

# TCFD Report

We believe that financial services companies have an important role to play in addressing climate change, which is why we support the TCFD recommendations. We recognize that full implementation of TCFD will be a multi-year journey for IGM and our operating companies, involving various business areas including enterprise risk management, corporate sustainability, investment management and financial reporting.

Here is a summary of our approach in line with the TCFD recommendations, including the supplemental guidance for asset managers:

TCFD Topic	Our IGM Approach
<b>GOVERNANCE: Disclose the organization’s governance around climate-related risks and opportunities</b>	
Describe the Board’s oversight of climate-related risks and opportunities	<p>IGM’s Board is responsible for providing oversight on risk and strategy, which includes sustainability and climate-related matters.</p> <p>Our Board has approved a <a href="#">Corporate Sustainability Statement</a> which formalizes our longstanding commitment to sustainability. The Board meets with management at least annually to discuss plans and emerging ESG issues, including climate.</p> <p>Through its Risk Committee, the Board is responsible for ensuring that material ESG and climate-related risks are appropriately identified, managed and monitored. Its responsibilities include ensuring that appropriate procedures are in place to identify and manage risks and establish risk tolerances; ensuring that appropriate policies, procedures and controls are implemented to manage risks; and reviewing the risk management process on a regular basis to confirm that it is functioning effectively.</p>
Describe management’s role in assessing and managing climate-related risks and opportunities	<p>The senior-most leaders at each of our operating companies have primary ownership and accountability for the ongoing climate risk and opportunity management associated with their respective activities.</p> <p>IGM’s Sustainability Committee is composed of senior executives who are responsible for ensuring implementation of policy and strategy, establishing goals and initiatives, measuring progress, and approving annual reporting of ESG matters. The coordination and implementation of the program is carried out by IGM’s Corporate Sustainability Team. Our executive Risk Management Committee is responsible for oversight of the risk management process, including climate risks. Our Chief Financial Officer oversees implementation of the corporate sustainability and enterprise risk management programs.</p> <p>We have established a cross-functional, enterprise-wide TCFD Working Group of senior leaders to lead the planning and implementation of the TCFD recommendations. The group is focused on enhancing our knowledge and tools to quantify climate risks in tandem with our industry; further integrating climate into our business strategy, operations and product offerings; evolving our engagement approach with investee companies; and addressing increased disclosure expectations.</p> <p>The Mackenzie Sustainability Steering Committee is chaired by the Head of Sustainable Investing with executive membership from across IGM and Mackenzie, including the Mackenzie President and CEO, and Co-Chief Investment Officers. The committee is responsible for approving and governing corporate and sustainability related policies; approval and oversight for investment stewardship priorities, including climate; approval and monitoring for targets related to climate change; and evaluation of progress relative to key performance indicators, strategy roadmap and the market.</p> <p>The IG Wealth Management Sustainable Investment Committee is chaired by the Senior Vice-President, IG Investments and is composed of senior leaders across IG Wealth Management and IGM Financial. The committee is responsible for reviewing and approving sustainable investing and ESG matters brought forward to the committee. Sustainable investing matters include, but are not limited to, establishing beliefs, defining strategies/approach, consideration of new product needs, evaluating and considering climate-related risks and opportunities, monitoring industry developments, liaison with internal and external stakeholders, oversight of operational execution, research of service providers/tools, and communication with employees, consultants and clients.</p>

» Our support for TCFD is also aligned with our longstanding commitment to participate in the annual CDP survey, which promotes corporate disclosures on GHG emissions and climate change management. For the past five years, we were recognized by CDP as a corporate leader in climate change disclosure.

