POWER FINANCIAL
CORPORATION

CARBON DISCLOSURE PROJECT 2014

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CARBON DISCLOSURE PROJECT 2014

INTRODUCTION

CC0.1 Please give a general description and introduction to your organization.

Power Financial Corporation (hereinafter "Power Financial" or the "Corporation") is a diversified international management and holding company with interests in companies in the financial services and other business sectors.

Financial Services (99% of assets)

Power Financial holds substantial interests in the financial services industry through its controlling interest in each of Great-West Lifeco Inc. and IGM Financial Inc. (our major publicly traded subsidiaries).

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. The company has operations in Canada, the United States, Europe and Asia through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Irish Life Group Limited, Great-West Life & Annuity Insurance Company (Great-West Financial) and Putnam Investments, LLC.

IGM Financial is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, serving the financial needs of Canadians through multiple distinct businesses including Investors Group Inc., Mackenzie Financial Corporation and Investment Planning Counsel Inc.

Together, Power Financial's investments in the financial services sector represent 99% of its consolidated assets.

Other Business Sectors (1% of assets)

Power Financial and the Frère group of Belgium each hold a 50% interest in Parjointco N.V., which holds their interest in Pargesa Holding SA, a publicly traded Swiss company with indirect interests in certain companies based in Europe held through its publicly traded affiliated company, Groupe Bruxelles Lambert (GBL). Power Financial's effective interest in these companies is as follows: Imerys – mineral-based specialties for industry (7.81%); Lafarge SA – cement, aggregates and concrete (2.92%); Total SA – oil, gas and alternative energies (0.50%); GDF Suez – electricity, natural gas, and energy and environmental services (0.33%); Suez Environnement Company – water and waste management services (1.00%); Pernod Ricard – wines and spirits (1.04%); and SGS SA – testing, inspection and certification services (2.08%).

Power Financial has a deeply rooted tradition of acting in a responsible and ethical manner. As a holding company, our limited direct environmental impact is primarily related to the activities of our head office in Montréal, which has no production, manufacturing or service operations. Despite our relatively small footprint, we remain committed to continuing to reduce our limited impact, while working with our group companies as a supportive shareholder in connection with the energy and carbon management strategies they establish and implement.

As a holding company, our response to the CDP makes reference to the activities of our group companies. Many of these companies have filed their own response to the CDP questionnaire, including our major publicly traded subsidiaries, Great-West Lifeco and IGM Financial. Where applicable, please refer to these companies' CDP responses for more detailed information.

REPORTING YEAR

CC0.2

Please state the start and end date of the year for which you are reporting data. The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Periods that will be disclosed
Tue 01 Jan 2013–Tue 31 Dec 2013

COUNTRY LIST CONFIGURATION

CC0.3

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Canada

CURRENCY SELECTION

CC0.4

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

Currency
CAD ($)

POWER FINANCIAL
CORPORATION

MANAGEMENT

CARBON
DISCLOSURE
PROJECT
2014

1 › GOVERNANCE

CC1.1 Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a Please identify the position of the individual or name of the committee with this responsibility

Responsibility for climate change has been assigned at the Board level to the Governance and Nominating Committee of the Board of Directors. The Committee is responsible for reviewing the Corporation's progress on Corporate Social Responsibility (CSR), which includes relevant climate change topics. These reviews are conducted at least annually.

