

# 2021 SUSTAINABILITY REPORT



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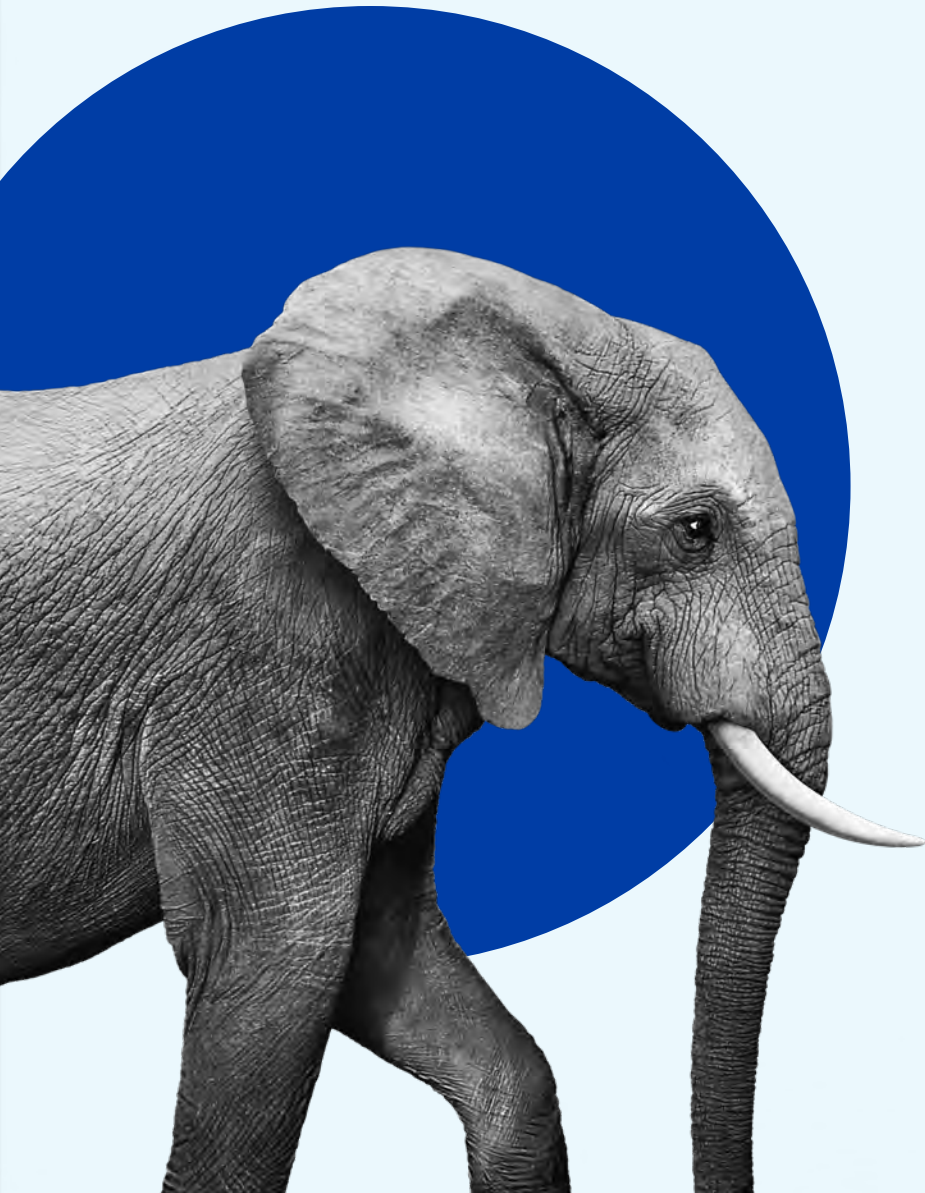


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## About us

Founded in 1892, iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. It is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares).

### Our purpose

For our clients to be confident and secure about their future.

### Our sustainability ambition

To be a company that contributes to sustainable growth and wellbeing for its clients, employees, partners, investors and communities.

### Our five values

#### 1. Teamwork

Teamwork is the cornerstone of iA Financial Group's success. We do everything possible to enable all employees to have a positive influence on their teams.

This means:

- Using individual skills to help the team achieve its objectives
- Listening to the comments of others and engaging in frank and open dialogue
- Actively trying to find solutions to problems encountered by the team
- Dealing with conflict and finding ways to resolve differences
- Celebrating successes

## 2. High-performance environment

We make it our duty to maintain the highest quality standards while working as efficiently as possible. We take responsibility for our work and for developing effective processes.

This means:

- Achieving results that exceed quality standards
- Setting goals and objectives, and working toward them energetically and with perseverance
- Recognizing excellent results and efficiency

## 3. Continuous improvement

Our focus on continuous improvement means that we question our processes and continually look for opportunities to make them better. A pioneer in this area, we adopted the principles of Lean management in 2010.

This means:

- Challenging current practices and seeking new ways of doing things
- Innovating to increase efficiency
- Taking responsibility for one's own training and development
- Becoming a model that inspires others

## 4. Respect for individuals and distributors

We take into account the opinions, needs and expectations of numerous stakeholders in our actions and decisions. Our approach with partners and clients is one of consideration, diplomacy and humility.