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<p><b>STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material</b></p> <p>Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term</p> <p>Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning</p>	<p>Through IGM’s wealth and asset management businesses the company plays a critical role in the global transition to a low-carbon economy. IGM has detailed its climate commitments in a position statement on our website, with a focus on three key areas:</p> <ol style="list-style-type: none"> <li><b>1. Investing in a greener, climate resilient economy</b> – Our investment processes and products give us the opportunity to manage climate risks and create innovative solutions to our ongoing climate issues.</li> <li><b>2. Collaborating and engaging to help shape the global transition</b> – We play a vital role in bringing climate-smart investment advice and solutions to clients, helping companies adapt, and participating in industry and policy advancements.</li> <li><b>3. Demonstrating alignment through our corporate actions</b> – We will hold ourselves to a similar standard that we expect from the companies we invest in and empower our employees to stand behind our commitments.</li> </ol> <p>Our operating companies are active participants in collaborative industry groups that support our climate commitments and are aimed at improving climate change governance, reducing emissions and strengthening climate-related financial disclosures. IGM Financial also joined the Partnership for Carbon Accounting Financials (PCAF) to support the journey to measure and disclose the GHG emissions associated with our mortgage loans and investments.</p> <p>Climate-related risks and opportunities are identified and assessed within IGM through our business planning processes that define our strategic priorities, initiatives and budgets. Our climate-related risks and opportunities can be grouped into the physical impacts of climate change and the impacts related to the transition to a low-carbon economy.</p> <p><b>Risks</b></p> <p>Our climate risks relate primarily to the potential for physical or transition risks to: negatively affect the performance of our clients’ investments, resulting in reduced fee revenue; harm our reputation; create market risks through shifts in product demand; or lead to new regulatory, legal or disclosure requirements that could affect our business. Diversification within and across our investment portfolios aids in managing exposure to any one company, sector or geographic region that might be exposed to climate-related risks.</p> <p>We are also exposed to the impact of extreme weather events on our corporate properties which could lead to business disruption, and on the valuations of investment properties and client mortgages, which if not addressed proactively, could affect financial performance and the ability to use the assets long-term.</p> <p>Our operating companies are committed to sustainable investing programs and policies that include a focus on climate risk. We provide data and tools for our investment teams to carry out current and forward-looking climate analysis and we integrate material climate risks into our investment and oversight processes for investment management sub-advisors. As part of the hiring process and ongoing assessment of sub-advisors, our teams request information about how ESG, including climate risks and opportunities, is resourced, what processes and tools are used, metrics and targets, and how strategy and governance are influenced. As we continue to implement the TCFD recommendations, we are devoting increased resources to areas such as training, analysis, metrics, target-setting, strategy planning and working collaboratively with organizations.</p> <p><b>Opportunities</b></p> <p>We are focused on meeting growing demand for sustainable investing and the opportunity to invest in the transition to a net-zero economy. We are also increasing our focus on educating and communicating with clients and advisors on sustainable investing and climate change.</p> <p>At Mackenzie, sustainable investing is an area of strategic emphasis, and we have established a dedicated team of nine experts within Mackenzie’s Sustainability Centre of Excellence who bring focus to ESG and climate across the organization. Mackenzie has an investment boutique, Greenchip, which focuses exclusively on thematic investing to combat climate change. In 2021, Mackenzie launched the Betterworld Team, which invests in companies that are making a positive impact on the people and the planet, and expanded its suite of climate offerings through the addition of the Mackenzie Greenchip Global Balanced Fund, the Mackenzie Global Sustainable Bond ETF, and the Mackenzie Global Green Bond Fund.</p> <p>At IG, we have integrated environmental and climate issues into our sub-advisory selection and oversight processes, and product development strategy. In 2021, IG launched its Climate Action Portfolios, a suite of four diversified managed solutions that aim to provide clients with the opportunity to support and benefit from the global transition to net-zero emissions.</p>

