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**LIBRARY**

This document references a number of other Power Financial documents, which are available either on our corporate website at www.PowerFinancial.com or our CSR website at www.PowerFinancialCSR.com:

- Code of Business Conduct and Ethics
- CSR Statement
- Environmental Policy
- Responsible Procurement Policy Statement
- Anti-Bribery Policy Statement and Global Anti-Bribery Policy
- Third Party Code of Conduct

Additional information can also be obtained from the websites of our major operating subsidiaries:

- Corporate Social Responsibility at Great-West Lifeco
- Corporate Responsibility at IGM Financial

**ABBREVIATIONS**

A detailed list of abbreviations used throughout this document is available in the section entitled “About this Report”.

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This document references a number of other Power Financial documents, which are available either on our corporate website at www.PowerFinancial.com or our CSR website at www.PowerFinancialCSR.com:

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- Corporate Social Responsibility at Great-West Lifeco
- Corporate Responsibility at IGM Financial

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A detailed list of abbreviations used throughout this document is available in the section entitled “About this Report”.
Power Financial Corporation, a subsidiary of Power Corporation of Canada, is a diversified management and holding company with substantial operations in the financial services sector in Canada, the United States and Europe through its controlling interest in each of Great-West Lifeco Inc. and IGM Financial Inc. (our major operating subsidiaries). Through its investment in Pargesa Holding SA, Power Financial also has substantial holdings based in Europe.

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.

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.

Power Financial’s investments in the financial services sector represent approximately 99% of our consolidated assets whereas our interests in other business sectors together account for approximately 1% of our consolidated assets.
Percentages denote equity interest as at June 30, 2017, unless otherwise noted.

(1) Together, approximately 65% direct and indirect voting interest.
(2) Representing 100% of the voting interest.
(3) Denotes voting interest.
(4) Parjointco held a voting interest of 75.4% in Pargesa.
(5) Pargesa held a voting interest of 51.8% in Groupe Bruxelles Lambert.
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.

Signed,

R. Jeffrey Orr
President and CEO

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

Our CSR strategy has defined priorities within the following focus areas:

- governance
- investments
- employees
- environment
- society

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

The CSR Lead is supported by our Corporate Communications and Sustainability team, as well as other corporate functions responsible for executing our CSR strategy, including our Human Resources department and our building management subsidiary.

Furthermore, through the oversight of our CSR Lead, we also meet regularly with our major operating subsidiaries to align our commitments and share knowledge on CSR initiatives. Each of our major operating subsidiaries has assigned internal teams who are responsible for the deployment of their respective CSR strategies.
Our responsible management philosophy applies to all aspects of our business, taking into consideration risks, opportunities and impacts across our value chain. We work closely with our major operating subsidiaries and third parties to ensure good ethical practices and business integrity, while managing potential environmental and social risks.

**GROUP INTERACTIONS**
As an active owner of the companies in which we invest, we strive to ensure that our governance practices preserve and enhance shareholder value. By having our executives sit on the boards of our major operating subsidiaries, we exercise active ownership through regular engagement with their board and 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. Through the oversight of the CSR Lead, in 2016/2017 we continued to meet regularly with our major operating subsidiaries to align our commitments and share knowledge on CSR initiatives. We also continued to conduct ongoing engagements with a broad cross-section of other stakeholders, including employees, suppliers, local communities and responsible investment organizations.
02 VALUE CHAIN IMPLEMENTATION (CONTINUED)

2016/2017 PERFORMANCE OUTCOMES

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.

IGM Financial was ranked in the top 10 of Corporate Knights’ Best 50 Corporate Citizens in Canada. The company improved its ranking to 8th overall in 2017, up from the 21st position the year before.

Great-West Lifeco’s subsidiary GWL Realty Advisors maintained its Green Star ranking status on the Global Real Estate Sustainability Benchmark (GRESB) for the second consecutive year. The company improved its position from the top 15% of 707 global participants in 2015 to the top 10% of 759 global participants in 2016.

In 2016, Great-West Life was again chosen as one of Canada’s Top 100 Employers, one of Manitoba’s Top Employers and one of Canada’s Top Employers for Young People. In 2017, Great-West Life was also selected one of the Top Employers for Canadians Over 40.

FTSE4Good

Power Financial and IGM Financial gained listing status on the FTSE4Good Global Index in 2016. 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.

IGM Financial maintained its listing status on the Jantzi Social Index, 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, Power Financial, Great-West Lifeco and IGM Financial were recognized for their efforts by the CDP. 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. This is the CDP’s highest ranking, indicating a global leadership position in greenhouse gas emission disclosure and management.

In 2016 and 2017, Great-West Life was again chosen as one of Canada’s Top 100 Employers, one of Manitoba’s Top Employers and one of Canada’s Top Employers for Young People. In 2017, Great-West Life was also selected one of the Top Employers for Canadians Over 40.
THIRD PARTIES
Our responsible management philosophy also applies to the behaviour of third parties with whom we conduct business, including suppliers, consultants, advisors and other business partners. We have established a Responsible Procurement Policy Statement which underlines our commitment to 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 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;
- Monitoring performance of higher-risk third parties, where relevant; and,
- Report our progress on the implementation of our responsible procurement commitments.

2016/2017 PERFORMANCE OUTCOMES
As part of our Third Party Code of Conduct deployment, we reached out to 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 Third Party Code.
Our Commitment/Strategies/Policies

Power Financial is committed to the highest ethical standards with respect to human rights as it relates to our activities as a holding company.

