



POWER FINANCIAL
CORPORATION

Corporate Social Responsibility website

This document is a PDF copy of Power Financial's Corporate Social Responsibility (CSR) website, which can be found at www.PowerFinancialCSR.com. This document has been specifically designed to meet some of our stakeholders' requests to be able to consult, in this format, the information that we publicly disclose on our CSR website.

The information on our CSR website is subject to change without notice, with the timing of the most recent review and update of the website being noted at www.PowerFinancialCSR.com/en/about-website/ under the heading "Timing of Reviews". At the time of publication of this document, our CSR website had last been reviewed and updated in September 2017 and contained qualitative information that covered content up until such date and quantitative information that reflected the calendar year 2016.

While we do our best to ensure the currency and accuracy of the information contained on our CSR website, this document has necessarily been created as at a point in time and may no longer be current or accurate. For the most up-to-date information, please consult our CSR website.

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Corporate Social Responsibility at Power Financial

Created in 1984, Power Financial Corporation holds interests in a number of leading financial services companies in Canada, the United States and Europe. Through its investment in the Pargesa Group, Power Financial has significant shareholdings in leading European-based multinationals. Power Financial is controlled by Power Corporation of Canada.

For Power Financial and our subsidiaries, responsible management and citizenship are integral to our efforts to create long-term value for our shareholders and our stakeholders at large. We have developed this website as a narrative on our CSR philosophy, commitments and activities.

[A message from our CEO](#)



Today's corporations must play a role in society larger than serving solely as a center for profit creation, though that function enables all else. We feel that we also have an obligation as corporate citizens to take actions that have a broad positive impact on society. And we embrace that obligation because – quite simply – it is the responsible thing to do.

[Learn more](#)

[United Nations Global Compact](#)



At Power Financial, we have strengthened our commitment to responsible management by becoming a signatory to the United Nations Global Compact.

[Learn more](#)



Our
Commitments



A Message from
our CEO



United Nations
Global Compact

Responsible Management:

Our Commitment to Corporate Social Responsibility

[Welcome to Power Financial's website on Corporate Social Responsibility.](#)

Created in 1984, Power Financial Corporation holds interests in a number of leading financial services companies in Canada, the United States and Europe. Through its investment in the Pargesa Group, Power Financial has significant shareholdings in leading European-based multinationals. Power Financial is controlled by Power Corporation of Canada.

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.

AS AN INVESTOR

Our belief in responsible management has long influenced our investment and management decisions. We invest in quality companies with sustainable franchises and attractive growth prospects that demonstrate they are managed in a responsible manner. We take a prudent approach to risk and incorporate the analysis of environmental, social and governance (ESG) factors into our investment process which leads us to invest in companies that have sustainable business models.

[Learn more](#)

AS AN EMPLOYER

Responsible management defines the manner in which we recruit and develop our workforce. We provide our employees with challenging and rewarding careers, give them the resources to develop their expertise and leadership skills, and support their volunteer efforts within the communities where we operate.

[Learn more](#)

AS A CONTRIBUTOR TO COMMUNITIES

Responsible management has led us to be good corporate citizens, to be environmentally conscious, to support our communities, and above all else, always to behave ethically and with integrity, enabling us to earn the confidence of all our stakeholders.



Power Financial: Responsible Management and Citizenship

We believe we must live up to our responsibilities, honour our commitments and be accountable to those we serve and to the communities in which we operate. For Power Financial and our subsidiaries, responsible management and citizenship are integral to our efforts to create long-term value for our shareholders and our stakeholders at large.

We invest in high-quality businesses and bring the approach of an active and committed owner and a long-term investor. The vast majority of our investments are in financial services companies; these companies represent a positive force in society by helping our clients achieve financial security through life and health insurance, retirement savings programs and a suite of investment vehicles, including socially responsible investment funds. By building unique relationships with clients, our companies are making a difference for millions of individuals and families in all age and income groups. Our group companies are committed to serving our customers at every stage of their lives. The breadth of our service offerings speaks to that commitment.

As long-term investors, we ensure our investments are managed consistent with our responsible management philosophy, our [Code of Business Conduct and Ethics](#), our [CSR Statement](#) and our commitment to the [United Nations Global Compact](#) (UNGC).

We welcomed the launch of the [United Nations 17 Sustainable Development Goals](#) (SDGs) in 2015. Inspired by both the SDGs and the UNGC principles, in this website we have endeavoured to present tangible examples of the contribution our group of companies is making to advance social and economic progress. Aligning our core business strategy to the SDGs remains a focus area for our group.

Power Financial continues to strengthen its commitment to responsible management through various initiatives, including our engagement with our different stakeholders, as well as with CSR rating organizations.

Over the course of 2016, we:

1. Deployed our [Third Party Code of Conduct](#) with our key suppliers, consultants and business partners;

2. Responded to the [CDP](#) for a fifth consecutive year, receiving a score of B;
3. Published our second [Communication on Progress](#) as part of our UNGC commitment, strengthening our reporting to an “Advanced Level” providing information on our management policies and procedures and on the alignment of our programs to the United Nations’ Sustainable Development Goals.
4. Gained listing status on the [FTSE4Good Global Index](#) at the end of 2016.

In addition, in early 2017, we launched a new web-based training platform to enable employee on-line training and facilitate the process for annual certifications to our Code of Business Conduct and Ethics.

Our CSR efforts are kept up-to-date on our CSR-dedicated microsite, which is a means of publicly documenting and disclosing our responsible management commitments, programs and performance. We continued to enhance our disclosure by making many of our corporate policies public. Throughout this website, you will see examples of how responsible management allows us to generate long-term value and sustainable growth.

We believe that strong communities are the underpinning of a successful, responsible business. For Power Financial, the bond between community and business is symbiotic and mutually advantageous; one cannot exist effectively without the other. We are driven to strengthen that relationship through our responsible management approach to the benefit of all of our stakeholders.

Sincerely,

[R. Jeffrey Orr](#)

PRESIDENT AND
CHIEF EXECUTIVE OFFICER



Our Commitments

Our commitment to CSR is underpinned by our Code of Business Conduct and Ethics, our CSR Statement, our Responsible Procurement Policy Statement, and our endorsement of the United Nations Global Compact.





Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics provides guidance in conducting our business activities in accordance with the highest legal, ethical and professional standards.

The Code of Business Conduct and Ethics (the Code) is approved by the CEO and the Board of Directors. It is made available to all our employees in both English and French and covers a broad range of topics, including compliance, responsible management, conflicts of interest, anti-corruption and anti-bribery, respect at work, human rights, and the environment.

Implementing the Code

Each director, officer, and employee is provided with a copy of the Code and is required to sign an annual acknowledgement of compliance. In 2016, all our people acknowledged compliance with the Code.

The implementation of the Code is the responsibility of the Vice-President and General Counsel, who provides an annual report to the Audit Committee of the Board.

Furthermore, as part of our Code of Business Conduct and Ethics training sessions, we educate our employees on the application of our policies and procedures. In early 2017, we launched a new web-based training platform to facilitate our employee training process. The first online mandatory training module covered Power Financial's Code of Business Conduct and Ethics and key corporate policies. At the end of the module, as part of our annual certification requirement, employees were required to certify their compliance with our Code of Conduct and key corporate policies.

Reporting Mechanisms

Mechanisms for seeking advice and reporting concerns can be directed to the appropriate supervisor, to the Vice-President and General Counsel, and to the Audit Committee of our Board. Confidentiality of reports made in good faith regarding alleged violations is maintained and reports are followed up through our Legal Department. For more information, please refer to the [Reporting Concerns Mechanisms](#) page of our website.

2016-2017 Achievements

- All our employees acknowledged compliance with the Code.
- No breaches to the Code were reported.
- Launched a new web-based training platform (early 2017).
- Implemented our Third Party Code of Conduct with our key suppliers and business partners. To date, the vast majority of them have attested their compliance to the requirements of our Code.

Code of Business
Conduct and Ethics



[Download](#)

Third Party Code of Conduct



[Download](#)



CSR Statement

Responsible management has always been an intrinsic corporate value at Power Financial and is a constant priority that we believe is essential to long-term profitability and value creation.

The Corporation has a deeply rooted tradition of acting in a responsible and ethical manner, and of being actively and positively present in the communities where it is established. This Corporate Social Responsibility Statement (the CSR Statement) reflects the core values that have guided, and continue to guide, Power Financial.

The objective of this CSR Statement is to provide guidance to management when interacting with our portfolio companies on corporate social responsibility issues.

As part of our active ownership approach, we engage with senior management of our portfolio companies, both formally and informally, on a regular basis and when questions or issues may arise, through our representation on their respective boards. In all of these interactions, we have an open and constructive dialogue in order to ensure that we have a proper understanding of how the management teams of our portfolio companies manage corporate social responsibility in a manner consistent with our core values.

We invest in companies that share the same philosophy and commitment to acting responsibly and ethically, and to serving the larger community in general. Building on their strong foundation of corporate social responsibility, our major operating subsidiaries are responsible for developing their own policies and programs, specific to their circumstances.

Meeting our Responsibilities

In addition to complying with applicable laws and regulations and meeting ethical standards in accordance with its [Code of Business Conduct and Ethics](#), Power Financial strives to:

- Incorporate environmental, social and governance issues into its active ownership approach;
- Support and respect the protection of internationally proclaimed human rights;
- Minimize our environmental impact with a focus on continuous improvement; and
- Make a positive contribution in the communities where the Corporation is established.

Formal Responsibility

Formal responsibility for Corporate Social Responsibility has been assigned to the Vice-President and General Counsel, who is responsible for overseeing the implementation of the Statement.

Power Financial reviews the implementation of this CSR Statement on an ongoing basis, as appropriate.

The Statement was approved by the Board of Directors of Power Financial Corporation on November 14, 2013.

2016 Achievement

- Continued to meet regularly with our group companies to align our commitments and to share knowledge on CSR initiatives.



[Download our
CSR Statement](#)



United Nations Global Compact

At Power Financial, we have strengthened our commitment to responsible management by becoming a signatory to the United Nations Global Compact.

The [United Nations Global Compact](#) is a voluntary strategic policy initiative for businesses committed to establishing a consistent approach to corporate social responsibility within ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. We are committed to continuing to make the Global Compact and its principles part of the culture and day-to-day activities of our business. These activities and strategies are presented below.



WE SUPPORT

CEO Statement of Continued Support

Our Commitment

As a diversified management and holding company, we have a strong commitment to ensure our businesses and our investments are managed in a responsible fashion wherever we 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 are pleased to reiterate our continued commitment to support the UNGC principles in 2017.

Management Approach

At Power Financial, we seek investments in companies that have sustainable business models with the potential over time to provide long-term value. Our companies have a long and proud history of being 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 Statement](#) and our commitment to the UNGC.

Statement of Continued Support

Since joining the UNGC in September 2014, we have continued to build upon our responsible management policies, programs and performance. To demonstrate the progress we have made over the past year, our 2017 Communication on Progress is once again developed in alignment with the Advanced Level criteria for reporting.

We welcomed the launch of the [United Nations 17 Sustainable Development Goals](#) (SDGs) in 2015. Inspired by both the SDGs and the UNGC principles, we have prepared this Communication on Progress to provide tangible examples of the contribution our group of companies is making to advance social and economic progress.

Throughout this document we reference our websites and other relevant corporate disclosure, which provide a means of publicly documenting and disclosing our approach and practical examples of how responsible management is implemented within our business and at the Power Financial group of companies.

R. Jeffrey Orr

PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Read our Communication on Progress



[2017](#)



[2016](#)



[2015](#)



Responsible Procurement

We are committed to working closely with our third parties to ensure good ethical practices and business integrity, while managing potential environmental and social risks to our business.

Corporate social responsibility – what we refer to as responsible management – is fundamental to the way we, and our group of companies, do business, and reflects our commitment to conduct our business in a legal, ethical, and responsible manner. Our responsible management philosophy not only applies to our own conduct as a holding company, but also to the behaviour of third parties with whom we conduct business, including suppliers, consultants, advisors and other business partners.

As set out in our Third Party Code of Conduct, third parties are expected to conduct their activities in accordance with the highest legal, ethical, and professional standards, and in a manner consistent with our values and responsible management philosophy, which align with the ten principles of the [United Nations Global Compact](#).

Our Responsible Procurement Policy Statement

As part of our responsible procurement approach, and in accordance with our CSR commitments, we strive to:

- Work with third parties that deliver quality, cost-effective and responsible products/services that help us achieve value for money while enabling positive environmental and social impacts;
- Ensure that the minimum business standards in our Third Party Code of Conduct are communicated to our third parties and that they attest their compliance;
- Ensure third-party risks are identified and mitigation measures established during the selection process, taking into consideration reputational, financial, governance, economic, social, and environmental risks;
- Work with third parties to encourage sustainable products, including environmentally friendly technologies;
- Monitor performance of higher-risk third parties, where relevant; and,
- Report our progress on the implementation of our responsible procurement commitments.

Implementation

Formal responsibility for our responsible procurement commitments has been assigned to the Vice-President and General Counsel, who provides oversight on the implementation of our Responsible Procurement Policy Statement and Third Party Code of Conduct.

2016 Achievement

- Implemented our Third Party Code of Conduct with our key suppliers, consultants, advisors and other business partners. To date, the vast majority of them have attested their compliance to the requirements of our Code.

Third Party Code of Conduct



[Download](#)

Responsible Procurement Policy Statement



[Download](#)

Green Procurement



[Read more](#)



Governance

We believe that sound corporate governance is essential to the well-being of our business and our ability to generate long-term sustainable returns. We are committed to the highest standards of governance.

Board Oversight

Our Board of Directors is composed of 12 Directors, including nine independent non-executive Directors. There are currently two women on the Board. The Board is supported by four Board committees: Audit, Compensation, Related Party and Conduct Review, and Governance and Nominating.

Responsibility for CSR at the Board level is assigned to the Governance and Nominating Committee, whose responsibilities include:

- Oversee the Corporation's approach to governance issues;
- Recommend to the Board corporate governance practices consistent with the Corporation's commitment to high standards of corporate governance;
- Assess the effectiveness of the Board of Directors, of Committees of the Board and of the Directors; and
- Recommend to the Board candidates for election as Directors and for appointments to Board Committees.

Nomination and Assessment of the Board

The Governance and Nominating Committee of the Board is responsible for monitoring the composition of the Board and identifying potential board members taking into account a broad range of criteria. This includes skills and experience, independence, and diversity. In order to fulfill its responsibility, the Committee maintains a skills matrix to assist with reviewing the skills and experience of director candidates and of the Board as a whole. The matrix includes industry-specific and business experience, as well as other areas of expertise, such as public sector and corporate social responsibility, in order to ensure that the Board includes members with a broad range of complementary experience, knowledge and skills.

The Committee is also responsible for assessing the performance and effectiveness of the Board, Board Committees and

individual Directors from time to time to ensure that they are fulfilling their respective responsibilities and duties. A general evaluation is conducted at least annually to assist in assessing the overall performance of the Board and the Board Committees in order to recognize areas for improvement. While the scope and focus of the review may vary from year to year, the review includes a confidential Board effectiveness survey, which is administered by our external legal counsel. The survey solicits feedback from the Directors on matters including the operation of the Board and its Committees, the adequacy of information provided to the Directors, Board structure and agenda planning for Board and Board Committee meetings. The aggregated, anonymous survey results are reviewed by the Governance and Nominating Committee and presented to the entire Board. Please refer to the [Governance section of our corporate website](#) for more information.

