Carbon Disclosure Project
2020

POWER CORPORATION
OF CANADA

Carbon Disclosure Project 2020

POWER CORPORATION OF CANADA

TABLE OF CONTENTS

C0 Introduction

Introduction

(C0.1) Give a general description and introduction to your organization.

Incorporated in 1925, Power Corporation of Canada (Power Corporation or the Corporation) is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

Financial Services (approx. 98% of assets)
Power Corporation holds substantial interests in the financial services industry through its controlling interest in each of Great-West Lifeco Inc. (Lifeco) and IGM Financial Inc. (IGM) (our major publicly traded subsidiaries).

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 and Europe through Canada Life, Irish Life, Empower Retirement and Putnam Investments. It is to be noted that on January 1, 2020, Great-West Life, London Life and Canada Life, and their holding companies, amalgamated into a single life insurance company – Canada Life.

IGM is a leading wealth and asset management company supporting financial advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. IGM provides a broad range of financial and investment planning services to help Canadians meet their financial goals through multiple distinct businesses including IG Wealth Management, Mackenzie Investments and Investment Planning Counsel.

Together, Power Corporation's investments in the financial services sector represent approx. 98% of its consolidated assets.

Other Businesses (approx. 2% of assets)
Power Corporation also holds interests in other businesses as well as a portfolio of alternative asset investment platforms, which account for approx. 2% of its consolidated assets.

Power Financial and the Frère Group of Belgium each hold a 50% interest in Parjointco N.V. (Parjointco), which holds their interest in Pargesa Holding SA (Pargesa), a publicly traded Swiss company with indirect interests in companies based in Europe held through Groupe Bruxelles Lambert (GBL). Power Corporation's indirect economic interest in these companies as at December 31, 2019 is as follows: Imerys (7.49%); adidas (0.94%); Pernod Ricard (1.04%); SGS (2.32%); LafargeHolcim (1.05%); Umicore (2.50%); GEA Group (1.18%); Ontex (2.78%); Sienna Capital (13.88%); Webhelp (8.98%); and Parques Reunidos Servicios Centrales (3.19%). Earlier in 2020, Parjointco and Pargesa announced a transaction agreement to simplify the group structure. Parjointco launched a public exchange offer for all Pargesa shares they did not already own and under which Pargesa shareholders were to receive 0.93 shares of GBL for each Pargesa bearer share they hold. Following the transaction, it is anticipated that Pargesa will be delisted from the Swiss Stock Exchange. Parjointco is expected to maintain approx. the same economic equity interest in GBL of 28%.

Power Corporation has also been investing in and developing its own non-financial sector investment platforms: Sagard Holdings and Power Sustainable Capital (which holds Power Energy). Power Energy currently has investments in companies that develop, own, and operate solar and wind electricity generating assets in North America and companies in the sustainable sector: Potentia Renewables – a renewable energy producer (100%); Nautilus Solar Energy, a U.S. solar developer and asset manager focused on distributed and utility-scaled generation solar projects (acquired in July 2019); Lumenpulse – a manufacturer of high-performance, specification-grade LED lighting solutions (60.5%); and Lion Electric – a manufacturer of zero-emission vehicles (44.2%).

In addition to the above, Power Corporation holds a 13.9% interest in China Asset Management Co.

Power Corporation remains committed to continuing to reduce its impact on the environment, while working with its group companies as a supportive shareholder in connection with the energy and carbon management strategies they establish and implement.

Power Corporation reports its carbon inventory using a financial control consolidation approach. Where financial control exists (as defined in its financial statements), the Scope 1, 2 and 3 emissions reported by Lifeco and IGM have been rolled up. Note that Power Corporation's emissions include its head office building in Montréal, its leased office in Toronto, and emissions from other properties managed by a wholly owned subsidiary, Square Victoria Real Estate.

Throughout our CDP response, we reference the activities of our group companies, many of whom have filed their own response to the CDP, including Lifeco and IGM. Where applicable, please refer to their CDP responses for more information.

(C0.2) State the start and end date of the year for which you are reporting data.

Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
From: 01/01/2019	To: 31/12/2019	No	1 year

(C0.3) Select the countries/areas for which you will be supplying data.

Country/Area
Canada Ireland United Kingdom of Great Britain and Northern Ireland United States of America

(C0.4) Select the currency used for all financial information disclosed throughout your response.

Currency
CAD ($)

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

Organizational activities: Financial services

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset manager)
Investing (Asset owner)
Insurance underwriting (Insurance company)

Carbon Disclosure Project 2020

C1

Governance

POWER CORPORATION OF CANADA

C1 Governance

Board oversight

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level Committee	Responsibility for climate change has been assigned at the Board level to the Governance and Nominating Committee of the Board of Directors. The Committee is responsible for reviewing the Corporation’s progress on Corporate Social Responsibility (CSR), which includes relevant climate change topics. Having Board oversight for risks and opportunities, including relevant climate-related issues, is important in ensuring we are proactively identifying, assessing, managing and monitoring such risks and opportunities across our diverse businesses. For example, in 2019, the Board of Directors reviewed our climate-related disclosures in the 2019 Annual Report related to sustainability risks, which covered environmental, and specific climate risks.

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Monitoring implementation and performance of objectives	• Climate-related risks and opportunities to our own operations • Climate-related risks and opportunities to our investment activities • Climate-related risks and opportunities to our insurance underwriting activities • Climate-related risks and opportunities to other products and services we provide to our clients	Climate-related issues are an agenda item at the Governance and Nominating Committee meetings, where relevant, as part of its overall responsibility to monitor the implementation and maintenance by management of appropriate policies and controls to manage CSR risks and opportunities, including climate-related issues. Furthermore, as an active owner of the companies in which we invest, we strive to ensure that our governance practices preserve and enhance shareholder value in a manner consistent with our responsible management philosophy. By having our executives sit on the boards of our portfolio companies, we exercise active ownership through regular engagement with their 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, enabling us to understand existing and potential CSR risks and opportunities, including climate-related issues. Our attendance at these Board meetings takes place quarterly, or more frequently, as required.

Management responsibility

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	• Risks and opportunities related to our investing activities • Risks and opportunities related to our insurance underwriting activities • Risks and opportunities related to our other products and services • Risks and opportunities related to our own operations	Quarterly

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

In 2019, the Corporation's Co-Chief Executive Officers (Co-CEOs), who were both members of the Board's Governance and Nominating Committee, provided strategic oversight on climate-related matters, including overseeing our progress on goals and targets, as well as our corporate disclosures on climate-related governance, risks and opportunities, strategy, management and performance through our CDP submission, annual report and website. Given the complexity and uncertainty of potential climate-related impacts on our business, we believe it is important for our Co-CEOs to provide strategic oversight on climate-related matters, to ensure we are effectively and proactively managing potential risks and opportunities. In undertaking this responsibility, the Co-CEOs report to the Governance and Nominating Committee of the Board and to the Board, as necessary, on such matters.

The Vice-President, General Counsel and Secretary is the appointed CSR Lead and has direct responsibility for overseeing efforts being taken to minimize the energy and carbon impacts at the holding company, as well as monitoring the progress being made by our group companies. As at December 31, 2019, the CSR Lead reported to the Co-CEOs on these matters, as well as to the Governance and Nominating Committee of the Board of Directors.

Please note that, on December 13, 2019, Power Corporation and Power Financial announced the execution of a definitive agreement to effect a reorganization transaction to simplify the group's corporate structure and serve as the foundation and catalyst for a broader set of strategic initiatives expected to deliver further value to shareholders. On February 13, 2020, the reorganization was successfully completed and Power Financial became a wholly owned subsidiary of Power Corporation. As part of the reorganization, the Co-CEOs retired, and a new CEO was appointed.

Employee incentives

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate Executive Team	Monetary reward	Emission reduction projects	The Vice-President, General Counsel is the appointed CSR Lead and has direct responsibility for executing our CSR strategy, engaging with stakeholders and providing performance reports to the Governance and Nominating Committee, which includes climate change issues. A portion of the CSR Lead's performance incentives are tied to integrating CSR into our business, including our progress on our energy and carbon impacts.
Chief Executive Officer	Monetary reward	Other: Investments in clean energy	The CEO of Power Energy, our wholly owned subsidiary, is responsible for ensuring we achieve healthy rates of returns on our investments in clean energy. Compensation of the CEO is directly tied to the continuing growth of the different platforms controlled by Power Energy, which is inherently linked and aligned to continuous and progressive reduction of carbon emissions.
Other C-Suite Officer	Non-monetary reward	Emissions reduction target	Incentives for the management of climate change issues are provided by Lifeco to its Deputy CFO, whose annual objectives include oversight on the company's corporate social responsibility initiatives, including activities being undertaken to achieve their carbon reduction target.
Chief Risk Officer (CRO)	Monetary reward	Other (please specify): Climate change-related risk management	Incentives for the management of climate change issues are provided by Lifeco to its CRO who is compensated based on the effectiveness of the risk management oversight function, which includes providing independent risk oversight of all risk-taking activities and embedding a disciplined risk management culture across Lifeco. The CRO conducts an annual risk culture assessment of Lifeco leaders as part of the annual compensation process and reports the results to the Compensation Committee of the Board. The assessment includes a component of compliance with its Enterprise Risk Management Framework, which incorporates sustainability risk including climate change risk.

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Investment Officer (CIO)	Monetary reward	Other (please specify): Sustainable investment opportunities (including climate change-related)	Incentives for the management of climate change issues are provided by Lifeco to its CIO, who is compensated based on the value created through the company's investment portfolios. Ensuring environmental criteria, including climate-related risks and opportunities are considered in its investment decision-making related to acquisitions or divestments is part of this mandate, which could have an impact on value creation in investments.
Other: CSR Committee	Non-monetary reward	Emissions reduction target	Incentives for the management of climate change issues are provided by Lifeco to its CSR committee members, whose annual objectives include executing on the company's CSR initiatives, including activities being undertaken to achieve their carbon reduction target.
Other: VP, Corporate Properties	Monetary reward	Emissions reduction target	Incentives for the management of climate change issues are provided by Lifeco to its Vice President, Corporate Properties whose variable compensation bonus structure includes executing on initiatives to achieve the company's carbon reduction target.
Other: Property Catastrophe Team	Monetary reward	Other: Risk Management	Incentives for the management of climate change issues are provided by Lifeco to its leadership property catastrophe team, who is compensated for identifying optimal property catastrophe cover retrocession reinsurance opportunities within defined criteria and considering exposure to property risks, including physical climate parameters.
Facility Managers	Monetary reward	Emissions reduction target	Incentives for the management of climate change issues are provided by Lifeco to its corporate property managers at GWL Realty Advisors Inc. that manage the company's corporate head office and investment properties. They are rewarded through the company's annual bonus structure for progress on achieving BOMA BEST® certifications, which aligns with their energy and carbon reduction objectives and includes sustainable procurement considerations. Various property managers of Lifeco are also incentivized through their annual bonus structures for progress being made towards energy reduction targets at buildings and contributions to emissions inventories and reporting.
Portfolio/Fund Manager	Monetary reward	Portfolio/fund alignment to climate-related objectives	Incentives for the management of climate change issues are provided by Lifeco to its portfolio fund managers at Irish Life Investment Managers for ensuring the investment fund portfolio is 30% more carbon efficient per asset class than the benchmark.

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Dedicated Responsible Investment Staff	Monetary reward	Portfolio/fund alignment to climate related objectives	Incentives for the management of climate change issues are provided by Lifeco to their sustainable investing team who works with the broader equity research and portfolio management team to incorporate ESG, including climate change, into the investment process. The objectives of this mandate are linked to performance objectives and incentives.
Executive Officer	Monetary reward	Behaviour change related indicator Other: Advancement of TCFD recommendations	Incentives for the management of climate change issues are provided by IGM to its Senior Vice-President and Treasurer and Vice-President, Finance and Corporate Responsibility. Their annual objectives include integrating climate-related considerations into the company's corporate responsibility strategy and initiatives as well as efforts to disclose and report carbon and energy management performance. The Vice-President, Finance and Corporate Responsibility is co-chair for the TCFD Working Group.
Other: Environment/ Sustainability Manager	Monetary reward	Emission reduction project Behaviour change related indicator Other: Advancement of TCFD recommendations	Incentives for the management of climate change issues are provided by IGM to the Senior Manager, Corporate Responsibility whose annual objectives include: integrating climate-related considerations into the company's corporate responsibility initiatives to reduce emissions, efforts to disclose and report carbon and energy management performance and plans to engage staff in behaviour changes supporting the company's energy and climate management plans.
Risk Management Staff	Monetary reward	Behaviour change related indicator Other: Advancement of TCFD recommendations	Incentives for the management of climate change issues are provided by IGM to the Vice President, Risk Management and Director, Risk Management whose annual objectives include increasing education and understanding of climate risk with senior leaders through the annual risk discussions with business unit leaders and TCFD training and implementation planning.

Retirement schemes

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

We offer an employment-based retirement scheme that incorporates ESG principles, including climate change	Comment
Yes, as an investment option for some plans offered	Employees at Lifeco and IGM are offered employment-based retirement schemes that incorporate ESG principles, including climate change, into self-directed defined contribution employment-based retirement schemes through the responsible investment options offered to employees by select subsidiary investment management companies such as socially responsible investment (SRI) funds managed with an ESG integration approach and/or a brokerage window to select sustainable investment options. These options or a subset of them are available for employees at Canada Life, Empower Retirement and at Putnam Investments (as part of investment options for employees' 401(k) plans in the USA). IGM's operating companies IG Wealth Management and Mackenzie Investments, offer employees competitive retirement plans, including defined benefit and defined contribution (DC) pension plans, and group registered retirement savings plans. All investment products offered to members in the group RRSP and DC pension plan, and all underlying investments in the defined benefit pension plan are managed by asset managers who are signatories to the UN-supported Principles for Responsible Investment who commit to integrate ESG criteria, including climate risks and opportunities, into investment processes and to be active owners through engagement and proxy voting.

Carbon Disclosure Project 2020

C2

Risks and opportunities

POWER CORPORATION
OF CANADA

C2 Risks and opportunities

Management processes

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

Time horizon	From (years)	To (years)	Comment
Short-term	0	2	When considering risks and opportunities, we consider the time horizons of our subsidiaries Lifeco and IGM (representing 98% of our assets). For example, Lifeco's strategy development function does not formally define time horizons however they generally consider short term to be 1-2 years. IGM's short-term horizon aligns with its Enterprise Risk Management (ERM) framework which considers risk events that are likely to occur once in a 1- to 2-year period. We therefore report an inclusive short-term time horizon representing between 0 and 2 years.
Medium-term	2	5	When considering medium-term risks and opportunities, we consider the time horizons of our subsidiaries Lifeco and IGM (representing 98% of our assets). For example, Lifeco's strategy development function does not formally define time horizons however they generally consider medium term to be 2-5 years. IGM's medium-term horizon aligns with its ERM framework which considers risk events that are likely to occur once in a 2- to 5-year period. We therefore report an inclusive medium-term time horizon representing between 2 and 5 years.
Long-term	5	25	When considering long-term risks and opportunities, we consider the time horizons of our subsidiaries Lifeco and IGM (representing 98% of our assets). For example, Lifeco's strategy development function does not formally define time horizons however they generally consider the long term to be beyond 5 years. IGM's long-term horizon aligns with its ERM framework which considers risk events that are likely to occur once in a 5- to 20-year period. We therefore report an inclusive long-term time horizon representing between 5 and 25 years.

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At Power Corporation, we assess a substantive financial impact as one that could materially impact the financials of our business. When defining parameters for a substantive financial impact we take into consideration the factors applied by our subsidiaries.

Lifeco defines substantive financial or strategic impacts based on its ERM framework by taking into consideration the velocity, probability and impact of a risk on its business. A substantive financial impact occurs where the following conditions occur: high velocity (immediate adverse impact on business operations and market valuation and the speed of onset of impact is less than six months); high impact (greater than $1 billion impact on earnings or capital) and high probability (plausible scenario but still unlikely greater than 25%).

In alignment with its ERM framework, IGM defines a substantive financial or strategic impact as one that has a significant long-term impact on its revenue, capital or market capitalization. Long-term impact is defined as a 5 to 20-year time horizon. A significant long-term risk can also be defined as one with a significant impact on IGM's reputation, a significant operational impact, or an enforcement action by a regulator or judicial authority. IGM quantifies substantive risk as a risk that has the potential to negatively affect IGM's market capitalization by 5% or more.

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered	Risk management process	Frequency of assessment	Time horizon(s) covered	Description of process
Direct operations	Integrated into multi-disciplinary company-wide risk management process	More than once a year	• Short-term • Medium-term • Long-term	<u>Description of Process to determine which risks could have a substantive impact:</u> Climate change risks and opportunities are integrated into Power Corporation's group-wide risk management processes. Through our prudent risk management culture, we identify, assess, respond to, and monitor risks and opportunities related to a wide range of business issues and trends, including climate change, where relevant, to determine substantive impacts. As an international management and holding company that focuses on financial services, we recognize that sustainability trends such as climate change could potentially impact the companies in which we have made investments. We consider climate change risks and opportunities, where relevant, as part of our direct operations, focusing on company-specific risks and opportunities, which can include at our subsidiaries' level: climate-related regulations; government incentives that support renewable energy markets; exposure to weather events that could impact our investments, corporate properties, information technology systems, and business continuity plans at office locations. These types of analyses can be further strengthened by our interactions with the senior management of our subsidiaries and portfolio companies. <u>Case study of a process related to physical risks and/or opportunities:</u> From a physical risk perspective, our group continues to assess the resilience of our operations to physical climate-related risks. For example, our subsidiary Lifeco conducts climate-related operational risk assessments covering its offices and data centres. As part of quarterly and annual operational risk assessments, Lifeco reviews the impacts of extreme weather events on its business operations to inform business continuity planning efforts. Specifically, in 2019, Lifeco ran a climate scenario analysis of one of its head office campuses in Winnipeg to stress test exposure to floods and hurricanes. Based on the risk assessment, it was determined that the financial impact would not be substantive based on the probability and impact on the business, representing less than 1% of capital and operating expenditures. Furthermore, it was also determined that climate-related physical risks are further minimized given the inherent diversification of Lifeco's business offices, data centres and business continuity centres, in Canada, the U.S., and Europe. <u>Case study of a process related to transition risks and/or opportunities:</u> From a transition risk perspective, our group also assesses the impact of smarter buildings and technologies. For example, our subsidiary IGM assessed the impact of not transitioning its buildings to smarter and more efficient technologies to optimize energy efficiency. Given IGM's relatively small building footprint and the fact that energy costs represent less than 1% of its operating costs, these risks were not considered substantive to the business.

