

UNITED NATIONS GLOBAL COMPACT ADVANCED LEVEL COMMUNICATION ON PROGRESS

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POWER FINANCIAL
CORPORATION


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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
- Third Party Code of Conduct

Additional information can also be obtained from our major operating subsidiaries' publicly available documents:

- Great-West Life/London Life/Canada Life Public Accountability Statement
- IGM Financial Corporate Responsibility Report

ABBREVIATIONS

The following abbreviations are used throughout this document: CSR (Corporate Social Responsibility); ESG (environment, social and governance); Great-West Lifeco (Great-West Lifeco Inc.); GHG (greenhouse gas); IGM Financial (IGM Financial Inc.); 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).



ABOUT POWER FINANCIAL

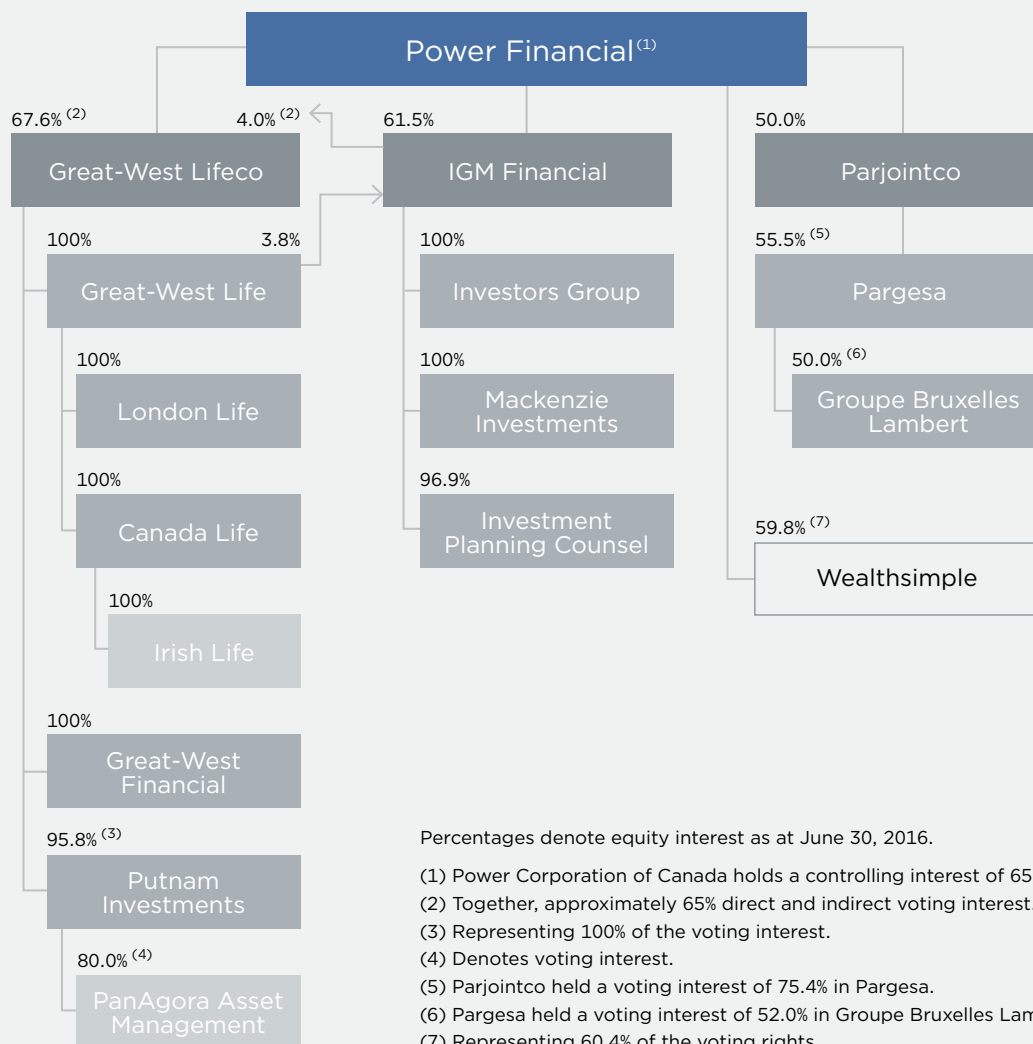
Power Financial Corporation, a subsidiary of Power Corporation of Canada, is a diversified management and holding company with substantial operations in the financial services sector in Canada, the United States and Europe through its controlling interest in each of Great-West Lifeco Inc. and IGM Financial 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.