This means:

- Clearly expressing expectations
- Seeking to understand before being understood
- Treating distributors and co-workers as we would like to be treated

## 5. Service oriented

Our mentality of service is directly oriented toward our clients and partners. We seek to proactively listen to their needs and expectations.

This means:

- Continuing to distinguish ourselves among our distributors by maintaining close ties with them and by offering them a level of service that reflects our standards of excellence
- Showing courtesy and acting in a prompt, efficient manner
- Ensuring that the needs of clients are met



## Our commitment to the United Nations' Sustainable Development Goals

In 2020, iA Financial Group committed to specifically supporting five of the United Nations' Sustainable Development Goals (SDGs). The aim of these SDGs is to protect the planet and promote prosperity for all by 2030.



# iA Financial Group in numbers

(as at December 31, 2021)

Over  
4 million  
clients

Over  
8,300  
employees

Over  
50,000  
representatives

Note: In past years, the number of representatives indicated referred only to the Individual Insurance sector in Canada.

Subsidiaries:	Over 20
Solvency ratio:	134%
Premiums, premium equivalents and deposits:	\$16.6B
Assets under management and administration:	\$221.2B
Net income attributed to common shareholders:	\$830M
Market capitalization:	\$7.8B
Book value per share:	\$62.01

## Economic impact

Salaries and employee benefits in 2021:  
\$884.5M

Claims paid in 2021:  
\$7.7B  
(\$148.1M per week)

## Credit ratings

**Issuer Credit Rating** (iA Financial Corporation Inc.)

- S&P: A
- DBRS Morningstar: A

**Financial Strength** (Industrial Alliance Insurance and Financial Services Inc.)

- S&P: AA-
- DBRS Morningstar: AA (low)
- A.M. Best: A+ (Superior)

## Geographic presence

**Premiums, premium equivalents and deposits by region:**

Western Canada	23.9%
Ontario	25.6%
Quebec	40.8%
Atlantic Canada	3.4%
United States	6.3%

## Taxes paid

**Canada:**

Municipal	\$45.4M
Provincial	\$192.7M
Federal	\$114.2M

**United States:** \$14.9M

**Total** **\$367.2M**

A portrait of Denis Ricard, President and Chief Executive Officer of iA Financial Group. He is a middle-aged man with short grey hair, wearing glasses, a white collared shirt, and a dark sweater. He is smiling slightly and has his hands clasped in front of him.

## Collective, sustainable success

Just like my predecessors for nearly 130 years, every day I approach my role as President of iA Financial Group by asking myself “*How do we make this company successful? How do we ensure its sustainability?*” The questions remain the same, but the answers have changed.

For decades, we only looked at the health of companies based on their financial statements. This facilitated comparison between companies and with the market, but this narrow viewpoint also left us with blind spots about the real health of organizations. Many companies that were considered financially healthy by these criteria alone no longer exist today.

We now realize that the health of companies must be assessed from a much broader perspective, taking into account the wellbeing of clients, employees, investors, partners and communities. And it’s not simply a matter of *measuring* our health according to these criteria, but *acting* to achieve and maintain this health, in a perspective of sustainability. Prioritizing ESG (environmental, social and governance) factors is not a fad, it’s an essential condition of success for companies in the twenty-first century.

The risks to the health of our ecosystem are growing, including the COVID-19 pandemic, climate change, social injustice and increasing economic inequality, to name just a few. All of these recent elements and challenges reinforce our belief that the most successful companies are those that are already investing in a sustainability strategy.

Our goal for iA Financial Group is to be a magnet for those who share our values. This means our clients, who consider our shared values when choosing to do business with us. It also means our employees, who already tell us how important these values are, and our future employees, as younger generations seek sustainability when choosing an employer. And finally, it means our investors, who make choices and express expectations taking ESG factors into account.

We want to ensure our sustainability by combining financial success with a positive environmental and social impact that benefits society. We want to act **WITH** our clients, employees, investors, partners and communities. This report shows how at iA Financial Group we are continuously working and taking concrete steps to integrate these ESG factors and consider them in all our business decisions.

We strive for collective, sustainable success.

### **Denis Ricard**

President and Chief Executive Officer



## Concrete actions for a sustainable future

To contribute to and promote sustainable development, iA Financial Group has committed to establishing a sustainability strategy adopting concrete measures and engaging practices in its operations.

iA Financial Group is building for the future by taking an active role in the fight against climate change. By integrating the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), we're putting the climate at the centre of our efforts. Our President and Chief Executive Officer, Denis Ricard, has declared the fight against climate change an organizational priority with the publication of our Climate Change Position Statement. Reducing greenhouse gas (GHG) emissions is an integral part of our strategy. In this regard, work is currently under way to achieve our target of reducing GHG emissions by 20% per employee by 2025. A climate change task force has been created to carry out our Towards a Carbon-Free Future project.

In order to be a magnet for all its stakeholders, iA Financial Group is committed to considering and understanding their concerns.

For our employees, we will be offering a flexible new Work From Anywhere working model, which will enable them to work on a day-to-day basis wherever they are most effective for themselves, their team, the projects they are working on and their clients.