Value chain stage(s) covered	Risk management process	Frequency of assessment	Time horizon(s) covered	Description of process
Upstream	Integrated into multi-disciplinary company-wide risk management process	More than once a year	• Short-term • Medium-term • Long-term	Description of Process to determine which risks could have a substantive impact: Climate change risks and opportunities are integrated into Power Corporation's group-wide risk management processes. Through our prudent risk management culture, we identify, assess, respond to, and monitor risks and opportunities related to a wide range of business issues and trends, including climate change, where relevant, to determine substantive impacts. As an international management and holding company that focuses on financial services, we recognize that sustainability trends such as climate change could potentially impact the companies in which we have made investments. Through this analysis, we review company-specific climate-related upstream risks at the subsidiary and investment level through our participation on their boards of directors, including with respect to operating costs associated with sourcing low-carbon products from third parties in our supply chain. Case study of a process related to transition and physical risks and/or opportunities: From a transition and physical risk perspective, Lifeco through its subsidiary GWL Realty Advisors is committed to reducing the environmental impacts that could occur from the services and products procured from third-party contractors and suppliers. The company's Supplier Risk Management Policy includes 'Sustainability' as one of the specific risk principles, which covers climate-related issues. The company assessed the potential costs associated with sourcing cleaner, renewable energy sources and sustainable materials to ensure the efficiency and climate resilience of its assets under management. While important, these expenditures are not substantive to its overall business, given that fee income and related expenses represent less than 1% of Lifeco's overall net income.
Downstream	Integrated into multi-disciplinary company-wide risk management process	More than once a year	• Short-term • Medium-term • Long-term	Description of Process to determine which risks could have a substantive impact: Climate change risks and opportunities are integrated into Power Corporation's group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through our prudent risk management culture, we identify, assess, respond to, and monitor risks and opportunities related to a wide range of business issues and trends, including climate change, where relevant, to determine substantive impacts. Through this analysis, we review company-specific climate-related downstream risks at the subsidiary and investment level through our participation on their boards of directors, including with respect to changing customer demands for products and services, as well as impacts on our investments. Case study of a process related to physical risks and/or opportunities: From a physical risk perspective, as part of its annual ERM assessment, Lifeco conducts a climate scenario stress test of its general account against a brown climate scenario that assumes an increase in the frequency and magnitude of severe weather-related events. Based on the review of the asset portfolio, they identified potential areas of vulnerability representing 4% of Lifeco's assets. However, when considered in the context of its ERM assessment framework, taking into consideration risk volatility, probability and impact, these climate-related vulnerabilities were determined not to be substantive, given the

Value chain stage(s) covered	Risk management process	Frequency of assessment	Time horizon(s) covered	Description of process
				inherent diversification of its assets from a geographic sector concentration, and relatively shorter duration of these holdings. As such, it was concluded that the balance sheet remains strong and resilient with respect to climate change scenarios. IGM identifies physical risks in its investments through the due diligence process. For example, at its Investors Real Property Fund, which invests in commercial buildings throughout Canada, physical and environmental assessments are part of the due diligence process when making a decision to purchase a property. The properties in the Fund are also diversified geographically, thus mitigating physical climate risks. Case study of a process related to transition risks and/or opportunities: From a transition risk perspective, as part of its annual ERM assessment, Lifeco tested two green scenarios: one within orderly transition driven by government intervention and one with disorderly transition driven by grass root sentiment but without strong government intervention, towards a lower carbon economy. They highlighted climate-related opportunities already underway to invest in clean energy as well as ESG-related products and services. As at year-end 2019, Lifeco's general account had over $3.87 billion invested in renewable energy through its private placements, and its asset management affiliates manage more than CA$17 billion across a number of ESG-related strategies. In 2019, the fee income from responsible investment options represented less than 1% of Lifeco's total fee income. While important, these opportunities are not deemed substantive to the business. IGM identified the risk of investing in companies associated with coal, as increasing regulation is put in place to mandate the closure of coal-fired power plants and customers are increasingly focused on low carbon energy. Through their engagement process, they have had successful engagement to speed up the conversion of assets for an investee in Alberta, to transform to a natural gas-fired plant. Furthermore, coal represented less than 0.05% of IGM's listed equity assets under management at December 31, 2019.

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

Risk type	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review the following climate-related current regulatory risks at the subsidiary and investment level through our participation on their boards of directors: GHG regulations, carbon pricing, climate financial risk, and building energy requirements. As part of our process, we consider climate-related current regulatory risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. In Canada, Lifeco, through its subsidiary GWL Realty Advisors, quantifies the GHG emissions footprint and assesses climate-related compliance risk exposure of their global owner-occupied offices, as well as corporate and regional offices and third-party investment management properties. Based on the relatively small carbon footprint of its real estate portfolio, they are not subject to GHG reporting regulatory thresholds and carbon pricing sensitivity analysis revealed marginal risk related to increased operating costs. In Europe, they assessed compliance risk exposure related to the Prudential Regulatory Authority's (PRA) Supervisory Statement SS3/19 that came into force in 2019, requiring UK insurers and reinsurance firms to have an approach to manage the financial risk from climate change. The risk of non-compliance is low given the preliminary climate change stress and scenario analysis of its general account investments and the formal integration of climate change in its ERM framework and within Own Risk Solvency Assessment (ORSA). IGM assesses GHG emission regulations in Canada in the context of their corporate properties, energy suppliers, and properties held in the Investors Real Property Fund in Canadian provinces. They also assess investments in their funds for exposure to material changes in emission-related regulations such as carbon pricing which, if not managed effectively, could impact the market, credit risk or liquidity risk of an individual holding or industry. Diversification and consideration of material environmental risk, including current climate regulations, is inherent in their business and investment strategies. Based on their reviews, and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related current regulations to have a substantial impact on their business.

Risk type	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we reviewed carbon market and pricing expectations at the subsidiary and investment level through our participation on their boards of directors. We consider the climate-related emerging regulatory risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Lifeco assesses relevant emerging climate-related regulatory requirements. In Canada, they considered the Expert Panel recommendations on Sustainable Finance, the OSFI guidance for P&C and Life & health insurers related to underwriting and investments, and the Canadian Securities Administrator's guidance on materiality in climate disclosures. In the U.S., they reviewed the Trump Administration roll back of environmental protections and the increase of state efforts to address climate change. In Europe, they monitor the European Insurance and Occupational Pensions Authority consultations on integrating sustainability risks and disclosures in property insurance; the UK activities of the PRA and Green Finance Strategy commitments on mandatory reporting; the Central Bank of Ireland role in ensuring financial firms incorporate climate change into strategic/financial plans; and the Germany Federal Financial Supervisory Authority's intention to release a consultation on sustainability risk management. Their assessment determined that exposure to non-compliance remains low given the strengthening of their policies and processes and the results from climate scenario testing. IGM assesses its investment funds for exposure to emerging emission-related regulations, which if not managed effectively, could impact the performance of the funds, and company revenue. Diversification of its assets under management and consideration of material environmental risks, including emerging regulations, is inherent in the company's business/investment strategies. Furthermore, they have assessed the potential climate risks associated with the changing regulatory landscape in Canada, and the potential impact on its corporate properties, energy suppliers, and properties held in the Investors Real Property Fund. As disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related emerging regulations to have a substantial impact on their business.

Risk type	Relevance & inclusion	Please explain
Technology	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review climate-related technology risks at the subsidiary and investment level through our participation on their boards of directors, including the impacts of technology developments, such as the costs associated with transitioning to lower emission and smarter technologies, potential reduced demands for services, capital investments into technology developments, and costs to deploy new practices and processes. We consider the climate-related technology risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. For example, within Lifeco's property management services carried out by its subsidiary GWL Realty Advisors, they have been assessing costs and capital investments to transition towards smarter more efficient buildings that optimize energy efficiency and take advantage of big data and technological innovations. While important, these costs are not expected to generate a substantive change to Lifeco's business operations given that GWL Realty Advisor's real estate management services represent less than 0.1% of its overall revenue. Lifeco also considered risks and opportunities related to transition risks associated with technology and the potential impact on its general account investment portfolio. In this case, they considered sectors that could be exposed to increased costs due to investments in cleaner technologies as well as the depreciation of assets or asset classes from emerging disruptive technologies. IGM conducted a similar review of its corporate buildings and determined the risk to be marginal given that its energy costs represent less than 1% of its operating costs. The company also assessed climate-related technology risks in certain sectors in its investment funds, particularly within exposed industries such as coal which are facing pressure to transition to a low-carbon economy. Furthermore, its Mackenzie Global Environmental Equity Fund provides an opportunity for its clients to invest in green technology and mitigate transition risk in their portfolio. Based on their reviews, and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related technology risks to have a substantial impact on their business.

Risk type	Relevance & inclusion	Please explain
Legal	Relevant, sometimes included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review company-specific climate-related legal risks at the subsidiary and investment level through our participation on their boards of directors, specifically with respect to climate-related litigation. As part of our process, we consider the climate-related legal risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Lifeco assessed the impacts of exposure to climate-related litigation on its business operations and investment portfolio. For example, in 2019, Lifeco continued to monitor litigation lawsuits against oil and gas and energy companies brought to the courts on climate change impacts. While important, the impacts of possible litigation in its investments are limited given the diversification of its asset allocation, geographies and sectors. Specifically, in 2019, no individual sector accounted for more than 10% of Lifeco's invested assets and the percentage of assets in the energy sector that could be highly exposed to litigation lawsuits amounted to less than 5% of invested assets in bonds or equities. IGM assessed the potential for material climate-related litigation against specific sectors in their investment funds that may be highly exposed to climate change impacts, particularly in industries such as coal which have been subject to recent litigation. For example, of the total equity holdings for IG Wealth Management and Mackenzie Investments, less than 0.05% is invested in the coal and consumable fuel industry, an industry exposed to legal risk. Based on their reviews and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related legal risks to have a substantial impact on their business.
Market	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review company-specific climate-related market risks at the subsidiary and investment level through our participation on their boards of directors, including with respect to fluctuating socio-economic conditions that may result from society's exposure to weather-related losses and the demand for products that integrate climate-related factors. As part of our process, we consider climate-related market risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Lifeco assessed fluctuating socio-economic conditions from society's exposure to weather-related losses and the potential impact from lapse rates. They concluded that lapse rates from extreme weather events, such as Hurricane Katrina, were not severe and had limited impact on insurance affordability and customer retention rates. Lifeco also considered the potential for stranded assets that may arise from climate-related market trends. For example, the company reviewed the extent to which some of its investments may be impacted by the increasing demand for electric vehicles. Given the diversification of Lifeco's investment strategy, the potential for stranded assets was not deemed substantive to its overall business. IGM assessed the demand for products that integrate climate-related factors and considers the risks of not meeting client demand on its revenues. They recently surveyed and facilitated focus group discussions with advisors regarding responsible investing, including climate-related risks and opportunities – an area of focus for their new SRI Centre of Excellence. Based on their reviews, and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related market risks to have a substantial impact on their business.

Risk type	Relevance & inclusion	Please explain
Reputation	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review company-specific climate-related reputation risks at the subsidiary and investment level through our participation on their boards of directors, including with respect to increasing stakeholder requests for climate disclosure and the possible impact on our reputation from stakeholders for not effectively demonstrating how climate change risks and opportunities are managed. We consider climate-related reputation risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Through its climate-related risk assessments, Lifeco considers its reputation on climate-related impacts from various stakeholders. They recognize that a lack of disclosure on how they identify and manage climate change risks could expose the company to potential reputation risk. Over the past few years, there has been an increase in investor interest on ESG factors, which includes responding to and mitigating climate risks. As a result, Lifeco has been strengthening the transparency and credibility of the information it publishes publicly on climate-related issues, including with respect to governance, risks, opportunities and performance. In 2019, they strengthened their climate-related disclosures through the CDP submission, 2019 Annual Report, ESG Scorecard, Public Accountability Statement and the Sustainability Reports of Canada Life, UK and Irish Life. However, when considered generally in the context of Lifeco's overall business and other types of reputation risks they do not consider climate-related reputation risks to have a substantive impact on their business. IGM assesses exposure to reputation risk with its investee companies using tools such as Sustainalytics, which flag companies with ESG controversies including climate-related issues, that can have a serious effect on reputation. If material reputation issues arise, their investment management teams or third-party engagement providers engage with the company for further information and/or to encourage change. Engagement is prioritized over divestment. Based on their reviews, and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related reputation risks to have a substantial impact on their business.

Risk type	Relevance & inclusion	Please explain
Acute physical	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review company-specific climate-related acute physical risks at the subsidiary and investment level through our participation on their boards of directors, including extreme weather events. As part of our process, we consider climate-related acute physical risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Lifeco considered exposure to increased severity of extreme weather events in its reinsurance business based on worst-case scenarios (peak peril modeling) and concluded these events would not result in a substantive impact to their business. For example, claims related to losses from hurricanes Harvey, Irma, and Maria combined resulted in established reserves of $175 million, which were not considered to be substantive to its overall business. Furthermore, within the general account investment portfolio, they assessed acute physical risks as part of the brown climate scenario stress test, assuming a limited corrective transition response and fallout from extreme weather events that could lead to high mortality rates, property damage, decline in property values, business disruption and a pandemic event. IGM assesses the impact of warming temperatures, floods, wildfires, and other extreme weather events on its corporate and investment properties, and the properties and valuations of client mortgages. In 2019, the mortgage portfolio of its subsidiary IG Wealth Management contained approximately 275 properties in Eastern Canada impacted by flooding from extreme weather events. Of these, less than 10% were physically impacted, representing less than 0.04% of total mortgages under administration. IGM did not incur any losses from the event. Based on their reviews, and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related acute physical risks to have a substantial impact on their business.

Risk type	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	Climate-related risks are integrated into our group-wide risk management processes, which take into consideration the risks of our subsidiaries and investments. Through this analysis, we review climate-related chronic physical risks at the subsidiary and investment level through our participation on their boards of directors, including with respect to changes in precipitation patterns, extreme variability in weather patterns, rising mean temperatures and rising sea levels. We consider climate-related chronic physical risks assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Lifeco assesses changes in precipitation patterns, extreme variability in weather patterns, rising mean temperatures, and rising sea levels. For example, in their general account investment portfolio they assessed chronic physical risks as part of the brown climate scenario test, which assumed a limited corrective transition response and fallout from weather events. Potential areas of vulnerabilities of their investment portfolio were reviewed in their bonds and conventional mortgages on properties and real estate holdings in coastal areas. These risk exposures are inherently limited by their mortgage portfolio limits, which currently do not exceed 8% for any region. In terms of life and health insurance, they assess risks from changes in physical climate parameters and health impacts on both morbidity and mortality rates. They diversify morbidity and mortality risks by limiting concentrations in any one specific region, and as a result, have not experienced notable changes in insurance claims as a result of climate-related health impacts. IGM assesses the risk impact related to general warming and increases in sea level on its corporate and investment properties, and the properties and valuations of client mortgages. For example, they reviewed IG Wealth Management's mortgage portfolio for risks driven by extreme weather events. In 2019, the mortgage portfolio contained approx. 275 properties in Eastern Canada with potential exposure to loss from flooding from extreme weather events. Of these, less than 10% were impacted, representing 0.04% of total mortgages, and no losses were incurred from this event. Based on their reviews, and as disclosed in their respective CDP submissions, Lifeco and IGM do not consider climate-related chronic physical risks to have a substantial impact on their business.

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Please explain
Investing (Asset manager)	Yes	As an international management and holding company that focuses on financial services, we recognize that sustainability trends such as climate change could potentially impact the companies in which we invest. We consider climate change risks and opportunities, where relevant, as part of our investment analysis process and through the interactions with the senior management of our subsidiaries and portfolio companies. From an asset management perspective, we consider the climate related risks and opportunities assessed by our major subsidiaries, Lifeco and IGM, where a majority of our interests (approx. 98% of our assets) are held. Lifeco assesses exposure to climate-related risks and opportunities as it relates to its investment portfolios, covering the insurance general account as well as investments of third-party clients mainly managed through Lifeco's asset management affiliates, GWL Realty Advisors, Irish Life Investment Managers (ILIM), Putnam Investments (Putnam), GLC Asset Management (GLC), and PanAgora Asset Management. They assess the exposure of the investment portfolio on a broad range of climate-related risks and opportunities, including climate vulnerable sector exposure, clean energy low carbon finance exposure, climate-related investment product exposure as well as carbon emission intensity. The exposure assessments are generally undertaken when it is investment relevant and financially material, and when there is sufficient data. As an example, ILIM assesses exposure to transition risks by measuring the carbon footprint of its investment portfolio and managing the carbon intensity to a percentage lower than relative indices or benchmarks. At IGM, the assessment of climate-related risks and opportunities of the investment portfolio takes place through the investment analysis and decision-making process, which is formalized under IGM's commitment through their responsible investment policies. At IGM's operating companies IG Wealth Management and Investment Planning Council, these assessments are conducted by high-quality external investment managers. At Mackenzie Investments, individual investment teams are responsible for assessments, which are primarily done qualitatively through engagement with companies and industries, either with a third-party engagement manager and/or direct meetings, conferences and communications.
Investing (Asset owner)	Yes	As an international management and holding company that focuses on financial services, we recognize that sustainability trends such as climate change could potentially impact the companies in which we invest. We consider climate change risks and opportunities, where relevant, as part of our investment analysis process and through the interactions with the senior management of our subsidiaries and portfolio companies. As part of our process, we consider the climate related risks and opportunities assessed by our major subsidiaries, Lifeco, where a majority of our interests are held. Lifeco assesses exposure to climate-related risks and opportunities of its owned assets within the general account as well as its physical assets and operations, including office buildings and data centres. For example, in the general account, Lifeco assesses the physical and transition climate-related risks and opportunities of its assets covering bonds, mortgages, real estate, and equity. The assessment is based on three climate scenarios: "green" orderly and disorderly scenarios to a well below 2-degree warming scenario; and, a "brown" scenario to a 4.5-degree warming scenario. The assessment is conducted to determine the balance sheet impacts and to inform mitigation measures and strategies. From an operational perspective, Lifeco assesses the number of climate-related events on its operations and our performance relating to these events, through a Business Continuity Management Framework that focuses on emergency response, incident management, disaster recovery and business recovery.

Portfolio	We assess the portfolio's exposure	Please explain
Insurance underwriting (Insurance company)	Yes	As an international management and holding company that focuses on financial services, we assess climate-related risks and opportunities in the insurance business through our major subsidiary Lifeco. Lifeco assesses its exposure to climate-related risks and opportunities in both the health/life insurance business and the property and casualty reinsurance business. With respect to Lifeco's property catastrophe coverages, an annual scenario modelling on climate-related events and the impact on their reinsurance business is conducted. Using robust weather models, Lifeco models peak perils at the worst locations to assess the likelihood, severity and velocity of extreme weather events, including windstorms, hurricanes and cyclones. The information from these scenario models enables the company to assess how much of a loss it will take, which in turn informs its pricing models. Lifeco identifies and assesses climate change related risk impacts, to determine whether the risk limits would be impacted. With respect to the property catastrophe reinsurance business, Lifeco monitors the number and severity of extreme weather events, such as cyclones, hurricanes and floods in its reinsurance business as well as the value of claims related to such losses. For example, Lifeco included property catastrophe reinsurance losses of $175 million after-tax relating to estimated claims resulting from the impact of Hurricanes Harvey, Irma and Maria. With respect to the health/life insurance business, Lifeco runs longevity models taking into consideration various factors that could result in health impacts and exposure to morbidity and mortality risks. Furthermore, research and analysis are done regularly to provide the basis for establishing pricing and valuation assumptions that properly reflect the insurance market, including potential climate-related health impacts.