CSR Strategy Execution

While the CEO plays an active role in reviewing and approving the CSR strategy, performance and reporting, formal responsibility for CSR has been delegated to the Vice-President and General Counsel, who is our CSR Lead.

The CSR Lead is responsible for executing our CSR strategy, engaging with stakeholders and providing performance reports to the Governance and Nominating Committee. Through the oversight of the CSR Lead, we also meet regularly with our group companies to align our commitments and share knowledge on CSR initiatives. A portion of the CSR Lead's performance incentives are tied to the progress we are making in integrating CSR into all facets of our business, including environmental, social and governance factors.

Progress reports on our CSR initiatives are provided annually to the Governance and Nominating Committee, or more frequently if deemed material. In 2016, there were no CSR issues of concern to report to the Committee. For more information on the composition of the Board and its committees, please refer to the [Governance section of our corporate website](#).

Active Ownership

As an active owner of the companies in which we invest, we strive to ensure that our governance practices preserve and enhance shareholder value in a manner consistent with our responsible management philosophy.

By having our executives sit on the boards of our portfolio companies, we exercise active ownership through regular engagement with their senior management. This governance model, which has been developed over a long period of time, allows us to ensure that our investments are being managed in a manner consistent with our responsible management philosophy, including our [CSR Statement](#) and our [Code of Business Conduct and Ethics](#).

Risk Management

We view responsible management, and all that it entails, as an effective means to mitigate risk and as a catalyst for long-term value creation.

At the Power Financial level, the Board has the overall responsibility for monitoring the implementation and maintenance by management of appropriate policies and controls to manage risks. Each Committee of the Board also has general oversight responsibilities for risk management, focusing on the specific risks related to the Committee's respective mandates. Responsibility for addressing risks related to CSR is assigned to the Governance and Nominating Committee of the Board. CSR risks and opportunities are reviewed annually by the Committee through the CSR updates provided by the Vice-President and General Counsel.

As a holding company, one of our main risks is associated with being a significant shareholder in our subsidiary operating companies. To mitigate these risks, officers of Power Financial sit on the boards and board committees of our subsidiaries, and therefore participate in the oversight function at these companies.

Our prudent risk culture is firmly embedded in the core competencies and responsibilities of our investment teams, which includes having in place processes to proactively identify, assess, and manage risks. These processes include the Corporation's standard due diligence procedures, which enable us to take a precautionary approach to risk management.

Governance Practices



[Read more](#)



Human Rights

As a diversified management and holding company, 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.

Commitment

As a matter of principle, respect for human rights has always been embedded in our responsible management philosophy as defined by our [Code of Business Conduct and Ethics](#) and our [CSR Statement](#). Building on this strong foundation of acting responsibly, we became signatories to the [United Nations Global Compact](#), formalizing our commitment to support and respect the protection of internationally proclaimed human rights.



Responsibility

Upholding our commitment to respect human rights is the responsibility of our entire company. The Vice-President and General Counsel is responsible for providing oversight on our human rights commitments, as reflected in our CSR Statement.

Implementation

Human rights are considered during our dealings with business partners and within our own investment analysis process, when relevant. We also collaborate with group companies to share knowledge on human rights management practices and to identify areas of opportunity.

In recent years, we undertook a review of the human rights initiatives at Power Financial's main subsidiaries. Consistent with the United Nations Framework and Guiding Principles on Business and Human Rights (the Ruggie Framework), we assessed our exposure to potential human rights risks, the policies and programs to avoid adverse human rights impacts, and the processes to enable remediation measures.

We continue to engage with the senior management of our group companies, both formally and informally, and as needed,

to ensure a proper understanding of how their management teams are addressing human rights when questions or issues arise. In addition to being strongly committed to respecting and supporting human rights, many of our group companies are taking a leadership position on human rights management programs.

Monitoring and Review

Our progress on corporate social responsibility, including human rights, is reported annually to the Board through its Governance and Nominating Committee.

2016 Achievements

- Published our second Communication on Progress, strengthening our reporting to an “Advanced Level”.
- Implemented our Third Party Code of Conduct with our key suppliers, consultants, advisors and other business partners, extending our human rights commitment to third parties that work for/on behalf of Power Financial. To date, the vast majority of them have attested their compliance to the requirements of our Code.

Highlights from our Group Companies

COMMITTING TO HUMAN RIGHTS

All **Great-West Lifeco** employees acknowledged their commitment to the company’s code of conduct, which includes human rights commitments.

All **IGM Financial** employees acknowledged their commitment to the company’s code of conduct and respectful workplace policies. IGM Financial’s Corporate Responsibility (CR) statement includes human rights commitments.

Imerys supports human rights as defined in the Universal Declaration of Human Rights and requires that they are respected in its operations worldwide. Imerys integrates child labor and forced labor issues into its due diligence assessment for new projects and the scope of internal auditing missions for the group’s existing activities. Protocols on prohibition of child labor and forced labor have been in place at Imerys since 2009, and are used as the basis for internal audits. In addition, as Imerys believes that high standards in Environmental, Social and Governance (ESG) areas are essential for all of its business operations, it equally expects its business partners and suppliers to adhere to the same principles. Therefore, in 2016, Imerys launched its supplier governance, social and environmental standards, which are mainly based on the ten principles of the United Nations Global Compact initiative. In 2016, Imerys requested its suppliers of more than €2 million divisional spend to comply with the standards and will progressively evolve the compliance review along its supply chain.

INVESTMENT ANALYSIS

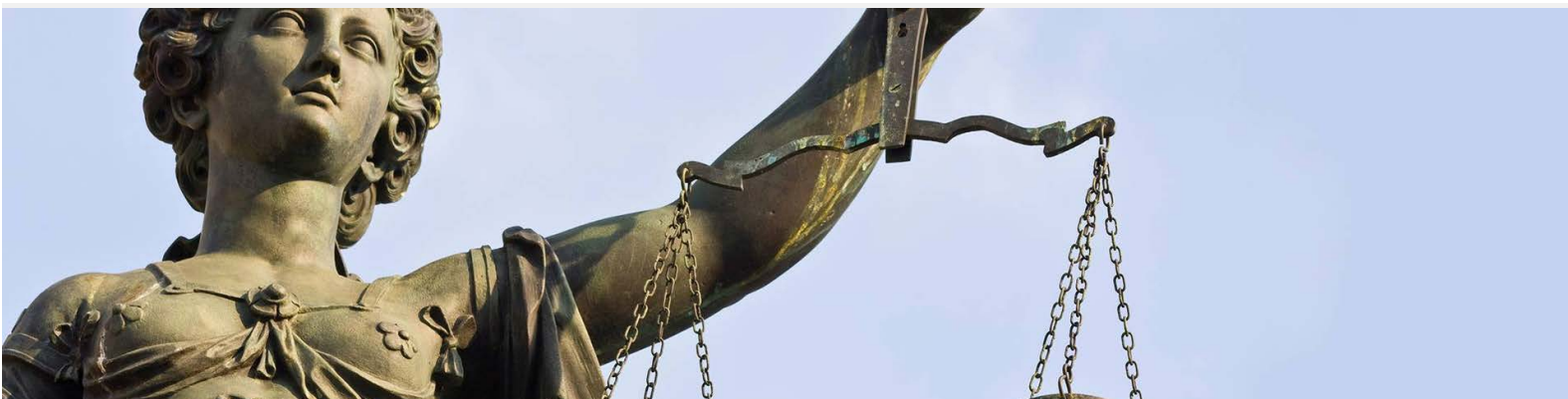
IGM Financial integrates human rights considerations in the investment process through the Investors Group Summa SRI™ Fund, one of the largest socially responsible investments funds in Canada. The Fund aims to provide moderate income and long-term capital growth by making socially responsible investments primarily in the Canadian equity markets. The Fund seeks to invest primarily in companies that have adopted progressive standards and practices towards the environment,

human rights and other social issues. The Fund does not invest in companies whose revenues are primarily derived from alcohol, tobacco, gambling, pornography or critical weapons systems. This approach is appropriate for clients who look for investments consistent with their financial goals and personal values. The Fund uses third-party global SRI screening services to assist with the evaluation of companies against these socially responsible criteria and to assess suitability for inclusion in the Fund's investable universe.

CANADIAN MUSEUM FOR HUMAN RIGHTS

The Canadian Museum for Human Rights in Winnipeg, Manitoba was established by an Act of Parliament in 2008 and officially opened its doors in September 2014. The museum's mandate is to explore the subject of human rights in order to enhance the public's understanding of human rights, to promote respect for others, and to encourage reflection and dialogue. Power Financial's parent company **Power Corporation**, and our subsidiaries **Great-West Life**, **London Life** and **Canada Life**, as well as **Investors Group**, collectively made a significant commitment to the launch of the Canadian Museum for Human Rights.





Anti-Corruption

As a diversified management and holding company, we are committed to carrying out business worldwide ethically and in accordance with all applicable laws.

Many countries have anti-bribery and anti-corruption laws or are a party to international conventions dealing with combating bribery and corruption. These laws and conventions prohibit making payments or providing goods or services of value, directly or indirectly, for the purpose of getting or retaining business or otherwise procuring a competitive advantage.

Commitment

We have formalized our commitment to anti-corruption compliance by establishing an Anti-Bribery Policy Statement and corresponding Global Anti-Bribery Policy, which were approved by the Board of Directors. These documents set out our expectations with respect to anti-bribery and prohibit 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. The term “anything of value” is broadly defined in this context and includes not only obvious bribes and kickbacks, but also indirect benefits and any financial or other advantage.

This prohibition applies to dealings with individuals and corporate entities, public officials, candidates for public office, employees of state-owned enterprises, and any other person with whom we anticipate doing business.

Furthermore, we have set up specific rules with respect to giving and receiving gifts and hospitality. Specifically, hospitality and gifts are not only required to be legal, but also consistent with the recipient’s policies and procedures and with the social and business customs in the recipient’s country. They must not influence an upcoming decision, approval or contract award, nor create a sense of obligation on the part of the recipient. Finally, gifts and hospitality provided or received are required to be objectively reasonable and must not be provided so frequently that, when aggregated, they become lavish or unreasonable.

We are also committed to fostering compliance with anti-bribery laws by our wholly owned subsidiaries.

Implementation

We have implemented an anti-corruption compliance program that includes training, due diligence of third parties and

mandatory reporting. We have conducted a training program with all our personnel. We maintain books and records that accurately reflect our transactions, the use of our assets, and other similar information, and a reasonable system of internal controls. We have also implemented a pre-approval mechanism for gifts and hospitality, in order to ensure compliance with the policy.

To maintain awareness, we send our personnel periodic reminders of their duties and responsibilities under the policy. We also require all our Directors, officers and employees to certify their compliance with the policy at least annually by attesting their compliance with our [Code of Business Conduct and Ethics](#).

We apply similarly high ethical standards to third parties dealing with us by conducting risk-based due diligence on consultants or potential acquisitions. Third parties who work for/on our behalf are required to attest their compliance to our business standards, including with respect to anti-bribery, via our [Third Party Code of Conduct](#).

Responsibility

The success of our commitment to anti-corruption and anti-bribery relies on the diligence of all our personnel. The implementation of the policy is the responsibility of the Vice-President and General Counsel, who provides annual reports to the Audit Committee of the Board.

Reporting Mechanisms

Any violations of our Code and of our Third Party Code, including violations or concerns related to our Global Anti-Bribery Policy, must be reported to an appropriate supervisor or to the General Counsel's office. All reports are taken seriously and treated with the utmost confidentiality and anonymity. We have processes in place to ensure reports are promptly investigated and addressed. The Corporation will not take any reprisal or retaliation measures, including any adverse employment measures, against any Director, officer, employee and/or third party who in good faith brings forward actual or potential violations or concerns. For more information, please refer to the [Reporting Concerns Mechanisms](#) page of our website.

Monitoring and Review

We have implemented a pre-clearance requirement for relevant types of gifts and hospitality received or provided by our employees. We require our personnel to report any suspected violation of the policy to the Vice-President and General Counsel, who is in charge of investigating and taking remedial action where appropriate. The Vice-President and General Counsel must report suspected violations, if any, to the Audit Committee.

2016 Achievements

- No violations related to corruption and bribery were identified.
- Furthered our commitment to anti-corruption by covering this aspect in our Third Party Code of Conduct.

Anti-Bribery Policy Statement



[Download](#)



[Download](#)



Diversity

We believe in having diversity on the Board, and in business in general, and will continue to strive in that direction. Diversity is important to ensure that the profiles of Board members and senior management provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management of our business.

Commitment

We are committed to increasing diversity on the Board, within senior management, and in our overall business. As part of this commitment, we recognize the important role of women in contributing to diversity of perspective in the Boardroom and senior management roles.

Our approach to diversity is articulated through our [Code of Business Conduct and Ethics](#) and our Board and Senior Management Diversity Policy.

Responsibility

The Board's Governance and Nominating Committee is responsible for recommending to the Board candidates for Director nominations, and the Chief Executive Officer of the Corporation is responsible for making senior management appointment decisions. As part of these responsibilities, we are committed to ensuring that the nomination and selection of candidates for Director and senior management roles is based on merit and in consideration of our diversity commitments.

Implementation

As part of our nomination and selection process, we:


- Consider candidates for both Director and senior management roles that are highly qualified based on their experience, education, expertise, judgment, personal qualities, and general and sector specific knowledge;
- Consider diversity criteria, among other relevant criteria, when determining the optimum composition and balance for the Board;

- Review potential candidates for both Director and senior management roles from a variety of backgrounds and perspectives, having in mind the Corporation’s diversity objectives; and
- In order to support the specific objective of gender diversity, ensure that appropriate efforts are made to include women in the list of candidates being considered for a Board position.

Monitoring and Review

On an annual basis, the Governance and Nominating Committee of the Board, and the Chief Executive Officer of the Corporation, assess the effectiveness of the Director and senior management nomination and selection process, respectively, at achieving the Corporation’s diversity objectives.

Diversity and Inclusion

 [Read more](#)



Reporting Concerns Mechanisms

We are committed to carrying out our business activities ethically and in accordance with all applicable laws. Accordingly, we maintain appropriate mechanisms for our stakeholders to report or raise concerns should they suspect or witness unethical or unlawful behaviour.

Commitment

Mechanisms to report or raise concerns over unlawful or unethical behaviour are formalized through our [Code of Business Conduct and Ethics](#), [Third Party Code of Conduct](#) and Accounting Complaints Handling Procedures. These documents outline the processes in place for Directors, officers, employees and third parties to promptly report any suspected violation of our Codes and policies, or of any law, rule or regulation, including possible concerns regarding accounting, internal accounting controls or auditing matters.

Additional reporting mechanisms are also described in other internal policies, such as our [Global Anti-Bribery Policy](#) and our Disclosure Policy, which provide for an obligation to report any suspected breach thereof.

Implementation

Unless otherwise specified in a particular policy or procedure, concerns can be reported to Power Financial's Vice-President and General Counsel.

Each Director, officer and employee is provided with a copy of our various policies and procedures, which are available in French and English. Furthermore, as part of our Code of Business Conduct and Ethics training sessions, we educate our employees on the application of our policies and procedures, including the various mechanisms available to report concerns.

All reports are taken seriously and treated with the utmost confidentiality and anonymity. We have processes in place to ensure reports are promptly investigated and addressed.

The Corporation will not take any reprisal or retaliation measures, including any adverse employment measures, against any Director, officer, employee and/or third party who in good faith brings forward actual or potential violations or other concerns.