For our investors and clients, we are pursuing work on our responsible investment strategy by disclosing our investment policy and ensuring better integration of ESG factors. For our communities, we continue our mission to be a good corporate citizen by being involved with many non-profit organizations and by giving back a minimum of 1% of our profits each year.

We are also continuing to steer our actions to prioritize five of the United Nations' Sustainable Development Goals.

It gives me great pleasure to present to you the highlights of our *2021 Sustainability Report*.

### **Marie-Annick Bonneau**

Head of Investor Relations,  
Public Affairs and Sustainable Development



# Our methodology

Since 2014, we have published an annual sustainability report outlining our actions and directions. Over the years, we have actively worked to improve our disclosure and be rigorous in our processes to provide transparency for our stakeholders.

## Our target audience

This report is produced for all our stakeholders, including our clients, employees, communities, suppliers, analysts and investors, to name just a few. More generally, this report is intended for anyone interested in the integration of environmental, social and governance factors in our activities.

## Scope

Our sustainability report outlines our ESG strategy and presents our practices, initiatives, policies, objectives and results.

## Limitations

This report covers the period from January 1 to December 31, 2021. With some exceptions, all data is consolidated for all of our subsidiaries and operations in Canada and the United States.

## SASB framework

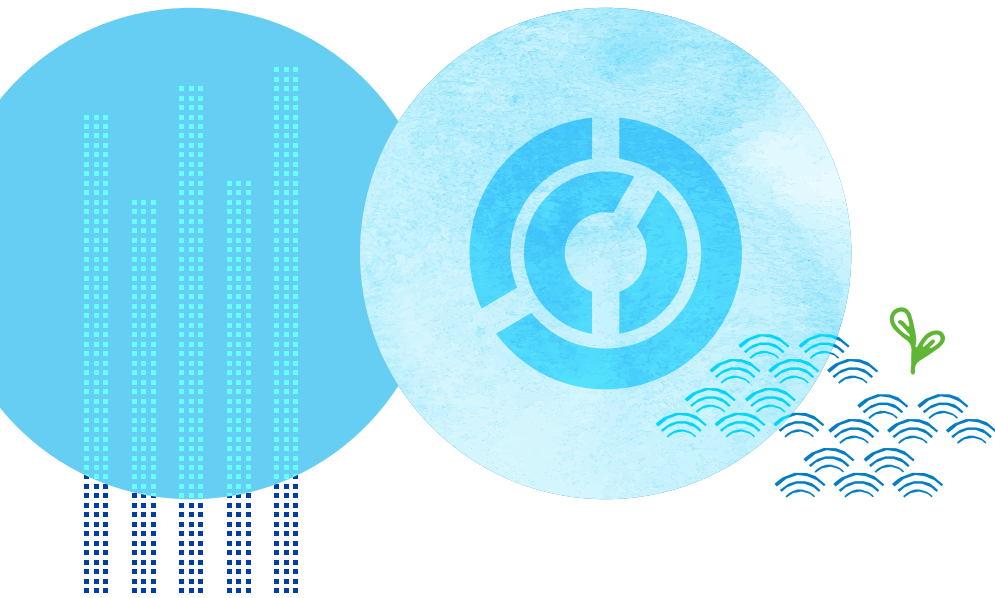
Since 2020, iA Financial Group has disclosed ESG information according to the Sustainability Accounting Standards Board (SASB) framework. SASB standards address sustainability issues by industry type. Adopting this robust, recognized framework enables us to identify, measure, manage and better communicate to our various stakeholders relevant sustainability information.

## For more information

Other public reports provide additional information about our sustainability practices:

- *2021 Annual Report*
- *2021 Proxy Circular*

# SUSTAINABLE FINANCE



OUR CONTRIBUTION  
TO SUSTAINABLE FINANCE



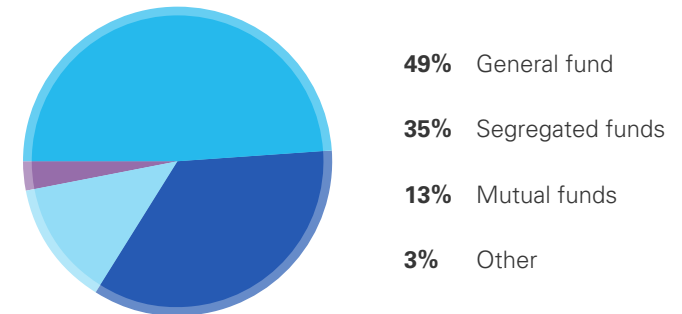
iA Financial Group acts responsibly to provide quality investments and returns while taking into account the environment and society as a whole.



## Cultivating a responsible investment philosophy

At iA Financial Group, investments are under the responsibility of iA Investment Management Inc. ("iAIM"). This subsidiary is responsible for the management and oversight of the organization's general fund, as well as its investment fund offerings, which include segregated funds and mutual funds. These assets total more than \$110 billion in assets under management and are managed by more than 140 investment professionals.

