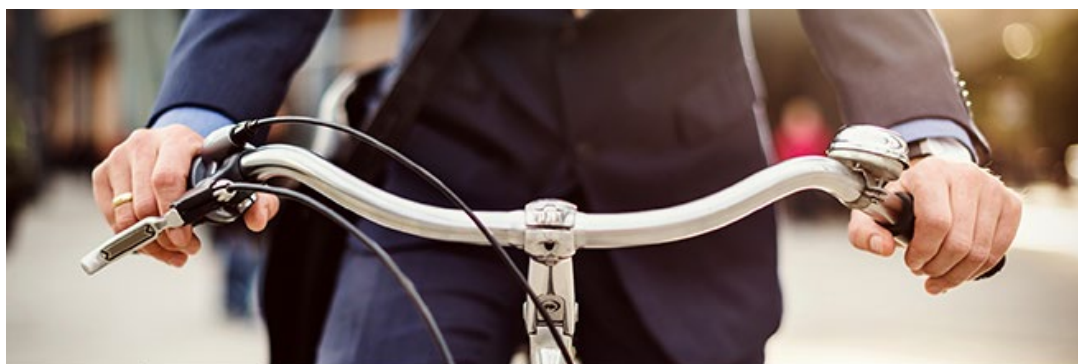


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2017 KEY

## ENGAGING OUR PEOPLE



Promoting an environmentally responsible workplace

We are committed to engaging our people in identifying, prioritizing and implementing environmental initiatives that are important to them, their communities, and our business.

### Supporting greener commuting for employees

Our operating companies' major corporate offices are located in large urban centres where public transit is a viable alternative to private transportation for our employees. We financially support our employees in their choice to use greener public commuting options. We also provide support at our head office facilities for active transportation by providing space with lockers and showers and for safe bike lockup.

**Investors Group** recently committed to be a founding sponsor of GoManitoba, an online program to assist commuters in partnering with others to carpool, bike or take transit together. This will not only assist Manitoba-based employees, but will be available for anyone commuting within the province.

### Employee engagement

The IGM Green Council is responsible for creating a consistent culture of environmental awareness and practices across IGM's operating companies. The council empowers green committees at both **Investors Group** and **Mackenzie Investments** to inspire, educate and motivate their colleagues to reduce their environmental impact both at work and at home. These green committees create customized initiatives unique to their cities and employees. Our employees regularly propose energy saving and waste reduction ideas through our green committees, employee forums and online collaboration tools. We recognize that employee engagement is key to our success in managing our environmental impacts, and we will look for additional ways to continue to tap into their creativity.

### Supporting environmental initiatives in our communities

## ACHIEVEMENTS

- **Investors Group** placed first in the 2017 Winnipeg Commuter Challenge, with more than 25% employee participation
- Across IGM, employees saved approximately 730 tonnes of CO<sub>2</sub> via company-supported public transit options, compared to driving their cars to work
- **Investors Group** was awarded “Biggest Team” at the downtown Winnipeg Earth Day clean-up
- **Investors Group** sponsored the Fort Whyte solar project, the largest solar farm in Winnipeg. The nature centre sees more than 100,000 visitors per year and includes climate change in its programming.
- **Mackenzie Investments** provided Canada Parks passes to all employees for Canada 150 – Canada’s sesquicentennial year

Supporting environmental programs in the communities where our people live and work is an important part of our environmental stewardship responsibility. In 2017 we supported organizations such as [Ducks Unlimited](#), [Nature Conservancy of Canada](#), [Green Action Centre](#), [Green Kids](#), [Prairie Wildlife Rehabilitation Centre](#), and [Fort Whyte Alive](#).

By engaging in activities such as being a founding partner of GoManitoba, taking a leadership role in [Manitoba Race to Reduce](#), and sponsoring the Fort Whyte solar project, we are helping to increase knowledge in our community to inspire people to reduce their environmental footprint.