Power Financial's President and Chief Executive Officer provides strategic oversight on matters relating to carbon and energy management. The Vice-President, General Counsel and Secretary is the appointed CSR Lead, who has direct responsibility for overseeing efforts being taken to minimize the energy and carbon impacts at the holding company, as well as monitoring the progress being made by our group companies. The CSR Lead reports to the President and Chief Executive Officer on these matters, as well as to the Governance and Nominating Committee of the Board of Directors.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Chief Financial Officer (CFO)	Recognition (non-monetary)	Incentives for the management of climate change issues are provided at our subsidiary Great-West Lifeco to the Chief Financial Officer for Canada, the appointed CSR Lead. He has annual objectives that include oversight on the company's CSR initiative, including activities being undertaken to achieve Great-West Lifeco's carbon reduction target.
Corporate executive team	Monetary reward	Monetary incentives are provided by our subsidiary Great-West Lifeco to the leadership property catastrophe team for identifying optimal property reinsurance opportunities within defined criteria and considering exposure to property risks, including physical climate parameters.
Other: CSR committee members	Recognition (non-monetary)	Incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to the CSR Committee members. They have annual objectives related to executing on the company's CSR initiative, including activities being undertaken to achieve Great-West Lifeco's carbon reduction target.
Other: Corporate Properties Group	Monetary reward	Incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to the Corporate Properties Group. They have energy improvement objectives included as part of their variable compensation bonus structure. For example, the Assistant Vice-President Corporate Properties' variable compensation bonus structure includes executing on initiatives to achieve their carbon reduction target.
Other: Property managers	Monetary reward	Incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to the property managers at GWL Realty Advisors Inc. They have annual bonus incentives for meeting relevant energy reduction targets, and building energy efficiency improvements.
Other: Corporate executive	Monetary reward	Incentives for the management of climate change issues are provided by our subsidiary IGM Financial to the Senior Vice-President and Treasurer's annual objectives. The annual objectives include coordinating the integration of climate-related considerations into the company's CSR initiative as well as efforts to disclose and report carbon and energy management performance.
Other: CSR committee members	Monetary reward	Incentives for the management of climate change issues are provided by our subsidiary IGM Financial to the CSR committee members. The members' annual objectives include executing on the efforts being taken by the company to integrate climate-related considerations as part of the CSR strategy. This includes implementing efforts to embed climate-related issues into building operational activities, client products and services, employee engagement, community investments, and corporate disclosures.
Other: Property managers	Monetary reward	Incentives for the management of climate change issues are provided by our subsidiary IGM Financial to the property managers at IGM Financial subsidiaries. The property managers are incentivized through the annual bonus structure for progress on achieving Building Owners and Managers Association (BOMA) and Leadership in Energy and Environmental Design (LEED) certification at their corporate properties. These incentives align with IGM Financial's energy and carbon reduction target.

Further Information

This information has been provided to us, and is made publicly available, by our publicly traded subsidiaries, Great-West Lifeco and IGM Financial.

CC2.1 **Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

CC2.1a **Please provide further details on your risk management procedures with regard to climate change risks and opportunities**

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Individual/ Sub-set of the Board or committee appointed by the Board	Given the global context of our business, we consider risks from a broad geographical perspective, covering North America, Europe, and Asia-Pacific.	3 to 6 years	Climate change risks and opportunities are integrated into the Corporation's company-wide risk management processes. Through our prudent risk management culture, we identify, assess, respond to, and monitor risks and opportunities related to a wide range of business issues and trends, including climate change, where relevant. Climate change risks and opportunities, like other risks and opportunities, are monitored on an ongoing basis, as required. When relevant, these issues may be reviewed during internal senior management meetings as well as through our representation on the respective Boards of our group companies. Strategic climate risks and opportunities would be communicated to the President and Chief Executive Officer and/or the Board of Directors, depending on the circumstances.

CC2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level

Assessment of Risks and Opportunities from a Company Level Perspective

We track macroeconomic trends that could impact our company as a whole. Climate change trends are considered through our CSR assessment. Once a trend is identified as representing a potential risk or opportunity, a more formal assessment is made by internal and/or external resources to evaluate the probability and materiality of the impact on the business. The results of our assessment are then presented to the executive team to determine the appropriate action plan.

Assessment of Risks and Opportunities from an Asset Level Perspective

As a diversified management and holding company with interests, directly or indirectly, in companies in the financial services and other business sectors, we recognize that sustainability trends such as climate change could potentially impact the companies in which we have made investments. We consider climate change risks and opportunities, where relevant, as part of our investment analysis process. Through this analysis, we typically focus on company-specific risks and opportunities, which can include climate-related regulations, changing physical parameters, consumer behaviour, and new energy markets, products and services, among other things. These types of analyses are often further strengthened by our interactions with the senior management of our subsidiaries and portfolio companies.

CC2.1c How do you prioritize the risks and opportunities identified?

Criteria for Determining Materiality/Priorities

The materiality of potential climate change risks and opportunities is based on an understanding of the likelihood and impact on our business, which we then use to determine the relative importance of the issues being addressed. Materiality for the purpose of our continuous disclosure documents is assessed based on the applicable legal and regulatory requirements.

CC2.2 Is climate change integrated into your business strategy?

Yes

CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

The process by which the strategy is influenced

Strategic considerations are discussed during senior management meetings. Climate change considerations that could impact our overall strategy would be discussed during these meetings. Relevant outcomes from these meetings are integrated into the next evaluation of the business strategy.

Climate change aspects that have influenced the strategy

We have identified a few areas of interest related to climate change risks and opportunities, including growth markets in the renewable energy sector, increasing building energy costs, stakeholder interests for carbon disclosure and transparency, and the formal integration of environmental, social and governance issues into our responsible investment practices.