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

Portfolio	Portfolio coverage	Assessment type	Description
Investing (Asset manager)	Majority of the portfolio	Qualitative and quantitative	As an international management and holding company, our exposure to climate-related risks and opportunities is primarily through our major subsidiaries, Lifeco and IGM, where a majority (approximately 98%) of our assets are held. <u>How portfolio coverage is defined:</u> As an asset manager, Lifeco assesses exposure to climate-related risks and opportunities as it relates to its investment portfolios, covering the insurance general account (on balance sheet investments for Lifeco) as well as certain investments of third-party clients mainly managed through Lifeco's asset management affiliates. Lifeco's third-party client asset management affiliates include GWL Realty Advisors, Irish Life Investment Managers, Putnam Investments, GLC Asset Management, and PanAgora Asset Management. They assess the exposure of their respective investment portfolios on a broad range of climate-related risks and opportunities, including climate vulnerable sector exposure, clean energy low carbon finance exposure, climate-related investment product exposure as well as carbon emission intensity. The exposure assessments are generally undertaken when it is investment relevant and financially material, and when there is sufficient data. At IGM, the coverage of assets managed where climate risks and opportunities are assessed include: IG Wealth Management, Mackenzie Investments and Investment Planning Council, anchored by their formalized commitments through Responsible Investment Policies. These policies outline the approach taken to integrate ESG criteria, including climate-related risks and opportunities into their investment analysis and decision-making processes. <u>Tools used to assess the portfolio's exposure to climate-related risks and opportunities:</u> At Lifeco, the climate-related risks and opportunities of certain of the subsidiary asset management affiliates' portfolios are assessed based on various tools, including in-depth fundamental analysis of the sector specific exposure, 2-degree alignment using tools such as Paris Agreement Capital Transition Assessment (PACTA), as well as carbon intensity exposure of the portfolio using both primary and secondary data analysis. At IGM, each internal investment team or external investment sub-advisor is responsible for how climate issues are integrated into their processes. At IG Wealth Management, for example, services from an energy management company are used to measure the carbon emissions of the Investors Real Property Fund, and 2-degree scenario alignment methodologies are used at one of its sub-advisors to analyze portfolios and investments. At Mackenzie Investments, each portfolio manager has access to a portfolio evaluation tool from Sustainalytics to review third-party ESG ratings and/or controversies / incidents at the security level. They also use an engagement service provider with a 26-person team of engagement specialists. In 2019, they engaged with 560 companies to enhance disclosure with a goal of improving the ability for quality assessment of climate risks and opportunities in the portfolio.

Portfolio	Portfolio coverage	Assessment type	Description
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	How portfolio coverage is defined: As an asset owner, Power Corporation conducts quantitative and qualitative assessments of the risks and opportunities associated with our portfolio companies, including Lifeco and IGM, by quantifying and consolidating the carbon footprint of these owned assets. Furthermore, Lifeco also assesses exposure to climate-related risks and opportunities of its owned assets within the general account as well as its physical assets and operations, including office buildings and data centres. For example, in the general account, Lifeco assesses the physical and transition climate-related risks and opportunities of its owned assets covering bonds, mortgages, real estate, equity, stocks and loans to policyholders. Tools used to assess the portfolio's exposure to climate-related risks and opportunities: At Power Corporation, the assessment is conducted by quantifying the carbon footprint of its subsidiaries Lifeco and IGM based on primary asset-specific data. At Lifeco the assessment is conducted by applying quantitative analysis within the insurance general account using a climate scenario and stress test tool that considers both green and brown scenarios. The assessment is based on a “green” orderly and disorderly scenario aligned to a well below 2-degree warming scenario; and a “brown” scenario aligned to a 4.5-degree warming scenario. The assessment is conducted to determine the balance sheet impacts. They have also applied the PACTA tool to the general account to assess the exposure of the portfolio to economic activities affected by the transition to a low-carbon economy; the extent to which the portfolio increases or decreases its alignment to a Sustainable Development Scenario over the next five years; and the expected future exposure to high- and low-carbon economic activities based on the current and revealed production and investment plans of the companies in the portfolio.
Insurance underwriting (Insurance company)	Majority of the portfolio	Qualitative only	How portfolio coverage is defined: Power Corporation’s investments in the insurance business are held through Lifeco. As an insurance company, Lifeco assesses the exposure to climate-related risks and opportunities in both the health/life insurance business and the property and casualty reinsurance business. With respect to the property and casualty reinsurance business, Lifeco monitors the number and severity of extreme weather events, such as cyclones, hurricanes and floods in its reinsurance business as well as the value of claims related to such losses. Tools used to assess the portfolio's exposure to climate-related risks and opportunities: With respect to the reinsurance business, Lifeco uses robust weather models. They model peak perils at the worst locations to assess the likelihood, severity and velocity of extreme weather events, including windstorms, hurricanes and cyclones. The information from these scenario models enables them to assess how much of a loss they will take, which in turn informs their pricing models. With respect to the health/life insurance business, Lifeco runs longevity models taking into consideration various factors that could result in health impacts and exposure to morbidity and mortality risks. Furthermore, research and analysis is done regularly to provide the basis for establishing pricing and valuation assumptions that properly reflect the insurance market, including potential climate-related health impacts.

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Minority of the portfolio	Water risks and opportunities are assessed, mainly through Lifeco and IGM where a majority of our assets (98%) are held. Lifeco's asset management affiliates GWL Realty Advisors and Putnam Investments assess their portfolio's exposure to water risks and opportunities. Specifically, at Putnam, they conduct water risk sector analysis to inform their engagement with investee companies where possible based on data availability, and on a company and sector specific basis. Meanwhile, GWL Realty Advisors monitors and measures water consumption data from the real estate investment portfolio under management to inform resource efficiency strategies. At IGM, each internal investment team or external sub-advisor is responsible for how they integrate water issues into their investment processes. This includes water-related risks such as drought, flooding, and water scarcity, and opportunities such as cost savings, access to new markets, and supply chains. These types of water-related risks and opportunities will be assessed when considered material to the issuing company. For example, as defined by the Sustainability Accounting Standards Board (SASB), water management is a top material risk for the non-alcoholic beverage industry, which prompted their investment team to engage with a major soft drink manufacturer in 2019 to ensure this risk was being managed with appropriate plans and targets.
Investing (Asset owner)	Yes	Minority of the portfolio	Water risks and opportunities are assessed by Lifeco as part of the management of the owned real estate assets. Through its subsidiary GWL Realty Advisors, water-related risks and opportunities are assessed through the Sustainability and Conservation Benchmarking Program (SCBP) for the office portfolio. As part of the SCBP, water consumption is assessed, and risk and opportunities are identified in the context of corporate-wide water reduction targets. In 2019, by minimizing risks and maximizing the opportunities in the office portfolio, Lifeco achieved an 8% reduction in overall water consumption.
Insurance underwriting (Insurance company)	Not applicable		We do not assess exposure to water-related risks in the insurance business of Lifeco given that water risks would not be relevant to life and health insurance business lines.

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Minority of the portfolio	Forest-related risks and opportunities are assessed by some of our portfolio companies. For example, at IGM, each internal investment team or external sub-advisor is responsible for how they integrate forest-related issues into their investment processes. This includes forest-related risks such as fires, loss of license to operate, supply chain disruption, and loss of revenue due to deforestation and forest degradation. It also includes opportunities such as cost savings, and access to new markets. These types of forest-related risks and opportunities will be assessed when there are material issues to the issuing company. For example, sustainable land-use and biodiversity are areas of increasing focus for Mackenzie Investments' engagement service provider. In addition to their current focus on creating more sustainable food supply chains, they are looking into ways to directly affect land-use change through sustainable management and production of palm oil and timber. 2019 engagements for Mackenzie included palm oil financing and traceability, Roundtable on Sustainable Palm Oil certification, sustainable cotton, and sustainable rubber.
Investing (Asset owner)	No, but we plan to do so in the next two years		As asset owners, we do not currently assess forest-related risks. In the next two years, our subsidiary Lifeco has indicated that it will explore the possibility to assess the exposure to potential forestry risks and opportunities.
Insurance underwriting (Insurance company)	Not applicable		Lifeco does not assess its exposure to forestry-related risks and opportunities in its insurance business given that forestry risks would not be relevant to life and health insurance business lines.

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

Portfolio	We request climate-related information	Please explain
Investing (Asset manager)	Yes	As an international management and holding company, asset management due diligence and/or risk assessments are conducted through our major subsidiaries, Lifeco and IGM, where a majority (approximately 98%) of our assets are held. As an asset manager, Lifeco requests climate-related information from clients/investees through the investments made in the insurance general account (on balance sheet investments for Lifeco) as well as investments of third-party clients mainly managed through Lifeco's asset management affiliates. For example, both Irish Life Investment Managers and Putnam Investments request climate-related information from investees through their proxy voting and engagement processes as part of their research and risk assessment practices when the information is deemed to be material and additive to the investment process. GLC Asset Management requests climate-related information for risk investment purposes through its involvement in Climate Action100+, and its third-party ESG and proxy providers request climate-related information for the purpose of risk assessments and to inform voting decisions. Meanwhile, GWL Realty Advisors requests climate-related information from its clients and the real estate investment properties under management as part of its risk management practices to inform emission reduction and efficiency improvements. At IGM, climate-related information is requested in cases when it is a material issue to the investee company and an engagement is either ongoing or will be undertaken. For example, IG Wealth Management requests all managers to provide ESG-related policies, accountability structures and specific metrics and examples through the Request for Information and Due Diligence processes, with specific reference to climate change. At Investment Planning Counsel, a pooled engagement service provider is used to work with companies to enhance corporate behaviour and strategy related to topics including climate change. Mackenzie Investments, through its engagement service provider and its internal investment teams, engages with companies on a variety of issues including climate change risks and opportunities. Climate change has been specifically identified as a priority engagement topic for this engagement provider, who has been working with companies to undertake low-carbon scenario analyses and to report on the resilience of their companies to the effects of climate change. This includes physical and financial risks or the potential for asset stranding due to regulatory changes, and the company's preparation for such eventualities. The company actively monitors and reviews the learnings from its provider through quarterly calls, regular reports and a client facing portal which allows them to refer to the full history of engagement with each company and track progress.
Investing (Asset owner)	Yes	As asset owners, Power Corporation and its major subsidiary, Lifeco, conduct due diligence assessments of potential acquisitions, holdings and divestments, which can include climate-related information where deemed material. For example, in the management of the Canadian Segregated Fund, Lifeco requests climate-related information from investees and/or clients, including with respect to carbon emission data, carbon management and performance. The information is used to identify and assess performance related to climate-related risks and opportunities.
Insurance underwriting (Insurance company)	Yes	As an insurance provider, Lifeco will request climate-related information from clients as part of the due diligence decision-making process for reinsurance underwriting. Information requested could include physical climate risk exposure ratings related to property and casualty insurance.

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Primary reason	Please explain
Risks exist, but none with potential to have a substantive financial or strategic impact on business	We assess climate risk exposure to our business through engagement with the senior management at our subsidiaries and portfolio companies as part of our risk management process and through the investment analysis process, where relevant. We assess the extent to which it represents a substantive risk, focusing on our subsidiaries Lifeco and IGM, which represent a majority of our interests (98% of our assets). We did not identify climate-related risks with substantive impacts on our business in 2019. Both Lifeco and IGM carry diverse products and services, limiting exposure to any one particular sector, market or geography. For example, in 2019, Lifeco conducted climate scenario analysis of its insurance general accounts, which identified 4% of potential areas of vulnerability mainly within bonds, conventional mortgages, real estate holdings and equity sectors. The inherent diversification of these investments limits exposure to these vulnerabilities. Within its bond holdings in potentially vulnerable sectors, they inherently maintain high-quality holdings that are of shorter duration (less than 10 years) than the rest of the portfolio, limiting their concentration risk to vulnerable sectors. Within the reinsurance business, Lifeco models peak perils at the worst locations to assess the likelihood, severity and velocity of extreme weather, which in turn informs pricing models. They established risk limits to cap the maximum exposure through the property catastrophe coverage in accordance with the company's risk appetite and preference. For life/health insurance, Lifeco's portfolio is diversified between mortality and longevity risk. In addition, they diversify morbidity and mortality risks by limiting concentrations in any one specific region. Ongoing research and analysis are done to provide the basis for establishing pricing assumptions that properly reflect the insurance market, including climate-related impacts. No substantive impacts related to climate change were identified. IGM has not identified any substantive risks. For example, they reviewed IG Wealth Management's mortgage portfolio for risks driven by extreme weather events. Specifically, in 2019, they considered the mortgage portfolio that contained approx. 275 properties in Eastern Canada impacted by flooding from extreme weather events. Of these, less than 10% were physically impacted, representing less than 0.04% of total mortgages. They did not incur any losses from these events.

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

(C2.4b) Why do you not consider your organization to have climate-related opportunities?

Primary reason	Please explain
Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	We assess climate-related opportunities in our business through engagement with the senior management at our subsidiaries and portfolio companies and through the investment analysis process. In 2019, we did not identify climate-related opportunities that could substantively impact our business. Lifeco and IGM, where we have a majority of our interests (98% of our assets), disclosed in their respective CDP submissions, that they did not identify climate-related opportunities to be substantive to their businesses. Lifeco's asset management affiliates, GLC Asset Management, Putnam Investments, and Irish Life Investment Managers (who are UNPRI signatories), manage responsible investment funds comprising more than $17 billion across a number of ESG-related strategies. This includes Putnam's Sustainable Leaders Fund and Sustainable Futures Fund; GLC Asset Management's SRI Canadian Equity Fund and SRI Canadian Bond Fund; and, Irish Life Investment Managers' NNIP Sustainable Global Equities Indices, MSCI World Ex. Fossil Fuels Index Fund, Customer ESG Indices, and Standard ESG Indices. While these products are important, the benefits are not considered substantive given Lifeco's diversified businesses and extensive distribution reach. For example, in 2019, the income from responsible investment options represented less than 1% of its overall net income. Furthermore, Lifeco's investments in the clean energy market were over $3.87 billion, representing less than 2% of invested assets. In 2017-2018, IGM's subsidiary Mackenzie Investments launched four new sustainable, responsible and impact funds including the Global Sustainability and Impact Balanced Fund which invests sustainably and engages companies in promoting climate-friendly behaviour, and the Mackenzie Global Environmental Equity Fund which invests in the energy transition from fossil-fuels to renewable power. These products, along with the IG Summa SRI Fund are also available to IG Wealth Management clients. While these products are important, demand has been limited, representing 0.3% of total assets under management, which is not substantive to IGM's business. With respect to our other businesses, many of our companies are taking advantage of climate-related opportunities. For example, Power Energy is investing in solar and wind energy, LED lighting and zero-emission vehicles. Our investments in these businesses representing less than 2% of our assets and therefore the opportunities would not be substantive to our business.

Carbon Disclosure Project 2020

C3

Business strategy

POWER CORPORATION OF CANADA

C3 Business strategy

Business strategy

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

<table>
<tr><th>Climate-related scenarios and models applied</th><th>Details</th></tr>
<tr><td>Other:

Modelling is used for the Property & Catastrophe portfolio in the Reinsurance department.</td><td>Our major subsidiary Lifeco's climate scenario testing incorporates top-down analysis to assess the future potential exposure of the balance sheet to climate risks and opportunities; and, bottom up analysis to identify potential areas of vulnerability in the asset portfolio of the general account, including bonds, mortgages, real estate and stocks. It involves a structured multi-dimensional approach and considers disruptive themes that could present risk downside and upside opportunities, as well as resilience themes.

In order to assess the potential impact of a range of outcomes, three scenarios were developed:

a) Green scenario (2 C) with orderly transition: Government policies facilitate the transition to a low carbon environment in an orderly manner, in line with the Paris Accord, and becoming GHG-neutral by 2050. In this scenario, the transition takes place gradually. Assumptions: government intervention to ensure the transition occurs in an orderly manner; asset defaults and downgrades on sectors with transition risk exposure; stock markets experience moderate shock; growth stagnates in later years due to poor performance from "at risk" sectors.

b) Green scenario (2 C) with disorderly transition: While the green environment is still achieved, in the absence of government intervention, it is driven by grassroots movements. The transition occurs quickly, limiting the ability to adapt and there is an increasing financial market volatility. Assumptions: asset defaults and downgrades on sectors with transition risk exposure; stock markets for "at risk" sectors experience severe stress in the first few years and growth stagnates in later years; and opportunities arise for low carbon related sectors.

c) Brown scenarios (4 C): Limited corrective transition response in a business as usual scenario. The fall-out from natural disasters and litigious environment leads to volatile financial markets. The impact of climate change includes high mortality rates, property damage, decline in property values, business disruption and a pandemic environment. Assumptions: Physical and liability risks emerge; equity and property prices decline, especially coastal and low-lying areas. Reputational damage and consumer activism lead to credit downgrades and defaults; weather associated event and business disruption; deterioration in the mortality improvement assumption; and consumer groups become more litigious.

The time horizon was extended over a 50-year period, with the emergence of transition impacts ahead of physical impacts. For the top-down stress and scenario testing, Lifeco assessed all risks (market, credit, insurance, and operational risk). In the bottom-up testing, they assessed Lifeco's invested assets in the general account.

The results indicate that Lifeco is well-positioned for known risks of climate change. Bond exposure in vulnerable industries primarily represents high-quality holdings and shorter average durations. The main exposure to transition risk in the bond portfolio is through the energy sector, which is well-positioned, and they continue to review opportunities with respect to renewable energy financing. The balance sheet remains strong and resilient with respect to the climate change scenarios.

The scenario analysis reinforced Lifeco's existing business objectives and strategies to limit exposures in vulnerable mortgage/property investments and continue opportunities to invest in clean energy growth and ESG-related strategies and clean energy markets. As a case example, $3.87 billion+ is invested in renewable energy investments in the general account, and CA$17 billion managed across several ESG-related strategies within Lifeco's Asset Management affiliates as at year-end 2019.

