POWER FINANCIAL CORPORATION

CARBON DISCLOSURE PROJECT 2016

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CARBON DISCLOSURE PROJECT 2016

INTRODUCTION

CC0.1 **Please give a general description and introduction to your organization.**

Power Financial Corporation (hereinafter "Power Financial" or the "Corporation") is a diversified international management and holding company with interests in companies in the financial services and other business sectors.

Financial Services (99% of assets)

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

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. The company has operations in Canada, the United States, Europe and Asia through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Irish Life Group Limited, Great-West Life & Annuity Insurance Company (Great-West Financial) and Putnam Investments, LLC.

IGM Financial is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, serving the financial needs of Canadians through multiple distinct businesses including Investors Group Inc., Mackenzie Financial Corporation and Investment Planning Counsel Inc.

Together, Power Financial's investments in the financial services sector represent 99% of its consolidated assets.

Other Business Sectors (1% of assets)

Power Financial and the Frère Group of Belgium each hold a 50% interest in Parjointco N.V., which holds their interest in Pargesa Holding SA, a publicly traded Swiss company with indirect interests in companies based in Europe held through its publicly traded affiliated company, Groupe Bruxelles Lambert (GBL). Power Financial's effective interest in these companies is as follows: Imerys – mineral-based specialties for industry (7.48%); LafargeHolcim – cement, aggregates and concrete (1.31%); Total SA – oil, gas and alternative energies (0.33%); Engie – electricity, natural gas, and energy and environmental services (0.32%); Pernod Ricard – wines and spirits (1.04%); and SGS SA – testing, inspection and certification services (2.08%).

Power Financial has a deeply rooted tradition of acting in a responsible and ethical manner. We remain committed to continuing to reduce our impact, while working with our group companies as a supportive shareholder in connection with the energy and carbon management strategies they establish and implement.

This year, Power Financial has changed its organizational boundary from operational control to financial control. Where financial control exists (as defined in Power Financial's financial statements), 100% of the Scope 1, 2 and 3 emissions are rolled up from Great-West Lifeco's Canadian operations and IGM Financial. Therefore, our emissions reported in the 2015 CDP are not comparable to prior years.

Throughout our response to the CDP, we make reference to the activities of our group companies. Many of these companies have filed their own response to the CDP questionnaire, including our major publicly traded subsidiaries, Great-West Lifeco and IGM Financial. Where applicable, please refer to these companies' CDP responses for more detailed information.

INTRODUCTION

REPORTING YEAR

CC0.2 Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Enter Periods that will be disclosed
01/01/2015 – 31/12/2015

COUNTRY LIST CONFIGURATION

CC0.3 Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Canada

CURRENCY SELECTION

CC0.4 Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

Currency
CAD ($)

MANAGEMENT

CARBON
DISCLOSURE
PROJECT
2016

POWER FINANCIAL
CORPORATION

1 › GOVERNANCE

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility.

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. These reviews are conducted at least annually.

The Corporation's President and Chief Executive Officer (CEO) provides strategic oversight on matters relating to carbon and energy management. 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.

The CSR Lead reports to the President and CEO on these matters, as well as to the Governance and Nominating Committee of the Board of Directors.

CC1.2 Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a Please provide further details on the incentives provided for the management of climate change issues.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Chief Financial Officer (CFO)	Recognition (non-monetary)	Emissions reduction target	Incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to its Deputy Chief Financial Officer. He has annual objectives that include oversight on the company's CSR initiatives, including activities being undertaken to achieve their carbon reduction target.
Other: Assistant Vice-President, Corporate Properties Group, Great-West Lifeco	Monetary reward	Emissions reduction target	Monetary incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to its Assistant Vice-President, Corporate Properties. His variable compensation bonus structure includes executing on initiatives to achieve their carbon reduction target.
Corporate executive team	Monetary reward	Other: Climate change risks in the reinsurance business	Monetary incentives are provided by our subsidiary Great-West Lifeco to its leadership property catastrophe team for identifying optimal property reinsurance opportunities within defined criteria and considering exposure to property risks, including physical climate parameters.
Other: CSR Committee members, Great-West Lifeco	Recognition (non-monetary)	Emissions reduction target	Incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to its CSR Committee members. They have annual objectives related to executing on the company's CSR initiatives, including activities being undertaken to achieve their carbon reduction target.
Other: Property Managers, GWL Realty Advisors	Monetary reward	Other: Green Building Upgrades that impact energy efficiency and carbon reductions	Monetary incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to the corporate property managers at GWL Realty Advisors for progress on achieving Building Owners and Managers Association's BOMA BEST® certification at some buildings, which aligns with Great-West Lifeco's carbon reduction objectives.
Other: Property Managers, GWL Realty Advisors	Monetary reward	Emissions reduction target	Incentives for the management of climate change issues are provided by our subsidiary Great-West Lifeco to the corporate property managers at GWL Realty Advisors. They have annual bonus incentives for meeting the company's carbon reduction target. All other property managers at GWL Realty Advisors are also incentivized for progress being made towards building energy efficiency improvements.

CC1.2a Please provide further details on the incentives provided for the management of climate change issues. (continued)

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Other: Corporate Executive, IGM Financial	Monetary reward	Emissions reduction project Emissions reduction target Behaviour change related indicator	Incentives for the management of climate change issues are provided by our subsidiary IGM Financial to the Senior Vice President and Treasurer. His annual objectives include integrating climate-related considerations into the company's Corporate Responsibility (CR) strategy and initiative as well as efforts to disclose and report carbon and energy management performance.
Other: Property Managers, IGM Financial	Monetary reward	Emissions reduction project Energy reduction project Efficiency project	Incentives for the management of climate change issues are provided by our subsidiary IGM Financial to the Property Managers and their leaders at its operating companies. The Property Managers are incentivized for progress on achieving BOMA BEST® and Leadership in Energy and Environmental Design (LEED) certification at their corporate properties. Their objectives also include addressing climate-related issues in building operations. These incentives align with IGM Financial's energy and carbon reduction targets.
Other: Environment/ Sustainability Managers, IGM Financial	Monetary reward	Emissions reduction project Emissions reduction target Behaviour change related indicator	Incentives for the management of climate change issues are provided by our subsidiary IGM Financial to the Vice-President, Finance and Corporate Responsibility and the Manager, Corporate Responsibility. Their annual objectives include: integrating climate-related considerations into the company's CR initiatives to reduce emissions, efforts to disclose and report carbon and energy management performance, and plans to engage its people in behaviour changes supporting the company's energy and climate management plans.

CC2.1 Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities.

Integrated into multi-disciplinary company wide risk management processes

CC2.1a Please provide further details on your risk management procedures with regard to climate change risks and opportunities.

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/ sub-set of the Board or committee appointed by the Board	Given the global context of our business, we consider risks from a broad geographical perspective, covering North America and Europe.	> 6 years	Climate change risks and opportunities are integrated into the Corporation's company-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. As part of this process, we also consider the risks and opportunities identified by our group companies. Climate change risks and opportunities, like other risks and opportunities, are monitored on an ongoing basis, as required. When relevant, these issues may be reviewed during internal senior management meetings as well as through our representation on the respective Boards of our group companies. Strategic climate risks and opportunities would be communicated to the President and Chief Executive Officer and/or the Board of Directors, depending on the circumstances.