Most important components of the short-term strategy that have been influenced by climate change

We have been improving the quality of our public disclosure on CSR matters, including information on our carbon and energy management initiatives. We recognize that this is an area that continues to grow in importance for our stakeholders. We are also minimizing our energy and carbon impact. As a holding company composed predominantly of office operations, our limited direct energy and carbon impact is related to the activities of our head office, which has no production, manufacturing or service operations. We promote resource conservation and green building efficiencies. In 2013, as part of our business strategy, we continued to work towards our target to reduce our GHG emissions associated with electricity and natural gas consumption by 5% by 2015, with a baseline of 2011. Our efforts are reflected in the progress we have achieved: in 2013, we reduced our emissions from electricity and natural gas by 35% since 2011, mainly due to significant building upgrade projects. We are also now working with our group companies, as a supportive shareholder, to encourage the development of relevant policies and programs to reduce their energy and carbon impacts. Furthermore, our group companies are contributing to community projects and initiatives that increase awareness and knowledge on climate change impacts and management.

CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process (continued)

Most important components of the long-term strategy that have been influenced by climate change

Our long-term strategy is also being influenced by climate change issues in the context of our long-term value creation philosophy and our investments in sustainable and efficient companies supplying products and services that contribute to a low-carbon economy and societal well-being. In addition, we currently expect to continue to maintain our short-term strategy, as described above, over the long term.

How this approach is gaining a strategic advantage over competitors

Relative to our competitors, we are well positioned to: proactively address potential reputational risks, increase awareness on climate change through various community programs, identify opportunities to invest in innovative products and services that help to respond to climate change issues, reduce energy costs, and minimize our carbon risk exposure.

Most substantial business decisions made during the reporting year influenced by climate change

Over the past year, we have stepped up our commitment to disclose information on our energy and carbon management performance, through our annual report, website and stakeholder engagement.

CC2.3 Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

Other

CC2.3a On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: Clean growth	Support	Through our role on the Canadian Council of Chief Executives, we have supported a national strategy that promotes investment and innovation in clean growth.	Support a clean growth strategy for Canada

CC2.3b Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
International Economic Forum of the Americas (IEF)	Consistent	The IEF is committed to heightening knowledge and awareness of the major issues concerning economic globalization, with a particular emphasis on the relations between the Americas and other continents. They include issues related to climate change.	Power Financial's Co-Chairman, Paul Desmarais, Jr., is the Chairman of the Board of Governors of the IEF. Through our involvement in the IEF, we support efforts being taken to increase awareness and collaboration between international governments on a wide range of issues, including climate change.
Brookings International Advisory Council	Consistent	Brookings established the International Advisory Council, a group of distinguished international business and community leaders, to extend its outreach and relevance to other countries and increase its ability to inform the American public and policymakers about global developments, including energy and environment issues.	Power Financial's Co-Chairman, Paul Desmarais, Jr., is Co-Chairman of the Brookings International Advisory Council. Through our involvement, we support efforts being taken to develop effective, pragmatic policies for addressing national and global energy and environmental issues.

CC2.3d Do you publically disclose a list of all the research organizations that you fund?

No

CC2.3e Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f **Please describe the work and how it aligns with your own strategy on climate change**

As a subsidiary of Power Corporation of Canada, corporate donations are conducted through Power Corporation's Donations Committee, on behalf of both Power Corporation and Power Financial. The following provides examples of the research organizations we support:

- David Suzuki Foundation – Power Corporation provides funding to the Foundation covering a nine-year period from 2007 to 2015. The Suzuki Foundation works with government, business and individuals to conserve the environment by providing science-based education, advocacy and policy work, and acting as a catalyst for social change.
- One Drop Foundation – Power Corporation provides funding to the Foundation covering an eight-year period, beginning in 2011. Its projects in developing countries attempt to provide access to water, ensure food security, and use arts and culture to educate local communities on issues concerning water and climate change.

The support that Power Corporation provides to these foundations is in line with our strategy to contribute to community projects and initiatives that increase awareness and knowledge on climate change impacts and management.

We also invest in companies that share our philosophy and values, supporting a wide array of causes, including organizations promoting environmental stewardship and climate change. Our major publicly traded subsidiaries support organizations that produce public work on climate change. Great-West Lifeco examples include the Network for Business Sustainability, the David Suzuki Foundation and the Jim Pattison Centre of Excellence in Sustainable Building Technologies and Renewable Energy Conservation at Okanagan College. IGM Financial examples include the Green Action Centre, Green Kids and FortWhyte Alive.

CC2.3g **Please provide details of the other engagement activities that you undertake**

Through our major publicly traded subsidiaries, Great-West Lifeco and IGM Financial, we support other engagement activities related to climate change. The following provides examples of other engagements taken from these subsidiaries' CDP responses:

Great-West Lifeco's World Wildlife Fund's CN Tower Climb

Method of Engagement: Great-West Lifeco engages with the WWF at a group level through ongoing dialogue and significant sponsorship to help raise awareness and funds that support their environmental initiatives.