GROUP ORGANIZATION CHART



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 2016.

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 (CSR) 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, we have developed our 2016 Communication on Progress in alignment with the Advanced Level criteria for reporting.

We welcome the launch of the United Nations 17 Sustainable Development Goals (SDGs). 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 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 at the Power Financial group of companies.

“ 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. ”



R. Jeffrey Orr
President and CEO

INTEGRATING SUSTAINABILITY INTO CORPORATE FUNCTIONS AND BUSINESS UNITS

01

CSR is an integral part of our responsible management philosophy, which is embedded in our business strategy. For us, responsible management is more than just good business sense – it is about the way we do business and contribute to economic and social 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 staff, 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.



VALUE CHAIN IMPLEMENTATION

02

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, we also meet regularly with our major operating subsidiaries to align our commitments and share knowledge on CSR initiatives.

OTHER 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. As part of our responsible procurement approach, 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.**

For more information on how we integrate sustainability across our value chain, please refer to the Responsible Procurement section and the Green Procurement section of our [CSR website](#).

PROGRESS ON THE UNGC PRINCIPLES

03 Human Rights



04 Labour



05 Environment



06 Anti-Corruption



HUMAN RIGHTS

03

PRINCIPLE 1

Business should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2

make sure they are not complicit in human rights abuses.

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 reinforced through the implementation of our Code and our Third Party Code. The following provides examples of our management efforts:

Assigned 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 proactively 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 including third parties in our reviews to help prioritize the deployment of our Third Party Code.

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.

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 investment process.

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 a discussion of the responsibility to respect human rights. 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.

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 joined with other companies to mark World Refugee Day by announcing an additional corporate donation of \$500,000 to Centraide of Greater Montreal's special fund for agencies in its network that work to successfully integrate Syrian refugees. This fund will be used to enhance the existing services offered by these agencies: information, guidance and referral (housing, nutrition, employment, etc.), support for families (assistance in accessing the school system, drop-in respite centres, parenting skills development, etc.), fighting against discrimination, and intercultural matching.



The Canadian Museum for Human Rights in Winnipeg, Canada

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.



Centraide
of Greater Montreal

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:

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 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 at the Board level and 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 their employee engagement surveys, and with external stakeholders, where relevant. IGM Financial conducts formal engagement surveys of 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 or concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco and IGM Financial have similar mechanisms for reporting concerns, as defined in their respective Codes of Conduct.

Working collaboratively with our stakeholders, we take proactive measures to address concerns and strive to continuously improve our approach to human rights.

2015/2016 Performance Outcomes

**Working with Third Parties**

Extended our responsible management philosophy to third parties that work for/on our behalf through our Third Party Code, which includes our requirements in the area of human rights.

Engaging our Subsidiaries

Continued to engage with our major operating subsidiaries and investments on CSR issues, including on human rights policies, risks and programs, where relevant.

Training Employees

Reinforced our values with employees through our annual Code attestation process, which includes our expectations regarding respecting human rights. All our Directors, officers and employees acknowledged compliance with our Code and no breaches were reported.

**Committing to Human Rights**

All Great-West Lifeco employees acknowledged their commitment to the company's Code of Conduct, which includes human rights commitments.

**Respectful Workplace Policies**

All IGM Financial employees acknowledged their commitment to the company's Code of Conduct and respectful workplace policies. The CR Statement is included in this review process and includes human rights commitments.

LABOUR

04

PRINCIPLE 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4

the elimination of all forms of forced and compulsory labour;

PRINCIPLE 5

the effective abolition of child labour; and,

PRINCIPLE 6

the elimination of discrimination in respect of employment and occupation.

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. For more information on our Board and Senior Management gender diversity commitments, please refer to the Diversity section of our [CSR website](#).
- Providing a workplace free from all forms of discrimination. We will not tolerate unlawful discrimination on the basis of, among other things, age, sex, 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.

