# IVEY foundation

ANNUAL REPORT 2019

# IVEY FOUNDATION

**The Ivey Foundation was incorporated as a private charitable foundation 31 December 1947 by the late Richard G. Ivey, Q.C., LL.D., and his son the late 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.**

**The primary focus of the Foundation is the Economy and Environment Program, established in 2014 as a strategic priority. Through the Program, the Foundation supports new thinking around innovative approaches to policy and practice that advance sustainability in Canada. Working in this dynamic space requires iterative learning and adaptation based on Canada's shifting socio-economic and political contexts, and the feedback from organizations we support.**



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**Front cover photo: Suzanne Ivey Cook**



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## IVEY FOUNDATION

**11 Church Street, Suite 400**
**Toronto, Ontario Canada M5E 1W1**
**Tel 416.867.9229**

**Email: info@ivey.org • www.ivey.org**
**Charitable Registration Number: 119118578 RR0001**

# IVEY FOUNDATION

**The Foundation was deeply saddened by the death of Richard M. Ivey on December 28, 2019 at the age of 94. Richard was a Co-Founder of the Foundation, a director for 50 years and President for 30 years until his retirement in 1998. The following tribute to Richard appeared in the Foundation's Annual Report for the year ended December 31, 1997.**

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## RICHARD MACAULAY IVEY

*A TRIBUTE BY ROSAMOND IVEY (1997)*

IT WAS A SIMPLE BUT PROFOUND ACT OF SHARING to include his son's name as Co-Founder of the Richard Ivey Foundation in 1947. It was an act by my grandfather that led to 50 years of a commitment to sharing by his son, Richard M. Ivey. Through this commitment, my father's time, energy and resources have been devoted to the betterment of his fellow Canadians.

It seems that sharing then became a motto for conducting much of his life. He always chose to share the honours awarded him with those who helped along the way. His belief in shared knowledge as a tool of greater wisdom has beneficially shaped the lives of his children, and his readiness to share the good fortune bestowed upon him has always been a passion.

Perhaps what he shares the least is himself. His quiet understatement is sometimes interpreted as shyness, except to those who know him. He simply believes that actions speak louder than words.

After 30 years at the helm of the foundation, my father is stepping aside to let the next generation share in its leadership. It is an enormous challenge for us. His manner of leading by example has fuelled the Foundation's growth to its proud place among the largest in Canada. Yet it is his special brand of guidance rather than any outspoken authority, that is the model by which we hope the Foundation will thrive for another 50 years.

From the outset, he was involved with the Foundation's work, and it was natural that he would share his enthusiasm with his wife, Beryl. Together, Dick and Beryl's early devotion to the goals of the Foundation, and their shared vision of the importance of including their four children in the 'whys' and 'hows' of philanthropy, set the stage for today's succession of responsibility.

It was in the 1960s that my parents first became close to the causes that led to major grants by the Foundation, particularly in the health care and environmental fields. They both believed in meeting the people, knowing the facts, and learning a great deal about the issues involved. In turn, these shared interests were frequently brought home to the dinner table, perhaps with one of the prominent doctors leading a major research effort, and hence, as children, we learned the language of philanthropy at an early age. It was certainly their appreciation for the environment that sparked our family trips to exotic locations and this early indoctrination into the plight of endangered species and spaces no doubt accounts for our continuing environmental granting emphasis today.

Just as he learned the value of being brought into the Foundation by his father early on, Dad sought to do the same with his own children by including us as members, and then as directors, at relatively young ages. Far from sitting quietly to learn only by listening, we were given every opportunity to share our views, and with an eye on the long term, he shared the role of chairman of our quarterly board meetings so we might all experience and learn from the responsibility.

As the Foundation evolved, its character came to reflect many of the important values my parents hold. Honesty and integrity are fundamental, as is being fully accountable for all activities. The decision to be one of the first family foundations in Canada to publish an annual report which includes a list of grants and a full financial report was a deliberate attempt to set an example for other philanthropists. An equally fundamental tenet is the active avoidance of conflicts of interest; the Foundation long ago established the policy of holding no investments connected in any way with the interests of family members.