Topic of Engagement: Great-West Lifeco engages with WWF by supporting their employees who want to get involved in reduction initiatives related to carbon and energy management.

Nature of Engagement: Through their sponsorship with the WWF, Great-West Lifeco's local teams from their Toronto and London operations are encouraged to participate in the Tower Climb events to raise additional funds, which the company then matches. The involvement of their local teams has enabled them to not only leverage significant funding for the WWF, but to also foster community and personal values within the company.

Actions Advocated: Great-West Lifeco engaged with the WWF to support their objectives of bolstering and protecting progressive provincial renewable energy policies, holding governments accountable to their commitments, and bringing scientific expertise and credibility to energy discussions across the country.

CC2.3g Please provide details of the other engagement activities that you undertake (continued)

IGM Financial's EcoPass/Allego/VIP Public Transit Incentive Program

Method of Engagement: IGM Financial engages through partnership agreements with various city transit organizations to incentivize the use of public transport amongst its employees to enable carbon emissions to be reduced during their travel to and from work. Specifically, they have partnership agreements between Investors Group and the Winnipeg Transit Agency and the Montreal Metropolitan Transit Agency.

Furthermore, IGM Financial's subsidiaries, Mackenzie Investments and Investment Planning Council, also have partnerships with the Toronto Transit Commission's Volume Incentive Program (VIP).

Topic of Engagement: IGM Financial is engaging with the above agencies so that their employees have access to cleaner transportation modes with a lower carbon impact.

Nature of Engagement: The engagements relate specifically to the agency incentive programs aimed at promoting public transit.

Actions Advocated as part of the Engagement: Through IGM Financial's engagement with these organizations, they actively advocate for continuation of these programs and possible enhancements to subsidize the cost for employees that use public transit. Through these subsidies, they expect to reduce the use of employee personal vehicles, which ultimately reduces their carbon emissions. In 2013, they estimated that the use of public transit by their employees saved approximately 717 tonnes of CO_2 emissions compared to employees taking their own personal vehicles to work every day.

CC2.3h What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The CSR Lead provides oversight on matters related to the Corporation's corporate social responsibility initiatives. Through this role, the CSR Lead ensures that direct and indirect activities that influence public policy are consistent with the Corporation's overall responsible management strategy, including topics that relate to climate change.

3 › TARGETS AND INITIATIVES

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2	100%	5%	2011	49	2015	This target is based on the consumption of natural gas and electricity.

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	50%	100%	The reduction initiatives at the Corporate office building resulted in greater than expected GHG emission reductions, enabling us to already surpass our reduction target.

CC3.2 Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

As a holding company, we invest in companies that in turn invest in companies or manage mutual funds which invest in companies that provide goods and services that enable Scope 1 and 2 GHG emissions to be avoided by a third party. This includes Investors Group's responsible investment funds and Great-West Lifeco's real estate investment portfolio. The following provides an example from Great-West Lifeco's real estate investment portfolio, as disclosed in its CDP response.

How emissions are/were avoided

GWL Realty Advisors Inc., a subsidiary of Great-West Lifeco, manages over 300 properties across Canada. Through GWL Realty Advisors, Great-West Lifeco works with building owners and tenants in their office and multi-residential portfolio to minimize the carbon footprint of these assets by prudently managing their overall environmental impact. The company does this by incorporating energy and water conservation activities, solid-waste reduction projects and the use of recycling and recycled materials as an essential part of its management of the real estate investment portfolio.

An estimate of the amount of emissions that are/were avoided over time e.g. metric tonnes CO2e per year with a baseline

GWL Realty Advisors managed portfolio has seen significant carbon emission avoidance over the years. Between 2007 and 2013, emissions reductions were approximately 98,028 tonnes of carbon dioxide equivalent (tCO2e), which equates to a 25.4% reduction in our managed office portfolio, 27.7% reduction in the managed office portfolio and a 21.0% reduction in the multi-residential portfolio.

The methodology, assumptions, emission factors and global warming potentials

Methodology: Greenhouse gas emission reductions were calculated based on the consumption reduction between 2007 and 2013 from the real estate properties covering the following emission sources: natural gas, electricity, water, steam, chilled water and land-filled material.