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. 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, Great-West Life launched *Take the Lead* – a foundational leadership program to increase knowledge and communication skills and provide leaders who have direct reports with tools to more effectively support performance, address mental health issues in the workplace and provide better guidance to their employees. More than 1,000 leaders took *Take the Lead* courses in 2015. At Mackenzie Investments, two significant senior leadership events were held in 2015 for the company's top 100 leaders: Strategy-Connect and The Leadership Summit. The goal was to build capability around strategy delivery and change leadership. Targeted resources were developed in 2015 to accelerate the effective on-boarding of leaders new to Mackenzie, to help them transition into their new roles.

We provide health assistance, wellness programs and incentives to all our employees, as well as promote programs that support 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 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 at the Board level and 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 their 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 formal engagement surveys of 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 or concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco and IGM Financial have similar mechanisms for reporting concerns, as defined in their respective Codes of Conduct.

At Great-West Lifeco, 88% of employees in Canada participated in their second survey, providing valuable insights into areas of focus to enhance workplaces for the coming years.

2015/2016 Performance Outcomes

POWER FINANCIAL
CORPORATION**Working with Third Parties**

Extended our responsible management philosophy to third parties that work for/on our behalf through our Third Party Code, which includes our labour principles.

Training Employees

Reinforced our values with employees through our annual Code attestation process, which includes our labour principles. All our Directors, officers and employees acknowledged compliance with our Code and no breaches were reported.

Engaging our Subsidiaries

Continued to engage with our major operating subsidiaries and investments on CSR issues, including on labour policies, risks and programs, where relevant.

Supporting Career Growth

As part of our performance and career management program, all our employees received 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 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 needs. We provide third-party training programs and on-the-job training.

Promoting Gender Diversity

Women represent 17% of the Power Financial Board. Women hold a total of eleven executive officer positions within the Corporation's group companies (including its publicly traded subsidiaries and their respective principal subsidiaries), representing 20% of the total number of executive officer positions at such entities.

2015/2016 Performance Outcomes

GREAT-WEST
LIFE CO INC.**A Canada Top 100 Employer**

Great-West Life was named as one of Canada's Top 100 Employers, and one of Manitoba's Top 25 Employers, and chosen among Canada's Top Employers for Young People.

Promoting Workplace Health

As presenting sponsor for Canada's Healthy Workplace Month, the company held health events across all offices to promote a healthy mind, body and corporate culture, including health fairs and laughter yoga.

IGM
Financial**Advancing Board Diversity**

Formalized a board and senior management diversity policy.

Respectful Workplace Policies

All IGM Financial employees acknowledged their commitment to the company's Code of Conduct and Respectful Workplace Policy.

Supporting Women in Leadership

Investors Group supported women in leadership by sponsoring a number of leaders to attend the 2015 and 2016 SHE Day, a Winnipeg conference focused on leadership development.

Recognized for Workplace Wellness

Investors Group was a finalist of the *Benefits Canada* Workplace Benefits Award for its 2015 Wellness Works program.

ENVIRONMENT

05

PRINCIPLE 7

Business should support a precautionary approach to environmental challenges;

PRINCIPLE 8

undertake initiatives to promote greater environmental responsibility; and,

PRINCIPLE 9

encourage the development and diffusion of environmentally friendly technologies.

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 GHG emissions from the use of electricity and natural gas 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 8% at its Canadian corporate head office and investment properties by 2020, using 2013 as a baseline; and IGM Financial has set a target to reduce its Scope 1 and 2 carbon emissions 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 Responsibilities

Formal responsibility for overseeing the implementation of our environmental policy, programs and performance at Power Financial has been assigned to the Vice-President and General Counsel and to the Vice-President, Administration and Human Resources, 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 the Assistant 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 building in which our leased corporate head office is located has an environmental management system based on the Building Owners and Managers Association (BOMA) BEST® certification. 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, 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. Our major operating subsidiaries provide their employees with access to both internal and external environmental awareness and training sessions, as required.

We track and follow up on environmental performance through our representation on our major operating subsidiaries' respective boards.

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 engage with their third parties to encourage more environmentally-responsible products and services.

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.

