

Combatting financial crime

Great-West Lifeco Inc. (“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 in Canada, the United States and Europe. Great-West Lifeco is a publicly traded company whose shares are listed on the Toronto Stock Exchange. No individual owns or controls more than 25% of the equity of Great-West Lifeco. Great-West Lifeco, its intermediate parent, its ultimate parent, and its subsidiaries have not issued shares in bearer form. A chart showing the corporate relationships between Great-West Lifeco, certain of its subsidiaries and its ultimate parent company, Power Corporation of Canada (“Power”), can be viewed at [Our companies - Great-West Lifeco Inc. \(greatwestlifeco.com\)](https://www.greatwestlifeco.com). Power is also a publicly traded company whose shares are listed on the Toronto Stock Exchange. For more information about Power visit [Power Corporation of Canada | Home](#).

Governance framework

Great-West Lifeco maintains risk-based programs to combat financial crime (“financial crime programs”) with oversight provided by Great-West Lifeco’s Board of Directors (the “Board”). Financial crime programs at Great-West Lifeco include anti-money laundering, anti-terrorist financing and sanctions (collectively “AML”), anti-bribery and corruption (“ABC”), and fraud risk management (“FRM”).

Great-West Lifeco operates a “Three Lines of Defence” governance model. The First Line of Defence (comprising Business areas and support functions) is the ultimate owner of financial crime risk and has primary risk management as well as risk-taking responsibility and accountability. The Second Line of Defence (comprising the Oversight functions) has primary and overall responsibility and accountability for independent oversight and effective challenge of risk-taking, compliance, and risk management by the First Line of Defence, including monitoring and testing where applicable. The Third Line of Defence (comprising Internal Audit) is responsible for independent assurance of the adequacy of the design and operational effectiveness of governance, risk management, and control processes including those related to the financial crime programs.

Great-West Lifeco’s enterprise-wide Head of Global Financial Crime Risk is also the appointed Chief Anti-Money Laundering Officer (“CAMLO”) and Sanctions Compliance Officer (“SCO”). The Head of Global Financial Crime Risk is responsible for establishing the frameworks and providing global Second Line of Defence oversight of Great-West Lifeco’s financial crime programs.

Management commitment to combatting financial crime

Great-West Lifeco’s [Code of Conduct](#) sets out the standards of business conduct for all directors, officers, and employees¹ and rests on Great-West Lifeco’s core values that include “Acting with Integrity”. The [Code of Conduct](#) is endorsed by the Board and is supported by several policies including the enterprise-wide AML Policy, ABC Policy, and FRM Policy. The [Code of Conduct](#) and these policies highlight Great-West Lifeco’s commitment to:

- Comply with applicable financial crime laws and regulations
- Support regulators and law enforcement in their efforts to prevent, detect, and investigate financial crime
- A strong financial crime risk awareness culture

¹ The Code does not apply to Putnam Investments, LLC, which has its own code of conduct. It also does not apply to advisors, suppliers, or third parties, governed by different codes of conduct or contracts with us. Certain subsidiaries may adopt additional codes of ethics to respond to their specific requirements, but these codes must not contradict this Code.

Great-West Lifeco supports a “Speak Up” culture and encourages the use of its confidential Ethics Hotline² by its directors, officers, and employees to raise a concern and report anything that may violate the [Code of Conduct](#) or the law. Financial crime policies also include obligations for directors, officers, and employees to report unusual and suspicious activity indicative of financial crime.

Suspected misconduct or violations of laws are investigated in a timely, complete, and accurate manner following approved investigative protocols. The documentation of the response includes any corrective action taken that may also include a referral to law enforcement. Internal controls, training, and other financial crime processes are updated in response to the outcomes and root causes of misconduct and violations of laws, as appropriate.

Preventing and detecting money laundering, terrorist financing and activity prohibited by sanctions measures

Great-West Lifeco is committed to complying with laws on money laundering, financing terrorism, and activity prohibited by sanctions measures.