## Operating company programs and highlights

### Investors Group

The Investors Group's Green Committee is an employee-led committee at our head office in Winnipeg. The popular committee aims to promote initiatives in four key areas: waste management and recycling, paper reduction, commuting, and energy conservation. Annual events include Winnipeg's Earth Day clean-up, the city's [Commuter Challenge](#), and Bike Week.

### Mackenzie Investments

The Mackenzie Investments Green Committee is an employee-led committee with representation from across the country. The group shares relevant information and creates engaging events to raise awareness of how employee activities at work and home can help protect and preserve the world's resources.

The Mackenzie Investments Facilities team also use visual demonstrations to educate and engage employees about their environmental impact and how to reduce it. For Earth Day 2017, the team built a large castle of paper boxes to showcase company monthly paper use and used this opportunity to provide paper reduction tips.

### Investment Planning Counsel

At the Investment Planning Counsel LEED® Gold head office building, employees have access to bike racks, electric plugs in preferred parking for green vehicles, as well as preferred parking for those who commute in a high-occupancy vehicle.



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## OUR COMMUNITIES



We are dedicated to improving the quality of life where we live and work

At IGM Financial we are inspired by the community commitment of our parent company, Power Financial Corporation, and emulate its approach. Our goals as a caring community partner are to:

- Provide [financial support](#) to our communities where our people live and work
- Encourage and [support our people in giving back](#) to our communities
- Promote the importance of [financial literacy](#) for all Canadians
- [Contribute positively to the Canadian economy](#) and society at large

Our operating companies are strategically aligned in their vision of community involvement, while adopting their own approach to philanthropy and volunteerism.

### Our management approach

Each operating company implements its own philanthropic programs, supporting local and national activities and organizations. Our community giving programs, each defined by detailed guidelines, are a balance between centralized giving directed from our corporate head offices and decentralized decisions made by our people.

At **Investors Group** the main community focus is an extension of the company's mission to inspire the financial confidence of Canadians, through helping those who may struggle in this regard: namely youth, seniors, Indigenous Peoples, and new Canadians.

At **Mackenzie Investments** the focus is on supporting grassroots charities through the Mackenzie Investments Charitable Foundation. The Foundation assists charities that benefit underprivileged, challenged and sick children, youth and young adults, especially children and youth at risk.

Mackenzie supports athletes and Canadian communities through their sponsorship of Snow Sports Canada, Alpine Ontario, and Snowboard Ontario, and of the Mackenzie Tour – PGA TOUR Canada.

At **Investment Planning Counsel** the focus is on supporting charities and causes of relevance to employees and advisors through volunteering and fundraising. In 2016 IPC launched IPC Cares, a banner under which IPC aims to bring together the community work done by its employees and advisors.

## Responsibilities

- At each operating company, philanthropy and employee involvement strategies are approved by the respective President and CEO.
- The Sponsorship and Community Engagement management teams of our operating companies review their community investment strategies annually.
- Strategic oversight of the Mackenzie Investments Charitable Foundation is by an independent board.

## Tracking our performance



**Investors Group** and **Mackenzie Investments** are each designated a Caring Company by [Imagine Canada](#), which works to strengthen Canadian charities and non-profits. Caring Companies commit to donating at least 1% of their average annual pre-tax profit to charitable/non-profit organizations, and to enabling personal giving and volunteer activities of their employees.

We measure our success in engaging employees through community involvement at each operating company. Advisor engagement is also measured at **Investors Group**.

There is a current focus in the field of philanthropy to improve data on the outcomes and impact of giving. To better understand the direct positive impacts our community support activities have across the country, we are committed to improving our abilities to capture and report on the outcomes of these efforts.



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## COMMUNITY GIVING



Our people inspire the direction of our giving

Our operating companies have a presence in many communities across Canada. Our community giving programs are a balance between centralized giving, directed from our corporate head offices, and decentralized decisions made by our people. Our people have the ability to direct donations to causes important to them and the unique needs of the communities where they live and work.

