



POWER CORPORATION
OF CANADA



United Nations Global Compact

Communication on Progress

September 2015



About Power Corporation

Incorporated in 1925, Power Corporation of Canada is a diversified international management and holding company with interests in companies in the financial services, communications and other business sectors in North America, Europe and Asia.

Corporate Social Responsibility is fundamental to the way we, and our group of companies, do business — what we refer to as responsible management. It has been at the core of our investment philosophy, enabling us to build a resilient and sustainable business, through our role as an investor, employer and contributor to the communities where we operate.

Co-CEO Statement of Continued Support

Introduction and Progress since Joining

As a diversified international management and holding company, we have a strong commitment to ensure our business and our investments are managed in a responsible fashion wherever they operate. Our responsible management philosophy is consistent with our commitment to the United Nations Global Compact's (UNGC) ten principles on human rights, labour rights, environment and anti-corruption.

We seek investments in companies that have sustainable business models with the potential over time to provide long-term value. These companies are responsible employers, and consistently demonstrate integrity and high ethical standards. They also understand the need to protect the environment, and to contribute to economic prosperity and to the communities where they operate. This is the essence of responsible management. It is not merely the right thing to do socially; it is the right thing to do from a business perspective.

We take an active ownership approach in the companies in which we invest and we ensure that our investments continue to be managed in a manner consistent with our responsible management philosophy, including our Code of Business Conduct and Ethics, our Corporate Social Responsibility (CSR) Statement and our commitment to the UNGC.

Since joining the UNGC in September 2014, we have taken further steps to strengthen our responsible management commitments, programs and performance. The UNGC Principles have provided us with an internationally recognized policy framework to guide our efforts.

This document represents our first Communication on Progress, which provides our stakeholders with an update on the actions, targets, performance indicators and outcomes of our work as it relates to the ten UNGC principles. Where relevant, we provide links to our dedicated CSR website, which provides a means of publicly documenting and disclosing our approach and practical examples of how responsible management is implemented within our business.

Statement of Continued Support

As we look forward, we are focused on continuing to strengthen and improve our responsible management commitments, programs and performance. We are committed to upholding the principles and values that responsible management demands, and we will continue to support the UNGC Principles over the coming year.

Signed,

Paul Desmarais, Jr., o.c., o.g.
Chairman and
Co-Chief Executive Officer

Signed,

André Desmarais, o.c., o.g.
Deputy Chairman, President and
Co-Chief Executive Officer



Human rights principles

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure they are not complicit in human right abuses.

COMMITMENTS / STRATEGIES / POLICIES

We recognize the role we have to play in supporting and respecting the protection of internationally proclaimed human rights. We believe that respecting and protecting human rights is fundamental to creating long-term sustainable value. Our commitment to respect human rights is defined by our [Code of Business Conduct and Ethics](#) and our [CSR Statement](#).

IMPLEMENTATION ACTIONS

Human rights are considered during our dealings with business partners and within our own investment analysis process, when relevant. We also collaborate with our group companies to share knowledge and best practices and to identify areas of opportunity. The following provides examples of our implementation efforts:

- Trained employees on our Code of Business Conduct and Ethics, which includes their responsibilities to respect human rights.
- Reviewed human rights initiatives of our main subsidiaries and investments. Consistent with the United Nations Framework and Guiding Principles on Business and Human Rights, we assessed our exposure to potential human rights risks, the policies and programs to mitigate potential human rights issues, and the processes to enable remediation measures.
- Continued group company collaborations on human rights. Many of our group companies are taking a leadership position on human rights management programs.

PERFORMANCE

- All our employees were trained on the Code of Business Conduct and Ethics.
- All our employees and directors acknowledged compliance with the Code of Business Conduct and Ethics.
- No breaches to the Code of Business Conduct and Ethics were reported.
- Our main holdings were assessed on human rights policies and programs.



Learn more
on our CSR website



Labour principles

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labour;

Principle 5

the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.

COMMITMENTS / STRATEGIES / POLICIES

We are committed to providing a respectful and equitable workplace. We do not tolerate unlawful discrimination, forced or compulsory labour, and child labour.

We recognize the right to collective bargaining and freedom of association, as required by law. These commitments are articulated in our [Code of Business Conduct and Ethics](#). We have also established a Board and Senior Management Diversity Policy, to articulate our commitment to diversity.

IMPLEMENTATION ACTIONS

Our responsible management philosophy guides the way in which we manage and develop our workforce. We have built teams of truly exceptional people, individuals who represent diverse backgrounds, with a sound ethical foundation. Our group companies' workforce is valued, supported and empowered to be successful both personally and professionally.

Our Code of Business Conduct and Ethics provides guidance on how employees should conduct our business activities. We reinforce these commitments and values through training and ongoing dialogue as appropriate. The following provides examples of our implementation efforts:

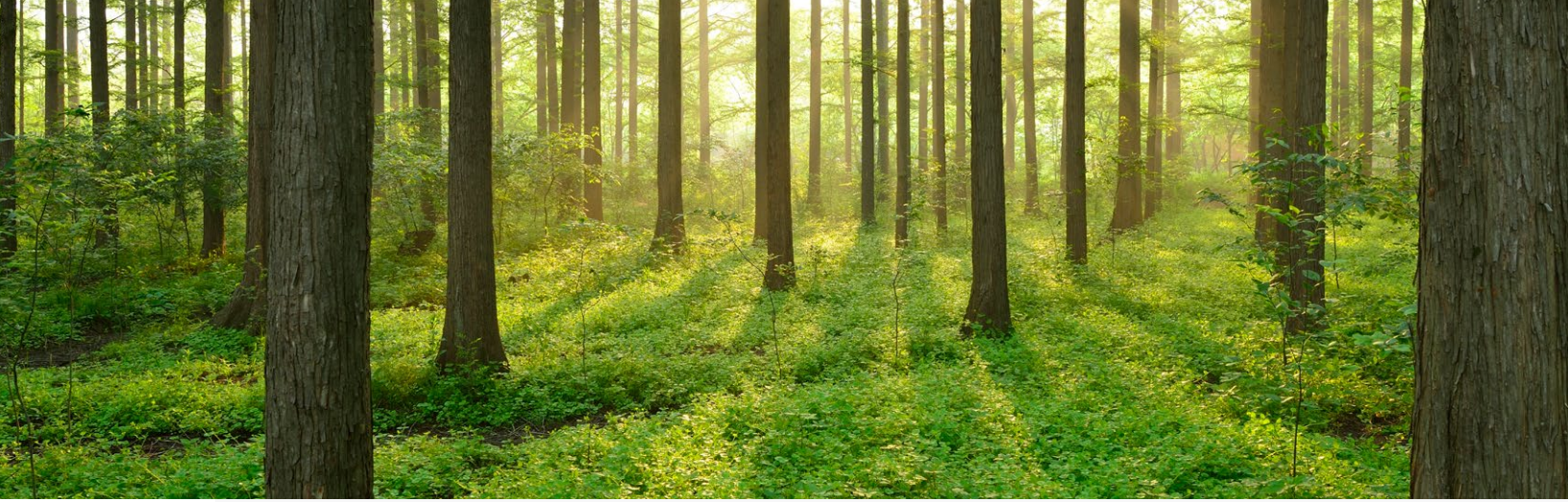
- Trained employees on the Code, which includes our commitment to provide a respectful and equitable workplace and to health and safety best practices.
- Ensured diversity criteria are taken into consideration when recruiting at the Board and senior management levels in accordance with our diversity policy.
- Implemented a new performance and career management program, which includes a career development component.
- Continued group collaborations on group companies' people programs.
- Provided access to an Employee and Family Assistance Program, which provides support on issues related to workplace challenges, nutrition and health, stress and other situations.

PERFORMANCE

- All our employees were trained on the Code of Business Conduct and Ethics.
- All our employees and directors acknowledged compliance with the Code of Business Conduct and Ethics.
- No breaches to the Code of Business Conduct and Ethics were reported.
- 18% of the members of the Power Corporation Board of Directors are women.
- 17% of the executive officers (including the Corporation's operating subsidiaries) are women.



Learn more
on our CSR website



Environment principles

Principle 7

Businesses should support a precautionary approach to environmental challenge;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

COMMITMENTS / STRATEGIES / POLICIES

Despite our limited environmental footprint as a holding company, we are committed to environmental responsibility as underpinned by the importance we place on preventing and minimizing the impact of our activities on the environment. Our management approach to the environment is reinforced through our [CSR Statement](#), our [Code of Business Conduct and Ethics](#) and our [Environmental Policy](#).

The focus of our programs relate to climate change adaptation, greenhouse gas and energy efficiency, and waste and materials management.

IMPLEMENTATION ACTIONS

Our Environmental Policy anchors our environmental management practices, with a focus on preventing and minimizing our impacts. We work diligently to reduce our environmental footprint, while working with our group companies to support their environmental management initiatives. The following provides examples of our implementation efforts:

- Established a target to reduce our energy consumption and Greenhouse Gas (GHG) emissions by 5% from the use of electricity and natural gas at our corporate head office by 2015, using 2011 as a baseline.
- Implemented measures to reduce our carbon, energy, and waste impacts and maintained our BOMA Go Green Certification related to environmental management at our corporate head office.
- Established a wholly owned subsidiary, Power Energy Corporation, which is investing in clean energy and energy efficiency technologies.
- Supported partnerships that favour a low carbon economy, including the David Suzuki Foundation.
- Worked with suppliers to favour sustainable products, including paper, cleaning products, energy efficient products, and local sourcing.
- Continued group collaborations on environmental management initiatives.
- Continued to disclose our energy and GHG governance, strategy, risks and opportunities, and management programs through the Carbon Disclosure Project.

PERFORMANCE

- 29% reduction in GHG emissions and energy in 2014 associated with our consumption of electricity and natural gas, since 2011, exceeding our 5% reduction target.
- Received 91 B score on the 2014 Carbon Disclosure Project.



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on our CSR website



Anti-corruption principles

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

COMMITMENTS / STRATEGIES / POLICIES

We are committed to carrying out our business worldwide ethically and without the use of bribery in accordance with our [Code of Business Conduct and Ethics](#) and Global Anti-Bribery Policy. The policy sets out our expectation with respect to anti-bribery: it prohibits our people from receiving, promising, giving, providing, or authorizing the provision of anything of value to obtain or retain business, an advantage, or favoured treatment from anyone.

IMPLEMENTATION ACTIONS

The success of our commitment to anti-corruption and anti-bribery relies on the diligence of our personnel. The following provides examples of our implementation efforts:

- Established an anti-corruption compliance program that includes training, due diligence of third parties and mandatory reporting.
- Conducted a training program on our Global Anti-Bribery Policy for all our personnel.
- Completed annual certification of compliance with our Global Anti-Bribery Policy.

PERFORMANCE

- All our employees were trained on the Code of Business Conduct and Ethics, including the Global Anti-Bribery Policy.
- All our employees and directors acknowledged compliance with the Code of Business Conduct and Ethics.
- No breaches to the Code of Business Conduct and Ethics were reported.

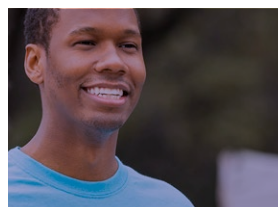


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