Responsibility

The Vice-President and General Counsel is responsible for ensuring that the mechanisms for reporting concerns are made readily available, and reports are appropriately reviewed, investigated, and addressed.

Our Subsidiaries' Commitment

Power Financial supports the reporting mechanisms established by its wholly owned operating subsidiaries. Many of our subsidiaries have put in place similar processes for their stakeholders, including their clients, to report concerns, as defined in their respective Codes of Business Conduct and Ethics.

For example, **Great-West Life** has put in place [Customer Complaint Handling Procedures](#), which outline various mechanisms for a customer to raise concerns. These Procedures include an Ombudsman Office – a channel for clients to raise concerns on the company's products or services.

IGM Financial has a policy regarding reporting concerns that outlines a confidential process for raising concerns, including a 24/7 whistleblower hotline and website, and a detailed process for comprehensive investigation where warranted. IGM Financial's operating companies have formal [procedures in place to handle written or verbal complaints](#) from clients in a fair and timely manner. A client's first point of resolution is through their financial advisor. Call centres at each company also assist with routine inquiries and complaints. When problems are escalated, the resolution process includes a thorough examination of the complaint by an investigator who contacts the client and engages in a personalized review of the client's concern.

Code of Business
Conduct and Ethics



[Download](#)

Third Party Code of Conduct



[Download](#)



Stakeholder Engagement

Stakeholder dialogue is an integral part of our responsible management approach as a means of promoting understanding and trust. It lets us stay connected to the parties who have an active or potential interest in our business. We take the necessary time to understand and consider our stakeholders' views.

Process of Engagement

We engage with a broad range of stakeholders, which include our group companies, shareholders, employees, suppliers, local communities, and responsible investment organizations, as well as corporate social responsibility and governance rating organizations. The stakeholders with whom we choose to engage will depend on their interests and the relevance of their issues to our business. For more information, please refer to [Engagement Methods](#).

Engagement takes place both formally and informally through a collaborative and open dialogue. In preparing this website, we incorporated the perspectives of those stakeholders who had expressed a direct interest in our CSR performance. We recognize the importance of stakeholder perspectives and will continue to engage with stakeholders to inform our continuous improvement efforts and the content of our reporting.

Addressing CSR Interests

Over the past years, CSR interests were mainly expressed by CSR rating organizations.

What We Heard	How We Responded
Improve disclosure on climate change management and performance	We provide information on our climate change management and performance through our public response to the CDP questionnaire . We have been recognized for our efforts and have continued to demonstrate strong performance within the Canadian financial services sector.

Strengthen commitment to human rights

As indicated in our [CSR Statement](#), Power Financial has committed to supporting and respecting internationally proclaimed human rights and became a signatory to the [United Nations Global Compact](#). In 2016, we submitted an Advanced Level Communication on Progress, providing information on our management policies and procedures and on the alignment of our programs to the [United Nations Sustainable Development Goals](#).

We also engage with our group companies on their human rights commitments to inform our management approach.

Formalize commitment to environmental management

We formalized our commitment to environmental management by developing and implementing our [Environmental Policy](#).

Improve disclosure on corporate social responsibility programs

We have continued to update our corporate social responsibility website in alignment with international standards to better inform our stakeholders of our governance, strategy, programs and performance.

Strengthen responsible procurement program

We extended the scope of our commitment to ethical business practices to our third party suppliers and business partners, by developing and implementing a [Responsible Procurement Policy Statement and Third Party Code of Conduct](#), which have been deployed with our key suppliers, consultants and business partners.



Engagement Methods

We engage with our stakeholders to identify and address issues of mutual interest. By engaging with a broad range of stakeholders through open dialogue, both formally and informally, we gain a better understanding of key topics and make better decisions on important matters, including environmental, social and governance (ESG) matters.

GROUP COMPANIES	
Frequency and Approach	Engagement Focus
Regular meetings through a CSR Committee with representation from Power Financial, Power Corporation, Great-West Lifeco and IGM Financial as well as regular informal CSR meetings with other group companies on an as needed basis.	Engagement with group companies enables us to collaboratively and proactively identify potential CSR issues that may have an impact on the business, understand group interests, share best practices and communicate performance. In 2016, key topics of interest related to climate change, stakeholder engagement, Sustainable Development Goals (SDGs), CSR reporting and data and community impact.

SHAREHOLDERS	
Frequency and Approach	Engagement Focus

Ongoing engagement on a broad range of interests.

Shareholder interests are mainly addressed at Power Financial's annual meeting, where shareholder proposals are voted on and results made publicly available.

From time to time, shareholders may raise specific topics, typically through letters addressed to our senior management team.

EMPLOYEES

Frequency and Approach

Ongoing engagement through various feedback mechanisms, training programs, and performance reviews.

Engagement Focus

Our performance and career management program provides a forum that encourages ongoing conversations between employees and their supervisors on a host of topics including career development and training.

SUPPLIERS

Frequency and Approach

Ongoing engagement with suppliers and contractors to influence the provision of products and services for our business.

Engagement Focus

We continue to encourage the use of sustainable materials by our suppliers and contractors, including computer equipment, certified sustainable paper, non-toxic cleaning products, sustainable building materials, and pesticide-free ingredients, as well as locally sourced products.

Engagement with suppliers, consultants and business partners on the importance of ESG factors.

As part of the deployment of our Third Party Code of Conduct, we engage with our third parties on the importance of ESG factors, expressing our expectations that they conduct their activities in accordance with the highest legal, ethical, and professional standards, and requiring them to attest compliance with the Code.

SOCIAL DEVELOPMENT ORGANIZATIONS

Frequency and Approach

Ongoing dialogue on issues that have an impact on society.

Engagement Focus

We engage with these organizations on a broad range of topics, including poverty, empowerment of women, environmental stewardship, health, education, social entrepreneurship, and arts and culture. For more information, please refer to our parent company Power Corporation's [Community Investment microsite](#).

RESPONSIBLE INVESTMENT AND CSR RATING ORGANIZATIONS

Frequency and Approach

Ongoing dialogue with a globally diverse range of investment organizations and CSR rating organizations.

Engagement Focus

These organizations have expressed interest in climate disclosure, human rights, environmental policies and CSR reporting. To learn more on how these issues have been addressed, please refer to the section on [Addressing CSR Interests](#).



CSR Priority Issues

As a diversified management and holding company, we keep track of a broad number of social, ethical, economic and environmental issues that have an impact on our business.

An integral part of our responsible management philosophy is to ensure that we are focusing on the right corporate social responsibility priorities for our business. The following factors were taken into consideration to define our corporate social responsibility priorities:

- Generate long-term, sustainable growth;
- Enable new revenue streams from investments that benefit both the business and society;
- Mitigate investment risks associated with environmental, social, economic and governance issues;
- Attract and retain a skilled workforce;
- Reflect the interests of our stakeholders;
- Contribute positively to the communities where we operate; and
- Build trust and reputational value.

Based on these considerations, every year we conduct a review to ensure we are focused on the right priorities. In 2016, we established the following priorities within five themes:

GOVERNANCE

- Anti-corruption
- Human rights
- Diversity of the Board and executive management
- Responsible Procurement

INVESTMENTS

- Investing responsibly
- Sustainable Products and Services

EMPLOYEES

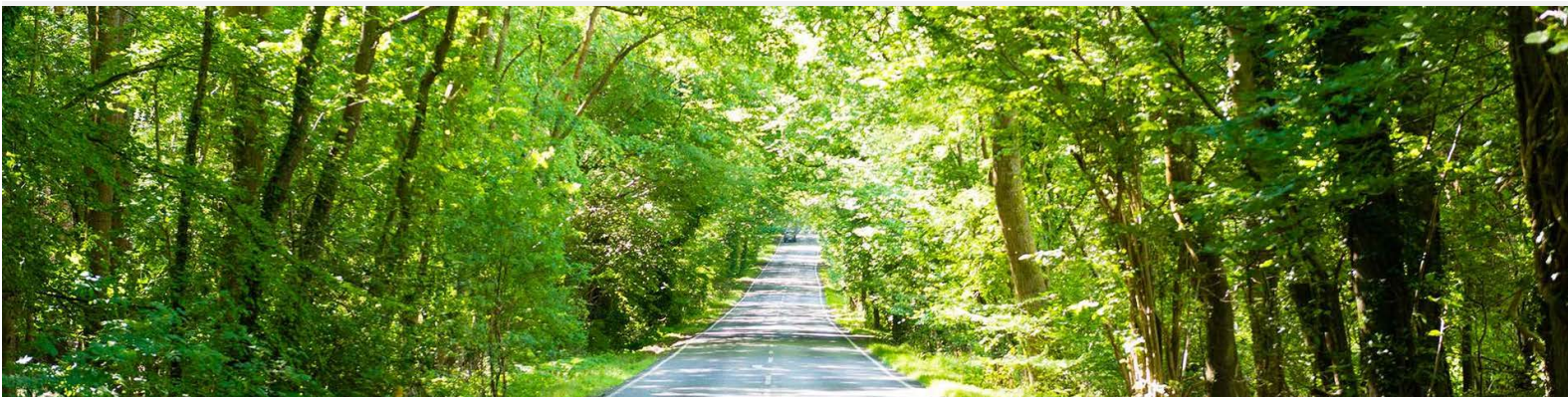
- Talent development and engagement
- Diversity and inclusion
- Health, safety and well-being

ENVIRONMENT

- Energy and carbon efficiency
- Climate change adaptation
- Green procurement

SOCIETY

- Shared value creation
- Financial well-being and economic prosperity



Achievements and Future Commitments

We measure and monitor the progress of our strategic initiatives against internal objectives. We are committed to continuously improving our performance.

GOVERNANCE

Priorities

Ensure highest ethical standards are maintained at the Power Financial level, at our group companies, through our active ownership approach, and at our third parties, through our Third Party Code of Conduct.

2016-2017 Achievements

- All employees acknowledged compliance with the Code of Business Conduct and Ethics and no breaches were reported.
- Implemented our Third Party Code of Conduct with our key suppliers and business partners. To date, the vast majority of them have attested their compliance to the requirements of our Code.
- Launched a new web-based training platform (early 2017).
- Published our second Communication on Progress, strengthening our reporting to an “Advanced Level”.
- Continued to report and engage with CSR rating organizations.

2017 Commitments

- Continue to report and engage with a number of CSR rating organizations.
- Pursue the deployment of our Third Party Code of Conduct.
- Continue to share knowledge on CSR initiatives through regular group company meetings.

- Gained listing status on the FTSE4Good Global Index.
- Continued to meet regularly with our group companies to align our commitments and to share knowledge on CSR initiatives.
- No violations related to corruption and bribery were identified.
- Furthered our commitment to anti-corruption by covering this aspect in our Third Party Code of Conduct.

INVESTMENTS

Priorities

Invest in quality companies with sustainable franchises and attractive growth prospects that demonstrate they are managed in a responsible manner.

2016 Achievement

- Continued to engage with our group companies and investments on environmental, social and governance (ESG) issues through our active ownership approach.

2017 Commitments

- Continue to integrate ESG considerations into decision-making through our active ownership approach.
- Continue to share knowledge with our group companies and investments on integrating ESG factors into their respective investment analysis process.

EMPLOYEES

Priorities

Develop people and manage talent, support a diverse and inclusive workforce, and promote health and well-being.

2016-2017 Achievement

- Launched a new web-based training platform (early 2017).

2017 Commitment

- Compile and communicate information on people related metrics across Power Financial's group of companies.

ENVIRONMENT

Priorities

Reduce our environmental footprint, adapt our business to a changing climate and support responsible procurement.

2016 Achievements

- Established a new target to reduce our consumption of natural gas and electricity at our head office properties by 8% by 2020, using 2011 as a baseline¹.
- Decreased our consumption of natural gas and electricity at our head office properties by 12.6%, using 2011 as a baseline.
- Responded to the CDP questionnaire for the fifth year, using for the first time a financial control approach and rolling up data from Great-West Lifeco and IGM Financial. We obtained a CDP score of B (Management) in 2016.
- Our 2016 GHG emissions, reported and referenced in our 2017 CDP submission, were externally verified.
- Maintained green building certification through BOMA BEST® at our leased corporate head office.
- Engaged with suppliers to procure sustainable products and services.
- No environmental incidents were reported.

2017 Commitment

- Reduce our consumption of natural gas and electricity at our head office properties by 8% by 2020, using 2011 as a baseline¹.

1. Given our limited environmental footprint, going forward, we will be focusing our efforts on electricity and natural gas consumption at our head office properties, rather than on GHG emissions from these sources.

SOCIETY

Priorities

Make a positive contribution to society, improve financial well-being and increase participation in employee community programs through our parent company Power Corporation.

2016 Achievement

- In 2016, Power Financial and its group companies

2017 Commitment

- Continue to explore potential measures to better

employed over 26,800 individuals and contributed \$3.6 billion in employee salaries and benefits.

quantify Power Financial's and its group of companies' economic value added.



Measuring our Governance Performance

We measure our performance on responsible governance by monitoring various indicators. The selection of these indicators is informed by a number of elements, including the Global Reporting Initiative (GRI) Standards and requests made by stakeholders, such as the CDP, FTSE4Good and other ESG research organizations.

Data Reporting and Assurance

The governance data reported in the document below is for the calendar years ended December 31 and relates to performance at Power Financial, unless otherwise indicated. We conduct internal and external quality checks to ensure the accuracy of the data reported. For more specific information on our governance data please refer to the referenced footnotes.



[View Data Supplement](#)



Aligning with the Sustainable Development Goals



We are committed to aligning our core business strategy with the 17 Sustainable Development Goals (SDGs). Given the mainstay of our investments are in financial services, we believe we represent a positive force in society. Our major operating subsidiaries offer life and health insurance, retirement savings programs and a broad range of investment vehicles, including socially responsible funds. The following examples demonstrate how products and services at the Power Financial group of companies are contributing to the SDGs.



SDG 1

No Poverty

End poverty in all its forms everywhere

FINANCIAL ADVICE

Our financial services companies provide clients with a financial advisor who is encouraged and trained to recommend products that are suitable for each client's individual situation. At **IGM Financial**, financial advisors are helping to continuously enhance the financial well-being for clients and can make a difference for Canadians in all age groups and income levels – including those in lower income ranges. Their mutual funds are available at very low investment minimums, making it possible to provide much-needed access to financial products and services to all households, regardless of income or wealth levels.

FINANCIAL SECURITY

With more than 30 million customer relationships in Canada, the United States and Europe, our financial services companies represent a positive force in society by enabling financial security through life and health insurance, retirement savings programs, and a suite of investment products. In 2016, **Great-West Lifeco's** Canadian operations helped more than 44,000 families cope with loss, paying out more than \$2.4 billion in life insurance claims; provided income for over 76,000 people who became disabled and could no longer work; helped over 30,000 employers provide benefits plans and over 12,000 employers offer retirement savings plans for their employees; and made over \$800 million of annuity payments, helping Canadians fund their retirement with a secure income stream.



SDG 3

Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

HEALTH BENEFITS

We provide our employees and their families access to an Employee and Family Assistance Program to support work, health and life issues, including workplace challenges, nutrition, physical and mental health, addiction concerns, stress, depression and anxiety, family and parenting, relationships, and other situations. We also provide life insurance, short-term and long-term disability insurance, vision care, and dental coverage for our employees and retirees. We also subsidize employees' fitness memberships.

In 2016, **Great-West Lifeco's** Canadian operations paid over 56 million claims representing more than \$4.6 billion in health and dental benefits for plan members.