The ability to respond to changing circumstances is perhaps one of the best measures of successful leadership, and one at which my father excels. As the next generation became increasingly vocal in Foundation activities, he readily adapted traditions-the board tried new approaches to grantmaking and became more pro-active in dealing with community issues. Looking ahead ten years, he steered the Foundation through several strategic planning retreats at which the board studied the effectiveness of all the Foundation's activities. These planning sessions were an important step in carrying out the succession plan that my father envisioned for the Foundation. Equally important, if not much more difficult, was my parents' acceptance of the Foundation's recent move to Toronto. With four generations of Ivey history in London, and a deep attachment to the city that has afforded my parents a wonderful life, it was a gracious recognition of the needs of the next generation.

Throughout his career, whether in business or philanthropy, my father's greatest source of strength and inspiration has been with my mother. Together, their vision of life and active involvement has benefited many people, from opening the doors of opportunity and encouraging all of us to go through them, leading the Foundation throughout its proud history. It has been, continues to be and will be their greatest legacy.

My father's decision to pass on the responsibilities of the Foundation is forward thinking, very much in keeping with his leadership by example. After 28 years of intensive involvement, 26 as vice-president of the Foundation, my mother is also relinquishing her position to make way for the next generation. The enthusiasm for the Foundation's work that my mother has always brought to her role will be difficult to match.

As the first member of the third generation to take the helm, I am pleased to have been chosen by my siblings, Richard, Jennifer and Suzanne, the accept the challenge. It is our wish that the role of the chairman rotates among us so that each faces the opportunities and challenges of the position. For the next two years, I can only hope to emulate the example set up for me.

## CHAIR'S REPORT

**THIS IS THE FOURTH AND FINAL INSTALMENT** of the Ivey Foundation's account of an effort to "activate" its endowment – structuring it to be a tool for making progress toward the Foundation's mission and goals. Incrementally shifting the portfolio's allocation to investments that prioritize sustainability as a core value has been a ten-year initiative. Over those same years, the broader conversation around sustainable investing, exactly what it is and how to get there, has moved from being a "side-bar reference" on an asset manager's research report to a central theme in many asset managers' marketing strategies. As this odyssey has unfolded, the level of sophistication among institutional investors has risen alongside the exponential growth of research, data, information and opinions available, and now retail investors are the focus of an increasingly fervent marketing effort.

All this is very good news.

As I write this commentary, the COVID-19 virus continues its assault on the global population. What the outcomes will be no one can know because the inter-related complexities in its path, across so many countries and cultures, are extreme. The unknown unknowns are out there. Amidst the countless observations, however, is one which stands apart and is impossible to ignore: the neglect of societal services in the care of our ageing population. This neglect is symptomatic of wider vulnerabilities, and highlights the need for resilient economies with financial and social infrastructure policies that strengthen, incent and reinforce the enduring benefits of operating sustainably in all that we do. Foundation President Bruce Lourie coined the term "palliative sustainability" whereby we focus on our personal comforts while societies approach collapse. This kind of "sustainable" practice relieves the symptoms of distress, but does nothing to repair underlying causes. We need resiliency to be an urgent battle cry.

The first steps taken to activate the Ivey Foundation's portfolio included buying green bonds and committing to private equity investments in the renewable energy fields, both directly and through funds. The next step was to allocate a portion of the endowment's public equities, also through fund-ownership, specifically to companies operating in solution-based businesses: companies that are selling and servicing in environmental sectors and are actively contributing to fixing the planet's ills. This theme-based approach is an important ingredient in making progress toward the Foundation's mission and goals. In 2019, we added a second public-equities fund with a solutions-based focus. This additional allocation brought our total sustainable investing exposure to 28 percent at year-end.

We made the decision early on to take incremental steps in the portfolio's evolution, in part so that we could evaluate decisions along the way. We see it as a marathon rather than a sprint. An important part of every decision has been to consider the Foundation's resources of time and expertise, as well as our granting goals and achieving the impact we feel is possible with the financial support we deliver. The final phase of the activation process focuses attention on the largest component of the endowment, our bench-marked portfolio of widely-held, geographically-diverse publicly-traded equities. And it is within this component of the endowment that ESG (Environmental/Social/Governance) investing will play a role.

ESG investing is an approach with one of its goals being to bring sustainability to the investing world. And while there is no doubt that this still-evolving movement has brought incalculable change and opportunity to global investors, it travels across an increasingly convoluted terrain and the sheer weight of opportunity can have the perverse and offsetting effect of diluting the very impact that ESG investing seeks.

The intention of players in the field, from banks to investment managers, consultants to advisors, is laudable, but with the efforts of so many contributing to advancing the "cause" of sustainable investment, there is also reason to take pause to ensure that we really know what "cause" the advisors are advocating for, or exactly what the sellers are selling.

