



Anchored by our responsible management philosophy, our commitment to creating long-term sustainable value remains as strong as ever. A careful consideration of environmental, social and governance (ESG) factors in our business decisions is an integral part of our long-term success. It not only drives sustainable value in our operating businesses and investments, but also leads to economic and social prosperity for society at large.

Responsible Management

Reinforcing our Corporate Social Responsibility Commitments

As a signatory to the United Nations Global Compact (UNGC), we remain committed to supporting the UNGC's ten principles on human rights, labour, the environment and the fight against corruption. In 2016, we strengthened our reporting to an "Advanced Level" Communication on Progress, providing information on our management policies and procedures and on the alignment of our programs to the United Nations' Sustainable Development Goals.

We maintained our support for the Principles for Responsible Investment (PRI) through the signatory status of our group companies, namely Great-West Lifeco subsidiaries GLC Asset Management Group Ltd., Putnam Investments and Irish Life Investment Managers Limited, and IGM Financial subsidiaries Investors Group and Mackenzie Investments.

We are also committed to working closely with our suppliers to ensure good ethical practices and business integrity, while managing potential ESG risks to our business. In 2016, 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 majority of them have attested their compliance to the requirements of our Code.

Visit our dedicated website, www.PowerFinancialCSR.com, for more information on our Corporate Social Responsibility (CSR) commitments, programs and initiatives.

Responsibly Managing our Investments

By integrating ESG factors in our investment analysis, we ensure we are investing in quality companies with attractive long-term prospects that are managed in a responsible manner. We continue to meet regularly with our major operating subsidiaries to align our commitments and share knowledge on our CSR initiatives.

We conduct ongoing engagements with a broad cross-section of other stakeholders, including employees, suppliers, local communities and responsible investment organizations. Over the past year, our CSR efforts continued to be recognized by our stakeholders.

Recognized for Our Commitment to Sustainability

In 2016, Power Financial and its group companies were recognized by a number of organizations for their long-standing commitment to sustainability.

Power Financial, Power Corporation and IGM Financial gained listing status on the FTSE4Good Global Index – one of the most important indices that measures the performance of companies demonstrating strong ESG practices.

On the environmental front, Great-West Lifeco earned a position on the CDP's Climate A List, placing it in the top 10 per cent 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 emissions disclosure and management.

Great-West Lifeco's subsidiary GWL Realty Advisors Inc. maintained its Green Star ranking status on the Global Real Estate Sustainability Benchmark (GRESB). IGM Financial also maintained its listing status on the Sustainalytics' Jantzi Social Index and was named one of the 2016 Best 50 Corporate Citizens in Canada by Corporate Knights.

Contributing to Economic and Social Progress

As an investor, employer and contributor to the communities where we operate, we recognize the unique position we are in to promote sustainable economic progress while making a meaningful difference in society.

PROMOTING PERSONAL EMPLOYEE DEVELOPMENT AND WELL-BEING

Our employees are the foundation of our success. We want them to feel proud of the work they do, the company they work for, and the difference they make. This is why we take every opportunity to invest in our people so that they can learn new skills and gain new experiences to support their personal ambitions and drive the business forward.

Our companies are actively engaging their employees on leadership and talent development, health and well-being and performance recognition programs. In 2016 and 2017, Great-West Life was again selected 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 2016, Power Financial and its group companies employed 26,800 individuals and contributed \$3.6 billion in employee salaries and benefits. These funds flow through the economy, impacting the hundreds of communities in which our employees live and work.

MEETING CUSTOMER NEEDS FOR FINANCIAL SECURITY, WELL-BEING AND RESPONSIBLE INVESTMENTS

Our group companies contribute to fostering the financial health and well-being of the communities they serve by developing innovative products and services that are positively influencing financial and health outcomes in society. Our more than 13,900 financial consultants and advisors focus on each customer's unique needs for life and health insurance, retirement savings

programs, and investment products, thus helping them prepare for retirement and other life-changing events. Our group companies also actively support a suite of financial literacy initiatives for community organizations, underserved groups, post-secondary students and individuals of all ages.

Both Great-West Lifeco and IGM Financial continue to provide responsible investment offerings, helping clients ensure their investments promote environmental sustainability, social responsibility and sound corporate governance.

ADDRESSING CLIMATE CHANGE

We remain committed to doing our part to tackle climate change with a strategy focused on helping to finance the transition to a low-carbon economy and reducing the direct environmental footprint of our operations. In 2016, Great-West Lifeco's Canadian bond group continued to grow its investments in green energy projects, including investments in solar, wind and hydro energy projects.

Despite our limited environmental impact as a holding company, together with our major operating subsidiaries, we implemented innovative environmental initiatives in our buildings, many of which now meet both BOMA BEST® designations and Leadership in Energy and Environmental Design (LEED) certifications.

In 2016, Power Financial, our parent company Power Corporation, as well as our subsidiaries Great-West Lifeco and IGM Financial, once again participated in the annual CDP Climate Change program, supporting the organization's endeavours to increase transparency and disclosure on climate change.