MENTAL HEALTH IN THE WORKPLACE

Great-West Life's [Centre for Mental Health in the Workplace](#) has fostered collaboration and dialogue by bringing together thought leaders and driving discussions on issues affecting mental well-being. The Centre is a leading source of free, practical tools and resources designed to help Canadian employers with prevention, intervention and management of workplace mental health issues. These resources are available to all employers and organizations through the Centre's website, which receives an average of 12,500 visits every month.

PERSONAL HEALTH ASSESSMENTS

We have also supported healthy living through **Great-West Lifeco's** launch of an enhanced Personal Health Risk Assessment (PHRA) tool for its group benefit plan members. Aggregate data from the PHRA can help plan sponsors understand risk factors among their members, better focus wellness programs, measure the total cost of absenteeism and presenteeism, and monitor progress. With extensive sections on work/life balance and depression, this tool provides insight into both physical and mental wellness.



SDG 4

Quality Education

Ensure inclusive and quality education for all and promote lifelong learning

FINANCIAL LITERACY

Financial literacy is a basic need for Canadians of all backgrounds and stages of life. Being financially literate means having the knowledge, skills, and confidence to make informed financial decisions. Through **Great-West Lifeco** and **IGM Financial**, we support programs that promote education in financial literacy. Our group's 13,900 financial consultants and advisors provide our clients with financial advice and guidance, which is an important part of financial literacy.

For **Great-West Lifeco's** Canadian operations, 2016 marked its third year of commitment as the national sponsor of the Chartered Professional Accountants of Canada's suite of outreach educational programs that are helping meet the financial literacy needs of community organizations, underserved groups like new Canadians and Indigenous peoples, post-secondary students and individuals of all ages. In addition, the company's [SmartPATH](#) website offers free online learning for all stages of savings and retirement planning through games, calculators, videos and text-based learning about personal financial planning and the value of group retirement and savings plans.

Investors Group continued its collaboration with the Canadian Foundation for Economic Education (CFEE) and its support of the CFEE's *Building Futures* program to integrate financial education into the school curriculum for grades 4 to 10. In 2016, Investors Group received the CFEE Financial Literacy Award for its leadership and continued commitment to improving the financial literacy of youth across Canada through the *Money and Youth* and *Building Futures* programs.



SDG 5

Gender Equality

Achieve gender equality and empower all women and girls

GENDER DIVERSITY

We have a commitment to increase the number of women at the Board and at senior management levels, which we articulate through our Board and Senior Management Diversity Policy. **Great-West Life** supported the launch of *Women @ Great-West Life* and *Women @ London Life*, a networking and mentoring group for up-and-coming female leaders, focusing on education, inspiration and networking. At IGM Financial, the approach to Board and senior management diversity was formalized through a Diversity Policy, and, in 2017, female representation on the board of directors increased to 25%. Both **Investors Group** and **Mackenzie Investments** have implemented *Taking the Stage*®, a program for women focusing on the skills and tactics that drive leadership presence and effectiveness.



SDG 7

Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

INVESTMENTS IN GREEN ENERGY PROJECTS

In 2016, **Great-West Lifeco**'s Canadian public bond and private debt groups invested more than \$1.6 billion in infrastructure, of which \$400 million was invested in green energy projects including investments in solar, wind and hydro energy projects.



SDG 8

Decent Work and Economic Growth

Promote inclusive and sustainable economic growth, employment and decent work for all

JOB CREATION AND BENEFITS

Power Financial and its group companies employed more than 26,800 individuals and contributed \$3.6 billion in employee salaries and benefits in 2016. These funds flow through the economy, impacting the hundreds of communities in which our employees live and work.

INVESTMENTS TO SPUR GROWTH

Great-West Lifeco makes long-term investments to support growth in the Canadian economy while helping Canadians reach their financial goals. The company's commercial mortgages, public bond and private placement investments provide opportunities for business and governments to help create employment, fund research and development, and support infrastructure, healthcare, and renewable energy projects. In 2016, its Canadian public bond and private debt groups invested more than \$1.6 billion in infrastructure, including investments in green energy projects, airports, port terminals, hospitals, transit, highways, utilities, schools and universities. The company also invested more than \$100 million in independent finance companies that act as alternative funding sources for small- to medium-sized Canadian businesses and funded more than \$2.4 billion in new private debt and commercial mortgages across Canada.

REGISTERED DISABILITY SAVINGS PLANS (RDSP)

Investors Group and **Mackenzie Investments** have continued to be market leaders in offering Registered Disability Savings Plans (RDSPs) for clients or their family members with disabilities, providing them access to a tax-preferred savings vehicle and the opportunity to take advantage of generous government grants and bonds. In 2016, assets under management within RDSPs grew significantly to over \$480 million. The RDSP program, in conjunction with the company's products and services, enables IGM Financial to help Canadians in a meaningful way.



SDG 11

Sustainable Cities and Communities

Make cities inclusive, safe, resilient and sustainable

GREENER REAL ESTATE

GWL Realty Advisors is contributing to more safe, resilient and sustainable real estate assets. A majority of the buildings under their management have green building certifications, and a range of sustainability features that are enhancing the health, wellness and environmental performance of buildings for their tenants. In 2016, 10.9 million square feet of GWL Realty Advisors' managed portfolio was LEED-certified, and 96% of Great-West Lifeco's eligible portfolio was either BOMA BEST® certified or actively pursuing certification – a total of close to 300 certified buildings.



SDG 12

Responsible Consumption and Production

Ensure sustainable consumption and production patterns

RESPONSIBLE INVESTMENTS

As long-term investors, we believe in investing in quality companies with attractive long-term growth prospects that are managed in a responsible manner. We integrate ESG factors in our investment analysis, which is helping encourage more sustainable consumption and production patterns at the companies where we invest. Furthermore, many of our group companies are signatories to the Principles for Responsible Investment, including Great-West Lifeco's subsidiaries **GLC Asset Management Group**, **Putnam Investments** and **Irish Life Investment Managers**, and IGM Financial's subsidiaries **Investors Group** and **Mackenzie Investments**, integrating ESG factors into their investment processes.

GREEN MORTGAGES

Investors Group offers mortgages that incentivize energy-efficient homes and renovations making them eligible for mortgage insurance premium savings.

RESPONSIBLE PROCUREMENT

We work collaboratively with our third parties to extend our responsible management philosophy through our Third Party Code, and to encourage more sustainable products and services. In 2016, as part of our Third Party Code of Conduct deployment, we reached out to key suppliers, consultants, advisors and other business partners. To date, the vast majority of them have attested compliance to the requirements of our Code.



SDG 13

Climate Action

Take urgent action to combat climate change and its impacts

CARBON EFFICIENCY

As a group, we are committed to playing our part in accelerating climate action and finding suitable

financial solutions. From an investment standpoint, we are helping finance cleaner and renewable energy projects through **Great-West Life**. Despite our limited environmental impact as a holding company, we make every effort to conserve resources, improve energy efficiency, and manage waste effectively. Together with our major operating subsidiaries, we continued to reduce our GHG emissions and implement innovative environmental initiatives as part of our green building BOMA BEST® designation. In 2016, we were recognized for our efforts by the CDP as were **Great-West Lifeco** and **IGM Financial**. Furthermore, Great-West Lifeco's Canadian operations earned a position on the CDP's Climate A List, placing it in the top 10% of companies globally, the only Canadian financial services company to do so. **GWL Realty Advisors** continued to be recognized for its property management excellence, obtaining a Green Star ranking on the Global Real Estate Sustainability Benchmark (GRESB).



SDG 16

Peace, Justice and Strong Institutions

Promote just, peaceful and inclusive societies

HUMAN RIGHTS

Together with our major operating subsidiaries, we are taking a leadership position in promoting justice for all and supporting human rights in society. For example, our parent company **Power Corporation** and our subsidiaries, **Great-West Life**, **London Life**, **Canada Life**, and **Investors Group**, collectively made a significant commitment to the launch of the Canadian Museum for Human Rights. The museum's mandate is to explore the subject of human rights in order to enhance the public's understanding of human rights, to promote respect for others, and to encourage reflection and dialogue.

CHARITABLE GIVING FUNDS

Mackenzie Investments and **Investors Group** are leaders in the provision of donor-advised giving programs in Canada, providing clients with a charitable giving account to support charities of their choice. Each company's program is run through a Foundation which administers the charitable giving funds and applies all or part of the principal and income from those funds to eligible charities on behalf of clients. Both companies' charitable giving programs were established in 2006, and in 2016 assets under management grew to over \$210 million. In 2016, the charitable giving funds provided 3,740 grants to charities totalling \$9.3 million. Since 2006, over 20,000 grants have been made, totalling \$43.6 million.



Reporting

This website is intended to provide our stakeholders with select information concerning Power Financial's approach to Corporate Social Responsibility (CSR) – what we refer to as responsible management.

Content Scope and Global Reporting Initiative Alignment

The selection of content for the microsite was guided by the Global Reporting Initiative (GRI) Standards, providing an overview of our responsible management policies, governance processes, and programs related to issues facing our business. The GRI is a leading international organization that provides a Sustainability Reporting Framework, offering guidance to organizations on how to measure, understand and communicate sustainability information.

This website covers both qualitative and quantitative information for Power Financial, supported by relevant qualitative examples from our group's major holdings - Great-West Lifeco and its subsidiaries, IGM Financial and its subsidiaries, as well as Imerys.

Timing of Reviews

The content of this website was last reviewed and updated in September 2017. The qualitative information covers content up until the last content review, while the quantitative information reflects the calendar year 2016. Information contained on this website will be reviewed and updated on an annual basis or as deemed appropriate.



Reports

2017



RESPONSE TO THE
CARBON DISCLOSURE
PROJECT



Download



COMMUNICATION ON
PROGRESS - UNITED
NATIONS GLOBAL
COMPACT



Download

2016



PDF VERSION OF THIS
CSR WEBSITE



Download



RESPONSE TO THE
CARBON DISCLOSURE
PROJECT



Download



COMMUNICATION ON
PROGRESS - UNITED
NATIONS GLOBAL
COMPACT



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RESPONSIBLE
MANAGEMENT SECTION
OF THE ANNUAL REPORT



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DATA SUPPLEMENT



Download

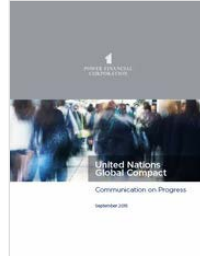
2015



RESPONSE TO THE CARBON DISCLOSURE PROJECT



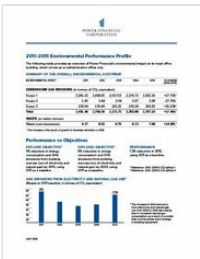
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COMMUNICATION ON PROGRESS - UNITED GLOBAL COMPACT



Download



2010-2015 ENVIRONMENTAL PERFORMANCE PROFILE



Download



RESPONSIBLE MANAGEMENT SECTION OF THE ANNUAL REPORT



Download

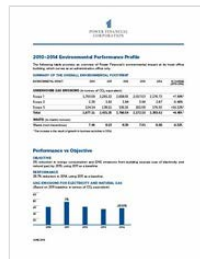
2014



RESPONSE TO THE CARBON DISCLOSURE PROJECT



Download



2010-2014 ENVIRONMENTAL PERFORMANCE PROFILE



Download



RESPONSIBLE MANAGEMENT SECTION OF THE ANNUAL REPORT



Download

2013



RESPONSIBLE
MANAGEMENT SECTION
OF THE ANNUAL REPORT



Download

2012



RESPONSIBLE
MANAGEMENT SECTION
OF THE ANNUAL REPORT



Download

2011



RESPONSIBLE
MANAGEMENT SECTION
OF THE ANNUAL REPORT



Download



Recognitions

Over the past few years, we, at Power Financial and at our group companies, have multiplied our efforts to strengthen our corporate social responsibility programs and initiatives, which are fundamental to our business success.

We are proud to see our efforts, as well as those of our subsidiaries, being recognized by a number of highly respected organizations.



The CDP works to transform the way the world does business in order to prevent climate change and protect natural resources. The organization works with various shareholders and corporations to enhance disclosure around greenhouse gas emissions.

Power Financial and **Power Corporation** have been responding to the CDP Climate Change Program for the past five years and support the organization's endeavours to increase transparency and disclosure on climate change governance, risks and opportunities, management and performance. In 2016, both Power Financial and Power Corporation obtained a score of B.

IGM Financial reports to the CDP on their energy use and greenhouse gas emission performance. 2016 was the fourth year that IGM Financial was participating in the CDP survey, obtaining a score of A-.

Participating in the annual CDP Climate Change program for a fourth consecutive year, **Great-West Lifeco** has earned a position on CDP's 2016 Climate A List, placing it in the top 10% of companies globally, the only Canadian financial services company to do so.



FTSE4Good

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Power Financial and **Power Corporation** have been added to the FTSE4Good Global Index, effective December 19, 2016.

IGM Financial was added to the FTSE4Good Index Series in June 2016.



IMAGINE
CANADA

Imagine Canada is national program promoting corporate and public giving, volunteering, and support in the community, and calls for corporations to contribute a target of 1% of pre-tax domestic profit to charitable causes.

A member of the program since 1989, our parent company **Power Corporation** has consistently exceeded its minimum donation guideline and has consequently been designated a “Caring Company” by Imagine Canada.

Our subsidiaries **Great-West Life**, **London Life**, **Canada Life**, **Investors Group** and **Mackenzie Investments** have also received the “Caring Company” designation in recognition for their generous contribution to their communities.



In 2016, all of **Great-West Lifeco**’s Canadian corporate head offices were certified BOMA BEST® Gold with the exception of one property currently at Silver. In 2016, a total of 22 awards were presented to properties managed by one of Great-West Lifeco’s subsidiaries, **GWL Realty Advisors**, including BOMA Canada’s prestigious National Earth Award, which was presented to the London Life RAM Centre.

At the end of 2016, 10.9 million square feet of **GWL Realty Advisors**’ managed portfolio was LEED®-certified, and 96% of

Great-West Lifeco's eligible portfolio was either BOMA BEST® certified or actively pursuing certification – a total of close to 300 certified buildings.



In 2016, the **Investors Group's** Summa SRI™ Fund (Series C) was ranked fifth in the Eco–Fund Ratings of Corporate Knights – a Toronto-based media and investment advisory company that promotes an economic system that reflects social, economic and ecological costs and benefits. The ratings help Canadian investors to see which funds provide the best combination of economic and environmental performance.



IGM Financial ranked in the top 10 of Corporate Knights' 2017 Best 50 Corporate Citizens in Canada. The ranking was based on 12 key performance indicators covering resource, employee and financial management.



IGM Financial is listed on the Jantzi Social Index (JSI), a leading Canadian sustainability index, and was rated as one of the top performing Canadian diversified financial services companies by global environmental, social and governance research firm Sustainalytics.



In 2016, **GWL Realty Advisors** achieved a “Green Star” ranking from the Global Real Estate Sustainability Benchmark (GRESB) survey for a second consecutive year. GWL Realty Advisors improved its position from the top 15% of 707 global participants in 2015 to the top 10% of 759 global participants in 2016. The company also scored well above the global average and the average for its North American peer group in each of the assessed categories.



In 2017, **Great-West Life** was again recognized as one of Canada's Top 100 Employers and as one of the Top 25 employers in Manitoba, where the company is headquartered. In 2017, for the second consecutive year, Great-West Life was chosen among Canada's Top Employers for Young People. In 2017, Great-West Life was also selected one of Top Employers for Canadians Over 40.