We publicly express our commitment to support and respect the protection of internationally proclaimed human rights through our Code and our CSR Statement, which were approved by our CEO and our Board of Directors, and made publicly available. Our commitment to human rights includes compliance with all applicable laws and with respect to internationally recognized human rights.

Our human rights commitment applies to all our employees. We also extend our human rights commitment to third parties that work for/on our behalf, through our Third Party Code. We require our third parties to attest their compliance to our Third Party Code. We also discuss our human rights commitment with our major operating subsidiaries, which have similar human rights commitments as defined through their respective codes of conduct and CSR statements.

Our approach to managing human rights is informed by the Guiding Principles on Business and Human Rights.
Management Systems
Our approach to managing human rights is informed by the Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework and is reinforced through the implementation of our Code and our Third Party Code. The following provides examples of our management efforts:

Assigning Responsibility
Upholding our commitment to respect human rights is the responsibility of all our employees. The Vice-President and General Counsel is responsible for providing oversight on our human rights commitment, and communicating any concerns to the CEO and the Governance and Nominating Committee of the Board of Directors. At Great-West Lifeco, oversight on the implementation of human rights expectations is assigned to the company’s Human Resources department. At IGM Financial, oversight on the implementation of human rights expectations is assigned to the corporate responsibility committee, which is comprised of members of the senior executive team.

Due Diligence Assessments
As part of our human rights commitment, we identify and assess human rights risks in our investments and supply chain to meet our compliance obligations and minimize potential risk exposure. To formalize our process and ensure human rights are respected, we conducted a baseline review of the human rights initiatives at our major operating subsidiaries and investments. 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 further strengthened our process by conducting a risk assessment of our third parties to guide us in the deployment of our Third Party Code.

Ongoing Reviews
On an ongoing basis, we consider human rights during our dealings with business partners and within our own investment analysis process, when relevant. Similar assessments are undertaken by our major operating subsidiaries, where relevant, through the integration of ESG factors in their respective investment processes.

Internal Awareness and Training
We communicate our Code to our Directors, officers and employees throughout their tenure or term of employment, through annual attestations of compliance and we provide ongoing awareness and training, which includes the responsibility to respect human rights. In early 2017, our employees were required to complete their Code and key corporate policies training on a new web-based platform. We also collaborate with our major operating subsidiaries to share knowledge and best practices on improvement opportunities. Our major operating subsidiaries have similar annual attestations of compliance to their respective codes of conduct.

As part of our human rights commitment, we identify and assess human rights risks in our investments and supply chain to meet our compliance obligations and minimize potential risk exposure.
Human Rights Programs

We support initiatives that promote human rights in our community. 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.

Power Corporation also continued its support of the Dallaire Initiative since 2007—a global partnership founded by Roméo Dallaire, retired Lieutenant-General and noted humanitarian and Canadian Senator, committed to ending the use and recruitment of child soldiers worldwide through a prevention-oriented approach.

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.
Leadership Reviews
On an annual basis, we provide performance updates to the Governance and Nominating Committee of the Board of Directors on our CSR programs, including potential issues that may arise related to human rights. These updates provide an opportunity to discuss stakeholder concerns and programs to minimize adverse impacts. We also conduct ongoing engagement with our senior management and at the Board level as well as with the senior management of our major operating subsidiaries, both formally and informally, as needed, to understand how their management teams are addressing human rights when questions or issues arise.

Stakeholder Engagement
We engage with both internal and external stakeholders on an ongoing basis to understand their expectations on CSR issues, including human rights. Working collaboratively with our stakeholders, we take proactive measures to address concerns and strive to further our human rights commitments, programs and performance. Great-West Lifeco engages mainly with internal stakeholders through its employee engagement surveys, and with external stakeholders, where relevant. IGM Financial conducts engagement with both internal and external stakeholders to understand their expectations, including in the area of human rights.

Feedback Mechanisms and Remediation Process
Any violations of our Code and of our Third Party Code, including violations or concerns related to human rights issues, must be reported to an appropriate supervisor or to the General Counsel’s office. We have a non-retaliation policy that assures our employees will not be discharged, demoted or suspended for bringing forward actual or potential violations of the Code or other concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco has similar mechanisms for reporting concerns, as defined in its code of conduct. 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.

Monitoring and Evaluation Mechanisms
We have various processes in place to monitor and evaluate the extent to which human rights considerations are being integrated into our business, as follows:

Working collaboratively with our stakeholders, we take proactive measures to address concerns and strive to further our human rights commitments, programs and performance.
### 2016/2017 Performance Outcomes

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<th>Working with Third Parties</th>
<th>Training Employees</th>
<th>Committing to Human Rights</th>
<th>Respectful Workplace Policies</th>
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<td>Extended our responsible management approach to third parties that work for/on our behalf through our Third Party Code. To date, the vast majority of our key suppliers have attested their compliance to the requirements of our Third Party Code, which includes our human rights principles.</td>
<td>Reinforced our values with employees through the annual Code attestation process, which includes our expectations regarding human rights. In 2016, our employees were required to complete their Code and key corporate policies training on a new web-based platform. All our Directors, officers and employees acknowledged compliance with our Code and no breaches were reported.</td>
<td>All Great-West Lifeco employees acknowledged their commitment to the company’s code of conduct, which includes human rights commitments.</td>
<td>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 is included in this review process and includes human rights commitments.</td>
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Our Commitment/Strategies/Policies

We strive to create an environment where people feel connected and supported, and where they can thrive both professionally and personally. In addition to complying with relevant labour laws, we are committed to the following labour principles:

- Providing a workplace in which all people are treated fairly, with dignity, mutual respect and professionalism.
- Providing equal opportunities in employment, appointment and advancement based on appropriate qualifications, requirements and performance.
- Providing a workplace free from all forms of discrimination. We will not tolerate unlawful discrimination on the basis of, among other things, age, gender, sexual orientation, race, national origin, religion or disability.
- We do not tolerate forced or compulsory labour, child labour, threats, violence, harassment or other unacceptable behaviour in the workplace.
- We recognize the right to fair employment and working conditions, as required by law.