The results have directly informed Lifeco's strategies to consider selectively trimming exposure in longer maturities, and limits related to vulnerable industries.</td></tr>
</table>

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

Business area	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate-related risks and opportunities have influenced our group's products and service strategies within a 1-3-year horizon. For example, at Power Corporation, through our wholly owned subsidiary Power Energy, we made the decision to continue to our grow investments in clean energy. This includes Potentia Renewables, a renewable energy generation company, and Nautilus, a company that acquires, develops, finances and manages distributed solar projects across community, municipal/utility-scale, commercial and industrial markets. Power Energy also holds a controlling interest of 60.5% in Lumenpulse, a leading manufacturer of high-performance, specification-grade LED lighting solutions, and a 44.2% interest in Lion Electric, an all-electric truck and bus manufacturer in North America. As of December 31, 2019, Power Energy had invested $843 million in these companies. Lifeco also increased investments in the low-carbon economy, which in 2019 amounted to $3.87 billion in wind, solar and hydro renewable energy projects as well as purchases of Ontario and Québec green bonds. Furthermore, Lifeco also continued to grow its property and casualty reinsurance business, influenced by the economic growth driving the number of houses in areas prone to single events (e.g. hurricanes), changes in industry modelled locations, occurrence and severity of windstorms, and the availability of capital to support such risks. Our subsidiary IGM made strategic decisions to increase the number of funds addressing ESG and climate-related considerations. For example, IGM now offers mortgage products that provide mortgage insurance inducements for energy efficient homes. Further, clients are provided with the opportunity to invest in eligible IG Wealth Management and Mackenzie Investments' charitable giving funds where some of the organizations funded actively address climate change such as the David Suzuki Foundation, Nature Conservancy of Canada and the World Wildlife Fund. Furthermore, IGM made the strategic decision to establish the SRI Centre of Excellence at Mackenzie Investments, which plans to complete a new SRI product strategy that will include considerations of climate-related impacts in product design.
Supply chain and/or value chain	Yes	Climate-related risks and opportunities have influenced our group's supply chain / value chain strategies. For example, at Lifeco climate-related risks and opportunities have strengthened the company's approach to third-party services providers, who conduct investments on their behalf, to ensure the company integrates climate-related information into decision-making processes over the next three years. One of the substantive decisions Lifeco has made was to integrate climate-related information into their third-party service providers selection process to ensure they aligned with the company's expectations to have climate change topics embedded into their investee proxy voting and engagement process. For example, Irish Life's third parties have specific requirements to integrate climate-related information into their proxy voting and engagement processes as part of their risk assessment practices. By their focus on selecting high-quality investment firms as sub-advisors, IGM made the strategic decision to include climate risks and opportunities into Request for Proposal (RFP) and ongoing assessments. For example, in 2019, through IG Wealth Management, IGM made a strategic decision to require all sub-advisors to be PRI signatories by the end of 2019, committing them to integrate ESG factors, including climate-related information, into their investment analysis and decision-making process. As IGM implements the TCFD recommendations, climate change will continue to be a growing topic of consideration in the selection and management of sub-advisors.

Business area	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Investment in R&D	Evaluation in progress	Given the nature of our business as a financial services holding company, we do not typically invest in research and development. While our subsidiary Lifeco does conduct research into various emerging trends and the impacts on health and life insurance, including climate change, changing demographics and market conditions, they do not, however target any strategic investments in research and development related to their products and services broadly. Our subsidiary IGM's business strategy includes investing in research and development relating to the introduction of new products and services, which includes consideration of climate-related risks and opportunities for the short to medium term. For example, a strategic decision made in 2019 was to conduct a project to evaluate current investment practices of Mackenzie's various investment boutiques related to ESG more broadly but also to the integration of climate-related risks and opportunities. IGM also conducted research and solicited feedback from approx. 10,000 financial advisors in Canada to better understand the demand for impact investments. Much of the feedback focused on the importance of addressing climate change.
Operations	Yes	Within our operations, climate-related risks and opportunities have influenced our strategy with respect to our carbon emissions and reporting. At Power Corporation, we have made the decision to continue to strengthen our disclosure on climate-related risks and opportunities. In 2019, in addition to strengthening our climate-related disclosures on our website and through the CDP, we also made the decision to include additional language in our annual report related to sustainability risks. Our subsidiary Lifeco's climate-related risks and opportunities have influenced their strategy with respect to their carbon emissions as well as their corporate reporting and disclosures. Lifeco made the strategic decision to set a carbon emission reduction target to achieve a 27.3% reduction by 2025 and 50.4% reduction by 2036, based on a 2013 baseline. It also started to strengthen its strategy towards even greater energy efficiency to achieve its targets, including with respect to building equipment retrofits, data centre optimization and green building certifications such as BOMA BEST® and/or LEED®. Our subsidiary IGM invests in efficiencies in its corporate and regional offices to address potential energy cost increases associated with third-party suppliers from carbon pricing, while creating greener buildings and reducing costs in alignment with a reduction target of 40% of Scope 1 and 2 emissions by 2020 and 50% by 2036, based on a 2013 baseline. IGM made the strategic decision to invest in green building upgrades, including installing efficient heating and cooling systems, air handling units, information technology systems, LED lighting and motion sensors. In addition, the IG Wealth Management and Mackenzie head offices and IG Wealth Management region offices continue to be optimized to ensure space is being used efficiently and carbon emission are well-managed. Furthermore, since 2015, IGM has made the strategic decision to purchase green natural gas to match the annual conventional natural gas used at the IG Wealth Management and Mackenzie Investments head offices to further manage carbon impacts. This investment lowers the operational carbon emissions enabling IGM to exceed its 2020 goal, while also supporting the development of the renewable energy industry in Canada.

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that have been influenced	Description of influence
Revenues Direct costs Capital expenditures Acquisitions and divestments Access to capital Assets Liabilities	Revenues: While climate-related events do not pose any inherent risks or opportunity from a revenue standpoint that could be substantive to our group's business, we do consider potential revenue from climate-related products and investments. For example, at Power Corporation, our financial planning takes into consideration revenues from our investments in cleaner energy through our wholly owned subsidiary Power Energy. Our subsidiary Lifeco determined that while climate-related events do not pose any inherent risks or opportunity from a revenue standpoint that could be substantive to their business, they do consider potential revenue losses in our financial planning process in the context of our reinsurance business. Using robust weather models, Lifeco models peak perils at the worst locations to assess the likelihood, severity and velocity of extreme weather events, including windstorms, hurricanes and cyclones. The information enables the company to assess how much of a loss they will take, which in turn informs their pricing models. Based on this modelling of two worst-case scenarios, Lifeco determined it would not result in a substantive impact on its business. For example, Lifeco established reserves of $175 million for claims relating to losses from hurricanes Harvey, Irma and Maria did not result in a substantive impact to the business. Notably, these extreme weather events resulted in no significant losses in their other lines of business, including our other US operations, products, and services. Furthermore, Lifeco places contractual limits, which cap exposure on the portfolio. The company also renegotiates its reinsurance contracts annually, which enables them to revisit risk exposures and limits on an ongoing basis. Direct Costs: While climate related events do not pose any inherent risk or opportunity on our group's direct costs that could be substantive to our business, we do factor energy costs as part of our financial planning process. For example, at Power Corporation, we continued ongoing annual building upgrades and retrofits. Our major subsidiary, Lifeco, increased investments into more energy efficiency programs in corporate and investment properties, including building equipment retrofits, data centre optimization and green buildings, which align well with their Scope 1+2 GHG targets for Canadian properties to achieve a 27.3% GHG reduction by 2025 and a 50.4% reduction by 2036, based on a 2013 baseline year. As at year-end 2019, 92% of GWL Realty Advisor's eligible portfolio by floor area had green certifications. While these are important efficiency improvements, their energy spend is less than 1% of Lifeco's overall expenditures, and therefore these are not noticeable increases in their direct costs. At IGM, climate-related risks and opportunities have influenced direct costs in their 1-3-year financial planning processes. Specifically, financial planning related to direct costs has included: dedication of internal and external resources for reporting to CDP, PRI, and corporate reporting in alignment with the GRI, SASB and TCFD. It has also influenced direct costs related to hiring professional climate experts to advance TCFD recommendations, responsible investing, as well as initiatives to reduce carbon emissions in operations such as continuous building improvements, purchasing Bullfrog green natural gas, and purchasing the services of an energy data management company to measure and manage energy and emissions at their corporate properties and Investors Real Property Fund. Capital Expenditures: We have not identified any inherent climate related risks and opportunities that could be substantive to our business, and therefore have not had to factor them into capital expenditures as part of our financial planning process. For example, Lifeco has resilience built into the owned corporate properties, many of which are located in areas that have relatively lower exposure to climate-related extreme weather patterns.

Financial planning elements that have been influenced	Description of influence
	Acquisitions and Divestments: We have not identified any inherent climate-related risks or opportunities that could be substantive to our business, and therefore have not had to factor them into acquisitions and divestments as part of our financial planning process. Access to Capital: We have not identified any inherent climate-related risks or opportunities that could be substantive to our business, and therefore have not had to factor them into access to capital considerations as part of our financial planning process. It is important to note that together with our major subsidiaries, Lifeco and IGM, we engage with various organizations on climate-related requests and have been ranked highly for carbon management by independent third parties. Power Corporation has been responding to the CDP Climate Change Program for the past eight years. In addition, Lifeco has scored in the top quartile among its global industry peers on MSCI's "Climate Change Vulnerability Performance" ranking on its ESG Scorecard assessment, and its real estate subsidiary GWL Realty Advisors, which manages their corporate head offices and investment assets in Canada, has consecutively attained the highest, 'Green Star', ranking on the Global Real Estate Sustainability Benchmark (GRESB), for the past three years. We believe this performance has enhanced our positioning from a reputational standpoint and possibly indirectly strengthened investor confidence for Power Corporation and its group companies. Assets: While climate related events do not pose any inherent risk or opportunity on our assets that could be substantive to our business, we may sometimes factor climate-related opportunities as part of our financial planning process through a consideration of investments into cleaner energy. For example, in 2019, Great West Life's Private Debt Investments group in Canada invested over $3.87 billion in renewable energy projects, which included wind, solar, and hydro energy projects. However, with less than 1% of our overall asset value tied to investments in the clean energy markets, the growth opportunities are currently not considered substantive to the financial or strategy impact on the business. Liabilities: Lifeco has not identified any inherent climate-related risks or opportunities that could be substantive to its business, and therefore have not had to factor in potential climate-related liabilities into its financial planning.

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities

(C-FS3.2a) In which policies are climate-related issues integrated?

Portfolio	Type of policy	Portfolio coverage of policy	Description
Investing (Asset owner)	Sustainable/ Responsible Investment Policy Proxy Voting Policy	All of the portfolio	As an asset owner, climate-related issues are integrated through our group companies' Responsible Investment Policies. At Power Corporation, we have integrated climate-related issues into the Corporate Social Responsibility Statement, through our commitment to incorporate environmental, social and governance factors into the investment analysis process and active ownership approach. Our major subsidiary Lifeco formalized its Sustainable Investment Policy Statement, which expresses the principles and commitments relevant to the incorporation of Environmental, Social and Governance (ESG) considerations into its investment processes, decision-making, and ownership practices, including with respect to climate change factors. The coverage of the policy has been identified in the Policy Statement, which indicates it applies to all Lifeco subsidiary operating companies and investment management affiliates, and to the investment processes for both direct investments by the Lifeco and investment products. Lifeco also formalized sustainability (and specifically climate change risks) into its Enterprise Risk Management Framework, which applies to the entire portfolio. In doing so, the policies, processes and controls now explicitly incorporate climate change risk considerations across all risk types.
Investing (Asset manager)	Sustainable/ Responsible Investment Policy Proxy Voting Policy	Majority of the portfolio	As an asset manager, climate-related issues are integrated through our group companies' Responsible Investment Policies. For example, Lifeco's major investment affiliates, including GLC Asset Management, Irish Life Investment Managers, and Putnam Investments, have integrated climate-related issues into their sustainable / responsible investment policies. Their signatory status with the United Nations-led Principles for Responsible Investment (UN PRI) supports their respective policies towards ESG considerations, including with respect t to climate change, in their investment processes. IGM is committed to incorporating material ESG issues into their investment process across all of our assets under management (100% of AUM). Each internal investment team or external sub-advisor is responsible for how they integrate climate issues into their processes. Overall, the responsible investment policies center on: **Active ownership:** This includes engagement with company management and proxy voting, which are important value-added practice within the investment process.

			Integration of ESG criteria in investment analysis and decision-making processes: ESG factors, including climate change, are considered as part of the investment process. The relative importance of the ESG factors varies across industries, geography and time. In analyzing the risks of each investment, our investment management team looks to identify, monitor and mitigate ESG risks and opportunities that are, or could become material to long-term performance. In addition to integrating ESG factors into our mainstream investing practices, we also employ screening and thematic investment strategies for some of our accounts and manage exclusions for our institutional clients to address their unique ESG needs. **Divestment only in exceptional circumstances:** IGM generally adopts a policy of engagement over divesting a holding. This approach is consistent with its responsibility as it does not reduce the investable universe and does not risk a negative impact on returns by divesting large ownership positions. Selling an investment for ESG reasons alone is an option of last resort. At IG Wealth Management, the Responsible Investing policy is carried out through selection and monitoring of all sub-advisors. ESG topics are covered in the Due Diligence questionnaire, including requests for specific climate-related information. At Mackenzie Investments, the Responsible Investment policy pertains to the investment activities undertaken by the 14 boutique teams. Climate change is a priority ESG topic that is incorporated when it is a material matter to the investee company. The determination of the portfolio coverage of the respective policies is based on the fact that these policies apply to all our major subsidiaries where there is an asset manager role, thereby representing a majority of the portfolio.
Insurance underwriting (Insurance company)	Insurance underwriting policy	Majority of the portfolio	Our major subsidiary Lifeco has integrated climate-related considerations into their insurance underwriting policies, which includes requirements to conduct scenario modelling on climate-related events and the impact on their entire reinsurance business. These insurance-underwriting policies require Lifeco to model peak perils at the worst locations to assess the likelihood, severity and velocity of extreme weather events, including windstorms, hurricanes and cyclones. The information from these scenario models enables them to assess how much of a loss they will take, which in turn informs pricing models. The determination of the portfolio coverage of the respective policies is based on the fact they apply to all of Lifeco's reinsurance business where there is an insurance underwriting role, thereby representing a majority of the portfolio.

(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?

Process for factoring climate-related issues into external asset management selection	Comment
• Review asset manager's climate-related policies • Assessment of asset manager's climate-related performance • (e.g. active ownership, proxy voting records, under-weighting in high impact activities)	Our major subsidiaries Lifeco and IGM include climate-related considerations into their external asset manager selection process. For example, at Lifeco, climate-related considerations are included as part of the selection process for external managers, who are required to have clear policies that align with Lifeco ESG principles, including with respect to climate change. In addition, through Lifeco's major investment affiliates, including GLC Asset Management, Irish Life Investment Managers, and PanAgora Investments, external manager selection is undertaken through detailed due diligence assessments that cover ESG factors broadly, including specific climate-related criteria. At IGM's subsidiaries, IG Wealth Management and Investment Planning Counsel offer investment funds to their retail clients which are managed by high-quality external investment managers (sub-advisors). As a result, their role is to monitor and evaluate the responsible investing practices of these sub-advisors, including their incorporation of climate issues. IG Wealth Management requests all managers to provide ESG related policies, accountability structures and specific metrics and examples through the RFI and Due Diligence processes, with specific reference to climate change. The responsibility lies with their external managers to manage the oversight and implementation of ESG integration and active management with the issuers. At Investment Planning Counsel, a pooled engagement service provider is used to work with companies to enhance corporate behaviour and strategy related to topics including climate change.

Carbon Disclosure Project 2020

C4

Targets and performance

POWER CORPORATION OF CANADA

C4 Targets and performance

Emissions targets

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number	Year target was set	Target coverage	Scope(s) (or Scope 3 category)	Base year	Covered emissions in base year (metric tons CO_2e)	Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)	Target year	Targeted reduction from base year (%)	Covered emissions in target year (metric tons CO_2e)	Covered emissions in reporting year (metric tons CO_2e)	% of target achieved	Target status in reporting year	Is this a science-based target?	Please explain (including target coverage)
Abs1 - Power Corporation	2012	Company-wide	Scope 1+2 (location-based)	2011	74.13	0.13%	2020	8.00%	68.20	29.20	757%	Achieved	No, but we anticipate setting one in the next 2 years	This target relates to the Scope 1 and 2 emissions of Power Corporation, covering our GHG emissions from electricity and natural gas at our head office properties. The reduction achieved to date were mainly driven by emission reduction activities related to LED lighting and building equipment upgrades. Please note that the reduction since 2011 is 60.6%, which divided by our reduction target of 8% yields a 757% achieved reduction.
Canadian Head Office and Investment Properties (Abs 2 Lifeco)	2013	Country/region	Scope 1+2 (location-based)	2013	22,312.04	37.89%	2025	27.3%	16,220.85	19,478.02	46.5%	Underway	No, but we anticipate setting one in the next 2 years	This target (2013-2025) applies to Scope 1 and 2 emissions for Lifeco's owner-occupied and investment properties in Canada. The target excludes Scope 1 + 2 GHG emissions associated with corporate jet fuel use, backup generator diesel fuel use, and refrigerants. The target includes emissions associated with property-level electricity, natural gas, and steam consumption at its corporate head office and investment properties. The reductions achieved to-date (46.5%) towards target completion) are in part due to emissions reduction activities (e.g. energy efficiency focused retrofits and behavioural changes) at Lifeco's corporate head office and investment properties in scope for this target.

Target reference number	Year target was set	Target coverage	Scope(s) (or Scope 3 category)	Base year	Covered emissions in base year (metric tons CO_2e)	Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)	Target year	Targeted reduction from base year (%)	Covered emissions in target year (metric tons CO_2e)	Covered emissions in reporting year (metric tons CO_2e)	% of target achieved	Target status in reporting year	Is this a science-based target?	Please explain (including target coverage)
Canadian Head Office and Investment Properties (Abs 3 Lifeco)	2013	Country/ region	Scope 1+2 (location-based)	2013	22,312.04	37.89%	2036	50.4%	11,066.77	19,478.02	25.2%	Underway	No, but we anticipate setting one in the next 2 years	This target (2013-2036) applies to Scope 1 and 2 emissions for Lifeco's owner-occupied and investment properties in Canada. The target excludes Scope 1 + 2 GHG emissions associated with corporate jet fuel use, backup generator diesel fuel use, and refrigerants. The target includes emissions associated with property-level electricity, natural gas, and steam consumption at its corporate head office and investment properties. The reductions achieved to-date (25.2%) towards target completion) are in part due to emissions reduction activities (e.g. energy efficiency focused retrofits and behavioural changes) at Lifeco's corporate head office and investment properties in scope for this target.
Abs4 IGM	2015	Company-wide	Scope 1+2 (market-based)	2013	2,331	100%	2020	40%	1,398.6	840	159%	Achieved	No, but we anticipate setting one in the next 2 years	This target (2013-2020) applies to IGM's Scope 1 and 2 emissions in Canada, which includes property-level electricity, natural gas, jet fuel, back-up diesel, and refrigerants consumption at its corporate head office. Once the Science Based Organization Targets Initiative methodology for financial services companies is established, IGM will be exploring the application to its business.
Abs5 IGM	2015	Company-wide	Scope 1+2 (market-based)	2013	2,331	100%	2036	50%	1,165.5	840	127.9%	Achieved	No, but we anticipate setting one in the next 2 years	This target (2013-2036) applies to IGM's Scope 1 and 2 emissions in Canada, which includes property-level electricity, natural gas, jet fuel, back-up diesel, and refrigerants consumption at its corporate head office. Once the Science Based Organization Targets Initiative methodology for financial services companies is established, IGM will be exploring the application to its business.