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

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 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 at the Board level and 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 formal engagement surveys of 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 or concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco and IGM Financial have similar mechanisms for reporting concerns, as defined in their respective Codes of Conduct.

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® certification program, our leased head office building is subject to third party audits of its environmental management system every three years. These audits help us identify opportunities to continuously improve our performance. GHG emissions of Great-West Lifeco's Canadian operations and of IGM Financial have been third-party verified.

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.

2015/2016 Performance Outcomes

POWER FINANCIAL
CORPORATION

- In 2015, reduced GHG emissions and energy associated with electricity and natural gas consumption by 7.2%, using 2011 as a baseline, exceeding the 5% reduction target we had established.
- Received a score of 90C on the 2015 CDP.
- Maintained green building certification through BOMA BEST® at our leased corporate head office.
- No environmental incidents were reported.

GREAT-WEST
LIFECO INC.

- Great-West Lifeco's Canadian operations received a score of 97B on the 2015 CDP, earning a position on the CDP's Canada 200 Climate Disclosure Leadership Index for a second year in a row, and were the top-scoring insurance company in Canada, ranking in the top ten per cent of Canadian CDP submissions.
- 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 2015, Great-West Lifeco achieved a 6.5% reduction of its Scope 1 and Scope 2 GHG emissions at its corporate head office and investment properties in scope for this target. These reductions are in part due to emission reduction activities, including energy efficiency, 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 real estate portfolio by 7.6% since 2013 and reduced water usage at office properties by 64 million litres.
- More than 90% of the GWL Realty Advisors' eligible commercial portfolio is BOMA BEST® certified, with a total of 281 certified buildings.
- Recycled 90.5 tonnes of cardboard, 127.5 tonnes of organics (compost) and 1,185 tonnes of paper at Great-West Lifeco's Canadian corporate offices.
- Completed 75 sustainability projects with Green Standards since 2009, diverting 33 tons of refuse from landfill, resulting in more than \$37,000 of in-kind donations to environment-related charitable organizations.

2015/2016 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 2014 to 2015.
- 94% of IGM Financial's corporate office space is in green-certified buildings.
- IGM Financial scored 96B on the 2015 CDP, scoring in the top five among Canadian financial services companies in 2014 and 2015.
- Maintained BOMA BEST® certification for the Investors Group head office, the only owned office building.
- Investors Group and Mackenzie Investments expanded the use of renewable energy by choosing renewable natural gas for their offices in Winnipeg and Toronto.
- In 2016, the Investors Group Summa SRI™ Fund (Series C) 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 2016 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.
- In 2015, IGM Financial earned a spot on the Jantzi Social Index — a stock index of Canada's most sustainable companies.

ANTI-CORRUPTION

06

PRINCIPLE 10
Business should work
against corruption
in all its forms,
including extortion
and bribery.

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 articulates 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 also has in place similar anti-corruption commitments.

Our Global Anti-Bribery Statement and supporting Policy articulate our zero-tolerance approach to 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. 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 anti-corruption 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 or concerns. Where issues are identified, appropriate follow-ups are undertaken. Great-West Lifeco and IGM Financial have similar mechanisms for reporting concerns, as defined in their respective Codes of Conduct.

We engage with both internal and external stakeholders on an ongoing basis to understand their expectations on CSR issues, including anti-corruption management practices.

2015/2016 Performance Outcomes



Reinforced our values with employees through our annual 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.



All Great-West Lifeco employees in its Canadian operations annually acknowledged their commitment to the company's Code of Conduct.



IGM Financial similarly trains all new employees on their Code of Conduct and reinforces the Code with 100% staff acknowledgement annually.

TAKING ACTION IN SUPPORT OF THE SUSTAINABLE DEVELOPMENT GOALS

07



Core Business Contribution to the UN Goals and Issues

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.

1 NO
POVERTY



SDG 1

No Poverty

End poverty in all its forms everywhere

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 2015 alone, Great-West Lifeco's Canadian operations helped more than 40,000 families cope with loss, paying out more than \$2 billion in life insurance claims, provided income for over 75,000 people who became disabled and could no longer work, and made over \$800 million of annuity payments, helping Canadians fund their retirement with a secure income stream. IGM Financial provides mutual funds 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.

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 continue to 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.