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Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>We have implemented a tool to enhance our quantitative assessment of climate risks in our investment funds by analyzing emissions and other climate-related information at the investee company and portfolio levels. This system enables us to model potential transition pathways and track our portfolios against the goal of limiting global warming to 2°C above pre-industrial levels, and examine the adequacy of emissions reductions over time in meeting the goals of the Paris Agreement.</p> <p>We are exploring scenario analysis tools with external data providers to support us in our efforts to run climate-related scenario analysis across our business.</p>
Describe how risks and opportunities are factored into relevant products or investment strategies and describe related transition impact	<p>IG and Mackenzie, and their investment sub-advisors, are signatories to the PRI. Under the PRI, investors formally commit to incorporate ESG issues, including climate change, into their investment decision making and active ownership processes. In addition, IG, Mackenzie and IPC have implemented sustainable investing policies outlining the practices at their respective companies.</p> <p>We also offer a number of thematic and impact funds addressing ESG and climate-related considerations, consistent with our strategy to offer a broad number of investment options for our clients.</p>
<p><b>RISK MANAGEMENT: Disclose how the organization identifies, assesses and manages climate-related risks</b></p>	
Describe the organization's processes for identifying and assessing climate-related risk	<p>Assessment and management of climate-related risks is integrated into our ERM Framework.</p> <p>We use a consistent methodology across our organizations and business units for identification and assessment of risks, considering factors both internal and external to the organization. These risks are broadly grouped into five categories: financial, operational, strategic, business, and environmental and social (including climate change risks). We are increasingly focused on defining the relationship of climate risk to other material risks.</p>
Describe the organization's processes for managing climate-related risks	<p>Risks are assessed by evaluating the impact and likelihood of the potential risk event after consideration of controls and any risk transfer activities. The results of these assessments are considered relative to risk appetite and tolerances and may result in action plans to adjust the risk profile. Risk assessments are monitored and reviewed on an ongoing basis by business units and by oversight areas including the ERM department. The ERM department promotes and coordinates communication and consultation to support effective risk management and escalation. It regularly reports on the results of risk assessments and on the assessment process to the Risk Management Committee and to the Board of Directors.</p>
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	<p>At Mackenzie, each boutique investment team is responsible for determining when and how climate transition and physical risks are material, and for incorporating these risks into their investment process. At IG and IPC, management evaluates the sustainable investing practices of investment manager sub-advisors, including the integration of climate risks into their investment and active ownership practice.</p>
Describe how material climate-related risks are identified and assessed for each product or investment strategy	
Describe how material climate-related risks are managed for each product or investment strategy	

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<p>Describe engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers' ability to assess climate-related risks</p>	<p>To maximize stewardship efforts, engagement at Mackenzie is undertaken both internally and by a third-party engagement specialist where climate change is a priority engagement topic. At IPC, a pooled engagement service provider is used to work with companies to enhance corporate behaviour and strategy related to topics including climate change. At IG, investment management sub-advisors, including Mackenzie, are responsible for engagement activities and IG monitors their practices as part of regular due diligence and oversight.</p> <p>Mackenzie is a founding participant in Climate Engagement Canada and participates in CERES' Investor Network on Climate Risk. Both Mackenzie and IG joined Climate Action 100+ and became founding signatories to the Canadian Investor Statement on Climate Change.</p>
<p><b>METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b></p>	
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>We set, monitor and report on climate change-related metrics and targets annually in our detailed CDP response and our Sustainability Report.</p> <p>At Mackenzie, each boutique investment team is responsible for integrating ESG into its investment process, including determining appropriate GHG emissions and other metrics to assess climate-related risks and opportunities in investment strategies. The teams have access to ESG data tools and metrics to support their assessment.</p> <p>We report Scope 1, 2 and 3 GHG emissions, where possible, including a portion of our Scope 3 investment emissions. We are continuing to expand and enhance our measurement and reporting of emissions related to our investment portfolios as tools and information improves.</p>
<p>Describe metrics used to assess climate-related risks and opportunities in each product or investment strategy</p>	<p>Our GHG Statement for the year ended December 31, 2021 was independently assured by PwC.</p> <p>PwC performed a limited assurance engagement over the following: total Scope 1 emissions, total Scope 2 emissions and business travel (air and ground) Scope 3 emissions.</p>
<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p>	
<p>Asset managers should provide the weighted average carbon intensity, where data are available or can be reasonably estimated, for each product or investment strategy</p>	
<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Through IGM's Climate Position Statement, we have set a target to be climate neutral in our corporate offices and travel by 2022. We also commit to setting interim targets for investment portfolios, consistent with the global ambition to achieve net-zero emissions by 2050.</p> <p>As such, Mackenzie joined the Net Zero Asset Managers Initiative and will set, by the end of 2022, an interim investment target in line with the attainment of net-zero emissions by 2050.</p>