CC2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level.

Assessment of risks and opportunities from a company level perspective:

We track macroeconomic trends that could impact our company as a whole. Climate change trends are considered through our CSR assessment, taking into consideration the risks and opportunities identified by our group companies. Once a trend is identified as representing a potential risk or opportunity, a more formal assessment is made by internal and/or external resources to evaluate the probability and materiality of the potential impact on the business. The results of our assessment are then presented to the executive team to determine the appropriate action plan.

Assessment of risks and opportunities from an asset level perspective:

As a diversified international management and holding company with interests, directly or indirectly, in companies in the financial services and other business sectors, 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 investment analysis process. Through this analysis, we typically focus on company-specific risks and opportunities, which can include climate-related regulations, changing physical parameters, consumer behaviour, and new energy markets, products and services, among other things, where relevant. These types of analyses can be further strengthened by our interactions with the senior management of our subsidiaries and portfolio companies.

CC2.1c How do you prioritize the risks and opportunities identified?

Criteria for determining materiality/priorities:

The materiality of potential climate change risks and opportunities is based on an understanding of the likelihood and impact on our business, which we then use to determine the relative importance of the issues being addressed. Materiality for the purpose of our continuous disclosure documents is assessed based on the applicable legal and regulatory requirements.

CC2.2 Is climate change integrated into your business strategy?

Yes

CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process.

The process by which the strategy is influenced:

Strategic considerations are discussed during senior management meetings. Climate change considerations that could impact our overall strategy would be discussed during these meetings. Relevant outcomes from these meetings are integrated into the ongoing evaluation of the business strategy.

Climate change aspects that have influenced the strategy:

Climate change aspects that have influenced our strategy as a group include: investment opportunities in the renewable energy sector; managing building energy costs; identifying and capitalizing on client demand for energy-efficient products and services; and stakeholder interest for carbon disclosure and transparency.

CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process. (continued)

Most important components of the short-term strategy that have been influenced by climate change:

Our short-term strategy influenced by climate change includes: increasing our investments in renewable energy, investing in programs to improve the energy efficiency at our buildings and encouraging our subsidiaries to develop products and services that take advantage of climate-related opportunities.

We continue to invest in renewable energy. For example, our subsidiary, Great-West Lifeco, has strategic investments in solar and hydro projects. Meanwhile, our subsidiary, IGM Financial has expanded its use of renewable energy and has now started to purchase green natural gas to match the annual conventional natural gas used at its head office locations, enabling the company to exceed its renewable energy target of 80% by 2020.

From an energy efficiency perspective, we have continued to invest in building project upgrades and retrofits that reduce our energy and carbon impacts. Our parent company, Power Corporation of Canada (Power Corporation), continued to invest in building upgrades enabling us to meet our carbon reduction targets. In 2015, we reduced our emissions from electricity and natural gas by 7.2% since 2011, enabling us to surpass our target of 5% by 2015. Furthermore, Great-West Lifeco's building equipment retrofit program aligns with its new carbon reduction target of 8% of its Scope 1 and 2 emissions from its six corporate properties and its investment properties by 2020. IGM Financial is now investing in greener building upgrades at its corporate and regional offices such as efficient heating and cooling systems, air handling units, IT systems, LED lighting and motion sensors and green building certifications, to meet the company's carbon reduction target of 40% of Scope 1 and 2 emissions by 2020.

From a client perspective, we continue to work with our group companies, as a supportive shareholder, to encourage the development of products and services to position the group positively with our clients and stakeholders. Great-West Lifeco's subsidiary, GLC Asset Management, and IGM Financial's subsidiaries, Investors Group and Mackenzie Investments, are now signatories of the Principles for Responsible Investment, which has further strengthened climate change considerations within the investment process. Furthermore, our group companies continue to contribute to community projects and initiatives that increase awareness and knowledge on climate change impacts and management.

Most important components of the long-term strategy that have been influenced by climate change:

Our long-term strategy is being influenced by climate change issues in the context of our long-term value creation philosophy and our investments in sustainable and efficient companies supplying products and services that contribute to a low-carbon economy and societal well-being. For example, Great-West Lifeco is paying even greater attention to its experience with the risks associated with climate-related events to ensure effective integration in product pricing and insurance contract liabilities. While not currently an issue, Great-West Lifeco is also monitoring climate-related health impacts on morbidity and mortality rates. IGM Financial has strengthened its governance structure to assess, manage and monitor climate-related issues over the long-term, and is also focusing on a long-term strategy to become more efficient in the use of space to enable it to meet its long-term reduction target of 50% of Scope 1 and 2 emissions by 2036.

CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process. (continued)

How this approach is gaining a strategic advantage over competitors:

Relative to our competitors, we are well positioned to: proactively address potential reputational risks; potentially grow our revenues in the clean energy sector; identify opportunities to invest in innovative products and services that help to respond to climate change issues; reduce energy costs at our buildings and managed properties; minimize our carbon risk exposure; increase awareness on climate change through the community programs supported by Power Corporation; improve client loyalty and trust; attract, retain and engage employees; and gain advisor confidence.

Most substantial business decisions made during the reporting year influenced by climate change:

Over the past year, a number of business decisions were influenced by climate change, as follows:

- Continuing to position ourselves to better understand and invest in the renewable energy sector. In 2015, Great-West Lifeco's Canadian bond group invested in excess of $1.9 billion in infrastructure, of which $400 million was in green energy including solar, wind, and hydro energy projects. Notable transactions included a $100 million investment in Boulder Creek and Upper Lillooet Hydro Power Project and $95 million in the Helios Solar Star (Solar Power) Project in Ontario. Also in 2015, IGM Financial started purchasing renewable natural gas and put in place a renewable energy target of 80% by 2020.
- In 2015, our parent company, Power Corporation maintained the BOMA BEST® certification at our head office location and continued to invest in building and technology upgrades that enabled us to reduce our electricity and natural gas consumption by 7.2% since 2011, exceeding our target of a 5% reduction by 2015. Square Victoria Real Estate, a wholly owned subsidiary of Power Corporation, has applied for LEED Canada EB:O&M 2009 certification of our head office buildings in Montréal. Great-West Lifeco continues to invest in energy efficiency projects with a view to obtaining green building designations. To date, 20 buildings under GWL Realty Advisors' management have attained LEED® Gold certification, and more than 90% of the eligible commercial portfolio is certified to the BOMA BEST® standard. IGM Financial has continued to execute its space optimization strategy at its corporate and regional office properties.
- Stepping up our commitment to disclose information on energy and carbon management on Power Financial's CSR microsite, in Great-West Life's Public Accountability Statement, in GWL Realty Advisors' Annual Review and in IGM Financial's Corporate Responsibility Report.

CC2.2c Does your company use an internal price of carbon?

