



Responsible Management

Our approach to corporate social responsibility (CSR) is about more than just good business sense – it is also about contributing to economic and social progress. As an investor, employer and contributor to the communities where we operate, we recognize that our actions can influence how others view and act on corporate responsibility. Our responsible management philosophy is embedded in our business and defines our approach to creating a more sustainable world.

Reinforcing Our CSR Commitments

More than a year ago, Power Financial became a signatory to the United Nations Global Compact (UNGC), along with 13,000 participants around the globe. Through the UNGC, we pledged our commitment to act responsibly in the areas of human rights, labour, the environment and anti-corruption. The UNGC is helping us to guide our efforts in these areas and to strengthen our responsible management commitments, programs and performance.

In 2015, we launched a new website to report on our progress in the various aspects of CSR. The content of the website aligns with the Global Reporting Initiative, an international standards organization that provides guidance on CSR reporting. It also includes our first UNGC Communication on Progress. We encourage you to visit us at www.PowerFinancialCSR.com for more information.

We have also developed a Code of Conduct for our third-party suppliers which we are deploying in 2016.

Responsibly Managing Our Investments

We are long-term investors and believe in investing in quality companies with sustainable franchises and attractive growth prospects, and that are managed in a responsible manner. Environmental, social and governance factors are considered through our investment analysis process to help us mitigate risks and identify potential growth opportunities.

As part of our governance model, we take an active-ownership approach through the boards of directors of our group companies. We also engage regularly with our major operating subsidiaries through a CSR committee and through other informal communication channels to share knowledge and best practices on CSR.

Through these engagements, we ensure our investments are managed in a manner consistent with our responsible management philosophy, which is reflected in our Code of Business Conduct and Ethics, our CSR Statement and our commitment to the UNGC.



Contributing to Economic and Social Progress

Power Financial and its group companies have a long and proud history of contributing positively to economic and social progress. We provide fulfilling and rewarding careers for our people and invest in products and services that benefit society by enabling financial security, addressing climate change and investing in building stronger, healthier communities.

PROVIDING FULFILLING AND REWARDING CAREERS

The commitment, motivation and talent of our people help us build sustainable, value-creating companies. In 2015, Power Financial and its group companies employed 25,700 individuals and contributed \$3.4 billion in employee salaries and benefits.

Programs are in place at many of our companies to strengthen how we empower and promote employees, and reward their performance. We are proud of the accomplishments of our companies. For example, our subsidiary Great-West Life was selected as one of Canada's Top 100 Employers in 2015 and 2016, and one of Manitoba's Top Employers for 2016.

ADDRESSING CLIMATE CHANGE

In line with the Paris Agreement at COP 21, we reiterate our commitment to playing our part in accelerating climate action and finding suitable financial solutions. From an investment standpoint, we are helping finance cleaner and more renewable energy projects through our subsidiary 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 group companies, we continued to reduce our greenhouse gas emissions and implemented innovative environmental initiatives. In 2015, Power Financial, Great-West Lifeco, and IGM Financial were recognized for their efforts through the Carbon Disclosure Project (CDP). Furthermore, Great-West Life's Canadian operations received the top score among insurers in Canada as part of the CDP's 2015 Canada 200 Climate Disclosure Leadership Index. GWL Realty Advisors — a subsidiary of Great-West Life — was also recognized for its property management excellence, obtaining leadership standing on the Global Real Estate Sustainability Benchmark (GRESB).

ENABLING FINANCIAL SECURITY FOR OUR CUSTOMERS

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. Our group's 14,400 financial consultants and advisors provide financial advice and guidance to our clients, thus promoting financial literacy.

Great-West Lifeco and IGM Financial offer a range of responsible investment offerings. This includes specific socially responsible investment products which help clients ensure their investments promote environmental sustainability, social responsibility and corporate governance. In 2015, IGM Financial was recognized by Sustainalytics as one of the top five-performing Canadian diversified financial companies and was added to the Jantzi Social Index.

INVESTING TO BUILD STRONGER, HEALTHIER COMMUNITIES

Our investments in the communities where we operate are creating positive impacts in the areas of community development, arts and culture, the environment, education, and health. Our employees also play an active role in both charitable giving and volunteering, and sit on the boards of a number of non-profit organizations. As a result, our parent company Power Corporation has been designated a "Caring Company" by Imagine Canada. For more information on some of the charitable organizations we support, please refer to Power Corporation's community investment website at www.PowerCorporationCommunity.com.