### Assets



### Our investment philosophy

The team's investment philosophy is strongly influenced by its insurance heritage, leading to an emphasis on diversification, portfolio construction and risk management. The investment team favours disciplined approaches and does not wish to compromise long-term objectives in favour of short-term results. This long-term focus is in line with the company's responsible investment policy and the importance of incorporating environmental, social and governance (ESG) factors and sustainability into the decision-making process.

# Sustainable finance commitments

## Signatory of the United Nations-supported Principles for Responsible Investment

In 2019, iA Financial Group, through iAIM, became a proud signatory of the United Nations-supported Principles for Responsible Investment (PRI), among more than 4,000 other companies worldwide representing US\$120 trillion in assets under management. The Principles were developed by investors, for investors, and today represent the largest network of investment managers, asset owners and financial services providers working together to implement six inspiring principles. By implementing them, signatories contribute to developing a more sustainable global financial system.

### PRI signatories:

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognize that applying these Principles may better align investors with broader objectives of society.

Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

### PRI Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.

### PRI Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.

### PRI Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

### PRI Principle 5

We will work together to enhance our effectiveness in implementing the Principles.

### PRI Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

### PRI Principle 6

We will report on our activities and progress towards implementing the Principles.

## Responsible investment policy

iA Financial Group recognizes that environmental, social and governance (ESG) factors can materially impact investment risk, return and reputation. In 2021, we formalized our responsible investment practices by adopting a *Responsible Investment Policy*. The purpose of this policy is to outline iAIM's beliefs, commitments and approach to responsible investment.

This policy provides a framework and guidance to incorporate ESG considerations in investment management and stewardship activities in a consistent and comprehensive manner.

iAIM acknowledges that responsible investment practices are constantly evolving. As a result, the subsidiary expects its approach to responsible investment will evolve over time as research, evidence and industry practice evolve. Its goal is to act with purpose, to continuously improve and to be transparent in its approach. Accordingly, this policy applies across all iAIM managed portfolios and covers all investment activities.

While the focus of the policy is on ESG integration in its investment activities, iAIM also seeks to address ESG factors and best practices in its own management and operations.

Finally, application of this policy and integration of responsible investment considerations must be consistent with all other policies and legal obligations applicable to investment decisions.

## Consultation, sharing and engagement with stakeholders

Proxy voting is an important means for sharing opinions, engaging and influencing the boards and management of the companies in which we invest. It is also important to vote responsibly, as this is part of iA Financial Group's fiduciary responsibility as an asset owner and investment manager.



**Sharing  
opinions**



**Engaging**



© Brooke Lark/Unsplash

**Influencing**

We are concerned not only with value for shareholders and good corporate governance, but also with the alignment of business activities and practices with the wider goals of society. This includes requesting information on an issuer's adoption of or adherence to universally recognized international norms, standards, codes of conduct or initiatives.





To vote responsibly, iA Financial Group has chosen and votes in accordance with the Institutional Shareholder Services (ISS) sustainability proxy voting guidelines referenced in our *Proxy Voting Policy*. These guidelines recognize the growing view among investment firms that sustainability or environmental, social and governance (ESG) factors are important considerations in managing portfolio investments.

ISS is a leading provider of corporate governance solutions worldwide. The organization has thousands of clients, including many leading institutional investors, who rely on ISS's expertise to help them make informed investment decisions.

The ISS proxy voting guidelines are consistent with the objectives of sustainability-minded investors and trustees.

ISS updates its guidelines annually to reflect emerging issues and trends on environmental, social and corporate governance topics, as well as evolving market standards, regulatory changes and client feedback.

### Participation in the *Statement by the Quebec Financial Centre for a Sustainable Finance*

iA Financial Group is an active participant in promoting finance based on the principles of responsible investment, underscoring Quebec's role as a leader in sustainable finance.

In October 2021, we signed the *Statement by the Quebec Financial Centre for a Sustainable Finance*, together with over 20 institutions representing more than CAN\$900 billion in assets under management.

The future of finance must be sustainable and promote the integration of environmental, social and governance (ESG) considerations in investment and capital allocation decision-making. Quebec financial sector companies say that the values of the Quebec financial centre promote and uphold this vision. The ongoing leadership of Quebec institutions in the responsible investment field provides a unique opportunity for Quebec to showcase its expertise on the international stage, and to make our financial market a hub of excellence and innovation in sustainable finance in the Americas.

To support the implementation of Canada's commitment to the *Paris Agreement*, and add to the momentum from the 2017 *Investor Statement on Climate Change Financial Risks*, we must take advantage of the local resources, expertise and infrastructure at our disposal and thus strengthen Quebec's positioning as a leader in this transition.



In order to seize the opportunities that will arise from this significant evolution, we are committed to implementing concrete measures, specific to each of the industry's players, that will support the development of local expertise in responsible investment that is unique in the Americas. By building a network of experts specialized in sustainable asset management; by collaborating with leading educational institutions, particularly university programs in finance; and by acting in a concerted manner, the Quebec financial centre will be better equipped to attract ESG fund management, and to grow a local responsible investment ecosystem.