Investing Responsibly

As a long-term and active investor, Power Financial believes that value can be best achieved when environmental, social and governance (ESG) considerations are integrated into our investment process.

As part of our active ownership approach, we recognize that the effective management of ESG factors can have a positive impact on the Corporation's profitability, long-term performance and ability to create value in a sustainable manner.

We view responsible investing as a means to mitigate potential risks and identify valuable investment opportunities. Responsible investing ensures we invest in quality companies that have sustainable franchises and attractive growth prospects, and that are managed in a responsible manner.

ESG Factors We Consider:

GOVERNANCE

- Ethics and Integrity
- Robust Corporate Governance Framework and Practices
- Anti-Corruption and Anti-Bribery
- Board Diversity

ENVIRONMENT

- Resource Management
- Sustainable Materials
- Climate Change
- Supply Management

- Biodiversity and Conservation

SOCIAL

- Community Well-Being
- Health and Safety
- Diversity and Inclusion
- Human Rights
- Labour Relations

2016 Achievement

- Continued to engage with our group of companies and investments on environmental, social and governance (ESG) issues through our active ownership approach.

Highlights from our Group Companies

COMMITMENTS

Many of our group companies are signatories to the Principles for Responsible Investment (PRI), including Great-West Lifeco subsidiaries **GLC Asset Management Group**, **Putnam Investments** and **Irish Life Investment Managers**, and IGM Financial subsidiaries **Investors Group** and **Mackenzie Investments**, integrating ESG factors into their investment processes. In 2016, Investors Group and Mackenzie Investments completed their first public PRI reporting process.



ESG INTEGRATION

IGM Financial analyzes the risk of each investment with a focus on identifying, monitoring and mitigating ESG risks and opportunities that are, or could become, material to long-term performance.

Irish Life Investment Managers has appointed a dedicated ESG resource to oversee its responsibilities with respect to responsible investing. They have also established an ESG Governance committee established with key members of their Executive Team, Fund Management, Operations and Client Servicing teams with the responsibility to ensure the adherence to their ESG policy and promotion of ESG considerations within the business. The company works with external providers of research and other ESG related services to analyze its fund companies to identify those with the highest exposure to sustainability risks, and analyze responses to determine whether ESG failings are being addressed.

ACTIVE OWNERSHIP/PROXY VOTING

IGM Financial's approach to active management of its investments includes engagement with company management as

well as proxy voting, which are important value-added practices within their investment processes. In addition, IGM generally adopts a policy of engagement over divesting a holding, believing that ownership enables them to contribute positively to the investee companies' ESG progress, while divestiture may not allow meeting this goal.

Irish Life Investment Managers monitors company boards for their performance on ESG issues and independence and will generally support shareholder proposals regarding disclosures on social, environmental and labour/human rights issues.



Investment Process

Our responsible investment philosophy is anchored in our CSR Statement. The Statement articulates our commitment to incorporate environmental, social and governance (ESG) issues into our investment analysis process and active ownership approach. ESG factors are considered when we identify and evaluate potential investments. ESG factors also inform our ongoing dialogue with our portfolio companies through our active ownership approach.

Investment Analysis

As a long-term investor in the financial services sector, we make relatively few new investments. Our investment analysis process includes a robust due-diligence assessment of all potential acquisitions, focusing on factors such as corporate strategy, people management, capital structure and risk. When potential investments are being considered, we conduct an in-depth analysis that evaluates both financial and non-financial factors. ESG factors are analyzed through this process, enabling us to identify potential risks and opportunities that could have an impact on the overall value of potential investments.

Active Ownership Approach

As part of our active ownership approach, we oversee our investments by having our executives sit on the Boards of Directors of the companies we control. In other core investments in which we do not have control, we exercise our influence as a significant shareholder.

Our executives engage with the senior management and Boards of our controlled companies on a regular basis. In the course of this engagement, questions or issues may arise on a wide range of topics such as corporate strategy, risk management (including ESG risks), corporate governance and human resources.

In these interactions, we have an open and constructive dialogue to ensure that we have a proper understanding of how each management team handles ESG issues. This allows us to ascertain that our investments are being managed in a manner consistent with our responsible management philosophy, including our [CSR Statement](#) and our [Code of Business Conduct and Ethics](#).

We have conducted an assessment of the ESG commitments of our controlled companies and core investments. This analysis covered environmental, social and economic topics.

The results of these assessments direct our ongoing dialogue with our group companies. Through this dialogue, we share knowledge, best practices, and identify areas for improvement. We regularly engage with our controlled companies on ESG issues through a group-wide Corporate Social Responsibility Committee and through other informal communications channels.



Sustainable Products and Services

We invest in quality companies with sustainable franchises and attractive growth prospects that are managed responsibly and provide sustainable products and services.

For us, sustainable products and services are those that generate measureable social or environmental benefits alongside financial returns, creating long-term value for shareholders and society at large.

Given the mainstay of our investments are in financial services, we believe we represent a positive force in society by providing our customers with affordable and accessible life and health insurance, retirement savings programs, and a suite of investment products, including socially responsible investment funds. Our group's 13,900 financial consultants and advisors are also contributing to financial literacy by providing financial advice and guidance to our clients. These services are helping to make a real difference for a broad spectrum of society in all age and income groups – including those with lower incomes.

We are also helping finance renewable energy projects, through our subsidiary Great-West Life. These types of investments are supporting the transition to a low carbon economy, while positively impacting society and the environment.

Highlights from our Group Companies

AFFORDABLE AND ACCESSIBLE FINANCIAL SERVICES

Great-West Lifeco continues to innovate regarding its products and services to provide access to finance for a broad range of underserved markets, including younger people, small- and medium-sized enterprises (SMEs), as well as the growing retired population. Recent innovations include a savings plan for SMEs, product solutions for workers who do not have registered retirement savings plans, financial security products for younger customers and ensuring its more than 27,000 advisors, brokers and consultants are



available in hundreds of rural and urban communities across Canada. Their local services approach enables Great-West Lifeco to tap into local talent and keep in touch with local markets and needs. In 2016, Great-West Life also invested more than \$100 million in independent finance companies that act as alternative funding sources for small to medium-sized Canadian businesses.

Great-West Life is committed to meeting the needs of all of our customers, and strives to provide their products and services in a way that respects the dignity and independence of people with disabilities. As such, all Great-West Life employees across Canada are required to participate in accessibility training, and accessibility training is part of the orientation process for new employees.

IGM Financial is leading initiatives to ensure ongoing access to valuable financial planning and advice for Canadians from all age groups and income levels. Their mutual funds are available at very low investment minimums, making it possible to provide much-needed access to financial products and services to all households, regardless of income or wealth levels.

SOCIALLY RESPONSIBLE INVESTMENT FUNDS

GLC Asset Management Group, a subsidiary of Great-West Lifeco, has had socially responsible investment mandates for more than 15 years, providing clients with a meaningful way to ensure their investments promote a high level of environmental sustainability, social responsibility and corporate governance. Individual, group and institutional clients benefit from professional portfolio management services as well as screening and review processes for socially responsible investing.

Through its operating companies, **IGM Financial** has a suite of socially responsible products and services to meet the evolving needs of its clients, including the Investors Group Summa SRI™ Fund, charitable giving funds, Registered Disability Savings Plans and retail mutual funds in Canada that abide by the United-Nations supported Principles for Responsible Investment.

Investors Group and **Mackenzie Investments** have continued to be market leaders in offering Registered Disability Savings Plans (RDSP) for clients or family members with disabilities, providing them access to a tax-preferred savings vehicle and at the same time take advantage of generous government grants and bonds. The RDSP program, in conjunction with their products and services, enables them to help Canadians in a meaningful way. In 2016, assets under management within the RDSP grew significantly to over \$480 million.

SUSTAINABLE PROPERTY MANAGEMENT SERVICES

GWL Realty Advisors, a wholly owned subsidiary of Great-West Lifeco, manages a multi-client portfolio of nearly 300 office, multi-residential, light industrial and retail properties in Canada, including the corporate campuses of Great-West Life, London Life and Canada Life. Sustainability principles are integrated into the management of these properties. In 2016, GWL Realty Advisors has achieved a “Green Star” ranking from the Global Real Estate Sustainability Benchmark (GRESB) survey for a second consecutive year, placing second overall in Canada among private real estate management firms. GWL Realty Advisors improved its position from the top 15% of 707 global participants in 2015 to the top 10% of 759 global participants in 2016. The company also scored well above the global average and the average for its North American peer group in each of the assessed categories.

In 2016, 10.9 million square feet of **GWL Realty Advisors’** managed portfolio was LEED-certified, and 96% of their eligible portfolio was either BOMA BEST® certified or actively pursuing certification.

Irish Life Investment Managers have also integrated sustainability into their property funds. Their focus is to ensure property environmental impacts are managed effectively and environmental building efficiencies are optimized.

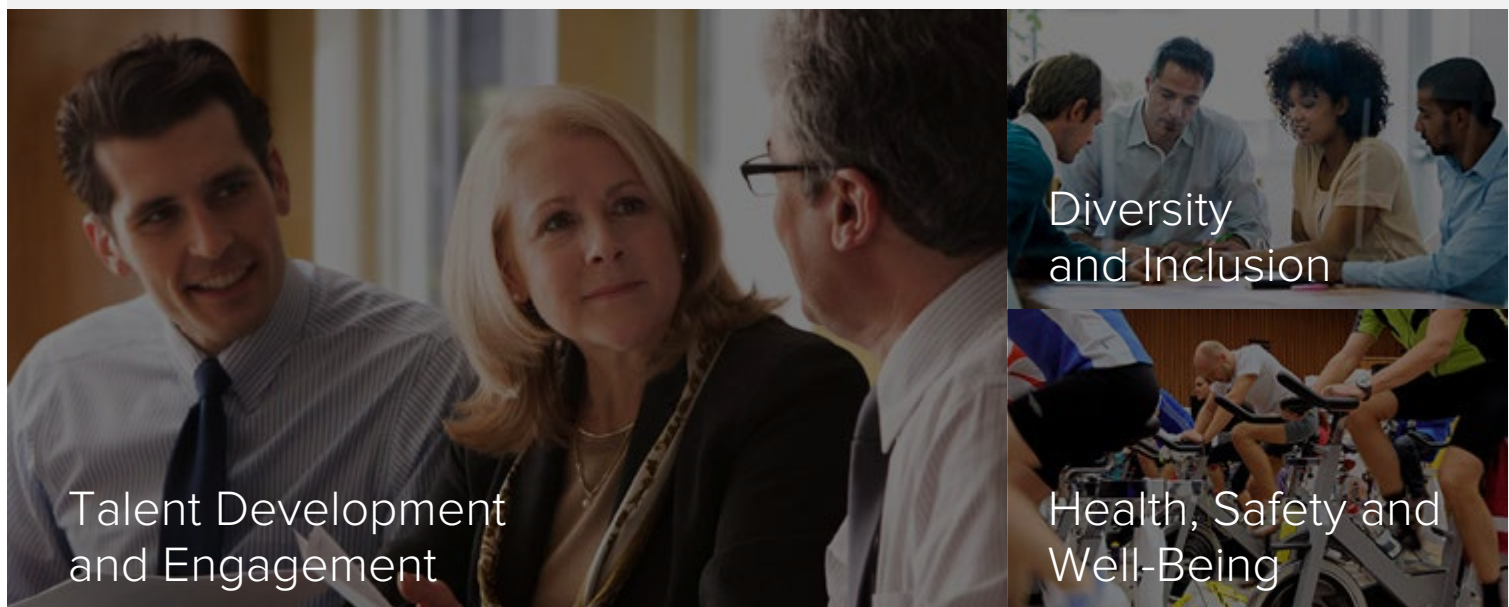
SUSTAINABLE AND RENEWABLE ENERGY INVESTMENTS



In 2016, **Great-West Lifeco**'s Canadian public bond and private debt groups invested more than \$1.6 billion in infrastructure, including investments in green energy projects, airports, port terminals, hospitals, transit, highways, utilities, schools and universities. A total of \$400 million investment was invested in green energy projects included investments in solar, wind and hydro energy projects.



IGM Financial provides mortgages for energy-efficient homes and renovations that are eligible for mortgage insurance premium savings.



Empowering People

As an employer and investor, we believe the hallmark of great, value-creating companies is their ability to attract and retain a talented and diverse workforce. Our responsible management philosophy guides the way in which we manage and develop our people and enables the growth of our group of companies. Such growth, we maintain, is driven by the quality, integrity and dedication of the Directors, officers, financial advisors, and employees of our group companies.

We strive to create an environment where our people feel connected and supported, and where they can thrive both professionally and personally. Many of our group's workforce fulfill the role of trusted advisor to our customers, helping them address their financial and insurance needs. We hire individuals who are skilled at building these "relationships of trust" and creating bonds of professionalism and mutual respect. In turn, our group companies provide them with challenging and rewarding careers, give them the resources to develop their expertise and leadership skills, and support their volunteer efforts within the communities where we operate. We act on these imperatives because we believe that a well-balanced, involved and motivated workforce gives us a significant competitive advantage.

Strategic Focus

We are committed to building teams of truly exceptional people, individuals who represent diverse educational backgrounds, with a sound moral and ethical foundation. We work diligently to ensure that our group of companies' workforce is valued, supported and empowered to be successful both personally and professionally. We actively support a culture of development and performance and create flexible, balanced workplaces that recognize the value of diversity and personal well-being. These values and commitments are reflected in our [Code of Business Conduct and Ethics](#). The Code provides guidance to our employees on how they should conduct our business activities. We reinforce these commitments

and values through training and an ongoing dialogue.

Power Financial's policies, commitments and people programs are overseen by the Vice-President, Human Resources and Administration. We have 52 full-time employees who work at our offices in Montréal and Toronto. We are committed to their advancement through a focus on:

- talent development
- employee engagement
- diversity and inclusion
- health, safety and well-being

We also engage with our group companies on their people management strategies. Overall, our group of companies employs more than 26,800 people and 13,900 advisors located mainly in Canada, the United States, Europe and China.

2017 Achievement

- Launched a new web-based training platform (early 2017).



Talent Development and Engagement

Attracting and developing employees with the right skills and aptitudes remains a constant priority for our organization and the companies in which we invest. We believe that to meet our business goals we must continue to attract and retain the most talented people through progressive development and performance reward programs.

The quality and depth of our management teams, advisors and employees – at both the holding company level and within our group companies – has been built over a long time. It has always been a key priority and an important factor behind our success in creating long-term shareholder value.

Our Commitment

We commit to developing a highly skilled and performance-based workforce. We empower our people to develop their teams in ways that reinforce our responsible management culture within a tradition of strong and disciplined leadership. Our objective is to create positive working relationships for our employees and to provide them with opportunities for growth in their careers, as they contribute to the success of our business and of society as a whole.

Programs

Our talent development strategy is based on building leadership capabilities, creating a responsible management culture, and recognizing and rewarding performance.

Talent Development Focus	Programs
Building Leadership Capabilities	Skills development programs are offered through relevant internal and external training sessions stressing specific competencies and job responsibilities, including professional development, continuing

education courses, seminars and conferences.

On-the-job coaching and development opportunities are provided within our group companies so that employees can broaden their perspectives, gain a better understanding of our diverse businesses, and share their experiences.

Opportunities are offered to work with executives and leadership teams to gain knowledge through exposure to leadership practices and strategies and to develop individual talent to its fullest potential.

Creating a Responsible Management Culture

Our staff receives regular reminders of our responsible management philosophy and core values as espoused in our Code of Business Conduct and Ethics, and is required to annually attest their compliance.