An AML program has been established and implemented to achieve compliance with applicable AML laws and regulations. The program includes detecting persons engaged, or seeking to engage, in money laundering, terrorist financing, or activity prohibited by sanctions measures, and deterring such persons from obtaining or using Great-West Lifeco’s subsidiaries’ products or services. The minimum standards outlined in Great-West Lifeco’s AML Policy include:

- Governance and principles demonstrating management’s commitment to AML
- Appointment of an AML Compliance Officer
- Written policies and procedures, outlining all applicable obligations and corresponding processes and controls including:
 - AML Program requirements
 - Know your customer including customer identification and customer due diligence
 - Ongoing monitoring, and special measures for enhanced due diligence, where applicable
 - Terrorist and sanction identification, screening, and escalation
 - Record-keeping
 - Reporting
- Risk assessments relative to customers, products/services, delivery channels, geography, and other relevant AML risks
- AML awareness training
- Effectiveness reviews conducted periodically by Internal Audit to provide an independent evaluation of the AML program elements

As part of the AML program, Great-West Lifeco has established additional minimum standards to specifically manage sanctions risk through the adoption of the Sanctions Measures Operating Standard (“SMOS”). The SMOS imposes standards of compliance with sanctions laws of the jurisdictions in which Great-West Lifeco operates – including, but not limited to, Canada, the United States, the European Union, and the United Kingdom – including relevant United Nations Resolutions.

Great-West Lifeco and its subsidiaries have implemented and maintain appropriate systems, procedures and controls reasonably designed to comply with the applicable sanctions laws in force in the jurisdictions in which they operate – we will not knowingly undertake transactions involving an individual, entity, region, country, or activity subject to those applicable sanctions laws.

² Great-West Lifeco’s Ethics Hotline is managed by an outside service provider.

None of Great-West Lifeco, its subsidiaries, branches, directors, and officers is an individual or entity that is, or is owned or controlled by, a “Sanctioned Person.”³

In addition to relevant AML Policy requirements, Great-West Lifeco’s SMOS requires:

- Appointment of a Sanctions Compliance Officer
- Sanctions measures awareness training
- Risk assessments, including those for new key initiatives (e.g., mergers and acquisitions)
- Screening, investigation, freezing of assets, and reporting

Preventing and detecting bribery and corruption

Great-West Lifeco is committed to fair and responsible business and prohibits all forms of bribery and corruption. Great-West Lifeco has established a formal ABC program to manage bribery and corruption risks. The minimum standards outlined in Great-West Lifeco’s ABC Policy include, but are not limited to:

- Governance and principles demonstrating management’s commitment to ABC
- Written policies and procedures, outlining all applicable obligations and corresponding processes and controls including for:
 - Gifts and entertainment
 - Facilitation payments
 - Charitable and political contributions and sponsorships
 - Suppliers
 - Books and records
- ABC awareness training
- Risk assessments, including those for new key initiatives (e.g., mergers and acquisitions)

Preventing and detecting fraud

Great-West Lifeco has established a formal FRM program to assess, prevent, detect, investigate, and respond to such crimes in a timely manner. The minimum standards outlined in Great-West Lifeco’s FRM Policy include, but are not limited to:

- Governance and principles demonstrating management’s commitment to anti-fraud awareness culture
- Written policies and procedures to convey the expectations regarding the consistent approach to managing fraud risk
- Fraud awareness training
- Risk assessments, including those for new key initiatives (e.g., mergers and acquisitions)
- Fraud prevention techniques to avoid and mitigate potential fraud risk events
- Fraud detection techniques to uncover fraud events

If additional information related to Great-West Lifeco’s financial crime programs is required, enquiries may be emailed to GFCRC@canadalife.com.

John Shoemaker

VP, Head of Global Financial Crime Risk

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³ “Sanctioned Person” refers to any individual or entity (“Person”) that is the target of any sanctions laws of the United States, the United Kingdom, the European Union (or any member country thereof), or Canada, and refers to any entity that is owned or controlled, directly or indirectly, by any such Person(s).