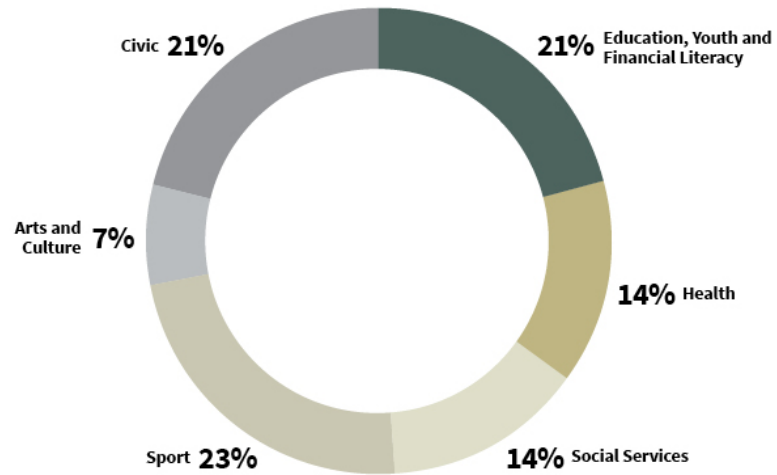
At **Investors Group** this is done by allocating budgets and decision-making to the region offices across the company, and at **Mackenzie Investments** through the employee-managed Charitable Foundation. **Investment Planning Counsel** has an employee-organized and run Spirit Committee and self-directed initiatives organized and run by advisors. All three companies also have programs set up to give additional funding to organizations that employees personally support.

**Investors Group** and **Mackenzie Investments** are each designated a Caring Company by [Imagine Canada](#), which works to strengthen Canadian charities and non-profits. Caring Companies commit to donating at least 1% of their average annual pre-tax profit to charitable/non-profit organizations, and to enabling personal giving and volunteer activities of their employees.

Each company individually manages their giving programs. Combined donations in 2017 totaled \$9.7 million, benefiting more than 1,700 community organizations.

## 2017 KEY ACHIEVEMENTS

- We supported over 1,700 charities and not-for-profits through \$9.7M in donations
- **Investors Group** region offices across Canada donated approximately \$1.7M to grassroots charities
- Our operating companies matched more than \$1M in employee personal donations
- **Mackenzie Investments** sponsored the [True Patriot Love Scotiabank Mackenzie Expedition](#) to support Veterans & honour Canada 150
- **Investors Group** restructured its “financial confidence” community engagement program to focus on youth, seniors, Indigenous Peoples, and new Canadians



## Operating company programs and highlights

### Investors Group

In 2017 Investors Group donated \$7.2 million to approximately 1,400 community organizations.

The company’s Matching Gift Program provides dollar-for-dollar matching for employees, financial advisors, and retirees who contribute to registered charities.

Employees in Action committees also engage employees to raise money, collect material donations for local causes, and assist in directing company donations to the community. These committees partner with many local community organizations and embody the spirit of Investors Group’s commitment to the community.

In 2017, Investors Group, along with its parent company Power Corporation and affiliate Great-West Life, committed to jointly donating \$10 million to the University of Manitoba to create the Institute for Leadership Development, a teaching and research facility focused on developing leaders in the province.

### Mackenzie Investments

In 2017 Mackenzie Investments contributed \$2.5 million to over 300 community and sport organizations across Canada.

The Charitable Foundation is funded by donations from employees, which are matched dollar for dollar by Mackenzie Investments, helping employees double their efforts. Every second year, the Charitable Foundation hosts a Charity Fair for employees to raise awareness of the partner charities that they support. The event serves as an opportunity to engage and educate employees. Since the Foundation was established in 1999, it has provided more than \$10 million in grants to the community.