The pool of experts in the ESG investing field is global and deep. Experts' opinions about why and how, who and when, are as diverse as the impacts that could be achieved by advancing an ethos of sustainability investing across all economies. The Ivey Foundation's mapping of the terrain over the past few years has included trying to absorb countless research reports, industry newsletters, marketing pieces, editorials, blogs and opinion pieces. From this ongoing exercise, there is plenty to be optimistic about, but few ground-breaking movements offer a smooth path. The need for caution, to overcome a tendency toward palliative sustainability, is real. I recently came across a succinct opinion piece that expresses every reservation that I've experienced in my travels over the ESG landscape, in my natural questioning mode. Fortunately, Tom Steffen, PhD, a London-based quantitative researcher, agreed to let me include an abridged version of his piece (see below) where he addresses some of the current shortcomings of the ESG industry and highlights the areas that need addressing in order to efficiently progress towards a more positive allocation of capital. This excellent piece of writing is worth its weight in ...impact!

So in the year ahead, our goal is to complete the portfolio's activation (for the time being) by first knowing exactly what we are looking for in the ESG field, separating the "tacked on" from the "baked-in" expertise, and conducting the necessary due diligence to find the ESG approach that most suits our overall strategy.

*Rosamond Ivey*

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## ESG: SO FAR, A TRIUMPH OF FORM OVER SUBSTANCE

**ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE),** the movement that has taken the investment world by storm, is plagued by vague terminology, untargeted solutions, and half-hearted commitments. The term's use by the investment community has increasingly become one of form over substance: too often claims of 'responsible' behaviour matter more than evidence. This article looks at what the investment community needs to do better in order to use its substantial influence to lead the transition to a sustainable and just future more decisively.

Cynics could point towards ESG investing being the most significant marketing initiative to seize the industry in years. While some managers are creating and applying ESG frameworks that offer quality and expertise, many are simply jumping on the ESG bandwagon to capitalise from the trend. For the growth in sustainable assets under management not to lose momentum by breaking the trust of investors and society at large, investment managers need to understand and address the key issues surrounding the way in which they define and apply ESG.

*Confusion over definitions*

ESG investing, sustainable investing, socially responsible investing, ethical investing, and impact investing are terms often used interchangeably. They describe, however, heterogenous investment approaches with important differences. A socially responsible investment fund and an ethical investment fund sound relatively similar at the outset, but comparing funds and mandates with different goals and strategies on a like-for-like basis can lead to erroneous conclusions. Without a universally agreed-upon taxonomy, each investment manager has a responsibility to be clear about the intent, objectives and expected outcome of each investment strategy, no matter the lens applied.

*On complexities*

E, S, and G are three connected categories, each covering a wide-ranging set of distinct challenges. ESG rating agencies use hundreds of indicators to measure a firm's performance on the diverse concepts within each category (such as carbon emissions in the E; human rights in the S; executive compensation in the G, just to name a few). The rating task is further complicated by the categories being closely interlinked: climate change clearly impacts society directly; droughts and water security have geopolitical implications, which in turn can threaten social justice and education. And the issues within each category are, by themselves, extremely complex.

There is no favouring of any of the categories. Each has merit, but it must be recognized that trying to address the concerns of ESG simultaneously across a complex matrix is inherently difficult, if not impossible. How do we objectively assess a company with strong pollution prevention but poor diversity credentials or alleged tax avoidance? This interrelatedness thereby cautions against a general-purpose approach, where impact is lost trying to solve too many issues at once.

*Adequate expectations*

'Doing well by doing good'. The decade old question of whether ESG investing is beneficial or detrimental to investment performance is difficult to answer without being more specific about the category that is being studied. Is the aim to address E, S, and/or G issues while also improving financial performance? Or is the objective solely to do good, but potentially accept financial sacrifices in favour of non-financial benefits? As such, the question of whether ESG considerations are value-enhancing strongly depends on the targeted outcome of risk, return, or non-financial benefits.

Do ESG metrics only have merit if they improve performance? No. It is, however, important to offer investors clarity about the objectives (and potential trade-offs) of including ESG considerations in their investment strategies. Do all elements of ESG improve returns? The answer is also no, and the costs and benefits should be evaluated. That said, specific indicators within the E, S, and G categories can be statistically related to return as well as risk. If the objective is to achieve both financial and non-financial benefits, 'doing well by doing targeted good' should be the preferred approach. Evidence also suggests that addressing ESG issues reduces downside risk for some categories more than others. No one-size-fits-all, and the devil is, as ever, in the detail.