We also extend our labour commitments to third parties that work for/on our behalf, through our Third Party Code. Our major operating subsidiaries have in place similar labour principles as defined in their respective codes of conduct.

Learn more

Board and senior management gender diversity
Management Systems

Our responsible management philosophy guides the way in which we manage and develop our workforce. We have built teams of truly exceptional people, individuals who represent diverse backgrounds with a sound ethical foundation. We reinforce our commitments and values through training and ongoing dialogue, as appropriate. The following provides examples of our management efforts:

**Assigned Responsibility**

Upholding our commitment to respect labour principles is overseen by the Vice-President, Human Resources and Administration. Our major operating subsidiaries have assigned formal responsibility through their respective human resource departments.

**Engagement with Third Parties**

Through our Third Party Code, we extend our labour principles to all third parties that work for/on our behalf, by requiring them to conduct their activities with the highest legal, ethical and professional standards, and in a manner consistent with our values and responsible management philosophy. Our Third Party Code includes labour expectations related to employment practices and working conditions, respect, discrimination and harassment, and health and safety. We require our third parties to attest their compliance to our Third Party Code.

**Internal Awareness and Training**

We communicate our Code to our Directors, officers and employees throughout their tenure or term of employment, through annual attestations of compliance, and we provide ongoing awareness and training, which includes responsibilities related to our labour principles. In early 2017, our employees were required to complete their Code and key corporate policies training on a new web-based platform. We also collaborate with our major operating subsidiaries to share knowledge and best practices on improvement opportunities.

**Supportive Programs**

We have established various internal programs designed to build leadership capabilities, create a responsible management culture and reward performance. We provide health assistance, wellness programs and incentives to all our employees, as well as promote programs that support diversity and inclusion. For example, in 2016, Great-West Lifeco’s Canadian operations had more than 5,100 employees participate in training and development opportunities, which included continuing education, industry recognition programs, in-house and custom programs, and leadership development. In addition, 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, employee training continues to be provided at its operating subsidiaries. For example, Investors Group hosted 99 learning programs in 2016 through instructor-led and online delivery methods to strengthen business and financial planning skills, career development, and health and wellness. Mackenzie Investments’ training included an annual Leadership Summit for the company’s 125 leaders and a hallmark program LEADING at Mackenzie for high-potential leaders that features experience-based development through business challenge projects tackling real issues.

IGM Financial has in place various initiatives to enhance awareness of the importance and value of diversity and inclusiveness in the workplace. To further advance their approach to diversity and inclusion in the workplace, a voluntary, confidential survey was completed in 2016/2017 by Investors Group advisors and by employees at all three of IGM Financial’s operating companies to gather information on personal backgrounds, perspectives and experiences with diversity and inclusion.
Monitoring and Evaluation Mechanisms

We have various programs in place to monitor and evaluate the extent to which our labour principles are being integrated into our business, as follows:

**Leadership Reviews**

On an annual basis, we provide performance updates to the Governance and Nominating Committee of the Board of Directors on our CSR programs, including any potential issues that may arise related to labour. These updates provide an opportunity to discuss stakeholder concerns, as well as our human capital programs. We also conduct ongoing engagement with our senior management and at the Board level as well as with the senior management of our major operating subsidiaries, both formally and informally, as needed, to ensure a proper understanding of how their management teams are addressing labour conditions when questions or issues arise.

**Employee Engagement Surveys**

We support a culture of engagement to understand what matters to our employees, assess our performance and seek opportunities to continuously improve. At Great-West Lifeco, 88% of employees in Canada participated in its second survey, providing valuable insights into areas of focus to enhance workplaces for the coming years. At IGM Financial, ongoing employee engagement surveys are conducted, as well as individual performance reviews, regular employee forums and other opportunities to engage with employees.

**Stakeholder Engagement**

We engage with both internal and external stakeholders on an ongoing basis to understand their expectations on CSR issues, including labour practices. Working collaboratively with our stakeholders, we take proactive measures to address concerns and strive to further our labour-related commitments, programs and performance. Great-West Lifeco engages mainly with internal stakeholders through its employee engagement surveys, and with external stakeholders, where relevant. IGM Financial conducts engagement with both internal and external stakeholders concerning their expectations, including in the area of human capital.

**Feedback Mechanisms and Remediation Process**

Any violations of our Code and of our Third Party Code, including violations or concerns related to labour issues, must be reported to an appropriate supervisor or to the General Counsel’s office. We have a non-retaliation policy that assures our employees will not be discharged, demoted or suspended for bringing forward actual or potential violations of the Code or other concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco has similar mechanisms for reporting concerns, as defined in its code of conduct. 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.

We have a non-retaliation policy that assures our employees will not be discharged, demoted or suspended for bringing forward actual or potential violations of the Code or other concerns.