**We are committed to undertaking or pursuing one or more actions in the following themes:**

- Develop a local expertise in sustainable finance and investment
- Promote the establishment or growth of local teams and business units in sustainable finance in Quebec
- Support the local development of sustainable finance products and services
- Promote the growth of funds managed by locally established managers with leading-edge expertise in responsible investment
- Promote greater disclosure and transparency in sustainable finance
- Strengthen the integration of ESG factors into signatories' operations, internal processes and practices, and encourage this integration with our partners



## Support for the International Sustainability Standards Board (ISSB)

iA Financial Group is one of the companies in the Canadian financial sector that has actively lobbied for Canada to host the International Sustainability Standards Board (ISSB).

These efforts have paid off, as on November 3, 2021, the International Financial Reporting Standards Foundation (IFRS Foundation) announced at the United Nations Climate Change Conference (COP 26) that Montreal is officially among the cities that will host the offices of the International Sustainability Standards Board (ISSB). The ISSB is a new international organization that will set sustainability disclosure standards for companies around the world. It is the result of an initiative of the IFRS Foundation, which is responsible for the financial accounting standards used in more than 140 jurisdictions. The standards set by the ISSB will allow companies to provide strategic information on their environmental impact to all financial markets.

Montreal has been selected, along with Frankfurt, Germany, to closely support the standards board and engage various stakeholders. The ISSB structure will also include complementary offices in London, San Francisco and ultimately in Asia-Oceania, for strategic global coverage supporting the main offices.

This is a major victory for Canada and demonstrates the strength of our commitment to sustainable governance. By establishing an office in Montreal, the IFRS Foundation will be able to draw on Canada's rich experience in standardization and innovation, as well as its large and diverse talent pool. We are proud to support this initiative.



## Participation in sustainable finance

ESG integration, socially responsible investing and sustainability are gaining interest from clients and financial advisors who invest in segregated and mutual funds. iA Financial Group has been very active in these areas in recent years, ensuring that our investment managers responsible for these funds incorporate high ESG standards and offering high quality socially responsible funds to meet client demand. The sections that follow provide more information on these areas of activity.

### **Strong track record of ESG integration among our investment managers**

iA Financial Group offers a wide variety of segregated and mutual funds that cover the full range of asset classes and fund types. These funds are either managed by iAIM or entrusted to external management firms.

### **Here is a list of our portfolio managers:**

Aberdeen	Jarislowsky Fraser
Addenda Capital	Lazard
AlphaFixe Capital	Loomis Sayles
Baillie Gifford	Mawer
Beutel Goodman	MFS
BlackRock	Phillips, Hager & North
Burgundy	PIMCO
Placements CI	QV Investors
CIBC	Sprucegrove
Connor, Clark & Lunn	T. Rowe Price
Dynamic	TD
Fidelity	Templeton
Fiera Capital	UBS
Fisher Investments	Vancity
iA Clarington	Walter Scott & Partners
iAIM	Wellington Management
IFM Investors	Wellington Square
Invesco	





As ESG integration has become increasingly important, iA Financial Group has strengthened its monitoring in these areas. We note that 97% of the investment firms managing our investment funds are UN PRI signatories. Moreover, the average length of time these firms have been signatories is nine years, demonstrating that most of them have reached a high degree of maturity with respect to ESG integration in their investment processes. This is confirmed by the due diligence activities that our investment team conducts with these companies. Furthermore, 89% of the firms have a UN PRI rating of A or A+.

#### Our external partners

97%

UN PRI signatories

89%

UN PRI rating of A or A+

Beyond these results, many of the firms also demonstrate a high level of commitment through collaboration. For example, 55% of them work with organizations such as Climate Action 100+, and 47% of them have committed to support the Net Zero Asset Managers Initiative.



## Enhanced lineup of socially responsible investment funds

iA Financial Group is proud to have launched eight new socially responsible investment funds (“SRI funds”) in the past few years, for a total of 18 SRI funds available to our clients through our three investment fund platforms: iA Clarington mutual funds, individual savings and retirement funds, and group savings and retirement funds. The sections that follow provide more information on the funds currently offered on these platforms, as well as their performance.

**iA Clarington Mutual Funds**

9 funds

**iA's ISR Seg Funds**

3 funds

**iA's GSR Seg Funds**

6 funds

**18**  
SRI funds



**iA Clarington Mutual Funds**

### Our iA Clarington mutual funds

iA Clarington currently offers a range of nine socially responsible mutual funds, including fixed income, equity and managed solutions, with two funds having been added in the first quarter of 2022. These funds are managed by Vancity Investment Management Ltd., a pioneer in socially responsible investing in Canada. Vancity launched the first socially responsible investment fund in Canada in 1986 and became the first Canadian investment manager to adopt the UN PRI in 2006. Vancity's investment process combines environmental, social and governance (ESG) analysis with financial analysis to construct portfolios. In addition, Vancity actively engages with companies' management and other shareholders to ensure that ESG risks are appropriately managed.