*About data*

Data are key. ESG investing should be evidence-based using high-quality, detailed data with wide coverage. Data are most useful when retrieved directly from objective sources and when measuring quantifiable indicators. As more granular E, S, and G data become available, relevancy, accuracy, and the appropriate use in modelling will lead to the decision-making that distinguishes the leaders from the laggards.

*On human capital*

Human capital will provide an edge. While it is a considerable achievement that ESG concerns are increasingly acknowledged by professionals in the financial industry, it is crucial that broad generalist knowledge is supplemented with specialist knowledge from the fields of environmental economics and science, engineering, sociology, anthropology and many other experts from a range of academic disciplines.

*Walk the walk*

Cut through the noise: a conventional investment strategy with a standard aggregate ESG filter does not allow for today's complexities but rather, allows investment managers to do little while claiming a lot. More targeted investment strategies, run by specialist teams with adequate expertise and knowledge, are needed to successfully navigate the dynamic and complex ESG environment. The suggestion that $30 trillion of assets are now assigned to ESG strategies dramatically overestimates the actual state of the industry and is misleading about the level of dedicated assets.

While contributing many positives to the sustainable investment movement, organisations such as the Principles for Responsible Investment (PRI) inadvertently aggravate the situation with minimum compliance requirements that lead to memberships exploited as marketing ploys by the investment community. In addition to greenwashing, there is 'green-hoping'—the reliance of the ESG community on promised targets and corporate non-financial reporting quality to evaluate companies, rather than measuring achieved environmental, social, or governance improvements.

*Conclusion*

Overpromising on ESG achievements and investment performance will do substantial harm to the sustainable investment agenda; investors and society will lose faith in both the managers and the strategies on offer. This will in turn draw criticism and cynicism regarding the role of the financial sector in driving the transition to a sustainable and responsible future. Self-service and opportunism could sabotage the continuing development of the sustainable investment sector. The problem of greenwashing and green-hoping is ever-present, and it is debatable whether investors are doing enough to distinguish those that walk the walk from those that merely talk the talk. As such, specialist investment teams, evidence-based investment signals, and well-defined strategies are needed in order for substance to triumph over form and to drive the global transition to a sustainable and just future.

***Tom Steffen, PhD***

*Dr. Steffen is a quantitative researcher at London-based sustainable investment firm Osmosis Investment Management. The full version of the article can be found here*
https://www.responsible-investor.com/articles/esg-so-far-a-triumph-of-form-over-substance.

# IVEY FOUNDATION

## PRESIDENT'S REPORT

**MY PLAN FOR THIS YEAR'S REPORT** was to discuss the first five years of the Foundation's efforts to build the institutional capacity supporting Canada's transition to a low-carbon, sustainable economy. And I will. However, it is difficult to comment on anything now without acknowledging how the COVID-19 pandemic has upended the world. There has been extensive coverage of the extent to which COVID has caused disproportionate economic harm to specific demographics; notably women, young people, and service-sector employees.

The pandemic has exposed vulnerabilities in the socio-economic fabric of many nations, with some faring better than others, and Canada being among the more fortunate. There is, however, added hardship in Canada for those working in the oil and gas sector, where oil prices collapsed, caused by an increase in global supply, just as the pandemic brought on a massive reduction in demand for fuels.

It is this context that positions the work of the Ivey Foundation in a new light. Our focus over the past five years has been helping Canada transition to a more sustainable economy with an emphasis on shifting energy systems to become more efficient and less carbon intensive. Much of our work has been based on the premise that Canada's reliance on oil and gas as a major driver of the economy, and government revenues, was high-risk and short-sighted. Canada needed to introduce policies, market instruments and sustainable finance tools to accelerate the transition to an economy that was more diverse, and more resilient in the long-term. COVID has further compressed the timelines and heightened the urgency for this transition.

Last year we initiated an independent evaluation of our first five years of granting and programmatic activities in the Economy and Environment Program, our principle grant-making endeavour. The evaluation reinforced the Program's approach and direction, noting the role we have played in the creation of several important new organizations.