- Emission Factors: The GHG emissions were calculated using the emission factors below.
- Natural Gas (tCO2e / m3) – Manitoba – 0.001889, Saskatchewan – 0.001832, Ontario – 0.001891
- Electricity (tCOe2 / kWh) – Manitoba – 0.000002, Saskatchewan – 0.000770, Ontario – 0.000130 tCO2e / kWh
- Water (tCO2e / m3) – Ontario – 0.000125
- Steam (tCO2e/lb) – Ontario – 0.0000697
- Land filled Material (tCO2e/tonne) – Ontario – 1.645, Manitoba – 1.541

Global Warming Potentials (GWPs): The GWPs are based on the Environment Canada Sources and Sinks as follows: Carbon Dioxide (tCO2/unit) – 1; Methane (tCH4/unit) – 21; and Nitrous Oxide (tN2O/unit) – 310

CC3.2a **Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party (continued)**

Assumptions: The following assumptions were applied when calculating the data:

- All properties are assumed to have existed in the inventory as of Jan 1, 2007 and up to Dec 31, 2013 and all acquisitions are assumed to have been built before Jan 1, 2007, unless a construction date subsequent to the baseline was specified.
- All acquisitions built before Jan 1, 2007 are carried back to the baseline using the most recent data as an estimate of historical consumption.
- All divestments are removed from all years of the inventory.
- All additions to the portfolio are assumed to be acquisitions unless a construction date for a new build was specified. Whether you are considering generating CERs or ERUs within the framework of CDM or JI No, GWL Realty Advisors cannot consider CERs or ERUs because their emission reductions cannot create CERs or ERUs.

CC3.3 **Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)**

Yes

CC3.3a **Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings**

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	5	121
Implemented*	1	0.5
Not to be implemented	0	0

CC3.3b For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency–as specified in CC0.4)	Investment required (unit currency– as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	From 2011 to 2013, our parent company, Power Corporation, invested in a project to retrofit the pneumatic controls, replace the Dimax system, and install a new Metasys controls system in the building where we rent office space. The Metasys system has various attributes, including providing a leading edge technology and an energy reporting system to understand the site's energy usage and costs. This project is enabling us to reduce our electricity and natural gas consumption, impacting both Scope 1 and 2 emissions. The project was implemented on a voluntary basis, and is expected to have a life time of greater than 15 years.	0.5	2500	157000	>25 years	63	

CC3.3c What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Power Corporation has a dedicated budget to reduce our carbon footprint. A majority of this budget has been dedicated to maintaining the office Building Owners and Managers Association (BOMA) certification of the building where we rent office space. This includes retrofits and building upgrades.

CC4.1 Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response?

Publication	Page/ Section reference	Document
In mainstream financial reports (complete)	14-15	Power Financial Corporation 2013 Annual Report – Responsible Management
In mainstream financial reports (complete)	9	Great-West Lifeco 2013 Annual Report
In voluntary communications (complete)	15-19	Great-West Lifeco (Great-West Life, London Life and Canada Life) – 2013 Public Accountability Statement
In mainstream financial reports (complete)	5, 8, 12	IGM Financial, 2013 Annual Report
In mainstream financial reports (complete)	All	Investors Group
In mainstream financial reports (complete)	All	Mackenzie Financial Inc.
In voluntary communications (complete)	49	Pargesa Holding SA 2013 Annual Report
In voluntary communications (complete)	26-27	Groupe Bruxelles Lambert
In voluntary communications (complete)	24-26	Imerys
In voluntary communications (complete)	All	Lafarge SA
In voluntary communications (complete)	21, 36, 37	Total SA
In voluntary communications (complete)	7, 8, 9	GDF Suez
In voluntary communications (complete)	All	Suez Environnement Company
In voluntary communications (complete)	All	Pernod Ricard
In voluntary communications (complete)	All	SGS SA - Sustainability Report

POWER FINANCIAL CORPORATION

RISKS AND OPPORTUNITIES

CARBON DISCLOSURE PROJECT 2014

CC5.1d Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

Climate change regulatory risks are not expected to generate a substantive change in our business operations, revenues and expenditures. We considered these risks in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, with no production, manufacturing or service operations, most of our carbon footprint is tied to business travel and the use of electricity in our buildings–mostly sourced from hydro-electric power. Given this relatively small carbon footprint, we have not identified climate change regulatory risks that could substantively impact our business.

From an investment perspective, a majority of our interests, representing 99% of our assets, are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2013, and as disclosed in their respective CDP submissions, both Great-West Lifeco and IGM Financial considered their possible exposure to risks driven by climate-related regulations. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider climate-related regulations to have the potential to generate a substantive change in their business operations, revenues and expenditures. Both companies have limited direct greenhouse gas impacts and the diversification of their business further limits their exposure to industry sectors, markets and countries subject to climate-related regulations.

With respect to our interests in other business sectors, there is a potentially higher indirect exposure to climate change regulations. This is the case for our indirect investments in the following sectors in Europe: oil and gas, electricity, energy services, cement and building materials, and industrial minerals. As an example, both Lafarge and Imerys indicate in their 2013 CDP submissions some exposure to cap and trade schemes in Europe, Asia and South Africa. However, with 1% of our total assets invested in these other business sectors, we do not expect these potential regulatory risks to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of risks driven by changes in climate change regulation that would have the potential to generate a substantive change in its business, operations, revenues and expenditures.

