

# Responsible Management

Responsible management has always been an intrinsic corporate value at our company and is a constant priority that we believe is essential to long-term profitability and value creation. Responsible management defines our approach at Power Corporation in all facets of our business. It informs our efforts when dealing with Corporate Social Responsibility (CSR) issues and initiatives relating to our portfolio companies. The same is true with the manner in which we manage our relationships with the communities where we are established and the ethical way in which we treat our customers, employees and business partners.

**OVERSIGHT:** We remain committed to furthering our responsible management philosophy, predicated on a strong foundation of integrity and ethical conduct.

Our CSR Statement, which can be found on our website, reflects our philosophy of responsible management. It helps shape the corporate culture we foster throughout the Power group of companies.

A Power Corporation officer has been tasked with overseeing the implementation of our CSR Statement and will be providing annual progress reports on our CSR initiatives to the Governance and Nominating Committee of the Board of Directors.

We encourage and support the efforts of our portfolio companies to develop initiatives consistent with our CSR Statement. We also work with our major operating subsidiaries on group-wide CSR strategic issues.

**PEOPLE:** We support our people by providing an enriching, respectful, balanced and rewarding work environment.

We rely on all the people in our group of companies for the success of our business. A motivated work force respected by management is one of the most effective means we have to create long-term value for our shareholders. We actively support a culture of development and performance. We seek to create flexible and balanced workplaces that recognize the value of diversity and personal well-being.

Our people are the ambassadors of our core values. Our management philosophy is based on teamwork and trust, especially critical in our business environment where they are charged with earning the trust of our customers. We will continue to ensure they benefit from positive working relationships and opportunities for personal growth.

**SOCIETY: We contribute to society by making sound investments and by supporting the communities where we are established.**

MAKING SOUND INVESTMENTS

The mainstay of our business is financial services. Our companies help customers achieve their financial and retirement goals by providing financial advice and planning products and services. We believe that the companies in which we invest have sound and well-structured products that meet customer needs and provide value. Our primary areas of focus are life and health protection, retirement savings and investment advisory services. Our companies operate in a financially prudent manner and have sustainable business models within their relative markets.

We also have a limited number of investment platforms that follow our investing principles, including our commitment to CSR. Through our responsible management approach, we recognize the importance of both financial and non-financial elements when conducting our analysis of investment opportunities and interacting with our portfolio companies. We will continue to integrate environmental, social and governance considerations in our investment analysis process and active ownership approach.

SUPPORTING OUR COMMUNITIES

As part of our CSR values, we strive to be responsible corporate citizens and make a positive contribution to the communities where the Corporation is established. Over the years, we have generously contributed to more than 800 organizations and supported many employee volunteering initiatives. Since its inception, we have been supporters of Imagine, a national program to promote corporate and public giving,

volunteering and support in the community, consistently exceeding the minimum donation guideline of one per cent of pre-tax domestic profit. Through our Donations Committee we will continue to support our communities with a focus on health, education, arts and culture, community development, and the environment.

**ENVIRONMENT: We work to reduce the environmental impact of our businesses through continuous improvement.**

Sound environmental practices and behaviours are well-rooted in how the Corporation approaches its business activities, and we remain committed to conducting our activities in an environmentally responsible manner.

As a holding company, our limited direct environmental impact is primarily related to the activities of our head office, which has no production, manufacturing or service operations. Over the years, we have focused our efforts on resource conservation, energy efficiency and waste management. We remain committed to continuously reducing our limited impact while working with our group companies to support their environmental management initiatives.

**COLLABORATION AND TRANSPARENCY:**

**We are committed to responsible disclosure.**

We believe in enhancing our disclosure to better communicate our responsible management activities. We realize this is an area that continues to grow in importance for our stakeholders. Over the coming years, we will be improving the quality of our CSR reporting to provide meaningful information to our stakeholders.