Since 2014 the Foundation has supported the creation of eight bespoke institutions and collaborations designed to fill what we saw as gaps in Canada's capacity to research, understand, communicate, and overcome fundamental barriers to transitioning the economy. Below is a list and what they do:

1. Accelerating the transition to a low-carbon economy with the Transition Accelerator a collaboration between research institutes, government and industry, developing transition pathways for major energy and socio-technical systems.
2. Financing the transition to a sustainable economy with the Institute for Sustainable Finance a collaboration of nearly twenty business schools undertaking research, teaching and policy building on our work with the Expert Panel on Sustainable Finance.
3. Providing independent, expert climate policy advice with the Canadian Institute for Climate Choices a new national policy research organization.

4. Advising and educating on environmental pricing through Canada's Ecofiscal Commission an organization that became Canada's trusted expert body on carbon pricing; with it's mandate completed, it has been folded into the new Climate Institute.
5. Creating a national voice for energy efficiency, with Efficiency Canada leading efforts to create jobs and support local economic activity through a national building retrofit strategy.
6. Convening energy sector stakeholders, governments, regulators, data modellers and others in the creation of the Canadian Centre for Energy Information a new portal for energy data and analysis.
7. Building a coalition of farmer-led and farmer-supporting organizations across Canada, Farmers for Climate Solutions, to design policies and practices that lead to more sustainable farming, addressing the increasing risk of climate change to Canada's food supply.
8. Promoting philanthropic collaboration through The Clean Economy Fund, an organization that convenes foundations across Canada, including for many of the initiatives listed above.

One of the main takeaways from the five-year program evaluation, and our internal strategic planning work, was the importance of integrating across these efforts. This takes us back to how COVID has put the work of the Ivey Foundation, and more importantly our grantees, in a new and more urgent frame. Our custom is not to discuss activities undertaken in 2020 in a 2019 Annual Report, however, with COVID, that rule is being discarded.

In May of 2020, we convened a group of finance, policy, and sustainability experts to design a plan for a recovery to a resilient economy; one that achieves Canada's near-term goals of creating jobs and economic activity, while also delivering on the critical need to build a sustainable and competitive economy for the future. Called the Task Force for a Resilient Recovery, the group includes many of the country's top minds on these matters. This thinking is not unique, in fact much of the world is engaged in similar exercises along the lines of The Economist (May 23) calling upon countries to "seize the moment to flatten the climate curve."

The ideas coming out of these exercises, for example at the European Commission, align with much of the work being done in Canada, including the build-out of hydrogen infrastructure, retrofitting buildings at an accelerated pace, decarbonizing transport systems, and expanding electrification infrastructure. Our fear is that Canada may be falling behind much of the world in our ability to compete in the economy of the future. COVID aside, it is critical that we accelerate investment in the infrastructure, systems and technologies that will position Canada for success.

It is too soon to tell whether the world will return to business-as-usual or use this moment to take stock. We are optimistic that with the right mix of policy, inventiveness, and foresight, combined with highly capable organizations and people, Canada will pivot to an economy that not only endures COVID but thrives in a vibrant, modern world.

***Bruce Lourie, PhD***

## IVEY FOUNDATION

### ECONOMY & ENVIRONMENT

**Development of Canadian Business Coalition on Climate Policy**
Carleton University, Business Coalition on Climate Policy, Ottawa $75,000

*To support business engagement on the importance of stable, consistent and efficient climate policies across Canada.*

**Climate Community Leaders Canada-Building Local Capacity to Accelerate Climate Action**
City of Surrey with the Canadian Urban Sustainability Practitioners (CUSP) Network, Surrey, $50,000

*To train community leaders in four major Canadian cities to engage and support citizens and local organizations in taking actions on climate change.*

**Fair Path Forward Campaign**
Clean Economy Fund with Canadians for Clean Prosperity (CCP), Montreal, $100,000

*To educate the public about carbon pricing and how the carbon tax works.*

**Enhancing "Most of Us" Public Engagement Campaign**
Columbia Institute, Vancouver, $100,000

*To build on earlier work of this public engagement campaign to shift the policy conversation in Canada toward reasoned, middle-ground debate and action.*

**Reforming Canada's Environmental Laws**
Ecojustice, Toronto, $125,000

*Support for reforms to environmental legislation focused on impact assessments and energy regulation, as well as reforms to the Canadian Environmental Protection Act (CEPA). This work will be done with a coalition of senior environmental and health organizations.*

**Our Human Energy's Communications Campaign**
Efficiency Canada, Carleton University, Ottawa, $75,000

*To increase awareness on the positive impact that local energy efficiency organizations are having in communities; to build a bigger energy efficiency sector in Canada and; to enable efficiency workers to see themselves as agents of change.*

