



# IVEY FOUNDATION

ANNUAL REPORT 2017

*70th Anniversary*



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IVEY *foundation*

TORONTO ONTARIO CANADA 2018

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COVER & TITLE-PAGE DETAIL

*Rainfall at Wilfred Pond*  
Peter Sibbald Brown

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IVEY FOUNDATION  
11 Church Street, Suite 400  
Toronto, Ontario  
M5E 1W1  
Canada

Tel 416.867.9229  
Fax 416.601.1689  
[www.ivey.org](http://www.ivey.org)

ISBN 978-0-9950977-2-8

## IVEY FOUNDATION

The Ivey Foundation is a private charitable foundation located in Toronto, Canada. It was incorporated as The Richard Ivey Foundation on 31 December 1947 by the late Richard G. Ivey, Q.C.,LL.D., and his son Richard M. Ivey, C.C.,Q.C.,LL.D. The mission of the Foundation is to improve the well-being of Canadians by focusing its resources on selected issues of significance. With a long history of supporting excellence and valuing transparency and accountability, the Foundation also embraces change as a necessary part of its evolution.

### DIRECTORS & OFFICERS

Rosamond Ivey *Chair*  
Suzanne Ivey Cook *Vice-Chair*  
Richard W. Ivey *Secretary/Treasurer*  
Jennifer Ivey Bannock  
Bruce Lourie *President*

### HONORARY DIRECTOR

Richard M. Ivey

### STAFF

Bruce Lourie *President*  
Andrea Moffat *Vice-President*  
Lorne Johnson *Senior Advisor*  
Ashley Manson *Executive Assistant/Office Manager*  
Faye Cao *Bookkeeper*

### PROGRAM COMMITTEE

Avrim Lazar *Chair*  
Suzanne Ivey Cook *Vice-Chair*  
Jennifer Ivey Bannock  
Guy Burry  
Katie Sullivan

## ACTIVATING THE INVESTMENT PORTFOLIO

Rosamond Ivey, *Chair*

In May of last year I wrote about the Ivey Foundation's efforts to activate its investment portfolio by using all of its assets as a tool for making progress toward its mission and goals.

One year later, having studied, researched, questioned and discussed widely with experts, peers and fellow investors, we are better informed with a deeper understanding of the complexities of this still rapidly-evolving landscape.

The past year has seen advancement in the pace of two significant activities: large public pensions and endowments seeking out and incorporating ESG mandates or applying ESG filters for growing portions of their portfolios, and money managers "mainstreaming" ESG efforts in their offerings. While both of these advancements bode well for our world, it remains a muddy pond. The rush by managers to market ESG expertise invites brand "puffery," when skillful marketing might be prioritised over investment-process skill. Additionally, with growing pension capital being directed to ESG filtering, there is the risk of diminished capital investment being directed to sectors and companies that actually contribute to meaningful sustainability solutions.

Having said that, to the extent that the best intentions are backed up by the required expertise, resource allocation and effort, the long-term impact on our civil society and environmental health will be felt.

With that optimism the Ivey Foundation's sustainable investing portfolio continues to evolve. We began "activating" the assets more than ten years ago, taking into consideration our resources of time and expertise to improve the alignment of investments with mission and impact. Since 2015, the portfolio's sustainable assets have grown from 7.4% of total assets to 17% by mid 2018. The portfolio includes provincial green bonds, a themed global cleantech fund, a US-based cleantech private equity fund, a direct equity position in a Canadian-based global renewable energy company, a credit facility in support of an investment platform in the clean energy distribution market and a project lending investment in a Toronto-based clean energy improvement organization.

The Ivey Foundation will continue the necessary due diligence to efficiently and effectively shift its assets along the sustainable investing continuum, and it remains engaged, optimistic and results-oriented. I look forward to sharing the steps taken as we continue the journey.

## THE IMPORTANCE OF BEING COLLABORATIVE

Bruce Lourie, *President*

As we contemplate the 70th anniversary of the Ivey Foundation, it seems appropriate to highlight one of its core values. Collaboration has become a hallmark of the Ivey Foundation's approach to philanthropy and having grown in importance over the past two decades, is now central to its work.

Three years ago, the Ivey Foundation launched the Economy and Environment [EE] Program which focuses on creating collaborations across a broad spectrum of expertise in innovative thought-leadership towards a sustainable economy. Integrating the economy and the environment, by reconciling the forces that promote economic prosperity with those advancing ecological protection, is fundamental to the Program.