Mackenzie Investments is fueling the passion of winter athletes across Canada with a four-year sponsorship of [Snow Sports Canada](#), touching seven premier national snow sport organizations, and supporting grassroots alpine skiing and snowboarding through multi-year partnerships with [Alpine Ontario](#) and [Snowboard Ontario](#). In 2015, Mackenzie Investments also signed a six-year partnership

with the [PGA TOUR Canada](#) to become the tour's first umbrella sponsor. In 2017, the Mackenzie Tour - PGA TOUR Canada raised more than \$1 million for 12 charities across Canada.

## Investment Planning Counsel

The Investment Planning Counsel Spirit Committee is a group of committed employee volunteers who spearhead employee charitable giving initiatives. They coordinate fundraising activities, encourage employee volunteering, and review requests for donations.





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## COMMUNITY SERVICE



### Volunteering enriches our communities

Our operating companies encourage and empower 3,500 employees, approximately 4,100 **Investors Group** advisors and approximately 800 **Investment Planning Counsel** advisors to volunteer. Our people regularly share their feelings about the importance of community service in engagement surveys.

The backbone of our commitment to community service involves facilitating volunteering with planned events and providing paid volunteer days across all of the IGM companies.

### Volunteer recognition

Each year we recognize our outstanding volunteers through the presentation of several awards:

- The Investors Group Community Impact Program to recognize employees
- The Herbert H. Carnegie community service awards for Investors Group advisors and field directors
- The Murray J. Taylor Community Builder Award for Investors Group region offices demonstrating a substantial commitment to their community
- The Mackenzie Investments' volunteer recognition event hosted by the President and CEO during [National Volunteer Week](#)
- The Steve Meehan Award to recognize an Investment Planning Counsel financial advisor who demonstrates tireless community service
- The Investment Planning Counsel Volunteer of the Year award to recognize an employee's community service

Several programs allow the most dedicated volunteers to augment the time they volunteer with financial contributions from our companies to their selected charities and not-for-profit organizations.



## 2017 KEY ACHIEVEMENTS

- 70% of **Mackenzie Investments** employees were donors to the Mackenzie Investments Charitable Foundation
- 20 employees and advisors engaged in **Investment Planning Counsel's** international project, building roads and water supply facilities in Honduras
- **Investors Group** and **Mackenzie Investments** enhanced their volunteer recognition programs to reward the positive impact that employee volunteers have on the community
- **Mackenzie Investments** employees contributed more than 800 volunteer hours with their paid volunteer day, a more than 50% increase over 2016

## Operating company programs and highlights

### Investors Group

The Employees in Action (EIA) committees raise awareness of community needs and lead the efforts of employees to serve those needs. The six EIA committees – Community Outreach, Wellness, Community Projects Fund, Social, Green, and United Way – provide a broad platform for employee volunteerism.

Investors Group has a history of attracting advisors who are ambitious and have a deep interest in community needs. Advisors across Canada are empowered to decide where in their communities they allocate a significant portion of the Investors Group charitable giving, which often leads to giving time as well.

### Mackenzie Investments

Mackenzie Investments' support and encouragement of employee volunteers is extensive. In addition to raising and distributing financial support for charitable organizations, a key role of the Mackenzie Investments Charitable Foundation is to engage employees in volunteerism. The company provides structured support for employee volunteers and rewards employees who volunteer 40 or more hours in a year by donating to their charity of choice.

### Investment Planning Counsel

Investment Planning Counsel demonstrates its commitment to community service by encouraging employee volunteerism and contributing significant time to local charities. International efforts include a multi-year relationship helping to build infrastructure in a small community in Honduras.



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## PROMOTING FINANCIAL LITERACY

GRI 203: 2 | FS: 16



We provide leadership in investor education

Financial literacy is having the knowledge, skills and confidence to make responsible financial decisions. Through the daily work of financial advisors who serve our clients, the financial literacy presentations these advisors make in the community, and through our leadership creating and partnering in financial literacy programs and curricula, we are leaders in the ongoing effort to advance the financial literacy and financial security of Canadians.