**Engaging Ontarians to Prioritize the Environment**
Environmental Defence Canada, Toronto, $115,000

*Support the education of Ontarians on the importance of strong environmental commitments from current and future governments. And to support the engagement of students in the democratic process with the Future Majority campaign.*

### Communicating for Lasting Success in the Climate Movement

Environment Funders Canada with Climate Action Network, Toronto, $35,000

*To expand CAN-Rac's communications and media relations initiatives to deepen engagement with its existing audiences and to engage new audiences in particular women, youth, and new Canadians around climate action.*

### Mission. Accelerate. Mobilizing Youth-led Momentum for the Low-Carbon Transition

Environment Funders Canada with Youth Climate Lab, Toronto, $35,000

*To build public understanding of the low-carbon transition by connecting and mobilizing Canadian youth through digital and in-person events.*

### The 3% Project to Mobilize 1,000,000 Students

Foundation for Environmental Stewardship (FES), Toronto, $100,000

*To engage and mobilize 1,000,000 Canadian high school students in planning and implementing at least 100 action-oriented projects that address climate change.*

### Families in Canada's Changing Climate

Friends of the Greenbelt Foundation, Toronto, $31,000

*To research and have dialogues on the impact that climate change is having on women, children and new Canadians in the Greater Golden Horseshoe (GGH) region.*

### Climate Legacy

Group 78, Ottawa, $45,000

*To engage Ontario seniors to take more action on climate change.*

### Foundations for New Conversations: Redirecting public and private investment in Canada's oil and agriculture sectors

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

*To undertake research and analysis on two important sectors in Canada's economy, and to support dialogues on their future economic contributions. Research will focus on projected future demand and community transition for the Canadian oil sector, as well as opportunities for farmers and policy-makers to manage climate risk in the western Canadian agriculture sector.*

### Implementing a Communications Strategy for Health-focused Climate Messaging

Ontario Public Health Association (OPHA), Toronto, $125,000

*Support for a public health campaign centered on the health impacts of climate on children and Ontario citizens.*

### Seeding Climate Resilience: Farmer Perspectives on Climate Change in Canada

Prairie Climate Centre (PCC), Winnipeg, $100,000

*To participate in a new national farm group collaborative and specifically to capture the voices of farmers in Canada with observations on farming and climate change.*

### Institute for Sustainable Finance Development phase II

Queen's University, Smith School of Business, Kingston, $150,000

*To develop the operational, governance, communication and fundraising strategies and structures for the launch of the Canadian Institute for Sustainable Finance. The goal is to create the Institute as the preeminent hub for collaboration and information on sustainable finance in Canada.*

**Institute for Sustainable Finance**
Queen's University, Smith School of Business, Kingston, $750,000 (over three years)

*Support for the establishment of the Institute for Sustainable Finance as a national collaboration among business schools across Canada to build Canadian expertise for pragmatic, relevant research and education on sustainable finance.*

**Finding Climate Solutions through Sustainable Agriculture**
Seed Change with National Farmers Union, Saskatoon, $75,000

*To amplify the voices of farmers in Canada who support policies, programs and practices for sustainable and climate-resilient agriculture.*

**Growing the Clean Economy in Canada**
Simon Fraser University with Clean Energy Canada, Vancouver, $150,000

*Support for research, multi-stakeholder convening and communication on the benefits of clean transportation opportunities for the automotive sector in Canada.*

**Social Media Enhancement Strategy**
Simon Fraser University with Clean Energy Canada, Vancouver, $100,000

*Support for Clean Energy Canada's social media initiatives to reach Canadians to support climate action.*

**The Climate Change Communications Hub (C3H)**
Simon Fraser University, Centre for Dialogue, Vancouver, $200,000

*To provide strategic coordination, media monitoring, unbranded content, rapid response messaging and media support to climate allies, informed by recent polling, focus groups, and social media testing.*

**Carbon Pricing Literacy and Action: Parliamentary Internship for the Environment and the 100-in-a-day-debates**
Sustainability Network with GreenPAC, Toronto, $75,000

*To increase political and public literacy and leadership around climate change and sound climate policy.*

**The roll-out of a three-month social media campaign**
University of McGill, Canada's Ecofiscal Commission, Montreal, $20,000

**Finding Climate Solutions through Sustainable Agriculture**
USC Canada (name changed to Seed Change), Ottawa, $75,000

*Support to build a collaborative of farm groups and farmer support groups in Canada in support of policies and programs for sustainable and climate-resilient agriculture.*