In 2017, the need for such reconciliation could not have been clearer, or more challenging, as the divisive politics of “pipelines are the problem” and “carbon pricing is the solution” played out across the country. It is easy to fall into the trap of this simplistic black and white juxtaposition; the political and economic realities are far more complex.

As the Foundation's Program developed, it became obvious that our aspirations far exceeded our financial and person-power capacities to operate in this complex environment. To succeed, we would need to find allies in our mission, partner with co-funders, collaborate with government agencies and leverage our convening experience. Indeed, these actions are directly reinforced in a recently-published report titled *Being the Change*<sup>1</sup> where the authors note that “human capital can have a multiplier effect on financial capital when staff members have the time and space to partner deeply with grantees, influence the decisions of other actors, and make more efficient use of foundation resources.”

By convening experts from academia, government, industry, and NGOs we are able to generate new ideas, new analysis and different approaches to tackling highly complex issues requiring systemic change. And as the challenges and scale of investment are so immense, relative to the resources of any one organization, we sought out other foundations with similar aspirations to form a collective understanding of the need for diversity of perspective and shared learning to accelerate the transition to a sustainable economy.

**More specifically** the Ivey Foundation, together with a number of its partners in environmental grant making, launched the Clean Economy Fund [CEF] as a new, public charitable foundation. CEF is designed to identify, develop and support solutions-oriented initiatives that bridge the economy-environment divide. Although collaboration is not a new idea, it requires considerable effort, aided by the professional support that CEF provides. The members of CEF see value in the idea of a collective think-tank. CEF has commissioned vital research; supported the development of innovative concepts and intellectual capital; and with these, leveraged development-phase funding for several new initiatives designed to rethink Canada's approach to a clean and sustainable economy.

Now in its third year of operation, with participation by over a dozen foundations from across Canada, and representing \$60 million in annual environmental granting, the CEF, by most measures, has been a great success. It has demonstrated the power of a diversity of views, co-creation, and the spreading of risk for ground-breaking initiatives in the complex and politically charged low carbon solutions space.

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I. Stevenson, A. et al. *Being the Change: 12 Ways Foundations Are Transforming Themselves to Transform Their Impact*. FSG, 2018.

## ECONOMY &amp; ENVIRONMENT

**Building an Effective National Champion for Energy Efficiency**

Carleton University, Ottawa, \$350,000 (over two years)

*Rebuilding the capacity in Canada for an effective national voice in support of the economic and environmental benefits of energy efficiency as the first, and most cost-effective means of addressing future energy needs. Carleton University will house a new and broadly supported initiative that will be named the Efficiency Canada.*

**Research Priorities for 2017–2018**

Clean Economy Fund, Toronto, \$210,000

*Supporting research on several emerging clean economy priorities where there is potential to advance the clean economy agenda and strengthen philanthropic collaboration. Topics included: Agricultural Innovation, Supporting Conservative Voices, Rebranding Canada as a Low Carbon Transition Economy, and Sustainable Finance.*

**Protecting the Boreal Forest with Stand.earth**

CPAWS, STAND (formerly ForestEthics), Ottawa, \$75,000

*Increasing engagement of forest companies in the CBFA as a means of preserving progress gained under Ivey Foundation's earlier Conserving Canada's Forests Program.*

**Environmental Law Reform in Canada**

Ecojustice, Toronto, \$100,000

*Supporting the federal government's review of five of the most important pieces of environmental legislation in Canada. Specifically, to support the adoption of environmental measures as recommended by the various independent review panels.*

**Building on Leadership: Strengthening Nova Scotia's Clean Economy**

Ecology Action Centre, Halifax, \$105,600

*Expanding Nova Scotia's commitments to a clean economy by supporting research and active public engagement across key policy issues including the development of the province's cap and trade program, implementation of energy efficiency priorities, and the adoption of a regional greenbelt.*

**Securing a Federal Climate Strategy and a Clean Economy**

Environmental Defence Canada, Toronto, \$100,000

*Engaging and supporting the federal government's implementation of the Pan-Canadian*

*Framework on Clean Growth and Climate Change to ensure meaningful actions on both carbon pricing and complementary policies.*

#### Field-Testing New National FSC Standard

FSC Canada, Montreal, \$75,000

*Supporting field-testing of the new FSC national standard and ensuring it sets a high but achievable benchmark.*

#### Building IISD's Capacity to Contribute to Canada's

##### Low Carbon Economy Transition

International Institute for Sustainable Development, Winnipeg, \$300,000  
(over two years)