CC5.1e **Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure**

Risks driven by changes in physical climate parameters are not expected to generate a substantive change in our business operations, revenues and expenditures. We considered these risks in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

Given the location of our head office in Montréal, we do not expect to be impacted by changes in physical climate parameters, such as increasing temperatures and natural disasters. Furthermore, as part of our normal business activities, we proactively maintain emergency and contingency preparedness plans in the event of extreme weather conditions.

From an investment perspective, a majority of our interests, representing 99% of our assets, are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2013, and as disclosed in their respective CDP submissions, Great-West Lifeco and IGM Financial considered their possible exposure to changes in physical climate parameters, particularly with respect to floods and extreme weather events. They considered risks related to the geographic location of their corporate and investment properties, and their product offerings covering property insurance, life and health insurance, loans and mortgages. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider these physical risks to have the potential to generate a substantive change to their business, given the diversification of their business in terms of geography and product offering.

With respect to our interests in other businesses, there is a potentially higher indirect exposure to physical risks driven by climate change. Many of our European indirect investments have a global presence in parts of the world that are prone to these risks. For example, Lafarge indicated in its 2013 CDP submission that some of its locations could be impacted by precipitation extremes, droughts and tropical cyclones. However, with 1% of our total assets invested in these businesses, we do not expect that these potential physical risks would result in a substantive impact on Power Financial.

Power Financial is not aware of risks driven by changes in physical climate parameters that would have the potential to generate a substantive change in its business, operations, revenues and expenditures.

CC5.1f Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Risks driven by changes in other climate-related developments are not expected to generate a substantive change in our business operations, revenues and expenditures. We considered these risks in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, we considered the reputational and market risks associated with our business and investment activities. With increasing public and investor concerns over climate change, we recognize that a lack of disclosure on how we manage climate change risks could potentially expose us to reputational risk. When considered in the context of our entire business, however, we do not expect the potential reputational risk to generate a substantive change in our business, revenues or expenditures.

From an investment perspective, a majority of our interests, representing 99% of our assets, are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2013, and as disclosed in their respective CDP submissions, both Great-West Lifeco and IGM Financial considered their possible exposure to risks driven by other climate-related developments, particularly with respect to reputation. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider other climate-related developments to have the potential to generate a substantive change in their business operations, revenues and expenditures, given the diversification of their business and when considered in the context of other reputational risks.

With respect to our interests in other businesses, particularly those within the industrial sectors, there is a potentially higher exposure to reputational risks given the scope and nature of operations in the oil and gas, electricity, energy services, water, waste services, industrial minerals and cement and building material sectors. However, with 1% of our assets invested in these other business sectors, we do not expect that these risks would result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of risks driven by changes in other climate-related developments that would have the potential to generate a substantive change in its business, operations, revenues and expenditures.

CC6.1d Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

Opportunities driven by changes in climate change regulations are not expected to generate a substantive change in our business operations, revenues and expenditures. We considered these opportunities in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, with no production, manufacturing or service operations, we have a relatively small carbon impact with limited opportunities to directly benefit from cap and trade schemes and government incentives on cleaner technologies.

From an investment perspective, a majority of our interests, representing 99% of our assets, are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2013, and as disclosed in their respective CDP submissions, both Great-West Lifeco and IGM Financial considered the possible opportunities associated with climate-related regulations, particularly with respect to government subsidies and incentives for renewable energy. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider regulatory opportunities to have the potential to generate a substantive change in their business given the diversification of their products and services.

With respect to our interests in other business sectors, potential opportunities driven by climate change regulations were identified by our European indirect investments. Both Lafarge and Imerys indicate in their respective 2013 CDP submissions that product efficiency and labelling regulations are enabling new low carbon innovations. Though these opportunities may be important to the respective companies, these investments represent 1% of our assets and are therefore not expected to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of opportunities driven by changes in climate change regulation that would have the potential to generate a substantive change in its business, operations, revenues and expenditures.

CC6.1e Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

Opportunities driven by changes in physical climate parameters are not expected to generate a substantive change in our business operations, revenues and expenditures. We considered these opportunities in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

At our head office location, we considered possible exposure to gradual warming temperatures, which could in turn result in lower energy costs. However, given our relatively small carbon and energy footprint and utility expense, any potential reduction in energy costs would not have a substantive impact on our overall business.