Yes

CC2.2d Please provide details and examples of how your company uses an internal price of carbon.

Power Financial's subsidiary, Great-West Lifeco, through its subsidiary GWL Realty Advisors, uses an internal price of carbon. Within the GHG Inventory Report developed for GWL Realty Advisors' managed portfolio, which includes all head office and investment properties within the Great-West Lifeco reporting boundary, a price on carbon is integrated to understand how much GHG emissions reductions would potentially represent in monetary value. The carbon price of $30 per tonne is used as a proxy, which corresponds to the carbon tax price per tonne of CO_2e in British Columbia (British Columbia's Carbon Tax Act [SBC 2008] Chapter 40, B.C. Reg. 125/2008 O.C. 386/2008). GWL Realty Advisors uses this carbon price for informational purposes to determine the level of opportunity that they may have to monetize carbon through potential cap and trade systems (e.g. GHG offset origination for commercial energy efficiency projects). Over time, GWL Realty Advisors will be exploring how to integrate carbon costs into the investment decision-making process for its retrofit (and other) projects.

CC2.3 Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

Other

CC2.3a On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: Clean growth	Support	Through Power Financial's Executive Co-Chairman's role on the Canadian Council of Chief Executives, we have supported a national strategy that promotes investment and innovation in clean growth.	Support a clean growth strategy for Canada.
Clean energy generation	Support	The CEO of IGM Financial and Investors Group is a member of the Business Council of Manitoba. Through this group of executive business leaders, the company supports discussions towards a clean energy strategy for Canada.	Support clean energy strategy for Canada.

CC2.3b Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c Please 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, or are you attempting to, influence the position?
International Economic Forum of the Americas (Canada) (IEF)	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 Financial's Executive Co-Chairman, Paul Desmarais, Jr., is the Chairman of the Board of Governors of the IEF. Through our 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 Financial's Executive Co-Chairman, Paul Desmarais, Jr., is Co-Chairman of the Brookings International Advisory Council. Through our involvement, we support efforts being taken to develop effective, pragmatic policies for addressing national and global energy and environmental issues.
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. The CIA held a Climate Change and Sustainability Forum in April of 2015 where the physical impacts of climate change, impacts of climate change on health and the environment, as well as the evolving investment landscape (as it relates to climate risk, policy developments, product evolution and governance considerations) were discussed.	Through the membership of Great-West Lifeco's employees on the CIA, Great-West Lifeco is engaging within the industry to better understand how climate change could impact insurance pricing and valuation models. Great-West Lifeco (through The Great-West Life Assurance Company) has representation on the CIA's Climate Change and Sustainability Committee.
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, Great-West Lifeco supports initiatives to increase awareness on energy improvements and increase government incentives towards energy efficient existing and new commercial real estate.

CC2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation. (continued)

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the 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 Great-West 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 Great-West 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 Great-West 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.

CC2.3d Do you publicly disclose a list of all the research organizations that you fund?

No

CC2.3e Please provide details of the other engagement activities that you undertake.

As a subsidiary of Power Corporation, corporate donations are conducted through Power Corporation's Donations Committee on behalf of both Power Corporation and Power Financial. The following provides examples of the research organizations we support:

- David Suzuki Foundation – Power Corporation provided funding to the Foundation covering a nine-year period from 2007 to 2015, which was again renewed until 2020. The 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.
- One Drop Foundation – Power Corporation is providing funding to the Foundation covering an eight-year period, beginning in 2011. Its projects in developing countries attempt to provide access to water, ensure food security, and use arts and culture to educate local communities on issues concerning water and climate change.

The support that Power Corporation provides to these foundations is in line with our strategy to contribute to community projects and initiatives that increase awareness and knowledge on climate change impacts and management.

We also invest in companies that share our philosophy and values, supporting a wide array of causes, including organizations promoting environmental stewardship and climate change. Our major publicly traded subsidiaries support organizations that produce public work on climate change and encourage their staff to get involved with environmental causes the companies support. Great-West Lifeco examples include the World Wildlife Fund, Habitat for Humanity, Pollution Probe (Healthy Communities Campaign), the International Institute for Sustainable Development, as well as the Canadian Institute for Energy Training. IGM Financial examples include the EcoPass/Allego/VIP Public Transit Incentive Program, the Nature Conservancy of Canada Forces of Nature Campaign, the Commuter Challenge and Earth Day Canada.

The following provides examples of these engagements:

Great-West Lifeco's Pollution Probe

Method of Engagement – Great-West Lifeco engages with Pollution Probe at a group level through ongoing dialogue and as a major sponsor of the organization's national, year-round Healthy Communities Campaign.

Topic of Engagement – They engage with Pollution Probe on focused e-waste recycling, which helps to divert waste from landfills and ultimately reduce carbon emissions.

Nature of Engagement – As both the Presenting Sponsor and an active corporate Participant, Great-West Lifeco made an early commitment to register an e-waste recycling drive. Employees dropped off more than 2,500 lbs of electronic waste – TVs, monitors, microwaves, audio equipment and phones – in special recycling bins set up in its Winnipeg buildings.

Actions Advocated – Through its engagement with Pollution Probe, Great-West Lifeco is supporting healthier sustainable behaviour, which in 2015 focused on recycling e-waste. By diverting e-waste from landfills, the company is supporting initiatives to protect both the environment and the health and safety of people from substances of concern like mercury and lead within electronics.

CC2.3e Please provide details of the other engagement activities that you undertake. (continued)

IGM Financial's EcoPass/Allego/VIP Public Transit Incentive Program

Method of Engagement – IGM Financial engages through partnership agreements with various city transit organizations to incentivize the use of public transport amongst its employees to enable carbon emissions to be reduced during their travel to and from work. Specifically, they have partnership agreements between Investors Group and the Winnipeg Transit Agency and the Montreal Metropolitan Transit Agency. Furthermore, IGM Financial's subsidiaries, Mackenzie Investments and Investment Planning Council, also have partnerships with the Toronto Transit Commission's Volume Incentive Program (VIP).

Topic of Engagement – IGM Financial is engaging with the above agencies so that their employees have access to cleaner transportation modes with a lower carbon impact.

Nature of Engagement – The engagements relate specifically to the agency incentive programs aimed at promoting public transit.

Actions Advocated as part of the Engagement: Through IGM Financial's engagement with these organizations, they actively advocate for continuation of these programs and possible enhancements to subsidize the cost for employees that use public transit. Through these subsidies, they expect to reduce the use of employee personal vehicles, which ultimately reduces their carbon emissions. In 2015, the company estimated that the use of public transit by their employees saved approximately 677 tonnes of CO_2 emissions compared to employees taking their own personal vehicles to work every day.

CC2.3f 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.

CC3.1 Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target

Renewable energy consumption and/or production target

CC3.1a Please provide details of your absolute target.