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number	Year target was set	Target coverage	Target type: absolute or intensity	Target type: energy carrier	Target type: activity	Target type: energy source	Base year	Figure or % in base year	Target year	Figure or % in target year	Figure or % in reporting year	% of target achieved	Target status in reporting year	Is this target part of an emissions target?	Is this target part of an overarching initiative?	Please explain (including target coverage)
Low1 IGM	2015	Company-wide	Absolute	Heat	Consumption	Renewable energy source(s) only	2013	0%	2020	80%	100%	125%	Achieved	Since IGM's owned office building is located in Manitoba, hydroelectricity is almost zero emissions, therefore natural gas is the main focus of this target to reduce Scope 1 and 2 GHG emissions by 40% by 2020 and 50% by 2036.	No, it's not part of an overarching initiative	Our subsidiary IGM accomplished this goal through an agreement with Bullfrog Power to purchase green natural gas from a unique methane capture project situated on a Canadian landfill. The gas is injected into the Canada-wide pipeline system and IGM receives a renewable energy credit. This process is audited and verified annually by Deloitte. Not only does this partnership significantly reduce IGM's greenhouse gas emissions footprint, it supports the development of the green energy industry across Canada. Target is for 80% of natural gas used in IGM's owned property (Scope 1) to be renewable by 2020. Target was achieved in 2019, with 100% achievement (5,188 MWH).

Emissions reduction initiatives

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO_2e savings.

Stage of development	Number of initiatives	Total estimated annual CO_2e savings in metric tons CO_2e (only for rows marked *)
Under investigation	40	
To be implemented*	13	311
Implementation commenced*	2	87
Implemented*	7	459.4
Not to be implemented	2	

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category	Initiative type	Estimated annual CO_2e savings (metric tons CO_2e)	Scope(s)	Voluntary/ Mandatory	Annual monetary savings (unit currency – as specified in C0.4)	Investment required (unit currency – as specified in C0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency in buildings	Lighting	0	Scope 2 (location-based) Scope 2 (market-based)	Voluntary	3,600	166,000	>25 years	> 30 years	This initiative relates to our major subsidiary, IGM, with respect to converting a portion of their owned office building to LED lighting combined with daylight harvesting sensors.
Other	Other: lease space consolidation	330.35	Scope 3	Voluntary	0	0	No payback	> 30 years	This initiative relates to our major subsidiary, IGM, with respect to the more efficient use of leased office space across Canada, including transitioning to high quality facilities.
Energy efficiency in buildings	Lighting	23	Scope 2 (location-based)	Voluntary	102,000	365,000	4-10 years	6-10 years	This initiative relates to our major subsidiary Lifeco's lighting retrofit to LED for base building.
Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)	50	Scope 1 Scope 2 (location-based)	Voluntary	0	1,424,255	No payback	11-15 years	This initiative relates to our major subsidiary Lifeco's in-suite heat pump replacements, hot water tank retrofit, and lighting retrofits at multi-residential properties. Payback period not determinable.
Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)	56	Scope 1 Scope 2 (location-based)	Voluntary	43,300	48,900	1-3 years	3-5 years	This initiative relates to our major subsidiary Lifeco's modifying operation of HVAC supply fan.

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other	As part of Power Corporation's commitment to continuously reduce its limited carbon and energy impacts, a number of building upgrades and retrofits are conducted annually.
Dedicated budget for energy efficiency	Lifeco has a dedicated budget for energy efficiency projects. Each year, an investigation is made into possible energy efficiency projects. The dedicated budget will vary based on the type of projects, return on investment, and overall positive sustainability impact (e.g. GHG emissions reduction potential). In 2019, Lifeco dedicated over CA$10 million to energy efficiency-focused projects within its international owner-occupied and investment property portfolio. While significant investments were made in energy efficiency-related projects, only some of these projects had emission reductions accounted for and reported.
Financial optimization calculations	Financial optimization calculations are conducted on a project-by-project basis by asset management and property management teams for major capital expenditures at Lifeco's corporately owned properties as well as all investment (segregated fund) properties managed by its subsidiary GWL Realty Advisors.
Employee engagement	Employee engagement is a core component of Lifeco's sustainability strategy. In 2019, Lifeco continued to expand the mandate of its Corporate Properties Sustainability Working Group (CPSWG) and included teams from international owner-occupied properties. The Working Group, consisting of experienced property management and building operations employees, helps to direct sustainability initiatives with a particular focus on greenhouse gas (GHG) reductions at its corporate properties. So far, the Working Group has concentrated on retrofits focusing on energy, water and waste reduction, and the sharing of best practices and strategies among its facilities. The Working Group also helps coordinate environment-themed employee engagement activities, such as its participation in the longstanding Earth Day and Earth Hour events. Additionally, sustainability initiatives that can lead to emission reductions at the corporate level are run throughout the year, including energy awareness programs, waste reduction initiatives (e.g. paper use reduction), and the promotion of sustainable commuting strategies.
Other	At IGM, an annual dedicated budget exists for building improvements, including energy efficiency projects, such as equipment replacements for boilers, lighting, air handling and HVAC systems.

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation	Description of product/ Group of products	Are these low-carbon product(s) or do they enable avoided emissions?	Taxonomy, project, or methodology used to classify product(s) as low-carbon or to calculate avoided emissions	% revenue from low-carbon product(s) in the reporting year	% of total portfolio value	Asset classes/ product types	Comment
Group of products	Property management services through Lifeco's subsidiary GWL Realty Advisors.	Low carbon product	Other: Green buildings (e.g., LEED/BOMA BEST)	1%	1%	Real estate / property	Through Lifeco's subsidiary GWL Realty Advisors, select assets under management have been certified as green buildings under LEED® certifications and/or BOMA BEST® certifications. Furthermore, GWL Realty Advisors is working with building owners and tenants in their office and multi-residential portfolio to minimize the carbon footprint of these assets by prudently managing their overall environmental impact.

Level of aggregation	Description of product/ Group of products	Are these low-carbon product(s) or do they enable avoided emissions?	Taxonomy, project, or methodology used to classify product(s) as low-carbon or to calculate avoided emissions	% revenue from low-carbon product(s) in the reporting year	% of total portfolio value	Asset classes/ product types	Comment
Group of products	Through Lifeco's subsidiary Putnam Investments – Sustainable Investing Funds: 1) Sustainable Future Fund 2) Sustainable Leaders Fund	Low carbon products	Other: Putnam offers two sustainable focused equity funds.	1%	1%	Investin g: Listed Equity	Putnam offers two sustainability focused equity funds, with a focus on environmental, social and governance performance of which climate change is a component. Putnam Sustainable Leaders Fund invests in companies with a dedication to leadership in financially material sustainable business practices, including their environmental impact and overall climate risk and opportunities. Putnam Sustainable Future Fund invests in solutions-oriented companies dedicated to solving our biggest global sustainability challenges, including climate risk and opportunities. The ESG issues Putnam looks at are based on those issues that are material and relevant to the specific sector, geography, asset class, and company. Putnam considers ESG issues with a common sense, investment-relevant, forward-looking focus. When Putnam's Sustainable Investing Team assesses potential investments in carbon-intensive sectors, one element of the analysis is measuring carbon intensity, the ratio of carbon emissions (Scope 1 and 2) to revenues, which normalizes for company size. However, Putnam does not explicitly screen out or exclude energy or utility companies which often have a higher carbon intensity. When Putnam assesses potential investments in carbon-intensive sectors, a key consideration is their analysis for the future rate of change in those metrics and the magnitude of improvement that they expect given individual company strategies.

Level of aggregation	Description of product/ Group of products	Are these low-carbon product(s) or do they enable avoided emissions?	Taxonomy, project, or methodology used to classify product(s) as low-carbon or to calculate avoided emissions	% revenue from low-carbon product(s) in the reporting year	% of total portfolio value	Asset classes/ product types	Comment
Group of products	IGM's subsidiary Mackenzie Global Environmental Equity Fund, Mackenzie Global Leadership Fund and ETF, and Maximum Diversification Funds and ETFs	Low-carbon product and avoided emissions	Other: Mackenzie Global Environmental Equity Fund invests in the low carbon transition. The Maximum Diversification funds and ETFs optimize to 20% less carbon. The Mackenzie Global Leadership Impact Fund and ETF exclude direct fossil fuel investment.	0.7%	0.7%	Investin g: Listed Equity	N/A

Carbon Disclosure Project 2020

C5

Emissions methodology

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C5 Emissions methodology

Base year emissions

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope	Base year start	Base year end	Base year emissions (metric tons CO_2e)	Comment
Scope 1	January 1, 2013	December 31, 2013	26,781.69	
Scope 2 (location-based)	January 1, 2013	December 31, 2013	41,328.85	
Scope 2 (market-based)	January 1, 2013	December 31, 2013	41,328.85	

Emissions methodology

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

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C6

Emissions data

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C6 Emissions data

Scope 1 emissions data

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO_2e?

Year	Gross global Scope 1 emissions (metric tons CO_2e)	Start date	End date	Comment
Reporting year	26,136.40	01/01/2019	31/12/2019	

Scope 2 emissions reporting

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	

Scope 2 emissions data

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO_2e?

Year	Scope 2, location-based	Scope 2, market-based (if applicable)	Start date	End date	Comment
Reporting year	31,120.52	31,120.52	01/01/2019	31/12/2019	We are reporting both location-based and market-based Scope 2 emissions, however our subsidiary Lifeco does not have operations where they are able to access electricity supplier-specific emission factors or residual emission factors and are unable to report a Scope 2, market-based figure. Given that we have no renewable energy credits (REC) purchases, our overall market-based and location-based Scope 2 emissions are the same.

Exclusions

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

Scope 3 emissions data

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Scope 3 category	Evaluation status	Metric tons CO_2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Please explain
Purchased goods and services	Not relevant, calculated	2,538.50	Weight of paper purchased was multiplied by appropriate emission factors based on % post-consumer content.	100.00%	These emissions relate to the procurement of office paper for Great-West Life corporate properties. Emissions are calculated based on the volume of paper products used by Great-West Life employees.
Capital goods	Not relevant, explanation provided		N/A	N/A	Given the nature of our business, we do not consider capital goods to contribute significantly to our total Scope 3 emissions.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided		N/A	N/A	These emissions are from diesel and kerosene fuel used in IGM's operations (excluding Scope 1 emissions) as well as from the production of Lifeco's office buildings, assets, and infrastructure. When considered in the context of the Scope 3 emissions from our investments, these emissions are considered to be immaterial.
Upstream transportation and distribution	Not relevant, calculated	244.23	Cubic meters of water used by building was multiplied by 1.276 kWh/m^3 and then multiplied by appropriate electricity emissions factor to represent electricity required to distribute the water.	80.37%	These emissions relate to the transportation and distribution of water that Lifeco purchases for its corporate buildings as well as that purchased for the IGM Head Office. Given the nature of our business, we do not consider upstream transportation and distribution to contribute significantly to our total Scope 3 emissions.

Scope 3 category	Evaluation status	Metric tons CO_2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Please explain
Waste generated in operations	Not relevant, calculated	5,396.14	Weight of landfill waste was multiplied by country specific emissions factors. Waste to energy was multiplied by country specific emissions factors. Waste to energy and landfill waste emissions were combined.	79.00%	This includes emissions related to the waste generated by the corporate properties of Power Corporation, Lifeco, IGM and Square Victoria Real Estate. Given the nature of our business, we do not consider waste generated in operations to contribute significantly to our total Scope 3 emissions.
Business travel	Relevant, calculated	14,943.20	Distance traveled and/or litres of fuel used were multiplied by country-specific emissions factors.	98.97%	This includes emissions generated from both air and ground business travel for Power Corporation, Lifeco and IGM. Given the nature of our business, we do not consider business travel to contribute significantly to our total Scope 3 emissions.
Employee commuting	Not relevant, explanation provided		N/A	N/A	This includes travel by our employees, such as bus, rail and automobile. Given the nature of our business, we do not consider employee commuting to contribute significantly to our total Scope 3 emissions.
Upstream leased assets	Relevant, calculated	10,367.68	Energy, water and waste data collected from leased properties was multiplied by appropriate emissions factors provided by Environment Canada, National Inventory Report, 1990–2017.	49.00%	Upstream leased assets are outside of our financial and operational control. These emissions are associated with Lifeco, IGM external (third-party managed) field offices and leased areas, and Power Corporation's leased offices.
Downstream transportation and distribution	Not relevant, explanation provided		N/A	N/A	Given the nature of our business, we do not consider downstream transportation and distribution to contribute significantly to our total Scope 3 emissions.

Scope 3 category	Evaluation status	Metric tons CO_2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Please explain
Processing of sold products	Not relevant, explanation provided		N/A	N/A	Given the nature of our business, we do not process products for sale.
Use of sold products	Not relevant, explanation provided		N/A	N/A	We do not sell products in our business where the use of sold products would be relevant.
End of life treatment of sold products	Not relevant, explanation provided		N/A	N/A	We do not sell products in our business where end of life treatment would be relevant.
Downstream leased assets	Not relevant, explanation provided		N/A	N/A	The operation of assets that are owned by Power Corporation and Lifeco (acting as lessors) and leased to other entities in the reporting year are already included in Scope 1 or Scope 2.
Franchises	Not relevant, explanation provided		N/A	N/A	We do not own any franchises.
Other (upstream)	Not relevant, explanation provided		N/A	N/A	No other upstream emissions are considered material.
Other (downstream)	Not relevant, explanation provided		N/A	N/A	No other downstream emissions are considered material.

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO_2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure	Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO_2e)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change	Reason for change
0.000001172	57,256.93	Unit total revenue	48,841,000,000	Location-based	5.68%	Increased	Power Corporation revenues increased by 1.54% and year-over-year GHG emissions increased by 7.3% due to a combined increase in natural gas, refrigerant and aviation fuel emissions of 2,399 tCO_2e and a combined increase in electricity and steam emissions of 1,616 tCO_2e.
2.16	57,256.93	Full time equivalent (FTE) employee	26,559	Location-based	6.61%	Increased	Employee count at Power Corporation increased by 0.7% and year-over-year GHG emissions increased by 7.3% due to a combined increase in natural gas, refrigerant and aviation fuel emissions of 2,399 tCO_2e and a combined increase in electricity and steam emissions of 1,616 tCO_2e.
0.01	57,256.93	Square foot	10,596,853	Location-based	6.62%	Increased	Power Corporation's square footage increased by 0.9% and year-over-year GHG emissions increased by 7.3% due to a combined increase in natural gas, refrigerant and aviation fuel emissions of 2,399 tCO_2e and a combined increase in electricity and steam emissions of 1,616 tCO_2e.

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Project
2020

C7

Emissions breakdown

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C7 Emissions breakdown

Emissions performance

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Reason	Change in emissions (metric tons CO_2e)	Direction of change	Emissions value (%)	Please explain calculation
Change in renewable energy consumption	-117.54	Decreased	-0.22%	In 2019, we decreased our Scope 1 and 2 emissions by 0.22% due to a decrease in the amount of renewable energy purchased for the IGM Head Office. As a result, Scope 1 and 2 emissions were reduced by 118 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 0.22% decrease. The calculation is as follows: (-118/53,355)*100 = -0.22%
Other emissions reduction activities	-561.78	Decreased	-1.05%	In 2019, we decreased our Scope 1 and 2 GHG emissions by 1.05% due to decreased vehicle travel by Irish Life employees (48 t tCO_2e), a lighting retrofit in the IGM Head Office (0.05 tCO_2e) and reduced aviation mileage (515 tCO_2e). As a result, Scope 1 and 2 emissions were reduced by 562 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 1.05% decrease. The calculation is as follows: (-562/53,355)*100 = -1.05%
Divestment		No change		
Acquisitions		No change		
Mergers		No change		

Reason	Change in emissions (metric tons CO_2e)	Direction of change	Emissions value (%)	Please explain calculation
Change in output	634.00	Increased	1.19%	In 2019, we increased our Scope 1 and 2 GHG emissions by 1.19% due to an increase in business travel. As a result, Scope 1 and 2 emissions were increased by 634 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 1.19% increase from business travel. The calculation is as follows: (634/53,355)*100 = 1.19%.
Change in methodology	-89.14	Decreased	-0.17%	In 2019, we decreased our Scope 1 and 2 GHG emissions by 0.17% from a change in emission factors. As a result, Scope 1 and 2 emissions were reduced by 89 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 0.17% decrease from emission factors. The calculation is as follows: (-89/53,355)*100 = -0.17%.
Change in boundary		No change		
Change in physical operating conditions	494.44	Increased	0.93%	In 2019, we increased our Scope 1 and 2 GHG emissions by 0.93%, resulting from weather and occupancy changes. As a result, Scope 1 and 2 emissions were increased by 494 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 0.93% increase from weather and occupancy changes. The calculation is as follows: (494/53,355)*100 = 0.93%
Unidentified	2413.84	Increased	4.52%	In 2019, we increased our Scope 1 and 2 GHG emissions by 4.52%, resulting from unidentified changes. As a result, Scope 1 and 2 emissions increased by 2414 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 4.52% increase from unidentified changes. The calculation is as follows: (2,414/53,355)*100 = 4.52%.
Other	1128.13	Increased	2.11%	In 2019, we increased our Scope 1 and 2 GHG emissions by 2.11%, resulting from an increase in the use of diesel & refrigerant top-ups. As a result, Scope 1 and 2 emissions increased by 1128 tCO_2e. We divided this number by 53,355 (the total Scope 1 and 2 emissions in 2018) to achieve an overall 2.11% increase. The calculation is as follows: (1128/53,355)*100 = 2.11%.

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

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2020

C8

Energy

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C8 Energy

Energy spend

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

Energy-related activities

(C8.2) Select which energy-related activities your organization has undertaken.