Awareness sessions are given on various sustainability-related topics at Board and management levels. Topics include sustainability awareness, responsible investing, disclosure and carbon management, among others.

Rewarding Performance

Our performance and career management program focuses on three performance development pillars:

- Results-based goals – we established individualized, results-based goals that align with our core business levers towards long-term value creation, quality of execution and risk management.
- Competencies – we defined clear competencies that we believe are important to execute our strategies.
- Individual development plans – we work with our employees to align their aspirations with business needs. Through these plans, we support employee career growth initiatives consistent with organizational objectives. We also provide third-party training programs and on-the-job training.

We offer progressive compensation packages, comprised of a balance between fixed and variable remuneration programs and competitive pension, savings and benefits programs.

Engaging Employees

We engage employees through communications, training and awareness sessions.

We encourage our employees to share their experience and expertise by getting involved with non-profit organizations of their choice, for instance by being active members of such organizations' board of directors.

Highlights from our Group Companies

EMPLOYEE ENGAGEMENT

On a periodic basis, **GWL Realty Advisors**, Great-West Lifeco's real estate subsidiary, conducts comprehensive employee engagement surveys to get a fresh perspective on its leadership, whether it is meeting its goals to be an employer of choice and how engaged employees feel within the organization. The results of the engagement surveys are communicated to employees and analyzed within the various business units across the country, and action plans are put in place to inform continuous improvement efforts.

IGM Financial has a strong culture of engagement and regularly seeks employees' opinions to understand what matters to them, how the companies are doing, and how to continuously improve. In addition, individual performance reviews, regular employee forums and other opportunities to engage with employees also help IGM Financial to understand if each operating company is achieving its goal to attract and retain top talent.

- In 2016, its second year participating in the Gallup® survey, **Mackenzie Investments** had a phenomenal employee participation rate of 97%. Its overall grand mean score of 4.01 out of 5 represented a 21% increase in the number of engaged employees over 2015.
- At **Investors Group**, an internally developed survey annually measures satisfaction and seeks feedback on compensation and benefits, leadership, training and development, and performance assessment and recognition. In 2016, Investors Group's Employee Commitment Index level was 75%, up one percentage point from 2015.
- At **Investment Planning Counsel**, employees are surveyed semi-annually with questions that have led to prioritizing areas relating to growth and development, compensation and benefits, leadership, and recognition. In 2016 the average commitment rating was 72.5%, up 2.5% from the prior year.

In 2017, **IGM Financial** is partnering with Gallup® to deliver their highly regarded Q12 engagement survey to all its employees, while also continuing to directly ask its employees to provide their perspectives on corporate responsibility, and diversity and inclusion, with the objective to incorporate this feedback into the company's strategy, goals and actions for continuous improvement.

LEADERSHIP DEVELOPMENT

IGM Financial's operating companies provide tools and support to help employees shape their career paths and grow and enrich their careers:

- At **Investors Group**, all leaders are required to complete three mandatory training programs that cover policy knowledge, people skills, and an in-depth look at the company vision, values and commitments. Additional leadership development programs, focusing on experience-based learning, are offered. Senior leaders also attend leadership roundtables to build capabilities in the areas of strategy, critical thinking, innovation, and change.
- **Mackenzie Investments** offers learning sessions designed to enhance overall employee engagement on topics

important to the organization and employees. In 2016, sessions were offered on understanding the economic landscape, the power of inclusiveness, and a variety of other topics key to advancing both the business and the company culture. Mackenzie Investments' training includes an annual *Leadership Summit* for the company's top 125 leaders and a hallmark program, *LEADing at Mackenzie*, for high-potential leaders that features experience-based development through business challenge projects tackling real Mackenzie issues.

- **At Investment Planning Counsel**, leadership training is provided through the *Extraordinary Leader* Program for executive and senior leaders and the *Manager Training* Program for new leaders. The company is currently looking to introduce a Career Planning Centre to expand its leadership training programs.

Great-West Life and **Investors Group**, with support from our parent company **Power Corporation**, announced in May 2017 a new partnership with the University of Manitoba for the creation of the Institute for Leadership Development. This teaching and research institute will focus on developing future leaders, thus contributing to build stronger communities and businesses in Manitoba and across Canada.

Imerys' managerial principle *Imerys Leadership Behaviors*, launched in 2015, has been rolled-out in 2016 to become the reference point across the group. It is now an integral part of the entire talent management cycle: from recruitment, to performance and potential assessment, to development and succession plans. Annual reviews are now composed of a shared evaluation between employees and their line manager based on these principles.

ENCOURAGING TRAINING

Employee learning and development remained a priority for **Great-West Lifeco**. In 2016, more than 5,100 Canadian employees participated in training and development opportunities, which included continuing education, industry designation programs, in-house and custom programs, and leadership development.

IGM Financial's operating companies offer paid internship opportunities through partnerships with a number of educational institutions and professional designation programs. They see these internships as a way to develop a pipeline of future leaders and often lead to permanent employment within these operating companies. These programs also allow their employees to develop their mentorship and leadership skills as they work with the interns.

Investors Group is well known for its industry-leading training that provides the company's consultants with the financial competencies and skills to run a successful business. For the ninth consecutive year, Investors Group ranked first in the "Ongoing Training" category of the *Investment Executive Dealers' Report Card* among full-service dealers.

In addition to external training opportunities, **Investors Group** employee training is also provided through the in-house Employee Development Centre to strengthen business and financial planning skills, career development, and health and wellness. Investors Group hosted 99 learning programs in 2016 through instructor-led and online delivery methods. The program participation reached a record high in 2016.

In 2016, the development of the **Imerys'** training offer has been diversified and increased. Over the course of the year:

- Imerys Learning Center provided 9,800 hours of training through 40 programs covering geology, finance, management, project management and industrial marketing performance.
- The e-learning platform "IM-Pulse", which hosts Imerys' entire training offer, was made accessible to 4,000 employees/managers.
- A total of 79% of Imerys employees have benefited from at least one training program.
- Overall, a total of more than 290,000 hours of training have been provided across the company, representing an increase of 12% compared to the previous year.

In addition, in 2016, as part of their community relations approach, Imerys contributed to 12 projects supporting training and education in surrounding communities, covering topics such as basic skills development (literacy and numeracy), young adults' professional integration, and women's and girls' education.

EMPLOYER OF CHOICE

In 2017, **Great-West Life** was again recognized as one of Canada's Top 100 Employers and as one of the Top 25 employers in Manitoba, where the company is headquartered. In 2017, for the second consecutive year, Great-West Life was chosen among Canada's Top Employers for Young People. In 2017, Great-West Life was also selected one of Top Employers for Canadians Over 40.



Diversity and Inclusion

We believe that being an inclusive employer enables us to understand the diverse factors that have an impact on our business, allowing us to make better decisions and best motivate our workforce. As workforce demographics change, diversity has become a business imperative and a key ingredient of success.

Our Commitment

Diversity is an important priority for us as an employer and as an active owner in a variety of companies operating in numerous geographic locations. Our group companies attract a diverse team of employees, all with unique expertise, from different backgrounds, age groups, genders and nationalities. Attracting and retaining a workforce that reflects the communities where we operate and the breadth of experience we need underpins our goal to be a great employer and to achieve our business objectives.

Programs

We have focused our strategy on supporting a diverse and inclusive work environment through the following programs:

Diversity and Inclusion

We support diversity at all levels of the organization. This commitment, as it relates to our Board and senior management, was formalized through our policy relating to [Board and Senior Management Diversity](#). The women in our business represent:

- 17% at the Power Financial Board level
- 18% at the executive officer level, including the Corporation's group companies

Through our [Code of Business Conduct and Ethics](#), we reinforced our commitment to provide equal opportunities in employment,

appointments and advancement and our commitment to support an inclusive workforce.

We have provided training on our Code of Business Conduct and Ethics, which emphasizes our commitment to provide a respectful and equitable workplace.

Highlights from our Group Companies

COMMITMENTS

Our subsidiaries, **Great-West Lifeco** and **IGM Financial**, have adopted Board and Senior Management Diversity policies.

In February 2017, **Power Financial** and our subsidiaries **Great-West Life**, **Investors Group** and **Mackenzie Investments** joined forces with other Québec financial firms to establish Inclusion, a philanthropic fund promoting openness, inclusiveness and equality. This new fund will support awareness and education programs in schools with a view to building inclusive living environments and promoting greater openness in young people to diversity in all its forms.

Imerys' Diversity Charter outlines its commitment to achieving greater diversity, as well as its commitment to anti-discrimination and equal opportunities. Diversity plans and series of measures have been set up in most of the major countries since 2013.



EMPOWERING WOMEN

In 2015, **Great-West Life** supported the launch of *Women @ Great-West Life*, a networking and mentoring group for up-and-coming female leaders, focusing on education, inspiration and networking. *Women @ Great-West Life* staged a series of well-attended events in 2016, including a *Speed Mentoring* event for attendees to sit down with 16 experienced leaders and get quick-fire advice on professional development, tips to further leadership potential, hear success stories and gain a mentor. *Women @ London Life* also staged its first *Perspectives on Leadership* event, which is a three-part series featuring intimate and informal chats with some of the organization's female leaders and an inside perspective on their personal and professional journeys.

In 2016, **Mackenzie Investments** and **Investors Group** implemented Taking the Stage®, a program for women focusing on the skills and tactics that drive leadership presence and effectiveness. In 2016, a pilot of the leadership program, Taking the Stage®, was also offered for women advisors to enhance leadership presence. Unconscious bias training is also included in ongoing Investors Group leadership development courses.

For the past three years, **Investors Group** has also sponsored a number of leaders to attend SHE Day, a Winnipeg conference focused on leadership development, and in 2016, supported attendance to the CFA Women in Finance conference.

Mackenzie Investments also continued to focus on supporting women in leadership by holding networking opportunities with internal and external events such as the ones hosted by the Women's Executive Network and Women in Leadership.

DIVERSE EMPLOYEES

IGM Financial promotes a respectful, diverse and inclusive workplace and continues to enhance awareness of the importance and value of diversity and inclusiveness in the workplace. In 2016-2017, a voluntary, confidential survey was completed by Investors Group advisors and employees at all three of IGM's operating companies to gather information on their personal backgrounds, perspectives and experiences with diversity and inclusion. This survey data is being used to focus and evolve the companies' approach to diversity and inclusion.

In 2016, 59% of **IGM Financial**'s employees are women meeting the national average for the finance and insurance industries¹. In addition, 40% of managers and executives are women, exceeding the national average of 37%². As of May 2017, 25% of the IGM Financial board members were women.

Investors Group is also a supporter of the Aboriginal Business Education Partners (ABEP) scholarship program at the University of Manitoba and the Canadian Aboriginal Human Resource Management Association. In early 2016, Investors Group management invited the Treaty Relations Commission of Manitoba to present the history of Canadian treaties and the opportunities for business to support the calls to action in the Truth and Reconciliation Commission of Canada report.

Investors Group also focuses on diversity among its financial advisors, to better reflect Canada's diverse population. Investors Group enhanced its recruitment tools, creating videos and written profiles of people from a diversity of backgrounds who have achieved great success either as a consultant or in field management. In early 2016, a committee of senior managers, including field leadership, was also formed to review internal practices surrounding recruitment, training and promotion to continue to foster a culture inclusive of a diversity of people.

In 2016, both **Mackenzie Investments** and **Investment Planning Counsel** continued to support organizations that help immigrants to gain employment. Mackenzie has been a long-term supporter of the Toronto Region Immigrant Employment Council (TRIEC) Mentoring Partnership, providing opportunities for its employees to work with new immigrants seeking employment in Canada. Investment Planning Counsel also established partnerships with both the TRIEC and the Federal Internship for Newcomers (FIN) to build recruitment strategies for new immigrants.

Great-West Life is actively seeking new ways to reach out to a diverse range of potential employees among qualified individuals or segments of the population who may not have thought of applying for a role with us. For instance, the company formed a partnership with Amik.ca, an initiative connecting qualified Indigenous workers with employers across Canada and providing recruits with pre- and post-hiring support. Sixteen candidates were hired through this partnership in 2015 and an additional 13 individuals were hired in 2016.

Progress on diversity in the workforce and inclusion of people with disabilities continues at **Imerys**. To strengthen its teams and prepare to the next generation of managers, Imerys launched its *International Graduate Program* in 2015, an international program for recruiting and nurturing recent graduates. The first promotion hired through this program is composed of a total of 38 graduates from 10 different nationalities, who have taken on their second roles within the company in January 2017. In 2016, the second phase of the Imerys Graduates Program integrated 38 young talents from ten countries. In addition, as of 2016, Imerys had 213 employees with disabilities.

1. Statistics Canada, "Table 282-008: Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group," CANSIM (2016).

2. Statistics Canada, "Table 282-0142: Labour Force Survey Estimates (LFS), By National Occupational Classification (NOC) and Sex," CANSIM (2016).



Health, Safety and Well-Being

The health, safety and well-being of our workforce is important to us. Health and wellness promotes employee satisfaction, enhances our appeal as an employer, and ensures we attract and retain motivated and productive people.

Our Commitment

As a company with major holdings in the life insurance business, we are especially sensitive to the day-to-day stressors our employees experience in both their personal and professional lives. We are committed to creating a workplace that allows people to perform and develop in a safe and healthy environment. We believe our employees must have the necessary support to reduce their stress at work and at home, and to improve their health and personal performance.

Programs

Our approach to workplace health and wellness focuses on providing a wide range of preventative health and well-being services for our people.



Health, Safety and Well-Being

Programs

Health Assistance and Support

Access to an Employee and Family Assistance Program. This program provides support and assistance to employees and their families facing sensitive issues related to work, health and life including: workplace challenges, nutrition and health, physical health, addiction concerns, stress, depression and anxiety, family and parenting, relationships, and other situations.

Access to the Best Doctors Program, which provides our employees with a free and confidential access to a global database of 50,000 peer-ranked medical specialists who can help understand medical conditions and treatment options.

Employer paid life insurance, short-term and long-term disability, medical, vision, and dental care coverage for its employees and retirees.

Access to on-site flu vaccinations.

Wellness Programs and Incentives

Subsidized fitness memberships are provided to employees.

We ensure our building meets all requirements related to occupational health, including ergonomic considerations.

Highlights from our Group Companies

MENTAL HEALTH IN THE WORKPLACE

Great-West Life has various initiatives in place to address mental health matters:

- In 2016, it participated once again in the Mental Health Week, held the first week of May as part of the *Not Myself Today* initiative, during which they provided daily tips and offered activities that helped employees learn about everything from stress management to tackling the stigma surrounding mental health issues.
- In June 2016, their Health Services unit hosted the *Investing in Your Mental Wealth Challenge*. This month-long, country-wide initiative included web-based challenges encouraging employees to complete an activity benefitting their mental well-being. The goal was to provide employees with information, tools and resources to positively impact mental health and help build resilience.



IGM Financial's three operating companies conduct regular confidential employee surveys which include many factors related to workplace psychological health and safety. The results from these surveys help guide enhancements to workplace programs.

In 2016, **Investors Group** continued to build upon its enhanced wellness program, which focuses on four pillars: Physical, Mental, Social, and Financial Wellness. Throughout the year, employees received training and information about recognizing problems, and health tips in all four areas of wellness. At their April *Spring into Wellness* event, employees had a chance to

attend a meditation session or healthy heart clinic, or sign up for a massage.