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Learn more

- Reporting concerns mechanisms
# 2016/2017 Performance Outcomes

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<th>Supporting Career Growth</th>
<th>Promoting Gender Diversity</th>
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<td>Extended our responsible management philosophy to third parties that work for/on our behalf through our Third Party Code. To date, the vast majority of our key suppliers have attested their compliance to the requirements of our Third Party Code, which includes our labour principles.</td>
<td>Continued to engage with our major operating subsidiaries and investments on CSR issues, including on labour policies, risks and programs, where relevant.</td>
<td>As part of our performance and career management program, all our employees receive annual performance reviews where we establish individualized, results-based goals that align with our core business levers. During these discussions, we define clear competencies that we believe are important to execute our strategies and we work with our employees to define their individual development plans 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.</td>
<td>Women represent 17% of the Power Financial Board of Directors. Women hold a total of ten executive officer positions within our group companies (including our publicly traded subsidiaries and their respective principal subsidiaries), representing 18% of the total number of executives at the Power Financial group of companies.</td>
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<tr>
<td>Training Employees</td>
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## LABOUR PRINCIPLES (CONTINUED)
2016/2017 Performance Outcomes

**A Canada Top Employer**
Great-West Life was again chosen as one of Canada Top 100 Employers and Manitoba’s Top Employers, and among Canada’s Top Employers for Young People. In 2017, Great-West Life was also selected one of the Top Employers for Canadians Over 40.

**Supporting Indigenous Employees**
Great-West Life hired 16 Indigenous candidates in 2015 and an additional 13 Indigenous candidates in 2016, through its partnership with AMIC – an Initiative of Anishinabek Consultants Inc.

**Advancing Gender Diversity**
As of May 2017, women constitute 19% of the directors of Great-West Lifeco.

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.

**Growing Careers**
More than 5,100 employees at Great-West Life participated in training and education programs in 2016.

**Promoting Workplace Health**
Great-West Life continued to provide an ongoing resource through the Great-West Life Centre for Mental Health in the workplace for both leaders and employees, offering access to workplace mental health-related information, strategies, and tools.

**Advancing Knowledge, Experience and Skills**
Investors Group ranked first among full-service dealers for “Ongoing Training” of financial advisors for the 9th year in a row in the Investment Executive Dealers’ Report Card and the Employee Development Centre program participation reached a record high.

Mackenzie Investments introduced quarterly progress discussions into its performance management approach.

**Recognized for Workplace Wellness**
Investors Group built upon its enhanced wellness program, providing employees with training and information about recognizing problems, and health tips on four pillars: physical, mental, social and financial wellness.

Mackenzie Investments and Investment Planning Counsel expanded their health and safety committees to include wellness, providing education and tools for employees to work on their personal, physical, and mental health and wellness.

**Supporting Women in Leadership**
25% of the IGM Financial board members were women as of May 2017.

59% of IGM Financial employees are women, meeting the national average for the finance and insurance industries

40% of managers and executives at IGM Financial are women, exceeding the national average of 35%

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.

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(b) Statistics Canada, “Table 282-0142: Labour Force Survey Estimates (LFS), By National Occupational Classification (NOC) and Sex,” CANSIM (2016).
Our Commitment/Strategies/Policies

We have a long-standing commitment to conduct our activities in an environmentally responsible manner. Despite our limited environmental footprint as a holding company, we recognize the important role we play in promoting environmental stewardship across all aspects of our business – in our own operations, as well as through our investment process and procurement practices.

Our environmental commitments are guided by the Rio Declaration on Environment and Development, anchored through our Environmental Policy and reinforced by our Code. We also extend our environmental commitments to third parties that work for/on our behalf, through our Third Party Code. Our major operating subsidiaries also have in place similar environmental commitments.

Our environmental goals are focused on reducing our energy and carbon footprint, increasing the use of renewable resources, preventing, reducing and diverting waste from landfills and procuring products and services responsibly. We also set a target to reduce our consumption of electricity and natural gas at our leased corporate head office properties by 8% by 2020, using a 2011 baseline.

In addition, our major operating subsidiaries have also set targets (as disclosed in their respective responses to the CDP questionnaire). Great-West Lifeco has set a target to reduce its Scope 1 and 2 carbon emissions by 27.3% at its owner-occupied and investment properties in Canada by 2025, and 50.4% by 2036, using 2013 as a baseline; and IGM Financial has set a target to reduce its Scope 1 and 2 carbon emissions at its owner-occupied property in Canada by 40% by 2020, and 50% by 2036, using 2013 as a baseline.
Management Systems
Together with our major operating subsidiaries, we have established sound environmental practices and behaviours that are entrenched in our approach to achieving our environmental goals. The following provides examples of our management efforts:

Assigned Responsibility
Formal responsibility for overseeing the implementation of our environmental policy, programs and performance has been assigned to the Vice-President and General Counsel and to the Vice-President, Human Resources and Administration, and executed by Power Corporation’s wholly owned subsidiary, Square Victoria Real Estate. At Great-West Lifeco’s Canadian operations, direct environmental responsibility is assigned to the Deputy Chief Financial Officer and to the Vice-President, Corporate Properties, and executed by its wholly owned subsidiary GWL Realty Advisors. At IGM Financial, direct environmental responsibility is assigned to the Senior Vice-President and Treasurer, who chairs a corporate responsibility (CR) committee composed of senior executives of the company. The CR committee is supported by a CR management team.

Environmental Risks and Impact Management
As a holding company, we have a limited environmental impact. Our environmental risk management is focused on energy and carbon, renewable resources, waste, and responsible procurement. To minimize our impacts, the buildings in which our leased corporate head office is located have an environmental management system based on the Building Owners and Managers Association (BOMA) BEST® certification. Our landlord Square Victoria Real Estate has also undertaken the process to achieve Leadership in Energy and Environmental Design (LEED®) certification (EB 2009) of our corporate head office buildings.