Activity	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Activity	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable + non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV	5,188.38	116,662.03	121,850.41
Consumption of purchased or acquired electricity		119,603.14	52,897.99	172,501.13
Consumption of purchased or acquired steam		10,314.18	371.50	10,685.69
Total energy consumption		135,105.70	169,931.52	305,037.22

Carbon Disclosure Project 2020

C9

Additional metrics

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C9 Additional metrics

Other climate-related metrics

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description	Metric value	Metric numerator	Metric denominator (intensity metric only)	% change from previous year	Direction of change	Please explain
Lifeco Landfill Waste	4825.27	tCO_2e		51.94%	Increase	Landfill waste from Lifeco's corporate properties increased by 1,650 tCO_2e between 2018 and 2019.
Other: Lifeco Segregated Fund Properties	89774.81	tCO_2e		1.46%	Increase	Emissions from Lifeco's Canadian Segregated Fund properties increased by 1,293 tCO_2e between 2018 and 2019. This was due to increases in natural gas usage (296 tCO_2e), landfill waste (1045 tCO_2e) and steam (63 tCO_2e). These increases occurred despite a combined reduction of 112 tCO_2e from electricity, water and waste to energy.
Other: Lifeco Leased Properties	4470.36	tCO_2e		-6.23%	Decrease	Emissions from Lifeco's Canadian Leased properties decreased by 297 tCO_2e, due to decreases in natural gas and electricity emissions (893 tCO_2e), while landfill waste, steam and water showed a combined increase of 595 tCO_2e.
Other: Lifeco Water	244.17	tCO_2e		4.50%	Increase	Water emissions from Lifeco's Canadian Corporate and International properties increased by 11 tCO_2e between 2018 and 2019.
Other: Lifeco Business Travel	12462.18	tCO_2e		-9.07%	Decrease	Lifeco's business travel emissions were reduced by 1243 tCO_2e, mostly due to decreases in air travel (730 tCO_2e) and reimbursed mileage (487 tCO_2e).
Other: Lifeco Paper	2538.50	tCO_2e		-52.66%	Decrease	Lifeco's paper emissions were reduced by 2823 tCO_2e between 2018 and 2019 due to a decrease in paper usage at Canadian Corporate offices.

Description	Metric value	Metric numerator	Metric denominator (intensity metric only)	% change from previous year	Direction of change	Please explain
Lifeco Energy Usage	259766299.87	KWH		3.39%	Increase	Lifeco's absolute energy usage in the corporate properties increased by 8,506 MWH between 2018 and 2019. This was largely due to increases in natural gas usage of 5,654 MWH, steam of 1,497 MWH, and jet fuel of 2,066 MWH.
Lifeco Energy Usage	26.13	KWH	ft^2	2.44%	Increase	As a result of increases in natural gas and steam usage (primarily), energy intensity in the Lifeco Corporate properties increased by 2.4% or 0.62 kWh/ft^2 between 2018 and 2019.
Other: Lifeco Water Use	654964.51	m^3		6.49%	Increase	Lifeco's water consumption increased by 39,942 m^3 between 2018 and 2019 as a result of a 7.6% increase in Empower Retirement/Putnam consumption, a 6.6% increase in Canadian Corporate consumption, a 22.9% increase in EverWest consumption, a 1.4% increase in Canada Life UK consumption, and a 3.9% increase in Irish Life's water usage.
Other: Lifeco Water Use Intensity	0.07	m^3	ft^2	5.52%	Increase	Lifeco's water Use Intensity increased by 0.003 m^3/ft due to an increase in overall area of 0.9% and an increase in consumption across all corporate portfolios.
Other: Lifeco Landfill Waste	2356.90	Metric tonnes		52.22%	Increase	Lifeco's landfill waste generation increased by 809 metric tonnes between 2018 and 2019, due primarily to increases from the Canadian Corporate properties of 548.3 tonnes and the Empower Retirement/Putnam properties of 238.8 tonnes.
Other: Lifeco Waste to Energy	286.80	Metric tonnes		-49.95%	Decrease	Lifeco's waste to energy generation decreased by 286 metric tonnes between 2018 and 2019, due to a decrease from the Canadian Corporate Properties of 238.9 tonnes and a combined reduction from the UK and Ireland properties of 47.4 tonnes.
Other: Lifeco Waste Diversion Rate	59	Percent		-0.33%	Decrease	Lifeco's waste diversion rate decreased slightly between 2018 and 2019 due to an increase in overall recycling of 717 tonnes and a decrease in total waste of 522 tonnes.

Description	Metric value	Metric numerator	Metric denominator (intensity metric only)	% change from previous year	Direction of change	Please explain
IGM Waste	119.03	tCO_2e		9.64%	Increased	Waste generation from the IGM Head Office increased by 10 tCO_2e between 2018 to 2019 (emissions were 109 tCO_2e in 2018). With the consolidation of IGM’s Winnipeg head offices, an increased number of people occupy their owned office space, therefore increasing the waste produced.
Other: IG Real Property Fund	77556.30	tCO_2e		5.03%	Increased	Emissions from the Investors Real Property Fund portfolio increased by 3,711 tCO_2e between 2018 to 2019, largely due to an increase in electricity emissions (2,243 tCO_2e), mainly from new buildings reaching full capacity.
Other: IGM Leased Properties	5850.18	tCO_2e		-4.75%	Decreased	Emissions from IGM's leased portfolio decreased by 292 tCO_2e between 2018 to 2019, largely due to a decrease in electricity emissions (272 tCO_2e).
Other: IGM Water	0.06	tCO_2e		-6.07%	Decreased	Water emissions from IGM's Head Office decreased by 0.004 tCO_2e between 2018 to 2019.
Other: IGM Business Travel	2264.88	tCO_2e		-2.74%	Decreased	IGM's business travel emissions decreased by 64 tCO_2e from 2018 to 2019, due to a decrease in employee commercial air travel requirements.
Power Corporation Waste	387	tCO_2e		5.8%	Increase	Waste from Power Corporation’s corporate office increased by 21 tCO_2e in 2019 due to an increase in waste generation at 7 Saint Jacques & 750 Saint-Laurent.
Other: Power Corporation Leased Properties	55	tCO_2e		-12.6%	Decrease	Emissions from Power Corporation’s leased offices decreased by 8 tCO2e between 2018 and 2019 due to a decrease in natural gas, chilled water & water usage.
Other Power Corporation Corporate Air Travel	216	tCO_2e		33.5%	Increase	Power Corporation's corporate travel emissions increased by 54 tCO_2e between 2018 and 2019 due to a reduction in medium- & long-haul travel.

Carbon Disclosure Project

2020

C10

Verification

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C10 Verification

Verification

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

Scope	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions and attach the relevant statements.

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement Page/section reference	Relevant standard	Proportion of reported emissions verified (%)
Annual process	Complete	Limited assurance	Available on the CDP database	ISO14064-3	100%

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement Page/ section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 2 location-based	Annual process	Complete	Limited assurance	Available on the CDP database	ISO14064-3	100%

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement Page/ section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 3: Waste generated in operations	Annual process	Complete	Limited assurance	Available on the CDP database	ISO14064-3	99%
Scope 3: Business travel	Annual process	Complete	Limited assurance	Available on the CDP database	ISO14064-3	17%
Scope 3: Investments	Annual process	Complete	Limited assurance	Available on the CDP database	ISO14064-3	56%

Other verified data

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.
C6. Emissions data	Year on year change in emissions (Scope 2)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.
C6. Emissions data	Change in Scope 3 emissions against a base year (not target related)	ISAE 3410	PwC verified the year on year change in emissions for Scope 1, Scope 2, and Scope 3. See attached PwC Assurance Statement.

Carbon Disclosure Project 2020

C11

Carbon pricing

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C11 Carbon pricing

Project-based carbon credits

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tons CO_2e)	Number of credits (metric tons CO_2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit purchase	Landfill gas	Integrated Gas Recovery Services Inc. (IGRS) operates the IGRS Essex-Windsor Regional Landfill Gas Capture and Destruction Project, a facility designed for the collection and flaring of landfill gas (LFG) originating at the Essex-Windsor Regional Landfill.	Other: CSA Group Supply	1,166.67	1,166.67	Yes	Voluntary Offsetting

Internal price on carbon

(C11.3) Does your organization use an internal price on carbon?

Yes

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price	GHG Scope	Application	Actual price(s) used (currency/ metric ton)	Variance of price(s) used	Type of internal carbon price	Impact & implication
Navigate GHG regulations Stakeholder expectations	Scope 1 Scope 2	The price is applied to all Lifeco owner-occupied and investment properties in Canada through its subsidiary GWL Realty Advisors.	20	Prices used vary from \$20/tonne CO_2e to a high-end (hypothetical scenario) of \$210/tonne CO_2e. The GHG emissions inventory report for GWL Realty Advisors includes forward-looking carbon pricing assessments based on the government of Canada's commitment to carbon pricing (Bill C-74, or the Greenhouse Gas Pollution Pricing Act). The assessment includes analysis of forward-looking carbon pricing in Canada, which begins at \$20 per tonne CO_2e in 2019 and will rise by \$10 per tonne to \$50 per tonne of CO_2e by 2022. More specifically, Carbon tax/pricing implications on utility costs: Expected 2021 carbon costs of \$40/tonne CO_2e, Expected 2022 carbon costs of \$50/tonne of CO_2e, and Carbon tax/pricing implications on utility costs. Additionally, the forward-looking carbon pricing analysis (transition risk assessment) includes a scenario of pricing at \$210/tonne CO_2e by 2030, which Canada's Ecofiscal Commission has recommended for the emissions and energy targets to be achieved.	Shadow price Implicit price	GWL Realty Advisors, a wholly-owned asset management subsidiary of Lifeco, uses carbon prices for informational purposes – to determine potential future operating cost increases (e.g., utility expenditure) at properties within its Canadian managed portfolio. These prices are assessed under different pricing scenarios, reflecting carbon prices that are considered necessary to achieve various carbon reduction and carbon neutrality targets set forth by the Government of Canada. Together, these shadow price scenarios provide insight into possible future operating expenses and associated operational and financial risks across the real estate portfolio. On an ad hoc basis, GWL Realty Advisors considers implicit carbon prices during capital budgeting and expenditure on energy retrofits for Lifeco's owner-occupied and investment properties. These prices help determine the true financial payback, and point to the efficacy of conservation initiatives and retrofits that span more than 1-2 years. Overall, the use of shadow and implicit carbon prices (and different carbon pricing scenarios) by GWL Realty Advisors has not significantly impacted Lifeco's business decisions. This is due to operating costs from utilities expenditures (at Lifeco's Canadian owner-occupied and investment properties) accounting for <1% of total operating costs under all assessed carbon prices.

Objective for implementing an internal carbon price	GHG Scope	Application	Actual price(s) used (currency/ metric ton)	Variance of price(s) used	Type of internal carbon price	Impact & implication
Navigate GHG regulations Stakeholder expectations	Scope 1 Scope 2	The price is applied to all Lifeco owner-occupied and investment properties in Canada through its subsidiary GWL Realty Advisors.	30	Prices used vary from \$20/tonne CO_2e to a high-end (hypothetical scenario) of \$210/tonne CO_2e. The GHG emissions inventory report for GWL Realty Advisors includes forward-looking carbon pricing assessments based on the government of Canada's commitment to carbon pricing (Bill C-74, or the Greenhouse Gas Pollution Pricing Act). The assessment includes analysis of forward-looking carbon pricing in Canada, which begins at \$20 per tonne CO_2e in 2019 and will rise by \$10 per tonne to \$50 per tonne of CO_2e by 2022. More specifically, Carbon tax/pricing implications on utility costs: Expected 2021 carbon costs of \$40/tonne CO_2e, Expected 2022 carbon costs of \$50/tonne of CO_2e, and Carbon tax/pricing implications on utility costs. Additionally, the forward-looking carbon pricing analysis (transition risk assessment) includes a scenario of pricing at \$210/tonne CO_2e by 2030, which Canada's Ecofiscal Commission has recommended for the emissions and energy targets to be achieved.	Shadow price Implicit price	GWL Realty Advisors, a wholly-owned asset management subsidiary of Lifeco, uses carbon prices for informational purposes – to determine potential future operating cost increases (e.g., utility expenditure) at properties within its Canadian managed portfolio. These prices are assessed under different pricing scenarios, reflecting carbon prices that are considered necessary to achieve various carbon reduction and carbon neutrality targets set forth by the Government of Canada. Together, these shadow price scenarios provide insight into possible future operating expenses and associated operational and financial risks across the real estate portfolio. On an ad hoc basis, GWL Realty Advisors considers implicit carbon prices during capital budgeting and expenditure on energy retrofits for Lifeco's owner-occupied and investment properties. These prices help determine the true financial payback, and point to the efficacy of conservation initiatives and retrofits that span more than 1-2 years. Overall, the use of shadow and implicit carbon prices (and different carbon pricing scenarios) by GWL Realty Advisors has not significantly impacted Lifeco's business decisions. This is due to operating costs from utilities expenditures (at Lifeco's Canadian owner-occupied and investment properties) accounting for <1% of total operating costs under all assessed carbon prices.

Objective for implementing an internal carbon price	GHG Scope	Application	Actual price(s) used (currency/ metric ton)	Variance of price(s) used	Type of internal carbon price	Impact & implication
Navigate GHG regulations Stakeholder expectations	Scope 1 Scope 2	The price is applied to all Lifeco owner-occupied and investment properties in Canada through its subsidiary GWL Realty Advisors.	40	Prices used vary from $20/tonne CO_2e to a high-end (hypothetical scenario) of $210/tonne CO_2e. The GHG emissions inventory report for GWL Realty Advisors includes forward-looking carbon pricing assessments based on the government of Canada's commitment to carbon pricing (Bill C-74, or the Greenhouse Gas Pollution Pricing Act). The assessment includes analysis of forward-looking carbon pricing in Canada, which begins at $20 per tonne CO_2e in 2019 and will rise by $10 per tonne to $50 per tonne of CO_2e by 2022. More specifically, Carbon tax/pricing implications on utility costs: Expected 2021 carbon costs of $40/tonne CO_2e, Expected 2022 carbon costs of $50/tonne of CO_2e, and Carbon tax/pricing implications on utility costs. Additionally, the forward-looking carbon pricing analysis (transition risk assessment) includes a scenario of pricing at $210/tonne CO_2e by 2030, which Canada's Ecofiscal Commission has recommended for the emissions and energy targets to be achieved.	Shadow price Implicit price	GWL Realty Advisors, a wholly-owned asset management subsidiary of Lifeco, uses carbon prices for informational purposes – to determine potential future operating cost increases (e.g., utility expenditure) at properties within its Canadian managed portfolio. These prices are assessed under different pricing scenarios, reflecting carbon prices that are considered necessary to achieve various carbon reduction and carbon neutrality targets set forth by the Government of Canada. Together, these shadow price scenarios provide insight into possible future operating expenses and associated operational and financial risks across the real estate portfolio. On an ad hoc basis, GWL Realty Advisors considers implicit carbon prices during capital budgeting and expenditure on energy retrofits for Lifeco's owner-occupied and investment properties. These prices help determine the true financial payback, and point to the efficacy of conservation initiatives and retrofits that span more than 1-2 years. Overall, the use of shadow and implicit carbon prices (and different carbon pricing scenarios) by GWL Realty Advisors has not significantly impacted Lifeco's business decisions. This is due to operating costs from utilities expenditures (at Lifeco's Canadian owner-occupied and investment properties) accounting for <1% of total operating costs under all assessed carbon prices.

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Navigate GHG regulations Stakeholder expectations	Scope 1 Scope 2	The price is applied to all Lifeco owner-occupied and investment properties in Canada through its subsidiary GWL Realty Advisors.	45	Prices used vary from \$20/tonne CO_2e to a high-end (hypothetical scenario) of \$210/tonne CO_2e. The GHG emissions inventory report for GWL Realty Advisors includes forward-looking carbon pricing assessments based on the government of Canada's commitment to carbon pricing (Bill C-74, or the Greenhouse Gas Pollution Pricing Act). The assessment includes analysis of forward-looking carbon pricing in Canada, which begins at \$20 per tonne CO_2e in 2019 and will rise by \$10 per tonne to \$50 per tonne of CO_2e by 2022. More specifically, Carbon tax/pricing implications on utility costs: Expected 2021 carbon costs of \$40/tonne CO_2e, Expected 2022 carbon costs of \$50/tonne of CO_2e, and Carbon tax/pricing implications on utility costs. Additionally, the forward-looking carbon pricing analysis (transition risk assessment) includes a scenario of pricing at \$210/tonne CO_2e by 2030, which Canada's Ecofiscal Commission has recommended for the emissions and energy targets to be achieved.	Shadow price Implicit price	GWL Realty Advisors, a wholly-owned asset management subsidiary of Lifeco, uses carbon prices for informational purposes – to determine potential future operating cost increases (e.g., utility expenditure) at properties within its Canadian managed portfolio. These prices are assessed under different pricing scenarios, reflecting carbon prices that are considered necessary to achieve various carbon reduction and carbon neutrality targets set forth by the Government of Canada. Together, these shadow price scenarios provide insight into possible future operating expenses and associated operational and financial risks across the real estate portfolio. On an ad hoc basis, GWL Realty Advisors considers implicit carbon prices during capital budgeting and expenditure on energy retrofits for Lifeco's owner-occupied and investment properties. These prices help determine the true financial payback, and point to the efficacy of conservation initiatives and retrofits that span more than 1-2 years. Overall, the use of shadow and implicit carbon prices (and different carbon pricing scenarios) by GWL Realty Advisors has not significantly impacted Lifeco's business decisions. This is due to operating costs from utilities expenditures (at Lifeco's Canadian owner-occupied and investment properties) accounting for <1% of total operating costs under all assessed carbon prices.

Objective for implementing an internal carbon price	GHG Scope	Application	Actual price(s) used (currency/ metric ton)	Variance of price(s) used	Type of internal carbon price	Impact & implication
Navigate GHG regulations Stakeholder expectations	Scope 1 Scope 2	The price is applied to all Lifeco owner-occupied and investment properties in Canada through its subsidiary GWL Realty Advisors.	50	Prices used vary from $20/tonne CO_2e to a high-end (hypothetical scenario) of $210/tonne CO_2e. The GHG emissions inventory report for GWL Realty Advisors includes forward-looking carbon pricing assessments based on the government of Canada's commitment to carbon pricing (Bill C-74, or the Greenhouse Gas Pollution Pricing Act). The assessment includes analysis of forward-looking carbon pricing in Canada, which begins at $20 per tonne CO_2e in 2019 and will rise by $10 per tonne to $50 per tonne of CO_2e by 2022. More specifically, Carbon tax/pricing implications on utility costs: Expected 2021 carbon costs of $40/tonne CO_2e, Expected 2022 carbon costs of $50/tonne of CO_2e, and Carbon tax/pricing implications on utility costs. Additionally, the forward-looking carbon pricing analysis (transition risk assessment) includes a scenario of pricing at $210/tonne CO_2e by 2030, which Canada's Ecofiscal Commission has recommended for the emissions and energy targets to be achieved.	Shadow price Implicit price	GWL Realty Advisors, a wholly-owned asset management subsidiary of Lifeco, uses carbon prices for informational purposes – to determine potential future operating cost increases (e.g., utility expenditure) at properties within its Canadian managed portfolio. These prices are assessed under different pricing scenarios, reflecting carbon prices that are considered necessary to achieve various carbon reduction and carbon neutrality targets set forth by the Government of Canada. Together, these shadow price scenarios provide insight into possible future operating expenses and associated operational and financial risks across the real estate portfolio. On an ad hoc basis, GWL Realty Advisors considers implicit carbon prices during capital budgeting and expenditure on energy retrofits for Lifeco's owner-occupied and investment properties. These prices help determine the true financial payback, and point to the efficacy of conservation initiatives and retrofits that span more than 1-2 years. Overall, the use of shadow and implicit carbon prices (and different carbon pricing scenarios) by GWL Realty Advisors has not significantly impacted Lifeco's business decisions. This is due to operating costs from utilities expenditures (at Lifeco's Canadian owner-occupied and investment properties) accounting for <1% of total operating costs under all assessed carbon prices.