Many kids still graduate from high school and university without the ability to manage basic household expenses. Simply starting the conversation about money can often be the most difficult step. The financial literacy programs we support provide an engaging and informative way to start the conversation with teens, providing the information they need to start building healthy personal financial habits.

## Operating company programs and highlights

### Investors Group

Investors Group's ongoing collaboration with the Canadian Foundation for Economic Education (CFEE) continued to make a real contribution in 2017 to improving financial literacy – of youth and their parents. The company continued to support CFEE's **Building Futures program**, which helps provinces integrate financial education into the core curriculum for grades 4 to 10. It also supported new courses as they were developed for the high school level, including lesson plans and workshops for teacher professional development.

Building on the past success of the program in Manitoba, CFEE has worked with the province's French language curriculum department to complete a French language adaptation of the program. Work is now underway to promote the Building Futures program to teachers and schools in Ontario, and the

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## 2017 KEY ACHIEVEMENTS

- More than 500,000 copies of *Money and Youth* textbooks have been distributed since 1997, through support by **Investors Group**
- **Investors Group** developed a financial confidence strategy to target youth, seniors, Indigenous Peoples, and new Canadians

program will also support the new compulsory financial education course being introduced in Québec. Building Futures adapts to the needs of each province, and activities are underway, or planned, to support financial education in the Atlantic provinces and Saskatchewan. Building Futures leverages the popular guidebook *Money and Youth: A Guide to Financial Literacy* for high school students produced by CFEE with funding from Investors Group. *Money and Youth* is also available online and via Kobo. With support from Investors Group, more than 500,000 copies are in circulation to schools and households, helping to improve the financial literacy of Canadian youth. Investors Group has contributed \$3.7 million since 1995 to support and promote financial literacy programs for Canadian children and teens.



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## ECONOMIC VALUE CREATION

GRI 103: 201, 203 | 201: 1 | 203: 2



We provide positive economic benefits in the communities where we operate

At IGM Financial our success plays an important role in the lives of our clients, employees, shareholders, and the financial advisors who distribute our products.

In addition, IGM Financial fulfills important roles in the local economy and society:

- as a provider of valuable products and services to Canadians
- as a leading provider and advocate for professional financial advice
- as a champion of financial literacy
- as an employer
- as a member and supporter of the community
- as a taxpayer
- as a purchaser of goods and services

Our impact on the economy is widespread. As investment managers, we contribute to the economy through the efficient allocation and professional management of investment funds on behalf of our clients – across countries, industries and asset classes.

Our largest impact comes from responsibly managing our business and generating long-term value and profitability, which enables us to distribute economic value to our many shareholders and other stakeholders in Canada.