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO_2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	100%	5%	2011	47.21	2015	No, but we anticipate setting one in the next 2 years	This target is based on the consumption of natural gas and electricity at Power Financial. The target expired in the reporting year (achieved) and a new target has been established for 2020 (see below).
Abs2	Scope 1+2 (location-based)	100%	8%	2011	47.21	2020	No, but we anticipate setting one in the next 2 years	This target is based on the consumption of natural gas and electricity at Power Financial.
Abs3	Scope 1+2 (location-based)	35.9%	35%	2007	13,443	2015	No, but we anticipate setting one in the next 2 years	This target has been set by our subsidiary Great-West Lifeco. The target relates to Great-West Lifeco's Canadian corporate head office properties Scope 1 and 2 emissions. It excludes its investment properties, corporate jets, and emissions associated with refrigerants and backup generator diesel fuel use. This target expired in the reporting year (achieved) and a new target has been established for 2020 (see below).
Abs4	Scope 1+2 (location-based)	84.3%	8%	2013	21,092	2020	No, but we anticipate setting one in the next 2 years	This target has been set by our subsidiary Great-West Lifeco. The target includes emissions associated with Great-West Lifeco's property-level electricity, natural gas, and steam consumption at its corporate head office and investment properties. The target excludes GHG emissions associated with Great-West Lifeco's Yonge Richmond Centre (acquired in January 2015), corporate jet fuel use, backup generator diesel fuel use, and refrigerants.

CC3.1a Please provide details of your absolute target. (continued)

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO_2e)	Target year	Is this a science-based target?	Comment
Abs5	Scope 1+2 (location-based)	100%	40%	2013	2,302	2020	No, but we anticipate setting one in the next 2 years	This target has been set by our subsidiary IGM Financial. Their target increased in 2016 to include new emission reduction plans.
Abs6	Scope 1+2 (location-based)	100%	50%	2013	2,302	2036	No, but we anticipate setting one in the next 2 years	This target has been set by our subsidiary IGM Financial. It is a new target.

CC3.1d Please provide details of your renewable energy consumption and/or production target.

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Other: Natural Gas	2013	6,029	0%	2020	80%	This target relates to IGM Financial's consumption of natural gas. This target is for at least 80% of the natural gas utilized at the company's owned property to be renewable.

CC3.1e For all of your targets, please provide details on the progress made in the reporting year.

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	100%	100%	The reduction initiatives at Power Financial's leased head office building resulted in GHG emission reductions, enabling us to attain a reduction of 7.2% relative to our base year, surpassing our 5% reduction target for 2015.
Abs2	44.4%	90%	The reduction initiatives at the Power Financial leased head office building have resulted in GHG emission reductions of approximately 7.2%, which is on target to achieving our 8% reduction by 2020.
Abs3	100%	100%	Great-West Lifeco achieved its target of reducing absolute Scope 1 and 2 GHG emissions by 35% for its Canadian corporate head office properties from 2007–2015. GHG emissions were reduced by 41.3% over this time period.
Abs4	28.5%	76.1%	Between 2013 and 2015, Great-West Lifeco achieved a 6.5% reduction of its Scope 1 and 2 GHG emissions at its corporate head office and investment properties in scope for this target. These reductions are in part due to emissions reduction activities, including energy efficiency, focused retrofits and behavioural changes.
Abs5	29%	100%	IGM Financial's emission reductions were a result of projects to increase energy efficiency and the purchase of renewable natural gas. IGM Financial is on track to meeting its 2020 target.
Abs6	9%	100%	IGM Financial's emission reductions were a result of projects to increase energy efficiency and the purchase of renewable natural gas. IGM Financial is on track to meeting its 2036 target.
RE1	29%	100%	IGM Financial exceeded its renewable energy target in 2015, but remains on target to achieve an 80% reduction by 2020.

CC3.2 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?

No

CC3.3 Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases).

Yes

CC3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO_2e savings.

Stage of development	Number of projects	Total estimated annual CO_2e savings in metric tonnes CO_2e (only for rows marked *)
Under investigation	7	1.7
To be implemented*	20	526.9
Implementation commenced*	13	332.25
Implemented*	27	2,063.5
Not to be implemented	4	0

CC3.3b For those initiatives implemented in the reporting year, please provide details in the table below.

Activity type	Description of activity	Estimated annual CO_2e savings (metric tonnes CO_2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency – as specified in CC0.4)	Investment required (unit currency – as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	In 2015, our parent company, Power Corporation, invested in five facility improvement measures, including a chiller, controls optimization, lighting retrofits, ventilation systems, and capacitator bank.	332.25	Scope 1 Scope 2 (location-based)	Voluntary	159,709	937,354	4-10 years	>30 years	Through our parent company Power Corporation, we invest in energy efficiency projects that have enabled Power Financial to achieve emissions savings and contributed to meeting our GHG reduction target of 5% by 2015, baseline 2011.
Energy efficiency: Building services	Great-West Lifeco invested in lighting-focused retrofits (multiple locations) including but not limited to: lighting upgrades at London Life head office, lighting upgrades (sensors) at Canada Life Toronto, lighting controls upgrades at Canada Life Toronto, lighting upgrades (phase 1, energy efficient fixtures/ bulbs) at Toronto College Park, lighting retrofits (common area) at 433 Main, lighting upgrades in parking areas and office areas (Winnipeg Head Office), and lighting control upgrades (Winnipeg Head Office).	423.9	Scope 2 (location-based)	Voluntary	462,870	532,196	1-3 years	6-10 years	These activities relate to Great-West Lifeco and contributed to the achievement of their GHG reduction target of 35% by 2015 covering Scope 1 and 2 emissions.
Energy efficiency: Building services	Great-West Lifeco invested in rooftop makeup air unit retrofit at London Life RAM Centre.	95	Scope 1	Voluntary	23,000	225,000	4-10 years	16-20 years	These activities relate to Great-West Lifeco and contributed to the achievement of their GHG reduction target of 35% by 2015 covering Scope 1 and 2 emissions.

CC3.3b For those initiatives implemented in the reporting year, please provide details in the table below. (continued)

Activity type	Description of activity	Estimated annual CO_2e savings (metric tonnes CO_2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency – as specified in CC0.4)	Investment required (unit currency – as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Great-West Lifeco invested in HVAC-focused retrofits (multiple locations– primarily natural gas and steam reductions), including but not limited to: heat pump and compressor replacements (both Oliver Village towers), water heaters (both Oliver Village towers) and tank replacements (Ashby tower only), HVAC retrofit at Toronto College Park, and building recommissioning (including HVAC) at 180 Queen Street West.	406.3	Scope 1 Scope 2 (location-based)	Voluntary	106,925	944,859	4-10 years	11-15 years	These activities relate to Great-West Lifeco and contributed to the achievement of their GHG reduction target of 35% by 2015 covering Scope 1 and 2 emissions.
Energy efficiency: Building fabric	Great-West Lifeco invested in the supply and installation of a new roof membrane system (both towers at Oliver Village), and wall/roof insulation at London Life Head Office.		Scope 1 Scope 2 (location-based)	Mandatory		3,137,523		16-20 years	These activities relate to Great-West Lifeco and contributed to the achievement of their GHG reduction target of 35% by 2015 covering Scope 1 and 2 emissions.
Energy efficiency: Building services	IGM Financial converted constant speed compartmental fans to VFD Control.	1.1	Scope 2 (location-based)	Voluntary	10,877	54,510	4-10 years	11-15 years	These initiatives relate to IGM Financial.
Energy efficiency: Processes	IGM Financial reduced supply air fan operating schedule.	0.2	Scope 2 (location-based)	Voluntary	1,634	0	<1 year	Ongoing	These initiatives relate to IGM Financial.
Low carbon energy purchase	Purchase of renewable natural gas for Investors Group and Mackenzie Investments head offices.	1,137	Scope 1 Scope 3	Voluntary				Ongoing	These activities relate to IGM Financial and contributed to the achievement of its renewable energy reduction target of 80% by 2020.

