

# RESPONSIBLE MANAGEMENT

Corporate Social Responsibility (CSR) is fundamental to the way we and our group companies do business – what we refer to as responsible management. Responsible management is a core tenet of our business 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. This approach has earned us the confidence of our various stakeholders.



## UNITED NATIONS GLOBAL COMPACT

We further strengthened our commitment to responsible management by becoming a signatory to the United Nations Global Compact (UNGC) in 2014. The UNGC 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.

## ENTRENCHING OUR **CSR COMMITMENTS**

Over the past year, we made solid progress in strengthening our CSR commitments, developing broader relationships with our stakeholders, and ensuring transparent communication on our CSR performance.

Our CSR commitments are now firmly embedded in our Code of Business Conduct and Ethics and CSR Statement. In 2014, all of our employees received training on our Code of Business Conduct and Ethics and acknowledged their compliance with the Code.

The Governance and Nominating Committee of the Board continues to provide oversight on the implementation and performance of our CSR initiatives, through the leadership of the Vice-President and General Counsel.

## **CREATING VALUE THROUGH ACTIVE OWNERSHIP**

Our active ownership approach enables us to ensure our investments are managed consistent with our responsible management philosophy, including our Code of Business Conduct and Ethics, our CSR Statement and our commitment to the UNGC.

In 2014, our executives continued to engage regularly with the senior management of our portfolio companies through their respective boards of directors, including on CSR matters when relevant. We also engaged with our group companies to share knowledge and best practices on CSR issues that impact our business. Many of our group companies also continued to enhance their CSR commitments, strategic programs, and communications with their stakeholders.

## INVESTING IN SUSTAINABLE COMPANIES

As long-term investors, we invest in quality companies with sustainable franchises, with attractive growth prospects, and that are managed in a responsible manner.

We integrate environmental, social and governance factors into our investment analysis process, which serve to mitigate risk and identify possible growth opportunities. A majority of our investments are in companies operating in the financial services sector. These companies have their own responsible investment approaches, including commitments that align with the United Nations-supported Principles for Responsible Investment.

## EMPOWERING OUR 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 group companies are committed to building teams of truly exceptional people by actively supporting a culture of development and performance and by creating flexible, balanced workplaces that recognize the value of diversity and personal well-being.

In 2014, we implemented a new performance and career management program at Power Financial and provided our employees with access to an Employee and Family Assistance Program.

## STRENGTHENING RELATIONSHIPS

Engaging with key stakeholders is an integral part of our responsible management approach. It enables us to promote understanding and trust, and lets us stay connected to those who have an interest in our business. We take the necessary time to understand and consider our stakeholders' views in order to build strong relationships.

We also continue to strengthen our relationships within the communities where we operate. Through our parent company, Power Corporation, we invest in the areas of community development, arts and culture, the environment, education, and health. Over the past year, Power Corporation has continued to update its community investment microsite, [www.powercorporationcommunity.com](http://www.powercorporationcommunity.com), which showcases some of the exceptional work being done by the organizations we support.

Our officers and employees are also very active in both charitable giving and volunteering, and sit on the boards of a number of non-profit organizations they support.



## FINANCIAL SECURITY AND INCLUSION

Our financial services companies represent a positive force in society, offering financial security through life and health insurance, retirement savings programs and a suite of investment vehicles, including socially responsible investment funds. These services are making a difference for a broad spectrum of society in all age and income groups – including those with lower incomes.

## IMPROVING ENVIRONMENTAL PERFORMANCE

As a holding company, we have a limited direct environmental impact. Our head office has no production, manufacturing or service operations. Despite this limited impact, our leased head office building has an environmental management system driven through the Building Owners and Managers Association (BOMA) Building and Environmental Standards (BEST®) benchmarks and supported by our environmental policy.

Our environmental management programs focus on resource conservation, energy efficiency and waste management.

In 2014, for the third year in a row, our efforts on energy and carbon management were recognized through the Carbon Disclosure Project.