### Direct economic value

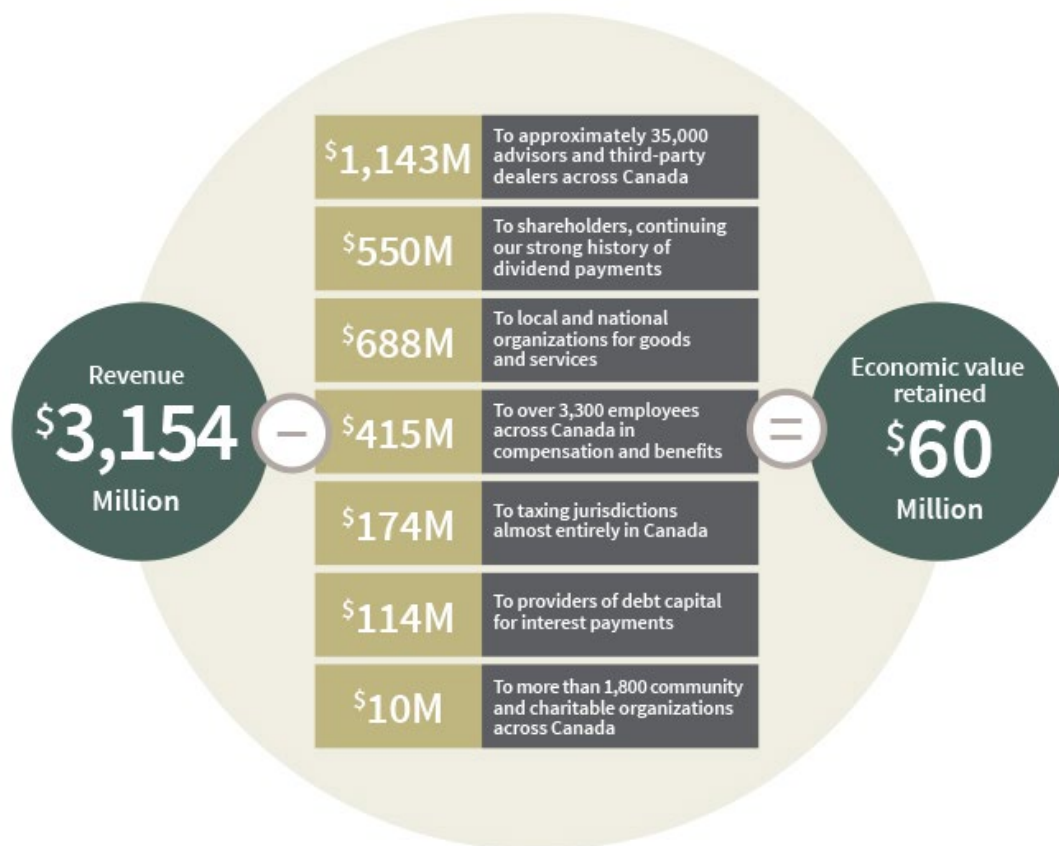
## RELATED RESOURCES



2017 Annual Report



IGM Financial Supplier  
Code of Conduct



Our [2017 Annual Report](#) and [Data Table](#) for more information on our financial performance.

## Responsible procurement

We understand that to be a responsible company means extending our environmental, social, and governance commitments to our purchasing decisions. The standards of business conduct detailed in our [Supplier Code of Conduct](#) set the bar for the companies who do business with us and their extended supply chain. Through the Code we communicate our principles to our suppliers' regarding conduct relating to business dealings, protection of corporate information, labour and human rights, and the environment, are responsible and ethical and reflect the responsible management we adhere to. See [Reducing our footprint](#) for examples of how we are practicing sustainable purchasing.



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## RELATED RESOURCES

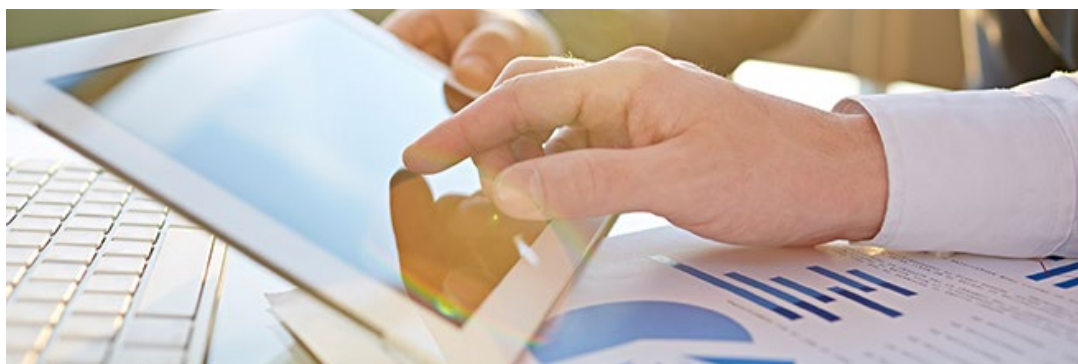


Data Table



## GRI REPORTING

GRI 102: 45, 46, 50-56



Sharing our strategy and performance through a globally recognized reporting standard

### Report on progress

This is our fifth annual IGM Financial Inc. Corporate Responsibility Report, reporting on the progress we have made in the 2017 calendar year. Three years ago we moved our report to a website format, to help you find information more easily and enable us to update information more frequently. For stakeholders seeking historical data, you will find archived versions of our Corporate Responsibility reports in the Library section of our site and in our Data Table. For 2015 and 2016 information, please see our [Data Table](#) or contact the [IGM Financial Corporate Responsibility mailbox](#).