Vancity actively employs a socially responsible investment process based on:

- An integrated team of experts in ESG analysis and security selection
- ESG factors that determine investment selection
- Exclusion of the following six industries:
  - fossil fuels
  - tobacco
  - nuclear power
  - military weapons
  - adult entertainment
  - gaming
- Shareholder engagement
- Written disclosure

#### **iA Clarington mutual funds managed by Vancity<sup>1</sup>**

iA Clarington Inhance Bond SRI Fund

iA Clarington Inhance Monthly Income Fund

iA Clarington Inhance Canadian Equity SRI Class

iA Clarington Inhance Global Equity SRI Class

iA Clarington Inhance Conservative SRI Portfolio

iA Clarington Inhance Moderate SRI Portfolio

iA Clarington Inhance Balanced SRI Portfolio

iA Clarington Inhance High Growth SRI Portfolio

iA Clarington Inhance Growth SRI Portfolio

<sup>1</sup> As of September 30, 2019, fossil fuels were excluded from all Inhance funds offered by iA Clarington. This means that Inhance does not invest in companies whose primary business is the extraction, production and distribution of these energies. The types of companies excluded are: oil, gas or coal production; pipelines; natural gas distribution utilities; and liquefied natural gas operations.



iA's ISR  
Seg Funds

### Our individual savings and retirement funds

iA Financial Group's individual savings and retirement fund platform also benefits from Vancity's strong ESG expertise. Three iA Clarington Inhance SRI portfolios (Moderate, Balanced and Growth) managed by Vancity are also available as segregated funds.



iA's GSR  
Seg Funds

### Our group savings and retirement funds

In 2021, our Group Savings and Retirement business line launched six new segregated funds. These funds are managed by five firms, each of which brings strong investment management capabilities including a variety of responsible investment objectives.

Below is a short description of each of these new funds.

#### Responsible Fossil Fuel Free Bond

The Fund is primarily comprised of bonds, and other high-quality debt securities issued by the private sector and federal, provincial and municipal governments. Security selection is mainly based on the quality of the securities in the portfolio and anticipated movement in interest rates. The Fund invests in a socially responsible manner by aiming to exclude securities of issuers whose main activity is the extraction, production or distribution of fossil fuel energy, but also those with activities in the weapon, adult entertainment, cannabis, gambling, nuclear power, alcohol and tobacco industries. To maximize the social and environmental impacts of the Fund, it aims to invest in various types of sustainable and sustainability-linked bonds to the extent that these securities are in line with the fund's strategy without compromising its risk/return profile.

#### Green Bond (AlphaFixe)

- Green bonds enable capital-raising and investment for new and existing projects with environmental benefits. The green bond market aims to enable and develop the key role that debt markets can play in funding projects that contribute to environmental sustainability and climate change mitigation.
- The Fund offers an opportunity to participate in the development of a low-carbon economy, without diminishing performance objectives. Investments must meet the green bond selection criteria established by the AlphaGreen proprietary validation process, which ensures the positive environmental impact of each bond. These criteria are based on the Green Bond Principles and the standards of the Climate Bonds Initiative. Bonds that are considered green are either self-labeled or climate-aligned bonds, the latter being companies or projects from which 90% of the revenues are generated by activities with positive impact on the environment.
- In addition to environmental integrity, the Fund offers geographic diversification based on a fundamental approach focused on selecting good quality credits and capital preservation.



IA's GSR  
Seg Funds

### Canadian Ethical Equity Fossil Fuel Free (Fiera Capital)

- The fundamental investment objective of the Fund is to provide long-term returns through both capital appreciation and distribution of income. To achieve this objective, the Fund will invest mainly in high-quality and attractively valued common stocks and other equity securities of Canadian issuers. It follows a conservative and disciplined investment approach with an emphasis on downside protection and capital preservation. The Fund applies a fossil-fuel-free exclusion, while integrating environmental, social and governance (ESG) risk factors, as well as ethical considerations established by the Fund.
- Fiera Capital's investment process reflects its belief that organizations that successfully manage ESG factors create more resilient businesses and assets and are better positioned to deliver sustainable value over the long term. The manager's objective is to build a diversified portfolio with a significantly reduced carbon footprint and apply an ethical filter in its investment selection process. Based on these criteria, a company will be deemed ineligible if categorized in the energy or utilities sector that generate power from fossil fuels or if it derives more than 10% of its revenue, either directly or indirectly, from the following products or services: adult entertainment, alcohol, cannabis, tobacco, firearms, gambling, military contracting and nuclear power.

### Canadian Equity Fossil Fuel Free (Jarislowsky)

- This fund responds to the need for a core, institutional-caliber investment vehicle that allows investors to exclude investments in fossil fuel companies. Like all Jarislowsky Fraser's strategies, the Fund focuses on quality companies with the ability to create value through sustainable business models and strong corporate governance practices. The Fund is designed to deepen the alignment with a growing segment of investors' values and world view. The portfolio's carbon footprint is actively managed to deliver a materially reduced emission intensity. Consistent with an investment philosophy as long-term investors in high-quality businesses, the manager is committed to sustainable investing and integrating environmental, social and governance (ESG) factors into the fundamental investment analysis.
- The Fund will exclude the GICS energy sector, with the exception of renewable energy entities as defined by the managing firm. The Fund will also exclude non-energy-sector companies with significant exposure to or that have a significant amount of value attributable directly or indirectly to fossil fuels.