*Building IISD's capacity to increase its impact in Canada through the effective implementation of Canada's carbon pricing commitments through cooperation with provinces and states; building and advancing the work on Comprehensive Wealth in Canada; and exploring distributed green infrastructure as a regional climate solution on agricultural land in the Canadian Prairies.*

#### Accelerating Energy Efficiency:

##### Removing Barriers and Advancing Policy and Market Solutions in Key Jurisdictions

Pembina Foundation, Calgary, \$160,000 (over two years)

*Supporting the implementation of stronger energy efficiency actions federally and in Alberta by highlighting the benefits, building a constituency to overcome barriers, and developing well-informed roadmaps for energy efficient and net-zero energy buildings.*

#### Accelerating Canada's Clean Energy Transition

Simon Fraser University, Clean Energy Canada, Vancouver, \$300,000  
(over two years)

*Supporting the implementation of the Pan-Canadian Framework on Clean Growth and Climate Change with a focus on growth in clean economy jobs, transportation and renewable energy.*

#### North American Low Carbon Convening Series

University of Ottawa, Smart Prosperity, Ottawa, \$95,000

*Supporting the development of an integrated Canada-U.S. strategy to build broad-based support for low carbon policies, in particular carbon pricing, among diverse voices including conservative-minded individuals. The aim is to create an enduring policy environment recognizing the reality of integrated Canada-U.S. trade, corporate activity, political influence and environmental policy. This is a planning, research and feasibility grant.*

## PAYMENTS ON PREVIOUS GRANT COMMITMENTS

### Developing a Low Carbon Economy for Canada

Conference Board of Canada, Ottawa, \$150,000 (of \$300,000)

### Professional Development on Price-Based Instruments (Phase 3)

McGill University, Montreal, \$130,800 (of \$280,800)

### Canada's Ecofiscal Commission

McGill University, Montreal, \$225,000 (of \$675,000)

### Social Currents

Simon Fraser University, Beedie School of Business, Vancouver, \$150,000 (of \$300,000)

### Enviro ELP 2.0 (Phase 2)

Sustainability Network, Toronto, \$55,000 (of \$110,000)

### Renewal: Communicating Progress in Advancing Ontario's Low Carbon Economy

Sustainability Network, Sustainability CoLab, Toronto, \$75,000 (of \$150,000)

### SHIFT Initiative

Tides Canada, Vancouver, \$50,000 (of \$200,000)

## STRATEGIC OPPORTUNITIES

### Launching Energy Efficiency and Climate Action Education in Alberta Schools

Alberta Council for Environmental Education, Alberta, \$15,000

### Ecological Economics Special Issue

*Alternatives Journal*, Toronto, \$20,000

### 2018 Core Membership Support

Biodiversity Funders Group, San Francisco, USA, \$4,550 USD

### Capital Markets Briefing in Boston

Biodiversity Funders Group, San Francisco, USA, \$7,000 USD

### Sustaining Member and Low Carbon Economy Support

Canadian Environmental Grantmakers' Network, Toronto, \$15,000

### Impact of Carbon Management Policies on Electricity Markets in Canada

Canadian Energy Research Institute, Alberta, \$20,000

Canadian Urban Sustainability Practitioners'  
2017-2019 Strategic Plan Implementation  
City of Surrey, Surrey, \$25,000

Scenario Analysis to Address Climate-Related Risks Roundtable  
SHARE (Columbia Institute), Toronto, \$17,750

Explaining Why Ontario's Greenbelt and Growth Plan is Key to  
More Affordable, Mixed Use, Complete Communities  
Environmental Defence Canada, Toronto, \$10,000

Federal Green Bank Recommendations for the Canadian Infrastructure Bank  
Evergreen, Toronto, \$15,000

Sector Champions  
Imagine Canada, Toronto, \$5,000

Canada's Clean Energy Economy – National Observer Series  
National Observer (Institute for Sustainability, Education and Action),  
Salt Spring Island, \$30,000

Assessment of Green Economy Initiatives in Canada  
University of Toronto, Martin Prosperity Institute, Toronto, \$20,000

Strathmere Group Renewal: Enhancing Federal Government Relations Capacity  
for Canada's Environmental Movement  
Pembina Foundation, Calgary, \$15,000

Freight Thought Leader Forum: On the Road to Freight Excellence  
Pembina Foundation, Calgary, \$10,000

Membership 2017/2018 and Education Support Regarding Political Activities  
Among Charities  
Philanthropic Foundations Canada, Montreal, \$33,025

Supporting Implementation of the Pan-Canadian Framework  
Simon Fraser University, Clean Energy Canada, Vancouver, \$15,000