CC3.3c What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	As part of our commitment to continuously reduce our limited carbon and energy impact, our parent company Power Corporation has in place a dedicated budget to reduce carbon impacts. A majority of this budget has been dedicated to maintaining the corporate office BOMA BEST® certification, which includes retrofits and building upgrades.
Dedicated budget for energy efficiency	Great-West Lifeco has a dedicated budget for energy efficiency projects. Each year, an investigation is made into possible energy efficiency projects. The dedicated budget varies based on the type of projects, return on investment, and overall positive sustainability impact (e.g. GHG emissions reduction potential). In 2015, Great-West Lifeco dedicated approximately CAD $5 million to undertake energy efficiency projects.
Financial optimization calculations	Great-West Lifeco conducts financial optimization calculations on a project-by-project basis by asset management and property management teams for major capital expenditures at its corporately owned properties.
Employee engagement	Employee engagement is a core component of Great-West Lifeco's sustainability strategy. In 2015, Great-West Lifeco developed a Corporate Properties Sustainability Working Group (CPSWG). The Working Group, consisting of experienced property management and building operations employees, helps to direct sustainability initiatives with a particular focus on GHG emission reductions at its corporate properties. So far, they have concentrated on retrofits focusing on energy, water and waste reduction, and the sharing of best practices and strategies among their facilities. The Working Group also helps coordinate environment-themed employee engagement activities, including 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 as well, including energy awareness programs, waste reduction initiatives (e.g. paper use reduction), and the promotion of sustainable commuting strategies.
Other	IGM Financial has in place a year-over-year dedicated budget for its facilities relating to building improvements. This budget includes energy efficiency projects, such as equipment replacements for boilers, lighting, air handling and HVAC systems.

CC4.1

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	Page/Section reference	Document/Link
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	20-21	Power Financial 2015 Annual Report
In voluntary communications	Complete	All	Power Financial CSR website – Energy and Carbon Efficiency
In voluntary communications	Complete	All	Power Financial CSR website – Our Performance
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	2	Great-West Lifeco 2015 Annual Report
In voluntary communications	Complete	16-21	Great-West Life 2015 Public Accountability Statement
In voluntary communications	Complete	All	Great-West Lifeco CSR website
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	71	IGM 2015 Annual Report
In voluntary communications	Complete	All	IGM CSR website – CSR approach
In voluntary communications	Complete	All	IGM CSR website – Library
In voluntary communications	Complete	All	Pargesa CSR Website
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	27-29	Groupe Bruxelles Lambert 2015 Annual Report
In voluntary communications	Complete	All	Groupe Bruxelles Lambert CSR website
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	36-37	Imerys 2015 Annual Report
In voluntary communications	Complete	19-20	Imerys 2015 Sustainable Development Report
In voluntary communications	Complete	All	Imerys website–Sustainable Development
In voluntary communications	Complete	All	Great-West Life Realty Advisors 2015 Annual Review

RISKS AND OPPORTUNITIES

CARBON DISCLOSURE PROJECT 2016

POWER FINANCIAL CORPORATION

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Climate change regulatory risks are not expected to generate a substantive change in our business operations, revenues or expenditures. We considered these risks in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, with no production, manufacturing or service operations, most of our carbon footprint is tied to business travel and the use of electricity in our buildings–mostly sourced from hydro-electric power. Given this relatively small carbon footprint, we have not identified climate change regulatory risks that could substantively impact our business.

From an investment perspective, a majority of our interests (99% of our assets) are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2015, and as disclosed in their respective CDP submissions, both these companies considered their possible exposure to risks driven by climate-related regulations. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider climate-related regulations to have the potential to generate a substantive change in their business operations, revenues and expenditures. Both companies have limited direct greenhouse gas impacts and the diversification of their business further limits their exposure to industry sectors, markets and countries subject to climate-related regulations.

With respect to our interests in other business sectors, there is a potentially higher indirect exposure to climate change regulations. This is the case for our indirect investments in the following sectors in Europe: oil and gas, electricity, energy services, cement and building materials, and industrial minerals. As an example, Imerys indicated in their 2015 CDP submissions some exposure to cap and trade schemes in Europe, Asia and South Africa. With 1% of our total assets invested in these other business sectors, we do not expect these potential regulatory risks to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of risks driven by changes in climate change regulation that would have the potential to generate a substantive change in our business operations, revenues or expenditures.

CC5.1e Please explain why you do not consider your company to be exposed to inherent risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Risks driven by changes in physical climate parameters are not expected to generate a substantive change in our business operations, revenues or expenditures. We considered these risks in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

Given the location of our head office, we do not expect to be impacted by changes in physical climate parameters, such as increasing temperatures and natural disasters. As part of our normal business activities, we proactively maintain emergency and contingency preparedness plans in the event of extreme weather conditions.

From an investment perspective, a majority of our interests (99% of our assets) are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2015, and as disclosed in their respective CDP submissions, both these companies considered their possible exposure to changes in physical climate parameters with respect to floods and extreme weather events. They considered risks related to the geographic location of their corporate and investment properties, and their product offerings covering property insurance, life and health insurance, loans and mortgages. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider these physical risks to have the potential to generate a substantive change to their business, given its diversification in terms of geography and product offering.

With respect to our interests in other business sectors, there is a potentially higher exposure to physical risks driven by climate change. Many of our European indirect investments have a global presence in parts of the world that are prone to these risks.
For example, Imerys indicated in its 2015 CDP submission that some of its locations could be impacted by increased natural disasters attributed to climate change which could result in increased operational costs. However, with 1% of our total assets invested in these businesses, we do not expect that these potential physical risks would result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of risks driven by changes in physical climate parameters that would have the potential to generate a substantive change in its business operations, revenues or expenditures.

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Risks driven by changes in other climate-related developments are not expected to generate a substantive change in our business operations, revenues or expenditures. We considered these risks in the context of our head office in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, we consider the reputational and market risks associated with our business and investments. With increasing public and investor concerns over climate change, we recognize that a lack of disclosure on how we manage climate change risks could potentially expose us to reputational risk. When considered in the context of our entire business, however, we do not expect the potential reputational risk to have a substantive impact.

From an investment perspective, a majority of our interests (99% of our assets) are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2015, and as disclosed in their respective CDP submissions, both these companies considered their possible exposure to risks driven by other climate-related developments, particularly with respect to reputation. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider other climate-related developments to have the potential to generate a substantive change in their operations, revenues and expenditures, given the diversification of their business and when considered in the context of other reputational risks.