 IA's GSR  
Seg Funds

### Global Equity Fossil Fuel Free (Jarislowsky)

- The Fund's investment philosophy is to look for growth at a reasonable price. Thus, it seeks to obtain growth of capital while reducing the level of risk. The Fund is designed to allow investors to avoid exposure to fossil fuels, while investing in a diversified portfolio managed by a global investment team and focused on quality, all with a lower carbon footprint (ranging from 60% to 80%).
- The Fund focuses on quality companies with the ability to create value through sustainable business models and good corporate governance practices. The investment process integrates environmental, social and governance (ESG) factors to evaluate the quality of a company and to take an engaged ownership approach. The Fund will exclude the GICS energy sector, with the exception of renewable energy entities as defined by the firm. The Fund will exclude other companies which have a significant portion of revenues linked to fossil fuels. The portfolio's carbon footprint is actively managed to deliver a materially reduced emission intensity. Carbon intensity often reflects asset intensity with low-quality business models and additional risks.

### Global Stewardship Equity (Baillie Gifford)

- The Fund aims to generate superior returns by making long-term investments in responsible growth businesses around the world. The investment analysis focuses on the upside potential for companies which demonstrate good stewardship, and also seeks to enhance the positive contribution of business over time through a program of targeted engagement with company management. While ESG risks are mitigated via explicit sin sector exclusions, the vast majority of research effort is expended identifying ESG opportunities. Baillie Gifford's core belief is that companies that are a net benefit to society, which balance the interests of all stakeholders, and which exhibit a responsible culture, are more likely to prosper in the long run. As a result, investing sustainably maximizes chances of delivering better returns.
- Although the integration of ESG factors in the investment process focuses on identifying opportunities, the manager formally applies exclusion screens. The Fund will not invest in any companies that derive more than 10% of their annual revenues from the production of tobacco, armaments or alcohol, gambling or adult entertainment-related activities and fossil fuel extraction. The manager screens companies against the principles of the U.N. Global Compact covering the areas of human rights, labour rights, environmental safeguards, bribery and corruption.

## Socially responsible fund performance

(as at December 31, 2021)

	1 year	3 years	5 years	10 years	Since inception
IA Clarington Inhance Moderate SRI Portfolio F6	5.1	9.9	6.6		5.7
IA Clarington Inhance Moderate SRI Portfolio T6	4.0	8.7	5.5	5.1	4.8
IA Clarington Inhance Balanced SRI Portfolio A	6.1	11.5	7.3	6.8	6.0
IA Clarington Inhance Balanced SRI Portfolio F	7.3	12.7	8.5		7.1
IA Clarington Inhance Growth SRI Portfolio A	7.5	13.6	8.8	8.0	6.9
IA Clarington Inhance Growth SRI Portfolio F	8.8	15.0	10.1	9.3	8.2
IA Clarington Inhance Bond SRI Fund B	-3.3	3.2	2.1		2.1
IA Clarington Inhance Bond SRI Fund F	-2.8	3.8	2.7		2.7
IA Clarington Inhance Monthly Income SRI Fund F6	21.0	13.6	8.3	8.3	8.4
IA Clarington Inhance Monthly Income SRI Fund T6	19.6	12.3	7.0	7.1	7.1
IA Clarington Inhance Global Equity SRI Class A	9.8	22.7	16.0	14.2	11.0
IA Clarington Inhance Global Equity SRI Class F	11.3	24.2	11.5	15.5	12.3
IA Clarington Inhance Canadian Equity SRI Class A	10.8	15.5	8.5	8.5	7.0
IA Clarington Inhance Canadian Equity SRI Class F	12.3	17.0	9.9	9.9	8.4
SRI Moderate (Inhance) Classic 75/75	3.3	7.8*	4.8*	4.6*	4.5*
SRI Growth (Inhance) Classic 75/75	6.9	12.9*	8.1*	7.5*	6.5*
SRI Balanced (Inhance) Classic 75/75	5.5	10.8*	6.8*	6.2*	5.5*
Green Bond (AlphaFixe)	-2.1	4.6*			3.9*
Responsible Fossil Fuel Free Bond	-2.2	4.7	3.7		3.7
Canadian Ethical Equity Fossil Fuel Free (Fiera Capital)	22.9	19.2*	14.1*		14.1*
Canadian Equity Fossil Fuel Free (Jarislowsky)	24.7	18.9*			12.6*
Global Equity Fossil Fuel Free (Jarislowsky)	21.4	19.7*			14.6*
Global Stewardship Equity (Baillie Gifford)	0.2	28.4*			24.4*

\*Returns based on underlying funds.

# Creating a positive impact through our investments

During the year, iA Financial Group, through its general fund, invested hundreds of millions of dollars in investments that meet its risk/return and portfolio diversification requirements while offering favourable environmental and social objectives.

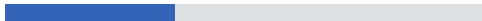


## Private investment portfolio exposure to certain "growth" sectors



Renewable energy

36%



Health

22%



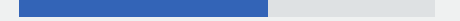
Sustainable mobility

3%



Total

61%



This includes many investments in renewable energy, such as hydro, wind or solar projects; in the health sector, such as hospitals, long-term health care or sports complexes; and in the sustainable mobility sector, such as public transport.