From an investment standpoint, we have integrated environmental considerations in our investment analysis process and engage with our major operating subsidiaries to encourage responsible environmental management activities in their operations and investment processes. We track and follow up on environmental performance through our representation on our major operating subsidiaries’ respective boards. We also engage with our major operating subsidiaries Great-West Lifeco and IGM Financial through a group-wide CSR committee to understand their environmental policies, programs and reporting, and to share best practices. Many of our group companies are signatories to the Principles for Responsible Investment, including Great-West Lifeco subsidiaries GLC Asset Management, Putnam Investments and Irish Life Investment Managers, and IGM Financial subsidiaries Investors Group and Mackenzie Investments, integrating ESG factors into their investment processes.

Internal Awareness and Training
Our officers and employees are expected to be mindful of our environmental commitments. These commitments are communicated through our Code, our Environmental Policy and our CSR Statement. In early 2017, our employees were required to complete their Code and key corporate policies training on a new web-based platform. Our major operating subsidiaries provide their employees with access to both internal and external environmental awareness and training sessions, as required.
Third Party Engagement
We have extended our environmental commitments to our third parties through our Third Party Code. We also work with third parties to favour sustainable products, including paper and cleaning products, energy-efficient products, and local sourcing. Great-West Lifeco and IGM Financial also engage with their third parties to encourage more environmentally-responsible products and services.

We work with third parties to favour sustainable products, including paper and cleaning products, energy-efficient products, and local sourcing.

Renewable Energy
Great-West Lifeco’s Canadian bond group is investing in green energy, including solar, wind, and hydro energy projects. Furthermore, IGM Financial, through its wholly owned subsidiaries Investors Group and Mackenzie Investments, has expanded its use of renewable energy by choosing renewable natural gas for their offices in Winnipeg and Toronto.

Collaboration with Community Organizations
Through our parent company Power Corporation, we support various partnerships that are enabling the transition towards a low carbon and more environmentally-sustainable economy, including the David Suzuki Foundation and the One Drop Foundation. Great-West Life supports the World Wildlife Fund, Habitat for Humanity, Pollution Probe (Healthy Communities Campaign), the International Institute for Sustainable Development and the Canadian Institute for Energy Training. IGM Financial supports the EcoPass/Allego/VIP Public Transit Incentive Program, the Nature Conservancy of Canada Forces of Nature Campaign, the Commuter Challenge and Earth Day Canada.

Learn more
- Responsible procurement
Monitoring and Evaluation Mechanisms

We have various programs in place to monitor and evaluate the extent to which our environmental principles are being integrated into our business, as follows:

**Leadership Reviews**
On an annual basis, we provide performance updates to the Governance and Nominating Committee of the Board of Directors on our CSR programs, including any potential issues that may arise related to environmental impacts. These updates provide an opportunity to discuss stakeholder concerns, as well as the progress we are making on environmental programs. Both Great-West Lifeco and IGM Financial have executive level oversight to track progress on environmental performance, which is communicated to their respective Boards on an annual basis.

We also conduct ongoing engagement with our senior management and at the Board level as well as with the senior management of our major operating subsidiaries, both formally and informally, as needed, to ensure a proper understanding of how their management teams are addressing environmental impacts when questions or issues arise.

**Stakeholder Engagement**
We engage with both internal and external stakeholders on an ongoing basis to understand their expectations on CSR issues, including environmental management practices. Working collaboratively with our stakeholders, we take proactive measures to address concerns and strive to further our environmental commitments, programs and performance. Great-West Lifeco engages with internal and external stakeholders mainly on environmental management. IGM Financial conducts engagement with both internal and external stakeholders to understand their expectations regarding environmental issues.

**Feedback Mechanisms and Remediation Process**
Any violations of our Code and of our Third Party Code, including violations or concerns related to environmental issues, must be reported to an appropriate supervisor or to the General Counsel’s office. We have a non-retaliation policy that assures our employees will not be discharged, demoted or suspended for bringing forward actual or potential violations of the Code or other concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco has similar mechanisms for reporting concerns, as defined in its code of conduct. 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.

**Third Party Monitoring**
We continue to monitor new and existing third parties to ensure they attest their compliance with our Third Party Code which includes environment-related provisions. We also continue to monitor products and services provided by our third parties and collaborate with them to encourage more environmentally sustainable options.

For example, we partner with third parties on sustainable paper, non-toxic building cleaning products, energy-efficient products, and local sourcing. Our major operating subsidiaries have similar programs. For example, both Great-West Lifeco and IGM Financial collaborate with their respective suppliers to source sustainable paper from responsibly managed forests.

**Environmental Audits**
As part of the BOMA BEST® and ongoing LEED certification programs, our leased head office buildings are subject to third-party audits of our environmental management system every three years. These audits help us identify opportunities to continuously improve our performance. Our 2016 GHG emissions were third-party verified, as were those of Great-West Lifeco and IGM Financial.

**Performance Measures and Reporting**
Together with our major operating subsidiaries, on an annual basis, we calculate our environmental impacts as they relate to energy, GHG emissions, renewable energy and waste. Through this process, we monitor our performance against set targets, and continue to disclose our energy and GHG governance, strategy, risks, opportunities, and management programs through the CDP.
2016/2017 Performance Outcomes

- Received a score of B on our 2016 CDP submission.
- Power Financial has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent on the FTSE4Good Global Index, which measures the performance of companies demonstrating strong ESG practices.
- No environmental incidents were reported.