From an investment perspective, a majority of our interests, representing 99% of our assets, are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2013, and as disclosed in their respective CDP submissions, both Great-West Lifeco and IGM Financial considered the possible opportunities associated with changes in physical climate parameters, particularly with respect to warming winters. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider these opportunities to have the potential to generate a substantive change in their business. Overall, the opportunities are offset by the diversification of their investments, and the seasonal variations that occur in Canada between winter and summer periods.

With respect to our interests in other businesses, there are potential opportunities in terms of new products and services. For example, Lafarge sees temperature extremes as a driver for more resistant thermal efficient materials like concrete and is now investing in new product lines adapted to temperature and precipitation extremes. Imerys considers changes in natural resources will grow the renewable energy sector and demand for its high purity quartz for photovoltaic cells. Though these opportunities may be important, these investments in total represent 1% of our assets and are therefore not expected to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of opportunities driven by changes in physical climate parameters that would have the potential to generate a substantive change in its business, operations, revenues and expenditures.

6 › CLIMATE CHANGE OPPORTUNITIES

CC6.1f Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Opportunities driven by other climate-related developments are not expected to generate a substantive change in our business operations, revenues and expenditures. We considered these opportunities in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, we considered possible reputational opportunities associated with increasing public and investor requests for greater climate change disclosure. However, we do not expect the reputational benefits associated with climate change disclosure to have a substantive impact on our overall business.

From an investment perspective, a majority of our interests, representing 99% of our assets, are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2013, and as disclosed in their respective CDP submissions, Great-West Lifeco and IGM Financial considered the possible opportunities associated with other climate-related developments, including reputation, employee engagement, new products and services and growth in renewable energy markets. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider other climate-related developments to have the potential to generate a substantive change in their business, given the diversification of their business and when considered in the context of other reputational opportunities.

With respect to our interests in other businesses, many of our European indirect investments are taking advantage of climate-related opportunities. Imerys continues to develop carbon efficient products and Lafarge is investing in innovative concrete that contributes to reducing the carbon footprint of structures and buildings. Though these opportunities may be important to the respective companies, these investments in total represent 1% of our assets and are therefore not expected to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of opportunities driven by changes in other climate-related developments that would have the potential to generate a substantive change its business, operations, revenues and expenditures.

POWER FINANCIAL CORPORATION

EMISSIONS

CARBON DISCLOSURE PROJECT 2014

7 › EMISSIONS METHODOLOGY

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sat 01 Jan 2011– Sat 31 Dec 2011	2291	2

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4–100 year)
CH4	IPCC Fourth Assessment Report (AR4–100 year)
N2O	IPCC Fourth Assessment Report (AR4–100 year)
Other: Electricity	Other: Canada GHG Inventory Report 2009

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	56.1	Other: Carbon Dioxide	2006 IPCC, Volume 2 Energy
Natural gas	0.001	Other: Methane	2006 IPCC, Volume 2 Energy
Natural gas	0.0001	Other: Nitrous oxide	2006 IPCC, Volume 2 Energy
Kerosene	71.5	Other: Carbon Dioxide	2006 IPCC, Volume 2 Energy
Kerosene	0.0005	Other: Methane	2006 IPCC, Volume 2 Energy
Kerosene	0.002	Other: Nitrous oxide	2006 IPCC, Volume 2 Energy
Other: Electricity	2	Other: Grams of CO2e / kWh	Canadian National Inventory Report 2009
Other: Waste	78.57	Other: Kg CH4 / tonne	U.S. Environmental Protection Agency

8 › EMISSIONS DATA (1 JAN 2013–31 DEC 2013)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

2018

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

2

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
Less than or equal to 2%	Metering/ Measurement Constraints	Natural gas conversions are based on utility bills received during the reporting year. The efficiency factors from the boilers may result in minor variances of less than 1%.	Less than or equal to 2%	Extrapolation	In order to calculate energy and carbon emissions, we have applied generic cost per MWh, which may result in minor variances.

8 › EMISSIONS DATA (1 JAN 2013–31 DEC 2013)

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

No third party verification or assurance

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

No third party verification or assurance

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

9 › SCOPE 1 EMISSIONS BREAKDOWN (1 JAN 2013–31 DEC 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

No

10 › SCOPE 2 EMISSIONS BREAKDOWN (1 JAN 2013–31 DEC 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

No

11 › ENERGY

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

12 › EMISSIONS PERFORMANCE

CC12.1 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	16	Decrease	Our Scope 1 carbon emissions from natural gas decreased by 16% as a result of a number of recent upgrades in the building where we rent office space, including a complete retrofit of the pneumatic controls and upgrade of a new Metasys control system, and new boilers.
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.07	metric tonnes CO2e	unit total revenue	15	Decrease	The decrease in emission intensity can be attributed to a decrease in corporate travel activities in 2013.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
46	metric tonnes CO2e	FTE employee	31	Decrease	The decrease is a result of energy conservation activities (a number of recent building upgrades, including: complete retrofit of the pneumatic controls and upgrade of a new Metasys control system, chiller upgrade, new boilers, electronic thermostats, and a lighting upgrade project) in the building where we rent office space.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.07	metric tonnes CO2e	square foot	23	Decrease	The decrease is a result of energy conservation activities (a number of recent building upgrades, including: complete retrofit of the pneumatic controls and upgrade of a new Metasys control system, chiller upgrade, new boilers, electronic thermostats, and a lighting upgrade project) in the building where we rent office space.