With respect to our interests in other business sectors, particularly those within the industrial sectors, there is a potentially higher exposure to other risks given the scope and nature of operations in the oil and gas, electricity, energy services, industrial minerals and cement and building material sectors. For example, Imerys indicated in its 2015 CDP submission that it could be exposed to fluctuating socio-economic conditions from climate change resulting in reduced demand for goods and services. However, with 1% of our assets invested in these other sectors, we do not expect that these risks would result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of risks driven by changes in other climate-related developments that would have the potential to generate a substantive change in its business operations, revenues or expenditures.

CC6.1d Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Opportunities driven by changes in climate change regulations are not expected to generate a substantive change in our business operations, revenues or expenditures. We considered these opportunities in the context of our head office in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, with no production, manufacturing or service operations, we have a relatively small carbon impact with limited opportunities to directly benefit from cap and trade schemes and government incentives on cleaner technologies.

From an investment perspective, a majority of our interests (99% of our assets) are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2015, and as disclosed in their respective CDP submissions, both these companies considered the possible opportunities associated with climate-related regulations, particularly with respect to government subsidies and incentives for renewable energy. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider regulatory opportunities to have the potential to generate a substantive change in their business given the diversification of their products and services.

With respect to our interests in other business sectors, potential opportunities driven by climate change regulations were identified by our European indirect investments. For example, Imerys indicates in its 2015 CDP submission that fuel and energy taxes as well as renewable energy regulation are enabling the company to generate additional sales by providing new products to customers, including carbonate fillers, high purity quartz for photovoltaic markets, and talc for car plastics. Though these opportunities may be important to the respective companies, our investments in other businesses in total represent 1% of our assets and are therefore not expected to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of opportunities driven by changes in climate change regulation that would have the potential to generate a substantive change in its business operations, revenues or expenditures.

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Opportunities driven by changes in physical climate parameters are not expected to generate a substantive change in our business operations, revenues or expenditures. We considered these opportunities in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

At our head office location, we considered possible exposure to gradual warming temperatures, which could in turn result in lower energy costs. However, given our relatively small carbon and energy footprint and utility expense, any potential reduction in energy costs would not have a substantive impact on our overall business.

From an investment perspective, a majority of our interests (99% of our assets) are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2015, and as disclosed in their respective CDP submissions, both these companies considered the possible opportunities associated with changes in physical climate parameters, particularly with respect to warming winters. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider these opportunities to have the potential to generate a substantive change in their business. Overall, the opportunities are offset by the diversification of their investments, and the normal seasonal variations that occur in Canada between winter and summer periods.

With respect to our interests in other business sectors, there are potential opportunities in terms of new products and services. For example, Imerys considers changes in natural resources will grow the renewable energy sector and demand for its high purity quartz for photovoltaic cells. Though these opportunities may be important to the respective companies, our investments in other businesses in total represent 1% of our assets and are therefore not expected to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of opportunities driven by changes in physical climate parameters that would have the potential to generate a substantive change in its business operations, revenues or expenditures.

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Opportunities driven by other climate-related developments are not expected to generate a substantive change in our business operations, revenues or expenditures. We considered these opportunities in the context of our head office building in Montréal, Canada, and our major subsidiaries and investments.

As a holding company, we considered possible reputational opportunities associated with increasing public and investor requests for greater climate change disclosure. However, we do not expect the reputational benefits associated with climate change disclosure to have a substantive impact on our overall business.

From an investment perspective, a majority of our interests (99% of our assets) are held within the financial services industry through our controlling interests in Great-West Lifeco and IGM Financial. In 2015, and as disclosed in their respective CDP submissions, both these companies considered the possible opportunities associated with other climate-related developments, including demand for low-carbon products and services, reputation, employee engagement, and reducing operational costs. Through their respective reviews, Great-West Lifeco and IGM Financial do not consider other climate-related developments to have the potential to generate a substantive change in their business, given the diversification of their business and when considered in the context of other reputational opportunities.

With respect to our interests in other business sectors, many of our companies are taking advantage of climate-related opportunities. For example, Imerys continues to develop carbon efficient products and is increasing research and innovation spend into new cleaner products. Though these opportunities may be important to the respective companies, our investments in other businesses in total represent 1% of our assets and are therefore not expected to result in a substantive impact on Power Financial.

Based on the foregoing, Power Financial is not aware of opportunities driven by changes in other climate-related developments that would have the potential to generate a substantive change in its business operations, revenues or expenditures.

EMISSIONS

CARBON
DISCLOSURE
PROJECT
2016

POWER FINANCIAL
CORPORATION

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2).

Scope	Base year	Base year emissions (metric tonnes CO_2e)
Scope 1	Tue 01 Jan 2013–Tue 31 Dec 2013	16,423
Scope 2 (location-based)	Tue 01 Jan 2013–Tue 31 Dec 2013	12,927
Scope 2 (market-based)	Tue 01 Jan 2013–Tue 31 Dec 2013	17

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Please select the published methodologies that you use
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.3

Please give the source for the global warming potentials you have used.

Gas	Reference
CO_2	Other: IPCC 2013 Fifth Assessment Report. Emissions related to Great-West Lifeco were calculated using the IPCC Fourth Assessment Report.
CH_4	Other: IPCC 2013 Fifth Assessment Report. Emissions related to Great-West Lifeco were calculated using the IPCC Fourth Assessment Report.
N_2O	Other: IPCC 2013 Fifth Assessment Report. Emissions related to Great-West Lifeco were calculated using the IPCC Fourth Assessment Report.
Other: R-407C	Other: Emissions related to Great-West Lifeco were calculated using the IPCC Fourth Assessment Report.
Other: R-410A	Other: Emissions related to Great-West Lifeco were calculated using the IPCC Fourth Assessment Report.
Other: Electricity Canada	Other: Environment Canada National Inventory Report (1990–2013)

7 › EMISSIONS METHODOLOGY

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page.

Fuel/Material/Energy	Emission Factor	Unit	Reference
			Emission factors available on the CDP database.

8 › EMISSIONS DATA (1 JAN 2015 – 31 DEC 2015)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory.

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO_2e.

13,332

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

No

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO_2e.

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
12,845	18	IGM Financial measures utility specific emission factors (market-based) related to its Scope 2 emissions.