**Easing the (Climate) Squeeze**
Vancity Community Foundation with Generation Squeeze, Vancouver, $50,000

*To increase the base of young Canadians- specifically Millennials and Gen-Xers to engage and help drive solutions for carbon pricing and other forms of climate action.*

## PAYMENTS ON PREVIOUS GRANT COMMITMENTS

**Establishing the Transitions Pathway Accelerator**
Carleton University, Ottawa, $250,000 (of $750,000)

**Operating Support and Research Areas for 2018-2019**
Clean Economy Fund, $180,000 (of $360,000)

**Innovation for a Green Economy: CIFAR's Program in Bio-Inspired Solar Energy**
CIFAR, Toronto, $75,000 (of $225,000)

**Integrating Economy and Environment through Policy Renewal**
Ecology Action Centre, Halifax, $75,000 (of $150,000)

**Canada's Ecofiscal Commission, 2017-2019**
McGill University, Canada's Ecofiscal Commission, Montreal, $225,000 (of $675,000)

**SHIFT Initiative**
Tides Canada, Vancouver, $75,000 (of $200,000)

**Commonwealth Climate Law Initiative**
University of British Columbia- Allard School of Law, Vancouver, $40,000 (of $115,000)

## STRATEGIC OPPORTUNITIES

**Growing the Academy for Sustainability Innovation's Communication and Outreach Capacity**
Alberta Council for Environmental Education (ACEE) with the Academy for Sustainability Innovation (ASI), Canmore, $25,000

**Biodiversity Funders Group membership and support for the 2019 New Economy Funders Conference**
Biodiversity Funders Group, San Francisco, $13,000 USD

**Sustainable Finance Policy Implementation Program**
C.D Howe Institute, Toronto, $25,000

**Challenges to Evidence-based Policy Development and Implementation in the age of Public Polarization and Disengagement**
Carleton University, Regulatory Governance Initiative, Ottawa, $25,000

**VoteParty**
Democracy Education Network, Ottawa, $10,000

**Annual Membership and Learning Program in Responsible Investing**
Environment Funders Canada (formerly Canadian Environmental Grantmakers' Network (CEGN), Toronto, $15,000

**Sector Champion membership**
Imagine, Toronto, $5,000

**Hilary Pearson Fund**
Indspire, Toronto, $5,000

**Enhancing Corporate Governance at the Pembina Institute**
Pembina Institute, Calgary, $20,000

**Membership 2019**
Philanthropic Foundations Canada, Montreal, $8,300

**Pollution Probe's Strategic Planning Process**
Pollution Probe, Toronto, $10,000

**Green Economy Learning Network (GELN) Sustainability Network**
Sustainability Network, Toronto, $15,000

**Coalition for Action on Toxics (CAT) Phase Two**
Tides Canada, Vancouver, $20,000

**Ensuring Accountability: Leveraging Enhanced Government relations Capacity for Canada's Environmental Movement**
Tides Canada with Strathmere Group, Vancouver, $15,000

**Workshop for Alberta agricultural-focused experts, producers, not-for-profit organizations and researchers**
University of Alberta, Alberta Land Institute (ALI), Edmonton, $5,000

**Engaging Economies of Change: 12th Biennial Conference of CANSEE**
University of Waterloo with Canadian Society for Ecological Economies (CANSEE), Waterloo, $10,000

**#LearningforClimateAction: A Social Media Video Campaign**
York University, Learning for a Sustainable Future (LSF), Toronto, $20,000

