

Responsible Management

Responsible management lies at the heart of our business, driving the long-term performance and profitability of the Corporation. It is this mindset that has enabled us to build a resilient and sustainable business, through our role as an investor, employer and contributor to the communities where we operate. Through all our endeavours, we recognize the breadth of our corporate responsibility and hold in earnest the privilege to play our part.

In the course of 2012, we strengthened our responsible management commitments and worked together with our portfolio companies to align our corporate social responsibility (CSR) efforts. Our progress over the past year is best viewed through the five pillars under which we have grouped our related activities.

OVERSIGHT Our dedication to responsible management is predicated on a strong foundation of integrity and ethical conduct which we view as integral to our business.

Our CSR Statement and Code of Ethics reflect our responsible management philosophy. During the past year, we strengthened our CSR Statement to provide greater clarity on our commitment to international human rights, the environment, and responsible investments. Our revised CSR Statement was adopted by our Board of Directors in March, 2012.

We also formalized our CSR governance structure. At the Board level, the Governance and Nominating Committee has been tasked with monitoring the implementation of the Corporation's strategy and initiatives with respect to corporate social responsibility; its charter has been amended accordingly. At the executive level, our CSR lead continued to oversee our efforts to formalize our CSR practices.

Throughout the year, we continued to work with our group companies to support the development of their CSR programs.

PEOPLE We provide a work environment where the people in our group of companies feel connected and supported.

We strive to create positive working relationships for our employees and to provide them with opportunities for growth and community involvement. Over the past year, we continued to encourage and support our employees in becoming involved in their communities by volunteering their time and talents to worthy causes. Because of their experience and expertise, many officers and employees of the Corporation are asked to sit on the boards of the non-profit organizations for which they volunteer. This strengthens these organizations and, in turn, provides a further sense of community belonging to our officers and employees.

SOCIETY We contribute to society by making sound business investments and by supporting the communities where we are established, generating both social and economic value.

In terms of making sound investments, our active ownership approach involves considering financial, environmental, social and governance factors, when relevant.

With the majority of our investments in financial services, we positively impact society through products and services that enable our customers to achieve financial security and generate wealth. Our financial services companies offer life and health insurance, retirement savings programs and a broad range of investment vehicles, including socially responsible investment funds.

Our approach to community investment consists of providing support to organizations that are addressing issues in the areas of health, education, arts and culture, community development and the environment. We make contributions to numerous organizations through corporate donations and investments, and through our support of employee volunteering initiatives.

As business entrepreneurs, we especially value and support the role that social entrepreneurs play in helping to build strong and connected communities, guiding us to seek partnerships and investments that have a lasting impact on our communities. Social entrepreneurs are driven to champion their cause and devote their lives to the service of others. They use their knowledge and experience to forge change in their communities and to bring comfort and healing to those in need. We are also drawn to smaller initiatives that deliver broad social benefit because of their entrepreneurial, innovative spirit.

Over the years, our substantial commitment to philanthropy across the country has earned us the designation of a "Caring Company" from Imagine Canada.

ENVIRONMENT We continue our commitment to operating our business in an environmentally responsible manner.

As a holding company, our direct environmental impact is limited to the operations of our head office, which has no production or manufacturing functions. Despite this limited impact, we work diligently to reduce our environmental footprint and we support and encourage our group companies in their environmental efforts.

In 2012, we stepped up our environmental commitment by establishing a three-year carbon reduction target. In addition to our resource conservation initiatives, we promote leading energy efficiency and waste management practices at our head office.

COLLABORATION AND TRANSPARENCY We are committed to responsible disclosure.

We recognize that our CSR performance attracts the interest of a number of stakeholders. We continue to work with these stakeholders on a collaborative basis to provide meaningful information in a transparent manner.

In the past year, we expanded our CSR communications. In a first for the Corporation, we reported on our carbon footprint and climate change strategies to the Carbon Disclosure Project. We ranked favourably among Canadian corporations.

We continue to proactively engage with our stakeholders to ensure they are kept abreast of our CSR initiatives. We also expanded our CSR disclosure on our corporate website.