3 GOOD HEALTH
AND WELL-BEING**SDG 3****Good Health and Well-Being****Ensure healthy lives and promote well-being for all at all ages****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.

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.

Mental Health

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.

4 QUALITY
EDUCATION**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. Through Great-West Lifeco and IGM Financial, we support programs that promote education in financial literacy. Our group's 14,400 financial consultants and advisors provide our clients with financial advice and guidance, which is an important part of financial literacy. For Great-West Lifeco, 2015 marked its second 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. IGM Financial expanded its partnership with the Canadian Foundation for Economic Education, launching the Building Futures program to integrate economic and financial education into the school curriculum.

5 GENDER
EQUALITY**SDG 5****Gender Equality**

Achieve gender equality and empower all women and girls

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, a networking and mentoring group for up-and-coming female leaders, and IGM Financial's subsidiary Investors Group launched a Diversity Council to identify opportunities to increase gender diversity of its workforce.

7 AFFORDABLE AND
CLEAN ENERGY**SDG 7****Affordable and Clean Energy**

Ensure access to affordable, reliable, sustainable and modern energy for all

Investments in Green Projects

In 2015, Great-West Lifeco's Canadian bond group invested approximately \$400 million in green energy projects, including investments in solar, wind and hydro energy projects.

8 DECENT WORK AND
ECONOMIC GROWTH

SDG 8

Decent Work and Economic Growth

Promote inclusive and sustainable economic growth, employment and decent work for all

Job Creation and Benefits

Together with our major subsidiaries, we employ 25,700 individuals and contributed \$3.4 billion in employee salaries and benefits in 2015. These funds flow through the economy, impacting the hundreds of communities across Canada 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. Their 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 2015, the company's Canadian

bond group invested more than \$1.9 billion in infrastructure, including investments in green energy projects, airports, port terminals, hospitals, transit, highways, utilities, schools and universities. They also funded more than \$2 billion in new private debt and commercial mortgages across Canada.

Disability Savings Plans

IGM Financial's subsidiaries Investors Group and Mackenzie Investments have continued to be market leaders in offering Registered Disability Savings Plans for clients or family members with disabilities, providing them access to a tax-preferred savings vehicle and at the same time take advantage of generous government grants and bonds.

11 SUSTAINABLE CITIES
AND COMMUNITIES

SDG 11

Sustainable Cities and Communities

Make cities inclusive, safe, resilient and sustainable

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 the company's 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.

**SDG 12****Responsible Consumption and Production****Ensure sustainable consumption and production patterns****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, Putnam Investments and Irish Life, 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.

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.

**SDG 13****Climate Action****Take urgent action to combat climate change and its impacts****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 implemented innovative environmental initiatives as part of the green

building BOMA BEST® designation of our leased head office. In 2015, Power Financial, Great-West Lifeco and IGM Financial were recognized for their efforts through the CDP. Furthermore, Great-West Lifeco's Canadian operations received the top score among insurers in Canada and earned a spot on the 2015 CDP Canada 200 Climate Disclosure Leadership Index. GWL Realty Advisors, a subsidiary of Great-West Lifeco, was also recognized for its property management excellence, obtaining a Green Star ranking on the Global Real Estate Sustainability Benchmark (GRESB).

**SDG 16**
Peace, Justice and Strong Institutions
 Promote just, peaceful and inclusive societies
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's subsidiaries Mackenzie Investments and Investors Group provide clients with a charitable giving account to support charities of their choice. Both companies' charitable giving programs were established in 2006 and, in 2015, assets under management grew to over \$180 million. In 2015, the charitable giving funds provided 3,080 grants to charities, totaling \$7.9 million. Since 2006, 16,327 grants have been made, totalling \$34.3 million.

STRATEGIC SOCIAL INVESTMENTS AND PHILANTHROPY

08

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 policies and programs of our subsidiaries Great-West Lifeco and IGM Financial.

For more information, please refer to Power Corporation's [Community website](#).



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.



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

ADVOCACY AND PUBLIC POLICY ENGAGEMENT

09

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:

Business Council of Canada

(membership held by Power Financial's CEO)

through which we are 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 Investors Group)

where we are supporting discussions towards a clean energy strategy for Canada.