## DIRECTOR-INITIATED GRANTS

**UWC Campaign to renew and re-found Pearson College**
Pearson College, Victoria, $200,000

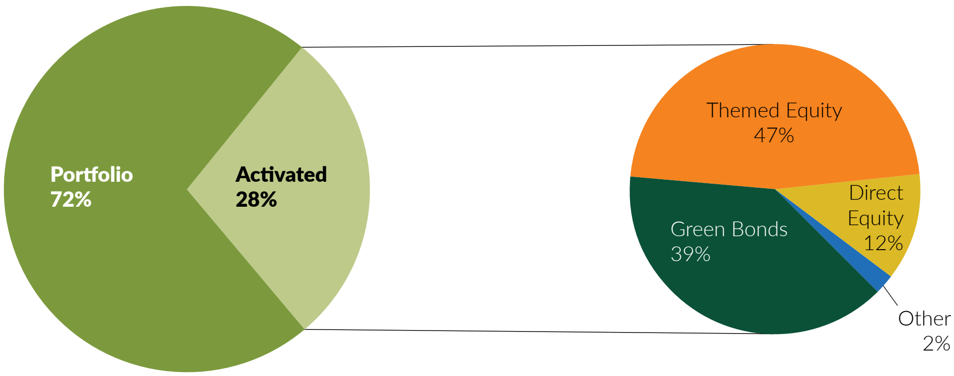
## SUMMARY OF GRANTS 1948-2019

| | Environment & Conservation | General/Director-Initiated | Total Grants Approved | Program Expenses | Grants Paid and Program Expenses |
|---|---|---|---|---|---|
| 1948-2016 | $ 35,637,673 | $ 50,537,213 | $ 86,174,886 | $ 5,039,209 | $ 89,453,292 |
| 2017 | 2,152,925 | 225,000 | $ 2,377,925 | 925,496 | 3,689,221 |
| 2018 | 2,331,475 | NIL | $ 2,331,475 | 1,022,899 | 3,559,374 |
| 2019 | 3,302,300 | 200,000 | $ 3,502,300 | 1,060,403 | 4,832,703 |
| **TOTAL** | **$ 43,424,373** | **$ 50,962,213** | **$ 94,386,586** | **$ 8,048,007** | **$ 101,534,590** |

## SUSTAINABLE INVESTING

The Ivey Foundation considers all of its assets as a tool for making progress towards achieving its mission and goals. This pie chart shows how the Foundation uses various investment strategies and approaches to "activate" its endowment portfolio. These strategies include green bonds, Canadian and US environmentally-themed equity funds, both private and public, specialized credit facilities, and a direct equity position in a Canadian-based global renewable energy company.

*As at December 31, 2019*



# AUDITOR'S REPORT

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

To the Members of Ivey Foundation:

### OPINION

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2019, and the summary statement of operations for the year then ended, are derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the established criteria noted below.

### SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain the summary statement of changes in net assets, summary statement of cash flows, or all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 20, 2020. That report also includes an Other Matter section, which describes that the audited financial statements for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 9, 2019.

### MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary financial statements in accordance with the established criteria noted below.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS 810, Engagements to Report on Summary Financial Statements.

*Hogg, Shain & Scheck*

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

Toronto, Ontario
May 20, 2020

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CRITERIA APPLIED IN THE PREPARATION OF THE SUMMARY FINANCIAL STATEMENTS

The criteria applied by management in the preparation of these summary financial statements are as follows: a) The information in the summary financial statements is in agreement with the related information in the complete financial statements; and, b) The summary 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
## SUMMARY STATEMENT OF FINANCIAL POSITION

| *As at December 31* | *2019* | *2018* |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash equivalents | $ 2,037,027 | $ 2,452,242 |
| Investments | 99,450,859 | 90,615,058 |
| Other assets | 442,098 | 515,156 |
| | **$ 101,929,984** | **$ 93,582,456** |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities | $ 276,787 | $ 152,362 |
| Unpaid grants | 900,000 | 1,170,000 |
| | **1,176,787** | **1,322,362** |
| **NET ASSETS** | | |
| Restricted in perpetuity fund | 4,703,812 | 4,133,727 |
| Unrestricted | 96,049,385 | 88,126,367 |
| | **100,753,197** | **92,260,094** |
| | **$ 101,929,984** | **$ 93,582,456** |

# IVEY FOUNDATION
## SUMMARY STATEMENT OF OPERATIONS

| *For the Year Ended December 31* | *2019* | *2018* |
|---|---|---|
| **REVENUE** | | |
| Realized gain on sale of investments | $ 5,438,672 | $ 4,691,625 |
| Interest, dividends, and other income | 2,372,189 | 2,320,752 |
| Change in unrealized gains (losses) | 5,938,646 | (7,909,533) |
| Total revenue (loss) before expenditures | **13,749,507** | **(897,156)** |
| **EXPENDITURES** | | |
| **Management and administration:** | | |
| Investment management, custodian and audit fees | 696,944 | 424,875 |
| Other | 280,563 | 237,411 |
| **Total management and administration** | 977,507 | 662,286 |
| **GRANTS AND PROGRAMS** | | |
| Grants | 3,502,300 | 2,331,475 |
| Program expenditures | 1,060,403 | 1,022,899 |
| **Total grants and programs** | **4,562,703** | **3,354,374** |
| **EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES** | **$ 8,209,297** | **$ (4,913,816)** |