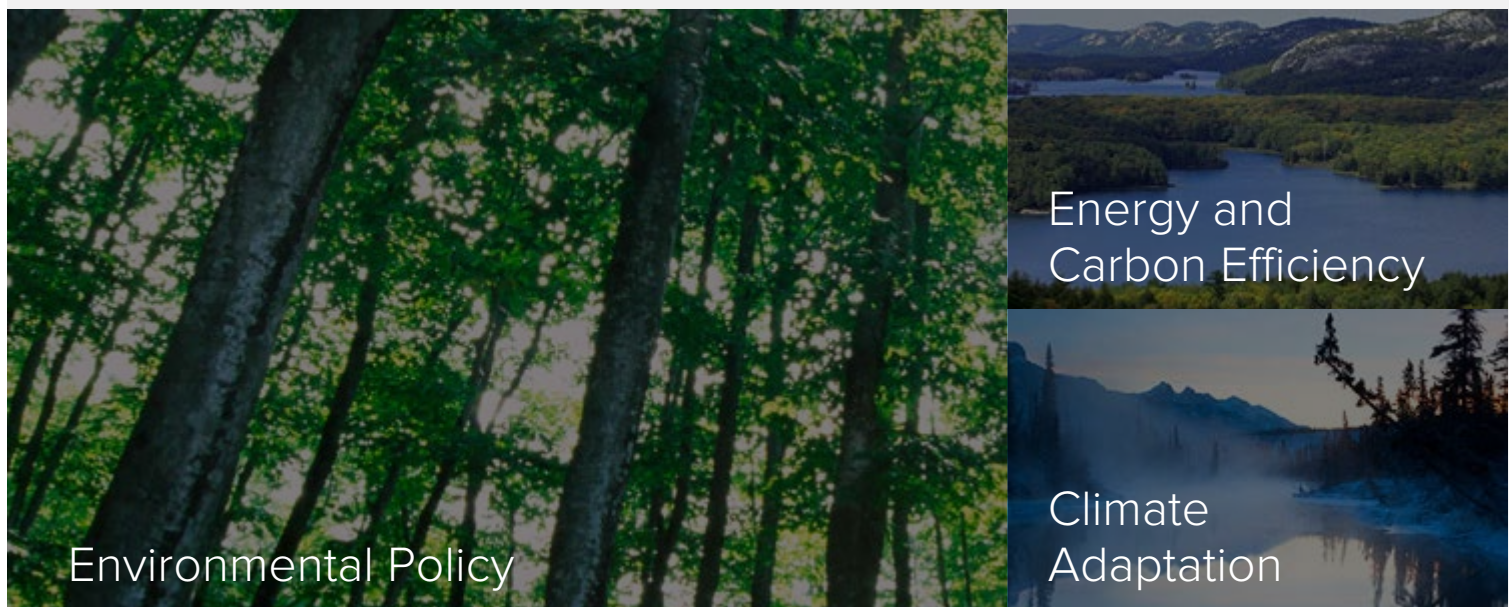
HEALTHY AND SAFE WORK ENVIRONMENTS

As outlined in its Safety and Health Charter, **Imerys** considers safety and health as core values for all of its operations, regardless of where an operation is located in the world or what role an employee or contractor performs. Imerys has implemented a number of programs to provide the operations with tools and training for continuous, long-term improvement of workplace safety.

In 2016:

- **Imerys** added forklifts safety to its special training program focusing on the areas with the highest potential for severe accidents. In addition to the compliance audits, 20 Safety Culture Improvement Team events were organized to drive cultural improvements.
- A safety culture maturity matrix has been introduced to help operations conduct gap analyses and prioritize site-specific improvement plans.
- The Safety Summits offered the Top 250 business leaders a learning opportunity to improve their safety leadership in the first part of 2016.
- Later in the year, the Imerys Safety University took a tailored approach to coach the site managers on cascading down visible leadership and maximizing the potential of their supervisors on safety improvement. A total of 12 special sessions were organized with approximately 300 participants.
- The safety learning path on IM-Pulse, the Imerys learning digital initiative, also enrolled approximately 260 managers and supervisors.

Great-West Life's employees can access a range of supports to help manage their financial, physical and mental well-being, such as onsite fitness centres in some of their major Canadian locations, wellness accounts, as well as tools and resources supporting their global health. In 2016, a new training was added to Great-West Life's ergonomics program to support the well-being of employees in office spaces and reduce their risk of developing repetitive strain injuries. All employees who typically work with computers for the majority of their workday were required to complete this 30-minute training session.



Environment

Our commitment to environmental responsibility is underpinned by the importance we place on preventing and minimizing the impact of our activities on the environment. Sound environmental practices and behaviours are entrenched in our approach to business activities; we remain committed to conducting our activities in an environmentally responsible manner by focusing on continuously improving our practices.

As a holding company, our direct environmental impact is limited to the operations of our head office, which has no production or manufacturing functions. Despite this limited impact, we work diligently to reduce our environmental footprint, while working with our group companies to support their environmental management initiatives.

Our management approach to the environment is further reinforced through our [Environmental Policy](#), which sets out our commitment to conduct our activities in an environmentally responsible manner. Our leased head office building has an environmental management system based on the Building Owners and Managers Association (BOMA) Go Green Certification Management System. Every three years, an audit is conducted to assess compliance with the management system criteria. This includes resource consumption, waste management and recycling, and materials management. Ongoing monitoring of these programs is conducted to continuously improve performance.

Our environmental management activities are overseen by the Vice-President, Administration and Human Resources, and the Vice-President and General Counsel.

We have focused our environmental priorities on:

REDUCING	Energy and carbon footprint
INCREASING	Use of renewable resources
PREVENTING, REDUCING AND DIVERTING	Waste from landfills
PROCURING	Products and services responsibly

2016 Achievements

- Established a new target to reduce our consumption of natural gas and electricity at our leased head office properties by 8% by 2020, using 2011 as a baseline¹.
- Decreased our consumption of natural gas and electricity at our head office properties by 12.6%, using 2011 as a baseline.
- Responded to the CDP questionnaire for the fifth year, using for the first time a financial control approach and rolling up data from Great-West Lifeco and IGM Financial. We obtained a score of B (Management) in 2016.
- Our 2016 GHG emissions, reported and referenced in our 2017 CDP submission, were externally verified.
- Maintained green building certification through BOMA BEST® at our leased corporate head office.
- Engaged with suppliers to procure sustainable products and services.
- No environmental incidents were reported.

1. Given our limited environmental footprint, going forward, we will be focusing our efforts on electricity and natural gas consumption at our head office properties, rather than on GHG emissions from these sources.



Environmental Policy

Power Financial has a long-standing commitment to conducting its activities in an environmentally responsible manner. Despite its limited environmental impact as a holding company, the Corporation recognizes its environmental responsibilities in its own operations, as well as through its procurement practices.

The purpose of this policy is to articulate the Corporation's environmental commitment. It applies to all officers and employees of the Corporation and its wholly owned subsidiaries.

Specific Commitments

The following outlines the Corporation's environmental commitment:

- Comply with applicable environmental laws and regulations.
- Assess and address, where relevant and applicable, the foreseeable environmental impacts associated with its activities, and its procurement practices, with a view to avoiding and preventing or, where unavoidable, mitigating these impacts.
- Establish objectives, targets and initiatives, where appropriate and relevant.
- Measure, monitor and review environmental performance associated with its activities with a focus on continuous improvement.
- Integrate potential environmental considerations into the Corporation's active ownership approach.
- Encourage environmentally friendly and cleaner technologies.
- Communicate on its environmental policy, performance and management.
- Contribute to the development of sound environmental public policy and to the enhancement of environmental awareness and protection through community contributions.

Implementation

Officers and employees are expected to be mindful of the above guidelines and are also reminded of the provisions of the Corporation's [Code of Business Conduct and Ethics](#) and the [CSR Statement](#).

Monitoring, Review and Approval

Formal responsibility for the policy has been assigned to the Vice-President and General Counsel and to the Vice-President, Administration and Human Resources, who are responsible for overseeing the implementation of the policy on an ongoing basis.

This policy was reviewed and approved by the President and Chief Executive Officer of the Corporation in November 2013.



[Download the Environmental Policy](#)



Energy and Carbon Efficiency

We work to reduce the energy use and carbon emissions associated with our activities, and collaborate with our group companies in their efforts to likewise reduce their impact. Finding ways to reduce energy consumption is essential to operating an efficient business. It enables the reduction of GHG emissions that contribute to climate change, while helping our businesses address the rising demand for, and cost of, energy.

Our Strategy

The majority of our business activities are undertaken at our location in Montréal, Québec. Our limited energy and carbon footprint is mostly tied to business travel and the use of electricity and natural gas at our Montréal head office. Our energy and carbon efficiency strategy is mainly focused on reducing the energy consumption and emissions from our leased office buildings.

Our Objective

2011-2020 OBJECTIVE*

8% reduction in consumption of electricity and natural gas at our head office properties by 2020, using 2011 as a baseline¹.

** Reference: 2017 CDP/Q.CC3.1a/Abs*

1. Given our limited environmental footprint, going forward, we will be focusing our efforts on electricity and natural gas consumption at our head office properties, rather than on GHG emissions from these sources.

Achievement

Decreased our consumption of natural gas and electricity at our head office properties by 12.6%, using 2011 as a baseline.

Steps Taken to Achieve our Objectives

Our leased corporate head office, which represents the majority of our operational footprint, has maintained its BOMA BEST® certification in 2016.

Read our response
to the CDP's questionnaire



[2017](#)



[2016](#)



[2015](#)



[2014](#)

Highlights from our Group Companies

CARBON PERFORMANCE

Great-West Lifeco has a strong commitment to minimizing its environmental impact. Participating in the annual CDP Climate Change program for a fourth consecutive year, Great-West Lifeco has earned a position on CDP's 2016 Climate A List, placing it in the top 10% of companies globally, the only Canadian financial services company to do so.



IGM Financial is committed to transparency and accountability on climate issues, which is reflected in the many initiatives underway. These initiatives contributed to a 72% reduction in Scope 1 and 2 GHG emissions from 2013 to 2016. 2016 was the fourth year that IGM Financial has participated in the CDP survey, obtaining a score of A- and ranking in the top five financial services companies in Canada for the third year in a row.

SUSTAINABLE BUILDINGS

GWL Realty Advisors is committed to improving the performance and sustainability of new and existing buildings within its managed portfolio. Between 2013 and 2016, the company achieved a 10% reduction in GHG emissions in its managed real estate portfolio. In 2016, all of Great-West Lifeco's Canadian corporate head offices were certified BOMA BEST® Gold with the exception of one property currently at Silver. In 2016, a total of 22 awards were presented to properties managed by GWL Realty Advisors, including BOMA Canada's prestigious *National Earth Award*, which was presented to the London Life RAM Centre.



In 2016, **GWL Realty Advisors** has achieved a "Green Star" ranking from the Global Real Estate Sustainability Benchmark (GRESB) survey for a second consecutive year. GWL Realty Advisors improved its position from the top 15% of 707 global participants in 2015 to the top 10% of 759 global participants in 2016, placing second overall in Canada among private real estate management firms. The company also scored



well above the global average and the average for its North American peer group in each of the assessed categories.

At the end of 2016, 10.9 million square feet of **GWL Realty Advisors'** managed portfolio was LEED-certified, and, to date, 96% of the company's eligible portfolio was either BOMA BEST® certified or actively pursuing certification.

In 2015, as part of their commitment to increasing their use of low-carbon, renewable energy and their objective of finding a sustainable way to heat **Investors Group** and **Mackenzie Investments** primary corporate offices with renewable natural gas, they entered into an agreement with Bullfrog Power, Canada's leading green energy provider. This commitment resulted in annual savings of approximately 900 tonnes of CO₂ equivalent at Investors Group and of over 200 tonnes of Scope 3 GHG emissions at Mackenzie in 2016.

In 2016, **IGM Financial** began purchasing green fuel and carbon offsets, reducing the impact of commercial air travel by 25%. It is also worth noting that 94% of IGM Financial's corporate office space is in green-certified buildings.

In 2016, **Investment Planning Counsel** moved its head office to a LEED® Gold office complex with state-of-the-art energy and water efficiency, organic composting and recycling and employee collaboration and fitness facilities. The office was built with a focus on environmentally sustainable construction materials.

HIGH EFFICIENCY DATA CENTRE

IGM Financial and **Great-West Lifeco's** state-of-the-art data processing facility in Winnipeg integrates industry best practices to limit its environmental footprint while maintaining stringent data security and availability requirements. The data centre has significant environmental features and high-efficiency systems that reduce power consumption and GHG emissions.

EMPLOYEE ENGAGEMENT

Launched in 2015, **Investors Group's** Green Committee is an employee-led committee which aims to promote initiatives in four key areas: waste management and recycling, paper reduction, travel and commuting, and energy conservation. Annual events include Winnipeg's *Earth Day clean-up*, the city's *Commuter Challenge*, and *Bike Week*. The four sub-committees also meet regularly to motivate constant improvements in these areas. An example of the employees' impact on the company's footprint is the savings of over 700 tonnes of CO₂ generated by using company-supported public transit options, compared to driving their cars to work.

In 2016, **Investors Group** also supported organizations such as Ducks Unlimited, Nature Conservancy of Canada, Green Action Centre, Green Kids, Prairie Wildlife Rehabilitation Centre, Fort Whyte Alive, Earth Day Canada and GoManitoba. It also took a leadership role in *Manitoba Race to Reduce*, a challenge where commercial building landlords and tenants publicly commit to work together to reduce the total collective energy use in participating buildings by at least 10% over four years.

A Corporate Properties Sustainability Working Group was also established at **Great-West Life** to help direct sustainability initiatives with a particular focus on GHG reductions through various building retrofits at its multiple locations, but also best practices sharing and employee engagement events.



Climate Adaptation

Global warming and the impact it is having on our changing climate is one of the most pressing sustainability challenges we face today. This phenomenon has the potential to have a significant impact on ecosystems, economies and communities. We are an investor, employer, and contributor to the communities where we are established. As such, we recognize our responsibility to help create a future where prosperity is harmonized with addressing the critical challenges of climate change. Growing our business profitably in a way that supports a low-carbon economy will be an important issue for the Corporation and our stakeholders.

Our Strategy

Our strategy for adapting to climate change is focused on positioning our business positively within the context of a low-carbon economy and supporting policies that advance solutions to address climate change impacts.



Our Objectives	Steps Taken to Achieve our Objectives
Minimize Investment Risks	Continue to integrate economic, environmental and social factors into our investment process and active ownership approach, which includes climate change risks and opportunities, where relevant.
Invest in Sustainable Businesses	We invest in sustainable companies that are proactively adapting to the impacts of climate change on their businesses through products, services, markets and operations. We engage with our major

subsidiaries through a group-wide CSR committee on a range of corporate social responsibility initiatives, including GHG emission and climate change strategies.

Support Policies

Through our parent company, Power Corporation, we support collaborative policies and frameworks that advance growth within a low-carbon economy, including the David Suzuki Foundation and the One Drop Foundation.

Climate Advocacy and Outreach

In line with our contributions to community projects and initiatives that increase awareness and knowledge on climate change impacts and management, our parent company, Power Corporation, supports various organizations that are focused on issues related to climate change. The following provides examples of the research organizations we support:

David Suzuki Foundation – Through our parent company, Power Corporation, we support the Foundation’s work with governments, businesses and individuals to conserve the environment by providing science-based education, advocacy and policy work, and by acting as a catalyst for social change.

One Drop Foundation – Through our parent company, Power Corporation, we support the Foundation’s work in developing countries to provide access to water, ensure food security, and to use arts and culture to educate local communities on issues concerning water and climate change.