13 › EMISSIONS TRADING

CC13.1 Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years.

CC13.2 Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

14 › SCOPE 3 EMISSIONS

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Not relevant, explanation provided				Given the nature of our business as a holding company with limited to no operational activities, we do not consider the purchase goods and services to contribute significantly to our total anticipated Scope 3 emissions.
Capital goods	Not relevant, explanation provided				Given the nature of our business as a holding company with limited to no operational activities, we do not consider our capital goods to contribute significantly to our total anticipated Scope 3 emissions.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				Given the nature of our operations as a holding company with limited to no operational activities, we have not identified any other fuel and energy related activities over and above those included in Scope 1 and 2.
Upstream transportation and distribution	Not relevant, explanation provided				Given the nature of our business as a holding company with limited to no operational activities, we do not consider upstream transportation and distribution of products and services to contribute significantly to our total anticipated Scope 3 emissions.
Waste generated in operations	Relevant, calculated	12	GHG Protocol		Reported.
Business travel	Relevant, calculated	140	Provided from service providers		Reported.
Employee commuting	Not relevant, explanation provided				Employee commuting to and from work is not considered relevant given the small number of employees.
Upstream leased assets	Not relevant, explanation provided				We do not lease upstream assets in our business.

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions (continued)

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Downstream transportation and distribution	Not relevant, explanation provided				Given the nature of our business as a holding company with limited to no operational activities, we do not transport or distribute products that would be relevant.
Processing of sold products	Not relevant, explanation provided				We do not sell products in our business where the processing of sold products would be relevant.
Use of sold products	Not relevant, explanation provided				We do not sell products in our business where the use of sold product would be relevant.
End of life treatment of sold products	Not relevant, explanation provided				We do not sell products where end of life treatment would be relevant.
Downstream leased assets	Relevant, not yet calculated				This includes leased office space by some of our subsidiaries
Franchises	Not relevant, explanation provided				We do not own any franchises.
Investments	Relevant, calculated	27868	GHG Protocol		We have reported the emission of Scope 1 and 2 from our major publicly traded subsidiaries, Great-West Lifeco and IGM Financial, in accordance with the CDP methodology. Their reports are prepared and provided by those companies separately and their respective programs and policies in relation to these matters are the responsibility of the management of those companies who are accountable to their boards of directors. In this respect, we play the role of an engaged and supportive shareholder.
Other (upstream)					
Other (downstream)					

CC14.2 Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	See attached Great-West Lifeco Assurance Statements	All	ISAE 3410	99
Limited assurance	See attached IGM Financial Assurance Statements	All	ISAE 3410	99

CC14.3 Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Waste generated in operations	Emissions reduction activities	15	Decrease	The decrease was due to various waste reduction activities at our corporate buildings, through resource conservation and recycling.
Business travel	Other: Business activities	14	Increase	The increase was due to the growth in our business activities.

14 › SCOPE 3 EMISSIONS

CC14.4 **Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies?**

Yes, other partners in the value chain

CC14.4a **Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success**

Other Partners

Method of engagement – We engage with our major subsidiaries through a group-wide CSR committee on a range of corporate social responsibility initiatives, including their GHG emission and climate change strategies.

Strategy for prioritizing engagements – We prioritized our engagements with subsidiaries where we have financial control and significant influence. For example, over the past year we prioritized our engagement with our major publicly traded subsidiaries, Great-West Lifeco and IGM Financial.

Measures of success – We measure our success based on the number of meetings held and progress being achieved. For example, over the past year we held approximately 5 awareness sessions with our major subsidiaries to understand their carbon and energy management strategies. Considerable efforts have been made by our major subsidiaries to strengthen their commitments on reducing GHG emissions and disclosing their climate change strategies.

POWER FINANCIAL CORPORATION

SIGN OFF

CARBON DISCLOSURE PROJECT 2014

15 › SIGN OFF

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Stéphane Lemay	Vice-President, General Counsel and Secretary	Environment/Sustainability manager

Further Information

CDP 2014 Investor CDP 2014 Information Request