- Great-West Lifeco’s Canadian operations received a score of A on the 2016 CDP, earning a position on the CDP Climate A List. Great-West Lifeco was the only Canadian financial services company to be named to the ‘A’ List, ranking in the top 10% of the more than one thousand global submissions to the 2016 CDP.
- Great-West Lifeco achieved its target of reducing absolute Scope 1 and Scope 2 GHG emissions by 35% for its Canadian corporate head office properties from 2007-2015. GHG emissions were reduced by 41.3% over this time period.
- Between 2013 and 2016, Great-West Lifeco achieved a 19.6% reduction of its Scope 1 and Scope 2 GHG emissions at its corporate head office and investment properties. These reductions are in part due to emission reduction activities, including energy efficiency projects, focused retrofits and behavioural changes.
- Reduced Scope 1, Scope 2 and Scope 3 GHG emission intensity (tCO₂e/1,000 ft²) of the GWL Realty Advisors managed real estate portfolio by 13.6% from 2013–2016.
- More than 95% of the GWL Realty Advisors’ eligible commercial portfolio is BOMA BEST® certified, with a total of close to 300 certified buildings.
- Recycled 89 tonnes of cardboard, 116 tonnes of organics (compost) and 339 tonnes of paper at Great-West Lifeco’s Canadian corporate offices.
- Completed 81 sustainability projects with Green Standards since 2009, diverting 110.6 metric tonnes of refuse from landfill, resulting in more than $27,000 of in-kind donations to environment-related charitable organizations.
2016/2017 Performance Outcomes

- 100% of electricity and natural gas used in IGM Financial’s owned premises is from low-carbon sources.
- Achieved a 72% reduction in Scope 1 and Scope 2 GHG emissions from 2013 to 2016.
- Maintained BOMA BEST® certification for the Investors Group head office, the only owned office building; 94% of IGM Financial’s corporate office space is in green-certified buildings.
- IGM Financial scored A- on the 2016 CDP, scoring in the top five among Canadian financial services companies in 2015 and 2016.
- In 2015, IGM Financial earned a spot on the Jantzi Social Index—a stock index of Canada’s most sustainable companies, and was reconfirmed to the index in 2016 and 2017.
- In 2017, the Investors Québec Enterprise Fund received the number 1 ranking in the Canadian equity fund category, and for the second year, the Investors Group Summa SRI™ Fund 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 was named one of the 2017 Best 50 Corporate Citizens in Canada by Corporate Knights.
- IGM Financial has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent on the FTSE4Good Index Series, which measures the performance of companies demonstrating strong ESG practices.
Our Commitment/Strategies/Policies
As a management and holding company, we are committed to carrying out our business worldwide ethically in accordance with all applicable laws, and without the use of bribery.

We have formalized our commitment to anti-corruption compliance by establishing a Global Anti-Bribery Statement and supporting Policy, which articulate our zero-tolerance approach to corruption. The Policy sets out our expectations with respect to anti-bribery: it formalizes our commitment to be in compliance with all relevant laws and it prohibits our people from receiving, promising, giving, providing, or authorizing the provision of anything of value to obtain or retain business, an advantage, or favoured treatment from anyone.

Our commitment to anti-bribery was guided by international frameworks, including the United Nations Convention Against Corruption, and is reinforced through our Code. We also extend the scope of our anti-corruption policies through our Third Party Code. Great-West Lifeco and IGM Financial also have in place similar anti-corruption commitments.

Our Global Anti-Bribery Statement and supporting Policy articulate our zero-tolerance approach to corruption.

Learn more
Anti-corruption
Management Systems
We have implemented an anti-corruption compliance program that includes training, due diligence of third parties and mandatory reporting. The following provides examples of our management efforts:

Assigned Responsibilities and Leadership Support
Formal responsibility for overseeing the implementation of our Global Anti-Bribery Policy is assigned to the Vice-President and General Counsel, who provides an annual report to the Audit Committee of the Board.

Due Diligence Assessments
We conducted risk assessments of our business to identify potential high risk exposures to corruption. We also apply high ethical standards to third parties dealing with us by conducting risk-based due diligence on consultants or potential acquisitions.

Training and Awareness
We communicate our anti-corruption commitments through our Code. We also provide formal training on our Global Anti-Bribery Statement and supporting Policy. To maintain awareness, we send personnel periodic reminders of their duties and responsibilities under the Policy. In 2016, our employees were required to complete their Code and key corporate policies training on our new web-based platform. We also require all our Directors, officers and employees to certify their compliance with our Code at least annually.

Business Partners
We extend our anti-corruption policies to third parties through our Third Party Code, and ensure they attest their compliance as part of our standard business requirements. Great-West Lifeco also has in place similar anti-corruption guidelines for its third parties.

To maintain awareness, we send personnel periodic reminders of their duties and responsibilities under the Policy.
Monitoring and Evaluation Mechanisms

We have various programs in place to monitor and evaluate the extent to which our Global Anti-Bribery Policy is being integrated into our business, as follows:

**Leadership Reviews**
On an annual basis, a report on the implementation of our Global Anti-Bribery Policy is provided to the Audit Committee of the Board by the Vice-President and General Counsel.

**Stakeholder Engagement**
We engage with both internal and external stakeholders on an ongoing basis to understand their expectations on CSR issues, including anti-corruption management practices. Working collaboratively with our stakeholders, we take proactive measures to address concerns and strive to further our anti-corruption commitments, programs and performance.

**Feedback Mechanisms and Remediation Process**
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. We have a non-retaliation policy that assures our employees will not be discharged, demoted or suspended for bringing forward actual or potential violations of the Code or other concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco has similar mechanisms for reporting concerns, as defined in its code of conduct. 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.

2016/2017 Performance Outcomes

**POWER FINANCIAL CORPORATION**

Reinforced our values with employees through our annual training and Code attestation program, which includes our Global Anti-Bribery Policy. All our Directors, officers and employees acknowledged compliance with our Code and no breaches were reported.