Objective for implementing an internal carbon price	GHG Scope	Application	Actual price(s) used (currency/ metric ton)	Variance of price(s) used	Type of internal carbon price	Impact & implication
Navigate GHG regulations Stakeholder expectations	Scope 1 Scope 2	The price is applied to all Lifeco owner-occupied and investment properties in Canada through its subsidiary GWL Realty Advisors.	210	Prices used vary from $20/tonne CO_2e to a high-end (hypothetical scenario) of $210/tonne CO_2e. The GHG emissions inventory report for GWL Realty Advisors includes forward-looking carbon pricing assessments based on the government of Canada's commitment to carbon pricing (Bill C-74, or the Greenhouse Gas Pollution Pricing Act). The assessment includes analysis of forward-looking carbon pricing in Canada, which begins at $20 per tonne CO_2e in 2019 and will rise by $10 per tonne to $50 per tonne of CO_2e by 2022. More specifically, Carbon tax/pricing implications on utility costs: Expected 2021 carbon costs of $40/tonne CO_2e, Expected 2022 carbon costs of $50/tonne of CO_2e, and Carbon tax/pricing implications on utility costs. Additionally, the forward-looking carbon pricing analysis (transition risk assessment) includes a scenario of pricing at $210/tonne CO_2e by 2030, which Canada's Ecofiscal Commission has recommended for the emissions and energy targets to be achieved.	Shadow price Implicit price	GWL Realty Advisors, a wholly-owned asset management subsidiary of Lifeco, uses carbon prices for informational purposes – to determine potential future operating cost increases (e.g., utility expenditure) at properties within its Canadian managed portfolio. These prices are assessed under different pricing scenarios, reflecting carbon prices that are considered necessary to achieve various carbon reduction and carbon neutrality targets set forth by the Government of Canada. Together, these shadow price scenarios provide insight into possible future operating expenses and associated operational and financial risks across the real estate portfolio. On an ad hoc basis, GWL Realty Advisors considers implicit carbon prices during capital budgeting and expenditure on energy retrofits for Lifeco's owner-occupied and investment properties. These prices help determine the true financial payback, and point to the efficacy of conservation initiatives and retrofits that span more than 1-2 years. Overall, the use of shadow and implicit carbon prices (and different carbon pricing scenarios) by GWL Realty Advisors has not significantly impacted Lifeco's business decisions. This is due to operating costs from utilities expenditures (at Lifeco's Canadian owner-occupied and investment properties) accounting for <1% of total operating costs under all assessed carbon prices.

Carbon Disclosure Project 2020

C12

Engagement

POWER CORPORATION OF CANADA

C12 Engagement

Value chain engagement

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, our investee companies
Yes, other partners in the value chain

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement	Details of engagement	% of suppliers by number	% total procurement spend (direct and indirect)	% of supplier-related Scope 3 emissions as reported in C6.5	Rationale for the coverage of your engagement	Impact of engagement, including measures of success	Comment
Innovation & collaboration (changing markets)	Innovation and collaboration	N/A	N/A	N/A	As part of our Responsible Procurement Policy and Third-Party Code of Conduct, we engage with our suppliers and contractors to influence the provision of environmentally friendly products and services for our business.	By engaging with suppliers and contractors, we have been able to source more environmentally friendly products, including LED lighting, energy efficient building equipment, sustainably sourced paper products, among others. Our measure of success is the collaboration and innovation we influence in our supply chain and the number of more environmentally friendly products and services we procure.	

Type of engagement	Details of engagement	% of suppliers by number	% total procurement spend (direct and indirect)	% of supplier-related Scope 3 emissions as reported in C6.5	Rationale for the coverage of your engagement	Impact of engagement, including measures of success	Comment
Information collection (understanding supplier behaviour)	Included climate change in supplier selection / management mechanism	22%	28%	100%	Lifeco specifically engages with its critical suppliers to understand the products and services that could reduce the environmental footprint of its buildings, operations, and processes. Supplier evaluation and its Supplier Risk Management Policy includes sustainability (including climate change) as one of its considerations. This includes suppliers that support Lifeco in improving the sustainability of its real estate assets, as well as other products and services that enable the company to reduce energy, water, and material consumption (e.g. building equipment retrofits, utility providers, data centre optimization, LED lighting, paper, and building materials). By working collaboratively with these suppliers to encourage alternative and green products and services, it enables Lifeco to meet its green building certification targets as well as its GHG Scope 1+2 reduction target for Canadian properties to achieve a 27.3% GHG reduction by 2025 and a 50.4% reduction by 2036, based on a 2013 baseline year. Please note that the data provided for this question relates to Lifeco's Canadian operations only.	By engaging with its suppliers to provide products and services that reduce its environmental footprint, Lifeco has been able to achieve its green building certification targets for its corporate head offices and investment properties. Furthermore, the use of more environmentally friendly products and services from its suppliers has contributed to its targeted GHG reductions for Canadian properties. Specifically, in 2019, Lifeco achieved a 14.3% reduction in the GHG scope 1 and 2 emissions when compared to its baseline year of 2013.	Based on Lifeco's response to question 6.5, the company engages with 100% of its Scope 3 suppliers, which include the waste management companies, water utilities, paper suppliers, and corporate travel suppliers who provide the necessary information for Lifeco to calculate the environmental impact (e.g., GHG emissions) of its operations.

Type of engagement	Details of engagement	% of suppliers by number	% total procurement spend (direct and indirect)	% of supplier-related Scope 3 emissions as reported in C6.5	Rationale for the coverage of your engagement	Impact of engagement, including measures of success	Comment
Information collection (understanding supplier behavior)	Collect climate change and carbon information at least annually from suppliers	4.5%	27%	7%	As a financial services company, IGM hires sub-advisors to manage clients' investments and leases offices for their employees and advisors to work and to meet with clients. Understanding their supplier behaviour is an important component of their climate-related strategy and involves requesting climate-related information at least annually from their suppliers.	IGM's operating companies are committed to responsible investing and understand the value of ESG integration and active ownership in the investment process. They request and review related policies, accountability structures and specific metrics and examples through the RFP and Due Diligence processes for external investment managers, when they are hired to provide sub-advisory services for their investment funds. Their measure of success is the percentage of sub-advisors who are leaders in responsible investing. For example, 100% of IG Wealth Management's sub advisors were PRI signatories as of December 31, 2019. This is on target with IG's commitment to exclusively work with PRI signatories by end of 2019. IGM's leased offices contribute the largest percentage of their emissions from direct operations and they are committed to engaging with landlords at least annually to gather information relating to energy, water and waste usage and emissions. They work with a third-party company that is specialized in energy data management and ensure that their landlords understand the importance of environmental sustainability to IGM's business. Measures of success will be the % of leased offices with actual energy data versus estimates, currently approximately 60% for electricity and 45% for natural gas, and the emissions per square foot intensity of their leased buildings, currently 0.005 tonnes CO_2e per square foot.	

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement	Details of engagement	% of customers by number	% customer-related Scope 3 emissions as reported in C6.5	Portfolio coverage (total or outstanding)	Please explain the rationale for selecting this group of customers and scope of engagement	Impact of engagement, including measures of success
Education/ information sharing	Run an engagement campaign to educate customers about your climate change performance and strategy	100%	100%	Minority of the portfolio	Through its subsidiary, GWL Realty Advisors, Lifeco engages with the tenants, residents, and occupants of its downstream real estate assets under management, to better understand their changing needs, to enhance its services, and to endeavor to exceed their expectations, including with respect to energy management. For example, GWL Realty Advisors engages to share information on sustainability related metrics such as green building certification status, energy performance (e.g., energy reductions), water use efficiency, waste production and GHG emissions of the property. GWL Realty Advisors' commercial and multi-residential property managers continue to engage and educate tenants on topics of interest, including sharing relevant climate change-related information, such as GHG emissions performance and programs in place to improve GHG emissions at the property-level, such as the Sustainability Benchmarking and Conservation Program for GWL Realty Advisors managed office assets (establishing energy, water, waste, and GHG targets). GWL Realty Advisors holds monthly tenant meetings, interacts through green teams, workshops and education events, issues newsletters, and hosts building events to encourage tenant participation in activities, such as Earth Hour, Earth Day/Week, and National Waste Reduction Week. Please note these Scope 3 emissions are specifically associated with the categories "Waste generated in operations" and "Investments" listed in question 6.5.	On an ongoing basis, GWL Realty Advisors conducts tenant and resident engagement (satisfaction) surveys to inform its continuous improvement efforts at both its commercial and multi-residential properties under management. Results from these satisfaction surveys are tied to the internal performance metrics of property management teams. Property and asset management teams, as required, address issues and follow-ups pertaining to the surveys. By engaging with the occupants of its buildings, GWL Realty Advisors is able to contribute to the continuous improvement of the efficiency of its assets under management. For example, engagement by GWL Realty Advisors staff can lead tenants to adopt and install higher efficiency equipment for their spaces. In 2019, GWL Realty Advisors achieved a 19.6% GHG emissions across its office and multi-residential portfolio, compared to its 2013 baseline, in part due to the efforts of tenants and residents.

Type of engagement	Details of engagement	% of customers by number	% customer-related Scope 3 emissions as reported in C6.5	Portfolio coverage (total or outstanding)	Please explain the rationale for selecting this group of customers and scope of engagement	Impact of engagement, including measures of success
Education/ information sharing	Run an engagement campaign to educate customers about your climate change performance and strategy	100%	0%	Minority of the portfolio	Through its asset management affiliate, GLC Asset Management, Lifeco engages with clients to promote acceptance and better education for investors, financial advisors and investment consultants. In 2019, the engagement included developing a robust advisor training module, case studies, videos and interactive exercises; and, expanding the breadth and depth of the GLC Responsible Investing webpage, including the development of short videos, articles and RI policies.	The measure of success of the education and awareness campaign is tracked based on the number of clients engaged on responsible investing, including climate-related issues through the provision of training modules as well as the traffic and use of the GLC Asset Management Responsible Investing webpage. Since its inception in 2019, the education and awareness campaign has been completed by 181 advisors, with a further 111 having made progress on the module. The revamped GLC Asset Management Responsible Investing webpage debuted in early 2020 and recorded a 3% increase in the number of unique visitors.

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement	Details of engagement	% of investees by number	% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b	Portfolio coverage	Rationale for the coverage of your engagement	Impact of engagement, including measures of success
Engagement & incentivization (changing investee behavior)	Included climate change in investee selection/management mechanisms	100%	0%	Minority of the portfolio	Through its subsidiary, Irish Life Investment Managers, Lifeco engages with investee companies on specific climate related topics. In 2019, Irish Life Investment Managers joined the Non-Disclosure Campaign – a group of 88 investors who focus on companies that did not disclose last year and some of the biggest emitters on 20 of the largest exchanges across the world. They also conduct collaborative engagement through the Climate Action 100+ Group focusing on major industrial GHG emitters to ensure their transition plans align with the Paris Agreement.	Irish Life Investment Managers' engagement efforts last year have enabled indirect collaborative engagement with 752 companies, as part of the Non-Disclosure Campaign, promoting greater climate-related disclosure. Specifically, Irish Life Investment Managers directly engaged with 18 companies on climate change-related issues. One engagement resulted in a company committing to improve its disclosure of greenhouse gas (GHG) emissions and climate change-related risks.
Information collection (understanding investee behaviour)	Collect climate change and carbon information at least annually from long-time investees	100%	0%	Minority of the portfolio	Through its asset management affiliate, Putnam Investments, Lifeco engages with the companies held within the Putnam Sustainable Leaders Fund and the Putnam Sustainable Future Fund. For example, they send annual individually tailored letters to the CEOs of all the companies acknowledging efforts to date and encouraging future progress on key sustainability issues specific to each company, including on climate-related matters. This year, Putnam sent CEO letters to the firm's top equity holdings representing approximately 50% of equity assets under management.	Lifeco assesses its success by the number of companies engaged and the progress they have made in sustainability, including climate-related disclosures. This year, the ongoing dialogues with company management teams and board members included discussions on corporate strategy, board oversight, and external reporting. Several companies in their portfolio have published inaugural sustainability reports, increased communications on ESG metrics, including climate-related information, or made significant progress in identifying material sustainability issues after working with multiple stakeholders including within Lifeco's teams.
Information collection (understanding investee behaviour)	Collect climate change and carbon information at least annually from long-time investees	1%	90%	Minority of the portfolio	The Investors Real Property Fund invests in commercial, industrial and residential buildings across Canada. Due to the nature of the fund, IGM works with a third-party energy data management to collect energy, water and waste usage and emissions. They solicit information from all property managers across the fund annually and estimate data where information is not available to determine total portfolio emissions.	Property managers are engaged to optimize the level of actual energy data used in the management and calculation of emissions. IGM's measure of success will be an increase in the % of actual emission data reported for the Investors Real Property fund versus estimates, currently 18% actual, as well as a decrease in the square footage emission intensity of the buildings, currently 0.0055 tonnes CO_2e per square foot.

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Other partners – Power Corporation engagement with its major subsidiaries

Method of engagement – We engage with our major subsidiaries through a group-wide CSR committee on a range of initiatives, including GHG emissions and climate change.

Strategy for prioritizing engagements – We prioritize our engagements with subsidiaries where we have financial control and significant influence, specifically our major publicly traded subsidiaries, Lifeco and IGM.

Measures of success – We measure our success based on the progress being achieved. For example, over the past year, we held two awareness sessions with our major subsidiaries to understand their carbon and energy management strategies. Considerable efforts were made by our major subsidiaries to strengthen their commitments on reducing GHG emissions and disclosing their climate change strategies, resulting in external recognition:

- In 2019, Power Corporation was included to the Euronext Vigeo Eiris World 120 Index, which distinguishes 120 companies from Europe, North America, and the Asia-Pacific regions for having achieved the most advanced ESG performance.
- Power Corporation and IGM maintained listing status on the FTSE4Good Global Index.
- Lifeco's real estate subsidiary GWL Realty Advisors was once again recognized as a leader in sustainability by the Global Real Estate Sustainability Benchmark (GRESB), placing among the top 10% of 964 companies globally and the top 4% in the Global Diversified category, and earning their fifth consecutive Green Star ranking.
- IGM Financial maintained its listing status on Sustainalytics' Jantzi Social Index.

Other partners – Lifeco's engagement with community organizations

Method of engagement – Lifeco interacts with communities through ongoing dialogue and face-to-face meetings to explore opportunities to support community-based needs on a wide range of sustainability issues, including but not limited to climate change.

Strategy for prioritizing engagements – Engagements are prioritized based on the needs identified by the community organizations and their specific focus areas. Within Lifeco's environment focus, they prioritize organizations that are supporting carbon mitigation and adaptation strategies.

Measures of success – Lifeco measures its success by the number of community projects and their associated impacts in addressing climate change issues. For example, in 2019, Lifeco continued its support for the International Institute for Sustainable Development (IISD). As part of this partnership, last year Lifeco supported the IISD's establishment of the climate services centre – a significant progression of its initial support in establishing the Prairie Climate Centre at the University of Winnipeg. The new climate service centre will provide government, business and civil society decision makers access to the data, guidance, research, knowledge exchange, training and capacity building needed to reduce their vulnerability to climate variability and change and take advantage of emerging opportunities.

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations
Funding research organizations
Other