Carbon Disclosure

We have been responding to the CDP Climate Change Program for the past six years and support the organization’s endeavours to increase transparency and disclosure on climate change governance, risks and opportunities, management and performance. In 2016, we obtained a score of B.

Read our response
to the CDP’s questionnaire



[2017](#)



[2016](#)



[2015](#)



[2014](#)

As part of our strategy, we also invest in sustainable companies whose products and services contribute to a low-carbon economy and societal well-being.

In addition to supporting organizations that are focused on issues related to climate change, our major publicly traded subsidiaries encourage their staff to get involved with environmental causes they support. **Great-West Lifeco** examples include the *Pollution Probe* (Healthy Communities Campaign), the International Institute for Sustainable Development, as well as the Canadian Institute for Energy Training. **IGM Financial** examples include the EcoPass/Allego/VIP Public Transit Incentive Program, the Nature Conservancy of Canada *Forces of Nature* Campaign, the *Commuter Challenge* and *Earth Day Canada*.

SUSTAINABLE AND RENEWABLE ENERGY

In 2016, **Great-West Lifeco**'s Canadian public bond and private debt groups invested \$400 million investment in green energy projects included investments in solar, wind and hydro energy projects.





Green Procurement

We recognize the important role we can play in advancing more sustainable business practices through the influence we have on our suppliers and business partners. Procurement decisions are taking a prominent role in the sustainability agenda, having become an important mechanism to create a greater impact on achieving environmental benefits.

Our Strategy

The decisions we make on the procurement of products and services are based on our sustainability commitments and are aligned with organizations which share our values on this topic. Our commitment to green procurement focuses on integrating environmental considerations into our decision-making processes in a way that creates environmental benefits.



Our Objectives	Steps Taken to Achieve our Objectives
Sustainable Paper	We established a partnership with our paper suppliers to source only environmentally responsible paper. That means such paper has earned responsible forestry certification through the Sustainable Forestry Initiative (SFI) and/or the Forest Stewardship Council (FSC), and contains recycled content.
Non-Toxic Building Cleaning Products	We continue to work with our building managers to source sustainable products, including non-toxic cleaning products and building materials.

Energy-Efficient Products

When sourcing Information Technology (IT) equipment, including computers, printers and computer networks, we work with suppliers to purchase equipment that is energy efficient. All of Power Financial's IT equipment is "Energy Star" certified.

Local Sourcing

We support local small- and medium-sized businesses by purchasing their products and services. For example, our local food catering service is encouraged to use only natural and pesticide-free ingredients, and to purchase local products.

Responsible Procurement



[Read more](#)

Responsible Procurement Policy Statement



[Download](#)

Third Party Code of Conduct



[Download](#)

Highlights from our Group Companies

PROCUREMENT PRACTICES

As part of the process followed by **Great-West Life** when determining potential suppliers' suitability to work with them, questions are asked about their strategy and activities related to the environment, sustainability and other facets of corporate social responsibility. When deemed applicable, suppliers must also agree to abide by the appropriate elements of their Code of Business Conduct and Ethics.

Imerys launched in 2016 its supplier governance, social and environmental standards, mainly based on the ten principles of the United Nations Global Compact initiative. So far, the group requested its suppliers of more than €2 million divisional spend to comply with the standards and will progressively evolve the compliance review along its supply chain.

SUSTAINABLE PAPER

IGM Financial looks for ways to increase the use of recycled paper and paper from responsibly managed forests; 100% of their office paper used in photocopiers and printers is from responsibly managed forests.



Measuring our Environmental Performance

We measure our environmental performance by monitoring various indicators. The selection of these indicators is informed by a number of elements, including the Global Reporting Initiative (GRI) Standards and requests made by stakeholders, such as the CDP, FTSE4Good and other ESG research organizations.

Data Reporting and Assurance

The environmental data reported in the document below is for the calendar years ended December 31, and is consolidated based on a financial control approach, which includes our major subsidiaries Great-West Lifeco and IGM Financial.

We conduct internal and external quality checks to ensure the accuracy of the data reported. To date, our environmental data related to GHG emissions has been verified to a limited level of assurance in accordance with the ISO 14064-3: 2006 Specification, with guidance for the validation and verification of greenhouse gas assertions. For more specific information on our environmental data please refer to the referenced footnotes.



[View Data Supplement](#)



Shared Value Creation

Responsible management allows us to generate long-term sustainable value for our enterprise, the economy and society at large. In our view, we can be successful as a business and create shareholder value only if we seek to serve all of our stakeholders and create value for them as well. This involves conducting our business in a way that benefits the communities where we operate, while providing products and services that benefit society.

Customers

Given the mainstay of our investments are in financial services, we represent a positive force in society, creating indirect financial benefits for customers of our group companies. We effectively enable these customers to manage their retirement and healthcare needs, accumulate wealth and achieve financial security through prudent investments. In the course of providing customers with financial advice, our companies foster financial literacy. This provides an important contribution to a prosperous, empowered society.

Shareholders

Our mission is to enhance shareholder value by actively and responsibly managing our investments so they generate long-term, sustainable growth in earnings and dividends.

Employees

We depend on the people in our group of companies for the success of our business. Together with our subsidiaries, we count on our more than 26,800 employees and 13,900 advisors, many of whom fulfill the role of trusted advisor to their customers, helping them address their financial and insurance needs, creating bonds of professionalism and mutual respect.

In turn, we provide our employees with competitive compensation and rewarding careers, and give them the resources to develop their expertise and leadership skills. In 2016, we contributed \$3.6 billion in employee salaries and benefits. These funds flow through the economy impacting hundreds of communities across Canada in which our employees live and work.



We also support their volunteer efforts within the communities where we operate. Given the breadth of our employee base, we recognize the impact we have on local employment and talent development, and in creating a prosperous economy.

Business Partners

Our group companies source an array of goods and services from a broad spectrum of suppliers. We encourage these providers to offer environmentally and socially responsible products and services. This allows us to build a strong and sustainable supply chain that collectively plays a responsible role in society. For instance, **Great-West Lifeco**'s Canadian operations annually purchase more than \$400 million in products and services across Canada, ranging from office supplies, computers and cellphones to courier services, fresh produce for their cafeterias, cleaning supplies and janitorial services. In 2016, **IGM Financial** committed \$466 million to local and national organizations for goods and services.

Communities

We strive to do our part to make a positive contribution to the communities where we are established and, where relevant, integrate our core values and competencies to build a better society with better opportunities for all Canadians.

Through our parent company, Power Corporation, and our subsidiaries we make contributions to numerous organizations through both corporate donations and investments, and our support of employee volunteering initiatives.

As business entrepreneurs, we especially value and support the role that social entrepreneurs play in helping to build strong and connected communities, guiding us to seek partnerships and investments that have a lasting impact on our communities. Social entrepreneurs are driven to champion their cause and devote their lives to the service of others. They use their knowledge and experience to forge change in their communities and to bring comfort and healing to those in need. We are also drawn to smaller initiatives that deliver broad social benefit because of their entrepreneurial, innovative spirit.

In 2013, our parent company **Power Corporation** established a community investment microsite, [Power Corporation in the community](#), to showcase some of the exceptional work being done by the organizations that it supports financially. These organizations, many run by innovative social entrepreneurs, work in the areas of health, education, arts and culture, community development and the environment.

Power Financial's group companies also work diligently to make a difference in the communities they respectively serve, through their respective community programs and initiatives, as well as employee volunteering activities. Through its *Stronger Communities Together* Canadian program, **Great-West Life** addresses issues at a national level while addressing many more regional and local concerns, and encourages its employees to volunteer. Each of **IGM Financial**'s operating companies implements its own philanthropic programs, supporting local and national activities and organizations. Their community giving programs are a balance between centralized giving directed from their corporate head offices and decentralized decisions made by their people.

Over the years, our substantial commitment to philanthropy across the country has earned companies in our group the designation of "Caring Company" from Imagine Canada, having consistently exceeded the minimum donation guideline of 1% of pre-tax domestic profit to charitable causes.



Financial Well-Being and Economic Prosperity

Financial services, the mainstay of our business, make a positive contribution to society by providing financial security to virtually millions of people. In short, we protect and improve the long-term financial position of individuals, and offer programs to help them manage their healthcare needs. By the very nature of our group companies, our activities are aligned with the Sustainable Development Goals and create social and economic prosperity.

A 2014 study released by the Conference Board of Canada, *Boosting Retirement Readiness and the Economy Through Financial Advice*, found that investors who work with a financial advisor have a higher savings rate on average than those who do not. For example, over a 15-year period, households working with an advisor had 2.7 times the assets of a household without a financial advisor. The study highlights the value advisors add by encouraging more disciplined saving and investment behaviour.

With more than 30 million customer relationships in Canada, the United States and Europe, our financial services companies represent a positive force in society by enabling financial security through life and health insurance, retirement savings programs, and a suite of investment products.

Highlights from our Group Companies

FINANCIAL SECURITY AND RETIREMENT

In 2016 alone, **Great-West Lifeco**'s Canadian operations helped more than 44,000 families cope with loss, paying out more than \$2.4 billion in life insurance claims, provided income for over 76,000 people who became disabled and could no longer work, and paid over 56 million claims representing more than \$4.6 billion in health and dental benefits for plan members. They made over \$800 million of annuity payments,



helping Canadians fund their retirement with a secure income stream. Also in 2016, Great-West Life held \$100 billion in retirement and other investment holdings for Canadians and paid \$9.1 billion in benefits.

As investment managers, **IGM Financial**'s group companies contribute to the economy through the efficient allocation and professional management of investment funds – across countries, industries and asset classes. Their largest impact comes from responsibly managing their business and generating long-term value and profitability, which enables them to distribute economic value to their many shareholders and other stakeholders in Canada. Through its advisors, IGM Financial helps Canadians build an integrated financial plan to meet their short- and long-term goals. Financial advisors are trained to recommend products that are suitable for each client's individual situation.

FINANCIAL INCLUSION

IGM Financial is making a difference for Canadians in all age groups and income levels – including those in lower income ranges who were not financially secure when they sought help from an advisor. IGM Financial also provides mutual funds at very low investment minimums, making it possible to provide much-needed access to financial products and services to all households, regardless of income or wealth levels.



In 2016, **Great-West Life** continued to embrace technology and social media to reach Canadians with educational tools that can help them understand the benefits of retirement savings plans. Great-West continues to leverage its smartpathnow.com website to offer free online learning for all stages of savings and retirement planning through games, calculators, videos and text-based learning about personal financial planning.

In 2016, it also launched *How much is enough?*, a three-part education series of presentations developed to help people determine exactly what to save for their retirement. These information tools were made available for free to the public through their SmartPATH website.

Great-West Lifeco also offers product solutions to meet the needs of workers who do not have registered retirement savings plans.

FINANCIAL LITERACY

Our group companies' commitment to improving financial literacy also represents a means to further expand their positive impact on the financial security of their clients.



Since 2014, **Great-West Lifeco** is the national sponsor of CPA Canada's innovative and award-winning financial literacy program and, in 2016, pursued its commitment through several new initiatives. The objective is to further contributing to help empower all Canadians to make the best financial decisions, with an ultimate goal of the long-term financial well-being of Canadian families. Through this support, it helps meet the financial literacy needs of community organizations, underserved groups like new Canadians and Indigenous Peoples, post-secondary students and individuals of all ages.

Investors Group's ongoing collaboration with the Canadian Foundation for Economic Education (CFEE) continued to make a real contribution in 2016 to improving financial literacy of youth and their parents. The company still supports CFEE's *Building Futures* program, which helps provinces integrate financial education into the core curriculum for grades 4 to 10. It also supported new courses as they were developed for the high school level, including lesson plans and workshops for teacher professional development. *Building Futures* leverages the popular guidebook *Money and Youth: A Guide to Financial Literacy* for high school students produced by CFEE with funding from Investors Group. *Money and Youth* was also made available as an e-book for increased accessibility. With support from Investors Group, more than 450,000 copies are in circulation to schools and households, helping to improve the financial literacy of Canadian youth.

In 2016, **Investors Group** received the CFEE Financial Literacy Award for its years of leadership and continued commitment

to improving the financial literacy of youth across Canada.

INVESTMENTS TO SPUR GROWTH

Through its investment activities, **Great-West Lifeco** provides long-term capital, contributing to economic growth, and helping Canadians reach their financial goals. The company's commercial mortgages, public bond and private placement investments provide opportunities for businesses and governments to help create employment, fund research and development, and support infrastructure, healthcare and renewable energy projects.



In 2016, **Great-West Lifeco's** Canadian public bond and private debt groups invested more than \$1.6 billion in infrastructure, including investments in green energy projects, airports, port terminals, hospitals, transit, highways, utilities, schools and universities. These green energy projects included investments in solar, wind and hydro energy projects. The company also invested more than \$100 million in independent finance companies that act as alternative funding sources for small to medium-sized Canadian businesses. In 2016, they also funded more than \$2.4 billion in new private debt and commercial mortgages across Canada.

Through its subsidiary **GLC Asset Management**, Great-West Lifeco also provides a suite of investment offerings, including socially responsible investing mandates, giving clients a meaningful way to help ensure their investments promote a higher level of environmental sustainability, social responsibility, and corporate governance.



About this website

Objective

This website is intended to provide our stakeholders with select information concerning Power Financial Corporation's (Power Financial or the Corporation) approach to Corporate Social Responsibility (CSR) – what we refer to as responsible management.

Content Scope and Global Reporting Initiative Alignment

The selection of content for the microsite was guided by the Global Reporting Initiative (GRI) Standards, providing an overview of our responsible management policies, governance processes, and programs related to issues facing our business. The GRI is a leading international organization that provides a Sustainability Reporting Framework, offering guidance to organizations on how to measure, understand and communicate sustainability information.

This website covers both qualitative and quantitative information for Power Corporation, supported by relevant qualitative examples from our group's major holdings - Great-West Lifeco and its subsidiaries, IGM Financial and its subsidiaries, as well as Imerys.

Timing of Reviews

The content of this website was last reviewed and updated in September 2017. The qualitative information covers content up until the last content review, while the quantitative information reflects the calendar year 2016. Information contained in this website will be reviewed and updated on an annual basis or as deemed appropriate.

Additional Information

For additional information on Power Financial, please consult our website at: www.powerfinancial.com.

Forward-Looking Statements

Certain statements in this website, other than statements of historical fact, are forward-looking statements based on certain

assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation and its subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, business competition, operational and reputational risks, technological change, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent Management Discussion & Analysis and its most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available from the Corporation's website at www.powerfinancial.com or at www.sedar.com.

Abbreviations

The following abbreviations are used throughout this website: Canada Life (The Canada Life Assurance Company); CSR (Corporate Social Responsibility); ESG (environment, social and governance); Great-West Lifeco (Great-West Lifeco Inc.);

GHG (greenhouse gas); Great-West Life (The Great-West Life Assurance Company); GWL Realty Advisors (GWL Realty Advisors Inc.); IGM Financial (IGM Financial Inc.); Investors Group (Investors Group Inc.); London Life (London Life Insurance Company); Mackenzie Investments (Mackenzie Financial Corporation); Pargesa (Pargesa Holding SA); Power Corporation (Power Corporation of Canada); Power Financial or the Corporation (Power Financial Corporation); our Code (Code of Business Conduct and Ethics); our Third Party Code (Third Party Code of Conduct); SDGs (Sustainable Development Goals); UNGC (United Nations Global Compact).