CC8.4

Are there are 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

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Assumptions Metering/ Measurement Constraints	At Power Financial, natural gas conversions are based on utility bills received during the reporting year. The efficiency factors from the boilers may result in minor variances of less than 1%. Great-West Lifeco purchases several forms of energy considered in Scope 1 emissions (natural gas, jet fuel) which are metered by utilities and service providers. These meters are revenue grade and typically accurate within <2%. Great-West Lifeco also includes refrigerant purchases in Scope 1 emissions. Given that measurement of this source is done at the time of the replacement of refrigerant and not related to any rate of leakage, discrepancies in the recorded time of replacement and actual time of emission can exist. At IGM Financial, uncertainty is limited to any estimates or data provided by utility companies or other suppliers.
Scope 2 (location-based)	Less than or equal to 2%	Assumptions Extrapolation Metering/ Measurement Constraints	At Power Financial, a generic cost per MWh is applied to calculate energy and carbon emissions, which may result in minor variances. Great-West Lifeco purchases several forms of energy considered in Scope 2 emissions (electricity, steam) which are metered by utilities and service providers. These meters are revenue grade and typically accurate within <2%. At IGM Financial, uncertainty is limited to any estimates or data provided by utility companies or other suppliers.
Scope 2 (market-based)	Less than or equal to 2%	Assumptions	At IGM Financial, uncertainty is limited to any estimates or data provided by utility companies or other suppliers.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions.

Third party verification or assurance process in place

CC8.6a Please 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 Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	Available on the CDP database.	All	ISAE 3410	77
Annual process	Complete	Limited assurance	Available on the CDP database.	All	ISAE 3410	4

CC8.7 Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures.

Third party verification or assurance process in place

CC8.7a Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements.

Location-based or market-based figure?	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 Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	Available on the CDP database.	All	ISAE 3410	99
				Available on the CDP database.	All	ISAE 3410	1

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2.

Additional data points verified	Comment
Year-on-year change in emissions (Scope 1 and 2)	PwC verified the year-on-year change in Scope 1 and Scope 2 emissions for our subsidiaries Great-West Lifeco and IGM Financial (available on the CDP database).
Year-on-year change in emissions (Scope 3)	PwC verified the year-on-year change in Scope 3 emissions for our subsidiary Great-West Lifeco (available on the CDP database).

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

9 › SCOPE 1 EMISSIONS BREAKDOWN (1 JAN 2015 – 31 DEC 2015)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

No

10 › SCOPE 2 EMISSIONS BREAKDOWN (1 JAN 2015 – 31 DEC 2015)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

No

11 › ENERGY

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

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

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year.

Energy type	Energy purchased and consumed (MWh)
Heat	0
Steam	6,183.9
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year.

68,145

CC11.3a Please complete the table by breaking down the total “Fuel” figure entered above by fuel type.

Fuels	MWh
Natural gas	48,890
Diesel/Gas oil	416
Other: Misc	18,839

CC11.4 Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a.

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
Contract with suppliers or utilities, with a supplier-specific emission rate, not backed by electricity attribute certificates	13,245	Power Financial and IGM Financial purchase low carbon electricity generated from hydropower sources in Canada (from Québec and Manitoba). Great-West Lifeco purchases district steam for its Toronto office locations. These sources produce lower emissions per MWh compared to traditional fossil fuel-based heating sources.

CC11.5 Please report how much electricity you produce in MWh, and how much electricity you consume in MWh.

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
120,823	120,823	0	0	0	Given the nature of our business, we do not produce electricity.

CC12.1 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a Please 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	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	6.7	Decrease	In 2015, we reduced our Scope 1 and 2 GHG emissions by 6.679% based on the reduction activities of Power Financial, Great-West Lifeco and IGM Financial. Power Financial achieved emission reductions of 0.79 tCO_2e from equipment upgrades and lighting improvements. Great-West Lifeco achieved emission reductions of 925 tCO_2e from various efficiency retrofits, operational changes and behavioural programs at its head office and investment property portfolio. IGM Financial achieved emission reductions of 1,006 tCO_2e through planned reductions in its business travel and entering into a contract with Bullfrog Energy to purchase zero carbon natural gas. As a result of all these emission reduction activities, our total Scope 1 and 2 emission reductions were 1,931.79 tCO_2e in 2015. We divided this number by the 2014 total Scope 1 and 2 emissions of 28,925 to achieve an overall 6.679% decrease from emission reduction activities. The calculation is as follows: (1,931.79 tCO_2e/28,925)*100 = 6.679%.
Divestment			N/A
Acquisitions	4	Increase	Great-West Lifeco's acquisition of Yonge Richmond Centre in Jan 2015 resulted in a 1,149 tCO_2e increase in Scope 1 and 2 emissions. The following calculation was used to calculate the increase: (1,149/28,925)*100 = 4.0%.
Mergers			N/A
Change in output	2	Decrease	Great-West Lifeco's reduction in its corporate jet fuel usage enabled further GHG emission reductions. These reductions were due to the completion of acquisition (and post-acquisition integration) activities requiring extensive travel. The following calculation was used to calculate the reduction: (571/28,925)*100 = 2.0%.
Change in methodology	0.01	Decrease	IGM Financial's reduced its GHG emissions by 2 tCO_2e due to year-over-year changes in emissions factors. Total Scope 1 and 2 emissions in the previous year were 28,925 tCO_2e. The following calculation was used to calculate the emission decrease: (2/28,925)*100 = 0.007%.
Change in boundary			This year, Power Financial changed its organizational boundary from operational control to financial control. Where financial control exists (as defined in Power Financial's financial statements), 100% of the Scope 1, 2 and 3 emissions are rolled up from Power Financial, Great-West Lifeco's Canadian operations and IGM Financial. Therefore, our emissions reported in the 2015 CDP are not comparable to prior years. In order to complete this table (Q12.1a) as required by the CDP, we ensured that the 2014 data used for the calculations aligned with our 2015 financial consolidation approach.

CC12.1a Please 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. (continued)

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Change in physical operating conditions	4.5	Decrease	Great-West Lifeco had a minor decrease in emissions due to changes in weather and occupancy. Weather and occupancy accounted for a decrease of 22 tCO_2e in electricity associated GHG emissions, 930 tCO_2e in natural gas associated emissions and 133 tCO_2e in GHG emission associated with purchased steam (totalling 1,084 tCO_2e). IGM Financial decreased its GHG emissions by 232 tCO_2e due to a decrease in natural gas consumption resulting from the mild winter. As a result of these changes in physical operating conditions, Scope 1 and 2 emissions were reduced by 1,316 tCO_2e in 2015, representing a decrease of 4.5% based on the following calculation (emissions in 2014 were 28,925 tCO_2e): (1,316/28,925)*100 = 4.549%.
Unidentified			N/A
Other	1.6	Decrease	Great-West Lifeco achieved a year-over-year GHG emissions reduction attributable to diesel fuel use in backup generators and refrigerant top-ups. Decreases in diesel fuel consumption as well as fugitive emissions (refrigerant leaks/top-ups) accounted for 460 tCO_2e in GHG emission reductions. IGM Financial achieved a reduction in Scope 2 electricity usage, due to planned building upgrades completed in 2014 and 2015 (including fan system upgrades, installation of lighting sensors, HVAC upgrades and behavioural changes). As a result, Scope 1 and 2 emissions were reduced by 463 tCO_2e in 2015, representing a decrease of 1.6% based on the following calculation (emissions in 2014 were 28,925 tCO_2e): (463/28,925)*100 = 1.6%.

CC12.1b Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2 Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO_2e per unit currency total revenue.

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000000717	metric tonnes CO_2e	36,512,000,000	Location-based	3.5	Increase	The variance is due to a decrease in our 2015 revenue.