**GREAT-WEST LIFECO INC.**

All Great-West Lifeco employees annually acknowledge their commitment to the company’s code of conduct.

**IGM Financial**

IGM Financial similarly trains all new employees on their code of conduct and reinforces the code with 100% staff acknowledgement annually.
We are committed to aligning our core business strategy with the 17 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.

**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.

**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.
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 Lifeco’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.

IGM Financial subsidiary 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.

Learn more
- SmartPATH
- Money and Youth
- Building Futures
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 Lifeco’s subsidiary 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.

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)
IGM Financial's subsidiaries 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.
Greener Real Estate
Great-West Lifeco’s subsidiary, 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.

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
IGM Financial’s subsidiary 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.
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 through 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, a subsidiary of Great-West Lifeco, continued to be recognized for its property management excellence, obtaining a Green Star ranking on the Global Real Estate Sustainability Benchmark (GRESB).

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
IGM Financial subsidiaries, 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.
At Power Financial, we believe that strong communities create strong businesses. We strive to do our part to make a positive contribution to the communities where we are established.

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

As business entrepreneurs, we value the vibrant entrepreneurship that permeates the voluntary sector. We are particularly drawn to smaller initiatives that provide a broad social benefit because of their entrepreneurial, innovative approach. These “social” entrepreneurs are dedicated and professional, and greatly deserving of our support.

As part of our group’s commitment to philanthropy and in keeping with our esteem for social entrepreneurs, we encourage and support our officers and employees who volunteer their time to causes of their choice. Through donations and investments, Power Corporation has contributed to more than 800 organizations among five broad categories – community development, arts and culture, environment, education and health. These initiatives at the Power Corporation level are greatly augmented by the distinct programs of our subsidiaries, Great-West Lifeco and IGM Financial.

We believe that the volunteer sector, working in partnership with governments and businesses, can build a better society with better opportunities for all.

Learn more
- Power Corporation in the Community
The following are some examples of how companies in the Power Financial group directly and indirectly engage with public policy makers to support the advancement of sustainable policy objectives.

**Building Owners and Managers Association (BOMA)**
*membership held by Great-West Lifeco*
Supporting initiatives to increase awareness of energy and climate change issues, and incentives to increase building energy- and carbon-efficiency investments.

**Business Council of Canada**
*membership held by Power Financial’s CEO*
Supporting innovation in green and clean technology and the development of policies to combat climate change.

**Business Council of Manitoba**
*membership held by IGM Financial and Great-West Life*
Supporting discussions towards a clean energy strategy for Canada.

**Canadian Green Building Council**
*membership held by Great-West Lifeco*
Supporting initiatives to increase the adoption of green building practices, participating in green building certification systems, and supporting incentives to increase energy- and carbon-efficiency investments.

**Canadian Institute of Actuaries**
*membership held by Great-West Lifeco*
Engaging within the industry to better understand how climate change could impact insurance pricing and valuation models.

**Carbon Disclosure Project (CDP)**
*Power Financial, Great-West Life and IGM Financial*
Supporting greater disclosure on carbon governance, risks and opportunities, and performance.
## ADVOCACY AND PUBLIC POLICY ENGAGEMENT

### (CONTINUED)

<table>
<thead>
<tr>
<th>Organization</th>
<th>Membership Details</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>CFA Institute</strong>&lt;br&gt;(membership held by Great-West Lifeco)</td>
<td></td>
<td>Supporting and increasing knowledge of climate risks, pricing and management.</td>
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<td><strong>Global Reporting Initiative (GRI)</strong>&lt;br&gt;(Power Financial, Great-West Lifeco’s subsidiary GWL Realty Advisors and IGM Financial)</td>
<td></td>
<td>Supporting sustainability reporting that aligns with the GRI G4 Sustainability Reporting Guidelines.</td>
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<td><strong>Imagine Canada</strong>&lt;br&gt;(membership held by Power Corporation, Great-West Life, London Life, Canada Life, Investors Group and Mackenzie Investments)</td>
<td></td>
<td>Ensuring that charities play a pivotal role in building, enriching and defining our nation. The organization recognizes our major operating subsidiaries as “Caring Companies”.</td>
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<tr>
<td><strong>International Economic Forum of the Americas</strong>&lt;br&gt;(membership held by Power Financial’s Executive Co-Chairman)</td>
<td></td>
<td>Supporting efforts being taken to increase awareness and collaboration between international governments on a wide range of issues.</td>
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<tr>
<td><strong>NAIOP</strong>&lt;br&gt;Commercial Real Estate Development Association&lt;br&gt;(membership held by Great-West Lifeco)</td>
<td></td>
<td>Supporting initiatives to increase awareness of energy and climate change issues as part of a broader mandate for real estate operations.</td>
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<tr>
<td><strong>Principles for Responsible Investment (PRI)</strong>&lt;br&gt;(GLC Asset Management Group, Putnam Investments, Irish Life Investment Managers, Investors Group and Mackenzie Investments are signatories)</td>
<td></td>
<td>Supporting policies to integrate the six principles for responsible investment.</td>
</tr>
<tr>
<td><strong>Real Property Association of Canada (REALpac)</strong>&lt;br&gt;(membership held by Great-West Lifeco)</td>
<td></td>
<td>Supporting initiatives to increase awareness on energy improvements and increase government incentives towards existing and new energy-efficient commercial real estate.</td>
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The following are some examples of projects where we participate with public and private organizations to support sustainability initiatives and work collaboratively to solve common challenges and dilemmas at national and local levels.