International Economic Forum of the Americas

(membership held by Power Financial's Executive Co-Chairman)

where we are supporting efforts being taken to increase awareness and collaboration between international governments on a wide range of issues.



Canadian Institute of Actuaries

(membership held by Great-West Lifeco)

where we are engaging within the industry to better understand how climate change could impact insurance pricing and valuation models.



Real Property Association of Canada (REALpac)

(membership held by Great-West Lifeco)

where we are supporting initiatives to increase awareness on energy improvements and increase government incentives towards existing and new energy-efficient commercial real estate.



Building Owners and Managers Association (BOMA)

(membership held by Great-West Lifeco)

where we are supporting initiatives to increase awareness of energy and climate change issues, and incentives to increase building energy- and carbon-efficiency investments.



Canadian Green Building Council*(membership held by Great-West Lifeco)*

where we are 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.

**Commercial Real Estate Development Association***(membership held by Great-West Lifeco)*

where we are supporting initiatives to increase awareness of energy and climate change issues as part of a broader mandate for real estate operations.

**Imagine Canada***(membership held by Power Corporation, Great-West Life, London Life, Canada Life, Investors Group, and Mackenzie Investments)*

to ensure that charities play a pivotal role in building, enriching and defining our nation. The organization recognizes our major operating subsidiaries as “Caring Companies”.

**Principles for Responsible Investment***(GLC Asset Management, Putnam Investments, Irish Life, Investors Group and Mackenzie Investments are signatories)*

supporting policies to integrate the six principles for responsible investment.

**Carbon Disclosure Project***(Power Financial, Great-West Life and IGM Financial)*

supporting greater disclosure on carbon governance, risks and opportunities, and performance.

**Global Reporting Initiative (GRI)***(Power Financial, GWL Realty Advisors and IGM Financial)*

supporting sustainability reporting that aligns with the GRI G4 Sustainability Reporting Guidelines.



PARTNERSHIPS AND COLLECTIVE ACTION

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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:

Nature Conservancy of Canada

(Power Corporation partnership)

where 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.



Pharmacy Health Insurance Steering Committee

(Great-West Lifeco partnership)

where we are working with other insurers and pharmacy associations on the establishment of a national standard minimum formulary, or list of covered drugs, offering – for the first time – consistent coverage for Canadians across the country.

Chartered Professional Accountants of Canada

(Great-West Lifeco partnership)

where we are helping support the launch of a national financial literacy workplace education program to meet the financial literacy needs of community organizations, underserved groups like new Canadians and Indigenous peoples, post-secondary students and individuals of all ages.



Canadian Foundation for Economic Education (CFEE) Building Futures program

(Investors Group partnership)


where we are 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. Over 370,000 copies of *Money and Youth* textbooks have been distributed. Investors Group has contributed \$3.1 million since 1995 to support and promote financial literacy programs for Canadian children and teens.

CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP

11

CEO Commitment and Leadership

The CEO of Power Financial has a strong commitment to sustainability. Explicit statements of the CEO commitment are publicly communicated through the following forums:

-  [Letter of commitment in support of the United Nations Global Compact](#)
-  [Introductory letter to the Power Financial CSR website](#)

-  [Annual meeting speeches](#)
-  [Annual reports](#)

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 performance against objectives. Reviews are held at the executive management level of the organization to provide an overview of 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. 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](#).

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.

ABOUT THIS REPORT

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Reporting Scope

This 2016 Communication on Progress (COP) is our second formal progress report since joining the UNGC in 2014 and provides both qualitative and quantitative performance information. Qualitative information covers the 2015 calendar year and the first half of 2016, while quantitative information covers the calendar year 2015 only.

ALIGNMENT WITH THE GLOBAL COMPACT ADVANCED LEVEL CRITERIA

This year, for the first time, we have strengthened how we communicate 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 be using the Advanced Level criteria to help us strengthen our commitments and continuously improve our programs, performance and reporting.

EXTERNAL ASSESSMENT

Other than the GHG emissions of Great-West Lifeco's Canadian operations and IGM Financial, this COP has not been externally verified.

ADDITIONAL INFORMATION SOURCES

Throughout this COP, we reference our websites and 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 Guidelines.