12 › EMISSIONS PERFORMANCE

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations.

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
1.69	metric tonnes CO_2e	full time equivalent (FTE) employee	15,488	Location-based	14.3	Decrease	The decrease is a result of decreases in Scope 1 and 2 emissions.
0.005962	metric tonnes CO_2e	square foot	4,390,885	Location-based	9.5	Decrease	The decrease is a result of decreases in Scope 1 and 2 emissions.

13 › EMISSIONS TRADING

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years.

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

14 › SCOPE 3 EMISSIONS

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Sources of Scope 3 emissions	Evaluation status	Metric tonnes CO_2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, calculated	1,799.8	Indirect measurement using purchasing database information and emissions factors from Environmental Paper Network.	100.00%	These emissions relate to the use of paper products by Great-West Lifeco employees. Given the nature of our business as a financial services holding company, we do not consider the purchase of goods and services to contribute significantly to our total anticipated Scope 3 emissions.
Capital goods	Not relevant, explanation provided				Given the nature of our business within the financial services sector, we do not consider capital goods to contribute significantly to our total anticipated Scope 3 emissions.
Fuel- and energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				Given the nature of our business within the financial services sector, we do not consider fuel- and energy-related activities to contribute significantly to our total anticipated Scope 3 emissions.
Upstream transportation and distribution	Not relevant, calculated	81.8	Indirect measurement using provincial emission factors. Source: Environment Canada. Greenhouse Gas Division, National Inventory Report 1990–2013 Part 1: Greenhouse Gas Sources and Sinks in Canada.	100.00%	These emissions relate to the transport and distribution of products that Great-West Lifeco purchases for its offices relating to the distribution of water for consumption in its buildings. Given the nature of our business as a financial services holding company, we do not consider upstream transportation and distribution to contribute significantly to our total anticipated Scope 3 emissions.
Waste generated in operations	Relevant, calculated	3,066	GHG Protocol	100.00%	These emissions relate to the waste generated by Power Financial, Great-West Lifeco, and IGM Financial.
Business travel	Relevant, calculated	11,585	Provided from service providers	100.00%	Business travel includes corporate road and air travel for Power Financial, Great-West Lifeco and IGM Financial.
Employee commuting	Not relevant, explanation provided				Given the nature of our business within the financial services sector, we do not consider employee commuting to contribute significantly to our total anticipated Scope 3 emissions.
Upstream leased assets	Not relevant, explanation provided				We do not lease upstream assets in our business.
Downstream transportation and distribution	Not relevant, explanation provided				Given the nature of our business within the financial services sector, we do not consider downstream transportation and distribution to contribute significantly to our total anticipated Scope 3 emissions.

CC14.1 Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions. (continued)

Sources of Scope 3 emissions	Evaluation status	Metric tonnes CO_2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Processing of sold products	Not relevant, explanation provided				We do not sell products in our business that result in the processing of sold products.
Use of sold products	Not relevant, explanation provided				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				We do not sell products where end of life treatment would be relevant.
Downstream leased assets	Relevant, calculated	14,459	Indirect measurement using provincial emission factors. Source: Environment Canada. Greenhouse Gas Division, National Inventory Report 1990–2013 Part 1: Greenhouse Gas Sources and Sinks in Canada.	100.00%	These emissions include the downstream leased assets of Great-West Lifeco and IGM Financial. The downstream leased assets for Great-West Lifeco are associated with external (third-party managed) field offices and other leased areas for Great-West Life, London Life, and Canada Life employees in Canada. The downstream leased assets for IGM relate to natural gas and electricity usage within corporate leased properties and leased Investors Group region offices.
Franchises	Not relevant, explanation provided				We do not own any franchises.
Investments	Relevant, calculated	95,536	Indirect measurement using provincial emission factors. Source: Environment Canada. Greenhouse Gas Division, National Inventory Report 1990–2013 Part 1: Greenhouse Gas Sources and Sinks in Canada.	100.00%	These emissions cover Great-West Lifeco's investment property fund emissions.
Other (upstream)					N/A
Other (downstream)					N/A

CC14.2 Please indicate the verification/assurance status that applies to your reported Scope 3 emissions.

Third party verification or assurance process in place

CC14.2a Please provide further details of the verification/assurance undertaken, 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 Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	Available on the CDP database.	3	ISAE 3410	85

CC14.3 Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Other: Change in business practices	17.3	Decrease	Great-West Lifeco made significant reductions in the use of paper from 2011 through 2014, and is now making further incremental improvements as digital alternatives help them eliminate internal reports and reduce printing of many client and advisor materials. Many of its business areas are providing more data electronically to their clients. For example, in 2015 Great-West Lifeco replaced individual paper cheques for health and dental providers with convenient electronic statements and weekly direct deposits or semi-monthly bundled cheques. This eliminated the use of almost 2.7 million sheets of paper and more than 1.3 million envelopes through the year.
Upstream transportation & distribution	Acquisitions	2.2	Increase	Great-West Lifeco's upstream transportation and distribution emissions increased due to the addition of a newly acquired property as of January 2015.
Waste generated in operations	Acquisitions	7	Increase	Increase was due to the addition of a newly acquired Great-West Lifeco property as of January 2015. For IGM Financial, the increase was due to change in emission factors.
Business travel	Other: Change in business practices	4	Increase	The increase was due mainly to IGM Financial business requirements and increased employee/consultant head count for meetings and training.
Downstream leased assets	Unidentified	3.4	Decrease	The decrease is due to factors outside of Great-West Lifeco's financial or operational control at its externally (third-party) managed leased office space.
Other (downstream)	Emissions reduction activities	3.0	Decrease	Reduced emissions resulted from IGM Financial's contractual arrangement with a third party to supply zero GHG emissions natural gas to offset emissions from the natural gas consumed by its corporate facilities.
Investments	Emissions reduction activities	4.6	Decrease	Efficiency conservation measures taken at various Great-West Lifeco locations within the real estate segregated fund portfolios resulted in GHG emissions decreases due to energy reductions in electricity and natural gas.

CC14.4 Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies?

Yes, other partners in the value chain

CC14.4a Please give details of methods of engagement, your strategy for prioritizing engagement and measures of success.

Other Partners

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

Strategy for prioritizing engagements – We prioritize our engagements with subsidiaries where we have financial control and significant influence. For example, over the past year we prioritized our engagement with our major publicly traded subsidiaries, Great-West Lifeco and IGM Financial.

Measures of success – We measure our success based on the number of meetings held and progress being achieved. For example, over the past year we held 3 awareness sessions with our major subsidiaries to understand their carbon and energy management strategies. Considerable efforts have been made by our major subsidiaries to strengthen their commitments on reducing GHG emissions and disclosing their climate change strategies.

SIGN OFF

CARBON
DISCLOSURE
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15 › SIGN OFF

CC15.1 Please provide the following information for the person that has signed off (approved) your CDP climate change response.

Name	Job title	Corresponding job category
R. Jeffrey Orr	President and Chief Executive Officer	Chief Executive Officer (CEO)