Our report has been prepared in accordance with the GRI Standards: Core option, including the GRI G4 Financial Services Supplement, as demonstrated in the [GRI Content Index](#).

### Report scope

We describe the corporate responsibility strategy and performance of IGM Financial – a holding company whose activities are carried out principally through **Investors Group Inc.**, **Mackenzie Financial Corporation** and **Investment Planning Counsel Inc.** We have aggregated quantitative data from our operating companies as presented in our [Data Tables](#). Throughout the report we provide performance highlights reflecting the programs and achievements of IGM Financial and our operating companies.

Where appropriate, we reference other supplementary information that should be considered in assessing our performance, including our [submission to the Carbon Disclosure Project](#).

### External assurance

The information and data in this report were collected and reviewed by subject matter experts within our business



operations. While we do conduct internal checks on the accuracy and completeness of the data we report, we also recognize inherent data uncertainty.

Our Greenhouse Gas (GHG) Statement for the year ended December 31, 2017, was externally assured by PricewaterhouseCoopers LLP (PwC), an assurance and advisory firm. This external assurance was conducted to a limited level of assurance in accordance with the International Standard on Assurance Engagements 3410, Engagements on Greenhouse Gas Statements ('ISAE 3410'). The results of this assurance process are reviewed with the Executive Vice-President and Chief Financial Officer. (See the [opinion statement](#)). At the time the limited assurance engagement was undertaken, PwC did not provide IGM Financial Inc. or its operating companies with financial audit services.

## Forward-looking statements

Certain statements in this report, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial's current expectations. By its nature, this information is subject to inherent risks, uncertainties and external factors that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions which management considers to be reasonable at this time may not be correct and that objectives, strategic goals and priorities will not be achieved. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

If you have comments, suggestions or questions, email us at the [IGM Financial Corporate Responsibility mailbox](#).





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### Corporate responsibility reports

- [igmfinancial.com Corporate Responsibility Section \(at July 21, 2017\)](#)
- [Investors Group 2016 Corporate Responsibility Report](#)
- [Investors Group 2015 Corporate Responsibility Report](#)
- [2014 IGM Financial Corporate Responsibility Update](#)
- [2013 IGM Financial Corporate Responsibility Report](#)
- [GRI Content Index](#)
- [2017 Data Tables](#)

### CDP survey responses

- [2018 IGM Financial Carbon Disclosure Project response](#)
- [2017 IGM Financial Carbon Disclosure Project response](#)
- [2016 IGM Financial Carbon Disclosure Project response](#)
- [2015 IGM Financial Carbon Disclosure Project response](#)
- [2014 IGM Financial Carbon Disclosure Project response](#)

### Principles for Responsible Investment reports

- [2018 Investors Group RI Transparency Report](#)
- [2018 Mackenzie Investments RI Transparency Report](#)
- [2017 Investors Group RI Transparency Report](#)
- [2017 Mackenzie Investments RI Transparency Report](#)
- [2016 Investors Group RI Transparency Report](#)
- [2016 Mackenzie Investments RI Transparency Report](#)



## Governance

- [Anti-Bribery and Anti-Corruption Policy](#)
- [Policy Regarding Reporting Concerns](#)
- [Responsible Investing Policy - Investors Group](#)
- [Responsible Investing Policy - Mackenzie Investments](#)
- [Responsible Investing Policy - Investment Planning Counsel](#)
- [IGM Financial Environmental Policy](#)
- [2017 Management Proxy Circular](#)

## Code of Conduct

- [IGM Financial Code of Business Conduct](#)
- [IGM Financial Supplier Code of Conduct](#)