Circular Economy Campaign Support  
University of Ottawa, Smart Prosperity Institute, Ottawa, \$5,000

## DIRECTOR-INITIATED

Innovation for a Green Economy: Bio-Inspired Solar Energy

Canadian Institute for Advance Research (CIFAR), Toronto, \$225,000  
(over three years)

## PAYMENTS ON PREVIOUS GRANT COMMITMENTS

The New Grange Park

Art Gallery of Ontario, Toronto, \$125,000 (of \$250,000)

Last Mile Campaign

MaRS, Toronto, \$100,000 (of \$300,000)

## IVEY FOUNDATION

*The Ivey Foundation is committed to sustainable investing.  
In an efficient and effective manner, it makes sustainable investments  
that align with its mission and goals, and takes into consideration  
its history, values and operations.*

## SUMMARY OF GRANTS 1948-2017

	Environment & Conservation	General/Director- Initiated	Total Grants Approved	Program Expenses	Grants & Program Expenses Paid
1948-2014	\$ 30,907,792	\$ 49,977,213	\$ 80,885,005	\$ 3,499,621	\$ 83,559,623
2015	\$ 1,960,893	\$ NIL	\$ 1,960,893	\$ 808,762	\$ 3,194,655
2016	\$ 2,768,988	\$ 560,000	\$ 3,328,988	\$ 730,826	\$ 2,699,014
2017	\$ 2,152,925	\$ 225,000	\$ 2,377,925	\$ 925,496	\$ 3,689,221
	\$ 37,790,598	\$ 50,762,213	\$ 88,552,811	\$ 5,964,705	\$ 93,142,513

## AUDITOR'S REPORT

### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members,  
Ivey Foundation

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2017, and the summary statement of operations and net assets for the year then ended, are derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated May 25, 2018. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Ivey Foundation.

**MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS** Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

**AUDITOR'S RESPONSIBILITY** Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

**OPINION** In our opinion, the summary financial statements derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2017 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

*Cowperthwaite Mehta*

Chartered Accountants  
Licensed Public Accountants  
May 25, 2018  
Toronto, Ontario

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#### CRITERIA APPLIED IN THE PREPARATION OF THE SUMMARIZED FINANCIAL STATEMENTS

The criteria applied by management in the preparation of these summary financial statements are as follows:

a) The information in the summarized financial statements is in agreement with the related information in the complete financial statements; and b) The summarized financial statements contain all the information necessary to avoid distorting or obscuring matters disclosed in the complete financial statements, including the notes therein.

Management determined that the statement of changes in net assets and the statement of cash flows do not provide additional useful information, and as such has not included them as part of the summary financial statements.

**IVEY FOUNDATION**  
**SUMMARIZED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER**

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,933,773	\$ 2,783,956
Investments	94,033,319	91,309,811
Other assets	506,461	541,969
	<u>98,473,553</u>	<u>94,635,736</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	177,298	194,764
Unpaid grants	1,375,000	1,760,800
	<u>1,552,298</u>	<u>1,955,564</u>
<b>NET ASSETS</b>		
Restricted	4,298,063	3,979,176
Unrestricted	92,623,192	88,700,996
	<u>96,921,255</u>	<u>92,680,172</u>
	<u>98,473,553</u>	<u>94,635,736</u>

**SUMMARIZED STATEMENT OF OPERATIONS**  
**FOR THE YEARS ENDED 31 DECEMBER**

	2017	2016
<b>REVENUE</b>		
Realized gain on sale of investments	\$ 6,639,290	\$ 3,477,850
Interest, dividends and other income	2,224,821	2,529,397
Change in unrealized gains (losses)	(954,579)	1,189,848
Total revenue	<u>7,909,532</u>	<u>7,197,095</u>
<b>EXPENDITURES</b>		
<b>MANAGEMENT &amp; ADMINISTRATION</b>		
Investment management, custodian and audit fees	488,842	434,049
Other	231,925	213,435
Total management and administration	<u>720,767</u>	<u>647,484</u>
<b>NET REVENUE BEFORE GRANTS &amp; PROGRAM EXPENSES</b>	<u>7,188,765</u>	<u>6,549,611</u>
<b>GRANTS &amp; PROGRAM EXPENSES</b>		
Grants	2,377,925	3,328,988
Program expenses	925,496	730,826
Total grants and program expenses	<u>3,303,421</u>	<u>4,059,814</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>3,885,344</u>	<u>2,489,797</u>

WWW.IVEY.ORG