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you influenced, or are you attempting to influence their position?
International Economic Forum of the Americas (IEF) (Canada)	Consistent	The IEF is committed to heightening knowledge and awareness of the major issues concerning economic globalization, with a particular emphasis on the relations between the Americas and other continents. They include issues related to climate change.	Power Corporation's Chairman (and Co-CEO until February of 2020), Paul Desmarais, Jr., is the Chair of the Board of Governors of the IEF (Canada). Through his involvement in the IEF, we support efforts being taken to increase awareness and collaboration between international governments on a wide range of issues, including climate change.
Brookings International Advisory Council	Consistent	Brookings established the International Advisory Council, a group of distinguished international business and community leaders, to extend its outreach and relevance to other countries and increase its ability to inform the American public and policymakers about global developments, including energy and environment issues.	Power Corporation's Chairman (and Co-CEO until February of 2020), Paul Desmarais Jr., is Co-Chairman of The Brookings International Advisory Council and a member of their Board of Trustees. Through his involvement, we support efforts being taken to develop effective, pragmatic policies for addressing national and global issues including energy and environmental issues.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association’s position	How have you influenced, or are you attempting to influence their position?
Canadian Institute of Actuaries (CIA)	Consistent	The CIA supports the advancement of knowledge into better understanding the impact of climate change and has developed a Climate Change and Sustainability Committee. Part of the Institute’s role is to raise awareness of climate change and environmental sustainability with both members and the public.	Through the membership of its employees on the CIA, Lifeco is engaging within the industry to better understand how climate change could impact insurance pricing and valuation models.
American Academy of Actuaries	Consistent	The American Academy of Actuaries supports knowledge and raises awareness among policymakers and the public at large of the increasing risks from extreme weather events. It aims to evaluate and help manage exposure to these risks from an insurance perspective, by combining current climate science knowledge with actuarial experience.	As members of the American Academy of Actuaries, Lifeco supports and is increasing its own knowledge of climate risks.
Chartered Financial Analyst (CFA) Institute	Consistent	The mission of the CFA Institute is served by generating value for core investment management professionals and engaging with the core investment management industry to advance ethics, market integrity, and professional standards of practice, which collectively contributes value to society. The CFA Institute provides knowledge on climate change risks, pricing and management.	As members of the CFA Institute, Lifeco is supporting and increasing its own knowledge of climate risks.
REALpac (Real Property Association of Canada)	Consistent	REALpac recognizes the significant economic, environmental, social, governance (EESG) impact of Canada's commercial real estate sector, and the need for an industry-driven approach toward supporting national and provincial strategies on greenhouse gas reduction (climate change action), the importance of reasoned discourse with political and policy officials, and the value of persuasive arguments for sustainable economic growth. The Association also recognizes the need for industry-wide "green" benchmarking data and shared best practices and is working with its constituents and its national and international counterparts to help to responsibly ensure the sector is well positioned for a sustainable future.	As members of REALpac, as well as REALpac’s Environment, Social and Governance Committee, Lifeco supports initiatives to increase awareness on energy improvements and increase government incentives towards energy efficient existing and new commercial real estate.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you influenced, or are you attempting to influence their position?
Building Owners and Managers Association (BOMA) and its regional chapters	Consistent	BOMA is the voice of the Canadian commercial real estate industry, addressing issues of national concern, and promotes excellence in the industry through information, education, advocacy and recognition, including on issues of carbon and energy efficiency. BOMA Canada implements timely, responsible and consistent policy positions on issues of critical importance to the Canadian commercial real estate industry (including climate change-related legislation).	Through Lifeco's Board membership with BOMA, the company supports initiatives to increase awareness of energy and climate change issues, and incentives to increase building energy and carbon efficiency investments.
Canada Green Building Council (CaGBC)	Consistent	The CaGBC's mission is to "Lead and accelerate the transformation to high-performing, healthy green buildings, homes and communities throughout Canada." This includes the adoption of green building practices that ultimately lead to reduced greenhouse gas emissions. The CaGBC is working with federal, provincial and municipal leaders and government officials to support the development and implementation of green building policies and sustainability practices across Canada and is working with CaGBC members and stakeholders to set and report against ambitious targets and action plans that will contribute to COP21 goals.	Through Lifeco's membership with the CaGBC, the company supports initiatives to increase the adoption of green building practices, participation in green building certification systems, and incentives to increase energy and carbon efficiency investments.
NAIOP (Commercial Real Estate Development Association)	Consistent	NAIOP is an organization for developers, owners, and investors of office, industrial, retail and mixed-use real estate. They provide strong advocacy, education and business opportunities on a range of issues. The organization is committed to providing its members with education and resources that encourage environmentally responsible choices, as well as issuing policy statements that promote the utilization of sustainable building practices. Energy efficiency is a legislative priority for NAIOP and the "NAIOP supports the advancement of higher levels of energy efficiency for commercial buildings through solutions that incorporate federal incentives, and realistic time frames for the financial recoupment of efficiency investments through utility savings."	Through Lifeco's membership on the NAIOP, the company supports initiatives to increase awareness of energy and climate change issues as part of a broader mandate for real estate operations.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you influenced, or are you attempting to influence their position?
Urban Land Institute (ULI)	Consistent	The Urban Land Institute is the oldest and largest network of cross-disciplinary real estate and land use experts in the world. The ULI provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. One of the ULI's six commitments is to "Exploring issues: Of urbanization, conservation, regeneration, land use, capital formation, and sustainable development". ULI also maintains a Centre for Sustainability and Economic Performance that is "dedicated to creating healthy, resilient, and high-performance communities around the world. Through the work of its Green print and Urban Resilience programs, the Center provides leadership and support to land use professionals to invest in energy performance and portfolio resilience while reducing risks due to a changing climate."	Through Lifeco's membership in ULI, the company supports initiatives and research focused on responsible and sustainable land use planning and development, including issues related to building resilience, energy conservation and climate change adaptation/mitigation.
Sustainability Accounting Standards Board (SASB)	Consistent	SASB's mission is to connect businesses and investors on the financial impacts of sustainability. Their work includes the development of an industry-specific taxonomy of financially material sustainability issues.	Through its membership on the SASB Investor Advisory Group, Lifeco is supporting disclosure of financially material sustainability issues, including related to climate change.
Boston Association of Institutional Investors (BAII)	Consistent	The BAII is a member led organization of institutional investment advisors that represents the interests of investors and strives to advance good practices and promote fair and efficient financial markets through open engagement with policy makers and others. The ESG working group is focused on advancing knowledge and awareness for investors on environmental, social and governance factors.	Through its membership on the BAII, Lifeco chairs the ESG working group for the association.
Responsible Investment Association (RIA) of Canada	Consistent	The RIA wrote a letter to the Minister of the Environment and Climate Change in support of recommendations made by Canada's Expert Panel on Sustainable Finance. The Panel acknowledged Canada's strong, diversified and resource-rich economy, world-leading financial sector, and excellent capacity for innovation and made a package of practical, concrete recommendations focused on spurring the essential market activities, behaviours and structures needed to bring sustainable finance into the mainstream.	IGM has to date not been involved in influencing or attempting to influence their position.

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

(C12.3e) Provide details of the other engagement activities that you undertake.

Power Corporation funds various organizations that produce public work on climate change. The following provides examples of the research organizations we support:

- Nature Conservancy of Canada (NCC): We have been supporting the NCC since 2005. The NCC is a leading national land conservation organization that partners with individuals, corporations, other non-profit organizations and governments to protect the natural areas that sustain Canada's plants and wildlife, including through their conservation research efforts.
- Earth Rangers: We have provided funding for Earth Rangers from 2018 to 2020. Earth Rangers is a kids' conservation organization whose free programs aim to instil environmental knowledge, positivity and the confidence to take action. Earth Rangers also works with a variety of national, regional and local conservation organizations to develop projects to protect endangered animals, ranging from conservation research, to land acquisition, to habitat stewardship.
- David Suzuki Foundation: We have provided funding for the Foundation from 2007 to 2015 and renewed our commitment for 2019-2020. The David Suzuki Foundation works with government, business and individuals to conserve the environment by providing science-based education, advocacy and policy work, and acting as a catalyst for social change.

The support that we provide to these foundations is in line with our strategy to contribute to community projects and initiatives that increase awareness and knowledge on climate change. We also invest in companies that share our philosophy and values, supporting a wide array of causes, including organizations promoting environmental stewardship. Our subsidiaries support organizations that produce public work on climate change and encourage their staff to get involved with environmental causes the companies support.

The following provides examples of engagements by our subsidiary Lifeco:

International Institute for Sustainable Development (IISD):

Method of engagement – Lifeco is engaged with the IISD to promote research and knowledge of the risks associated with climate change.

Topic of engagement – Focus on understanding the risk of climate change and how we can anticipate the risk to increase community resilience.

Nature of engagement – Lifeco is the catalyst funder for Prairie Climate Centre – a joint venture between the IISD and the University of Winnipeg. The Centre provides research, advice and policy development.

Actions advocated – Through its engagement with the IISD, Lifeco is supporting coordinated research, advice and policy development on climate change. For example, in 2019, Lifeco supported the IISD's establishment of the climate services centre – a significant progression of its initial support in establishing the Prairie Climate Centre at the University of Winnipeg. The new climate service centre will provide government, business and civil society decision maker's access to the data, guidance, research, knowledge exchange, training and capacity building needed to reduce their vulnerability to climate variability and change and take advantage of emerging opportunities.

The following provides examples of engagements by our subsidiary IGM:

- Commuter Challenge: Financial supports this program financially and through the IG Wealth Management Green Committee who work to increase staff engagement. Participation demonstrates business support for sustainable commuting which in turn influences infrastructure, program and policy.

- MB Race to Reduce: In 2016, Financial joined the Leadership Advisory Council of Manitoba Race to Reduce, engaging with leaders of the largest property owners and management companies in Winnipeg to design the program, whose mission is to reduce total energy use by 10% in participating buildings over four years. IG Wealth Management participated in the program over 2019, engaging with local businesses and employees and using the metrics to influence building improvements.

- Business Council for Sustainability: IGM is a member of the Conference Board of Canada BCS, a network of senior business leaders responsible for environmental management and sustainability who convene to learn and share best practices. Many of the expert speakers at events have a focus on climate-related topics.

- In 2019, IGM continued support for environmental programming at Fort Whyte Alive, provided since 1986. Fort Whyte sits on 640 acres of protected urban green space and is known for its programs that connect people with nature and foster sustainability, including education about climate change. The centre sees more than 100,000 visitors a year. One attraction is to visit the solar farm, built with the financial support of IG Wealth Management.

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The CSR Lead provides oversight on matters related to the Corporation's corporate social responsibility initiatives. Through this role, the CSR Lead ensures that direct and indirect activities that influence public policy are consistent with the Corporation's overall responsible management strategy, including topics that relate to climate change.

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication	Status	Attach the document	Page/Section reference	Content elements	Comment
In mainstream reports	Complete	Power Corporation 2019 Annual Report	Pages IX and 43	Governance Strategy Risks and Opportunities	
In voluntary communications	Underway – Previous year attached	Power Corporation CSR Data Supplement	Pages 5-8	Emission figures	
In voluntary communications	Underway – Previous year attached	Power Corporation CSR Website – Energy and Carbon Efficiency	Whole document	Strategy Emission targets Emission figures	
In mainstream reports	Complete	Lifeco's. 2019 Annual Report	Pages 14, 15 and 78	Risks and Opportunities	Lifeco's Annual Report discloses information related to the company's responsible investing approach as well as sustainability risk exposure, including with respect to climate change.
In mainstream reports	Complete	Canada Life's Public Accountability Statement	Pages 22-23	Emission figures Emission targets Other: green building certifications	Lifeco's 2019 Public Accountability Statement relates to the pre-amalgamation Canadian operations of The Canada Life Assurance Company, The Great-West Life Assurance Company and London Life Insurance Company; and to Canada Life Financial Corporation and The Canada Life Insurance Company of Canada. It also describes the corporate social responsibility activities of GLC Group Ltd. and GWL Realty Advisors Inc.

Publication	Status	Attach the document	Page/Section reference	Content elements	Comment
In voluntary communications	Complete	Lifeco's ESG Scorecard	Page 1	Emission figures Other metrics	The Environmental, Social and Governance (ESG) Scorecard provides standardized ESG disclosures for Lifeco's operating companies in Canada and internationally. These include The Canada Life Assurance Company (Canada Life) including its Canadian and international subsidiaries, Great-West Life & Annuity Insurance Company (Empower Retirement and Great-West Financial), and Putnam, LLC (Putnam). The data is prepared in alignment with the Global Reporting Initiative (GRI) Standards.
In voluntary sustainability report	Complete	IGM's 2020 CSR Report	Governance: Pages 17-18 Risk Management: Pages 22-24 Responsible Investment: Pages 33-37 Environmental Footprint: Pages 57-60 Environmental Data Table: Pages 73-75 TCFD Reporting: Pages 87-88	Governance Strategy Risks & Opportunities Emissions figures Emission targets Other metrics	

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

Type of collaboration	Industry collaboration	Comment
Reporting frameworks	Task Force on Climate-related Financial Disclosures (TCFD)	Lifeco, as well as IGM and its operating companies, formalized their support of the TCFD, recognizing the importance of climate-related disclosures with respect to governance, strategy, risk, and metrics and targets.
Industry Initiative	Principles for Responsible Investment (PRI) Climate Action 100+ Other: Non-Disclosure Campaign	Lifeco' asset management affiliates are signatories to the UNPRI, including Irish Life Investment Managers (since 2010); Putnam Investments (since 2011); PanAgora Asset Management (since 2011) and GLC Asset Management (since 2016). IGM's operating companies are also signatories to the UNPRI. Lifeco's asset management affiliates, Irish Life Investment Managers and GLC Asset Management are part of the Climate Action 100+, focused on engaging the top 100 global greenhouse gas emitters to disclose their transition plans in alignment with the Paris Agreement. Lifeco's asset management affiliate, Irish Life Investment Managers is part the Non-Disclosure Campaign – a group of 88 investors who focus on companies that did not provide sustainability and climate-related disclosure representing some of the biggest emitters on 20 of the largest exchanges across the world.

Carbon Disclosure Project 2020

C14

Portfolio impact

POWER CORPORATION OF CANADA

C14 Portfolio Impact

Portfolio Impact

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

Portfolio	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Investing (Asset manager)	Yes	Category 15 "Investments" total absolute emissions	At Lifeco, an analysis of assets under management is undertaken to determine alignment with a 2-degree world compared to a referenced indices or benchmark. This type of analysis is undertaken by Lifeco's asset management affiliates, including GLC Asset Management, Irish Life Investment Managers, and PanAgora Asset Management, with regard to their sustainability strategy. IGM also conducts analysis to understand how the portfolio impacts the climate.
Investing (Asset owner)	Yes	Category 15 "Investments" total absolute emissions	Lifeco conducts analysis of its Segregated Fund Investments Properties by measuring the carbon footprint of the entire portfolio. They also conduct analysis of the Lifeco Insurance General Account, using the PACTA model. As part of the analysis, they assess exposure to a 2-degree world.
Insurance underwriting (Insurance company)	No. but we plan to do so in the next two years	Category 15 "Investments" total absolute emissions	Lifeco will be exploring opportunities in the next two years to conduct an analysis of the insurance business on climate.

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Source of Scope 3 emissions	Evaluation status	Scope 3 portfolio emissions (metric tons CO_2e)	Portfolio coverage	Percentage calculated using data obtained from clients/investees	Emissions calculation methodology	Please explain
Investments	Relevant, calculated	167,331	More than 0% but less than or equal to 10%	62%	Lifeco measures the carbon footprint of the Canadian Segregated Fund real estate investment portfolio based on building invoices. Per section 15.2 of the GHG protocol, IGM is optionally reporting investments managed on behalf of clients. As a company operating within the financial services sector, IGM has determined that the potential emissions associated with investments held within client investment funds would represent the majority of its Scope 3 footprint. Their reported emissions represent those of their Investors Real Property Fund, a mutual fund available to retail clients to invest in the Canadian Real Property market. This is the second year that they are including emissions from the Investors Real Property Fund. In 2018 they reported emissions from multi-tenant commercial and residential buildings for properties where they could obtain actual data (about 30% of portfolio square footage). For 2019, they are reporting emissions for 100% of the fund. Due to direct billings to many of these tenants, their % of estimated emissions has increased to 82% of the buildings.	Lifeco's investment carbon footprint analysis is based on the Canadian Segregated Fund properties that are managed by GWL Realty Advisors. They obtain primary carbon footprint data from the real estate properties. IGM's recent integration of an industry-leading climate related data tool within investment management will allow them to expand the coverage of their portfolio emissions.

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

Scope 3 breakdown	Comment
Yes, by asset class	Lifeco calculates the emissions impact from the commercial real estate asset class through the quantification of the Canadian Segregated Fund properties, which are managed by its subsidiary GWL Realty Advisors.

(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Commercial real estate	Total carbon absolute emissions (CO_2e)	Metric tons CO_2e	89,775	The Scope 3 portfolio impact relates to Lifeco's commercial real estate asset class, covering its office and multi-residential investments in the Canadian Segregated Fund properties, for which data is available. These emissions were calculated by collecting primary consumption data (e.g., utility invoices such as electricity and natural gas) and applying relevant provincial, state, or national GHG emissions factors. GHG emissions were calculated according to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)".

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

Portfolio	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Investing (Asset manager)	Yes	Through Lifeco's asset management subsidiaries, GLC Asset Management, Irish Life Investment Managers and PanAgora Investments are assessing equity holdings to a well below 2-degree world, by applying the PACTA tool on portions of the portfolio with regard to their respective sustainability strategies. Furthermore, GLC Asset Management, Irish Life Investment Managers are also part of the Climate Action 100+ Group enabling them to support engagement with the top 100 greenhouse gas emitters globally on developing their climate transition plans in alignment with the Paris Agreement. At IGM, they have taken a number of steps to align their portfolio with a well-below 2-degree world. In 2019, IGM and all operating companies committed to the TCFD recommendations, which are in line with a well-below 2-degree scenario, and set up a TCFD working group to action implementation of the recommendations In 2019, Makenzie Investments partnered with a third-party engagement service provider who has named climate change its number one priority. They are active supporters of Climate Action 100+, acting as lead or co-lead engager for 27 companies – higher than any other supporter and the only player to lead engagement in each of the major geographic regions. Investors who support Climate Action 100+ request boards and senior management of the world's 100 largest emitting companies to take action to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement's goal of limiting global average temperature increase to well below 2 degrees Celsius above pre-industrial level. Makenzie Investments is also in the process of integrating an industry-leading climate-related data tool within investment management to quantify emissions, perform scenarios and provide portfolio benchmarking capabilities. Further, Makenzie Investments are also monitoring advancements of The Science Based Targets Initiative and development of a harmonized methodology framework and implementation guidelines for financial institutions to set climate targets for their investing and lending portfolios in line with the Paris Agreement.
Investing (Asset owner)	Yes	Through its insurance General Account investments, Lifeco is assessing their equity and corporate fixed income holdings to a well below 2-degree world, by applying the PACTA tool on portions of the portfolio. For example, through these assessments, Lifeco's asset management affiliate GLC Asset Management is part of the Climate Action 100+ Group, enabling them to support engagement with the top 100 GHG emitters globally on developing their climate transition plans in alignment with the Paris Agreement.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	Lifeco plans to explore climate science targets across its portfolio once the Science-based Target Initiative releases guidance for financial institutions. Lifeco currently does not assess whether clients are aligned to a well below 2-degree scenario given the lack of available information. Over the next two years, the company plans to work with our clients to better understand alignment with a well below 2-degree world.

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

Portfolio that clients/investees belong to	We assess alignment	Please explain
Investing (Asset manager)	Yes, for some	Through Lifeco's asset management subsidiaries, Irish Life Investment Managers and GLC Asset Management, the company is part of the Climate Action 100+ Group that is engaging the top 100 greenhouse gas emitters globally on developing their climate transition plans in alignment with the Paris Agreement. IGM Subsidiary Mackenzie Investments' third-party engagement service provider is a supporter of the Transition Pathway Initiative (TPI), a global initiative that assesses companies' preparedness for the transition to a low carbon economy. TPI evaluates how companies' planned or expected future carbon performance compares to international targets and national pledges made as part of the Paris Agreement. The TPI enables assessment of how companies are managing climate change and the risk it poses to their business. Analysis of the materiality of climate risk is part of the process to determine which investees will be engaged.
Investing (Asset owner)	No, but we plan to do so in the next two years	Lifeco currently does not assess whether clients and investees are aligned to a well below 2-degree world due to the fact that its current engagement processes are focused mainly on climate-related disclosure given the relative maturity of the market. Over the next few years, as carbon disclosure improves, we will be exploring opportunities to further assess alignment to a well below 2-degree world.

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

Portfolio that clients/investees belong to	We encourage clients/investees to set a science-based target	Please explain
Investing (Asset manager)	Yes, for some	At IGM, its subsidiary, Mackenzie Investments' service provider engages with investee companies in the portfolio to encourage companies to set science-based targets, as well as to conduct climate-risk stress tests, and make enhanced disclosures. The engagements also focus on ensuring companies do not lobby policymakers or regulators to hinder the achievement of the Paris Agreement goals.
Investing (Asset owner)	No, but we plan to do so in the next two years	Over the next two years, Lifeco plans to explore opportunities to include setting science-based targets as part of its engagement efforts.

Carbon Disclosure Project 2020

C15

Signoff

POWER CORPORATION OF CANADA

C15 Signoff

Signoff

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

Job title	Corresponding job category
Chief Executive Officer (CEO)	Chief Executive Officer (CEO)