Canadian Foundation for Economic Education (CFEE) (Investors Group partnership)
Investors Group is helping Canadian provinces integrate financial education into the core curriculum for grades 4 to 10. Building Futures leverages the popular Money and Youth: A Guide to Financial Literacy, an online learning tool and guidebook for high school students produced by the CFEE with funding from Investors Group. With its support, more than 450,000 copies of Money and Youth textbooks are in circulation to schools and households, helping to improve the financial literacy of Canadian youth. Investors Group has contributed $3.4 million since 1995 to support and promote financial literacy programs for Canadian children and teens.

Canadian Mental Health Association (Great-West Lifeco partnership)
Great-West Life is the national sponsor of the Canadian Mental Health Association’s (CMHA) national workplace program called the Workforce Mental Health Collaborative, which offers workplace stakeholders access to in-depth training and practical resources and support. The Great-West Life Centre for Mental Health in the Workplace and the Collaborative worked together to develop one of the CMHA’s most successful training programs - the CMHA Certified Psychological Health and Safety Training Advisor Training. To date, CMHA has certified over 170 advisors, who now can help organizations build actionable plans to improve psychological health and safety, and implement Canada’s voluntary National Standard on Psychologically Safe and Healthy Workplaces.

Chartered Professional Accountants of Canada (Great-West Lifeco partnership)
Great-West Life became the national sponsor of the Chartered Professional Accountants of Canada’s (CPA Canada) innovative and award-winning financial literacy programming in 2014 and is continuing its commitment through several new initiatives. The joint goal is 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. As part of its support, Great-West Life is funding a CPA Canada research project that will help develop a unique tool for financial advisors to assess a person’s self-defined concept of financial well-being.
PARTNERSHIPS AND COLLECTIVE ACTION

(Continued)

David Suzuki Foundation
(Power Corporation partnership)
Power Corporation provides funding to the Foundation to support its efforts to work with governments, businesses and individuals to conserve the environment by providing science-based education, advocacy and policy work, and acting as a catalyst for social change.

International Institute for Sustainable Development
(Great-West Lifeco partnership)
Great-West Life is helping to promote research and knowledge of the risks associated with climate change. Through its support, the company is the catalyst funder for the Prairie Climate Centre – a joint venture between the International Institute for Sustainable Development (IISD) and the University of Winnipeg. The Centre provides research, advice and policy development on climate change. In 2016, Great-West Life’s continued support of the IISD helped to launch the Prairie Climate Atlas.

The Atlas is the first interactive online tool to map the dramatic changes projected for the Prairies as a result of climate change. The Atlas allows everyone from farmers and Indigenous Peoples to government policy analysts and emergency responders to anticipate and prepare for the climate changes projected to occur over the upcoming decades under various scenarios.

Nature Conservancy of Canada
(Power Corporation partnership)
Power Corporation supported the Force for Nature Campaign from 2007 to 2012. Through this campaign, the organization and its partners worked together to conserve more than 752,000 acres (304,324 hectares) and protect habitats for 146 species at risk. Power Corporation has continuously supported the Nature Conservancy of Canada since 2005 and has extended its commitment through to 2018.
CEO Commitment and Leadership
The CEO of Power Financial has a strong commitment to sustainability. Explicit statements of the CEO’s commitment are publicly communicated through the following forums:

In addition to the above, the CEO of Power Financial provides oversight on our CSR strategy and ensures that regular reviews are conducted to monitor our CSR progress as well as to identify opportunities for improvement.

BOARD ADOPTION AND OVERSIGHT
Responsibility for CSR at the Board level is assigned to the Governance and Nominating Committee. 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. 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 or more frequently, if deemed material, to the Governance and Nominating Committee of the Board, which is responsible for reviewing our CSR performance and reporting, where relevant. For more information on our responsible management practices and Board oversight, please refer to the Governance section of our CSR website.

STAKEHOLDER ENGAGEMENT
As a means of promoting understanding and trust, stakeholder dialogue is an integral part of our responsible management approach. It lets us stay connected to the parties who have an active or potential interest in our business. We engage with a broad range of stakeholders, which include our major operating subsidiaries, shareholders, employees, suppliers, local communities, and responsible investment organizations, as well as CSR and governance rating organizations. The development of our CSR strategies, goals and policies was made in consultation with our key stakeholders. For more information on the various engagement methods we apply, please refer to the Stakeholder Engagement section of our CSR website.

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Reporting Scope

This 2017 Communication on Progress (COP) is our third formal progress report since joining the UNGC in 2014 and provides both qualitative and quantitative performance information. Qualitative information covers the 2016 calendar year and the first half of 2017, while quantitative information covers the calendar year 2016 only.

Alignment with the Global Compact Advanced Level Criteria

This is the second year where we have communicated our commitment, programs and performance related to sustainability in alignment with the Global Compact (GC) Advanced Level Communication on Progress. As part of our submission to the UNGC this year, we completed the GC Advanced Level COP Self-Assessment, which reflects the extent to which we meet the GC Advanced Level criteria. In future years, we will continue to use the Advanced Level criteria to help us strengthen our commitments and continuously improve our programs, performance and reporting.

Additional Information Sources

Throughout this COP, we reference our websites and provide additional links to other relevant corporate disclosures, which provide a means of publicly documenting and disclosing our approach and practical examples of how responsible management is implemented within our business and throughout the Power Financial group of companies. For a complete list, please refer to the Library on page 2. Our sustainability disclosure is guided by the GRI Sustainability Reporting Standards.

External Assessment

Other than the GHG emissions reported and referenced in our 2017 CDP submission, this COP has not been externally verified.

Abbreviations

The following abbreviations are used throughout this document: 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 (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).