# Disclosure of our *Sustainability Bond Framework*

In February 2022, an important step was taken with the publication of our first *Sustainability Bond Framework*. This publication enabled us to conclude an inaugural issuance of sustainable debentures and therefore enhance our ability to finance our sustainability strategy to support our commitment to ESG standards.

The framework lays out how the net proceeds of each green, social or sustainable bond issued can be used for the financing or re-financing of assets. It explicitly defines the eligibility criteria for assets in each green or social category eligible for financing. The framework also outlines the composition and functions of the Sustainability Bond Committee set up to ensure sound governance of the asset selection and evaluation process, as well as details regarding the management of net proceeds.

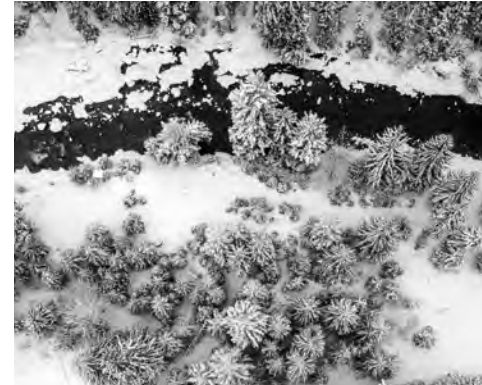
## Green eligible categories

- Clean energy
- Energy efficiency
- Clean transportation
- Green buildings
- Sustainable water and waste management
- Pollution prevention and control
- Environmentally sustainable management of living natural resources and land use

## Social eligible categories

- Access to essential services and infrastructure
- Affordable housing and basic infrastructure
- Majority women-owned businesses
- Indigenous communities and businesses

The company's *Sustainability Bond Framework* has been reviewed by Sustainalytics, a global leader in providing ESG research, ratings and data. Sustainalytics has issued a second party opinion confirming alignment of the framework with the International Capital Markets Association (ICMA) *Sustainability Bond Guidelines 2021*, *Green Bond Principles 2021* and *Social Bond Principles 2021*.





## Goals for 2022



Conduct a climate change financial strength stress test.

Allocate more resources to coordinate ESG efforts across the organization.

Continue and deepen the integration of ESG criteria in our management processes.

Add new SRI products to our fund offerings to provide additional responsible investment options for our clients.

### 2021 ESG / Sustainable investment objectives

### Results at December 31, 2021

Continue the dialogue with the companies in which our portfolios are invested. The goal is to deepen our understanding of their exposure to various ESG risks and to encourage the adoption of best practices.

Engaged with more than 50 firms to better understand their exposure to various ESG risks and encouraged them to improve both their practices and disclosure.

Formalize and make public our responsible investment practices through the adoption of a *Responsible Investment Policy*.

Published in December.

Develop a rigorous strategy for integrating climate change into our investment processes.

Continued to refine our management processes with respect to the use of ESG criteria in our decision-making.

Increase engagement and collaboration with organizations that support sustainable finance.

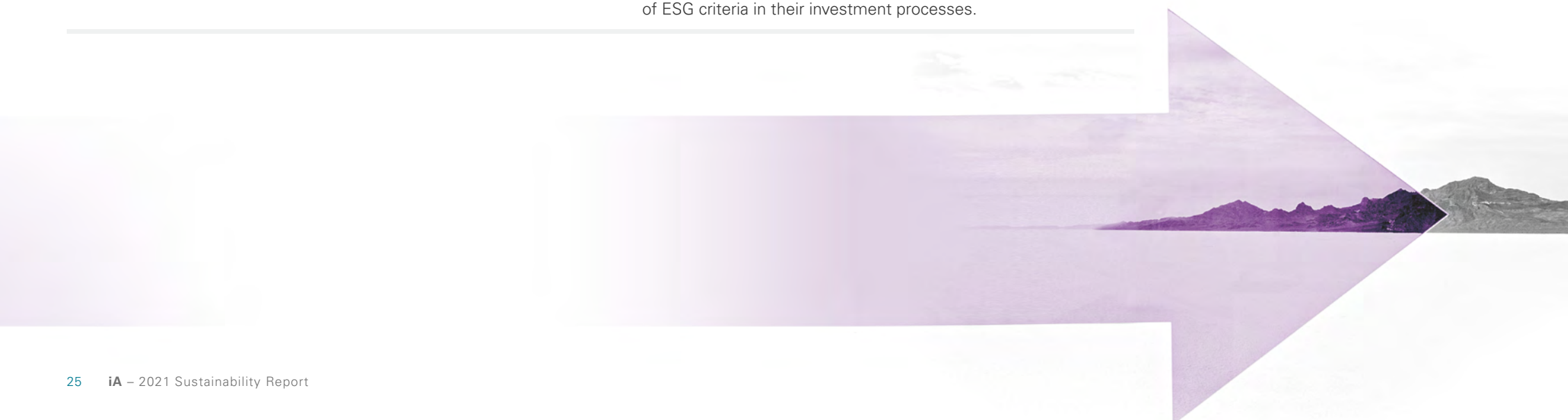
- Signed *Statement by the Quebec Financial Centre for a Sustainable Finance* (Finance Montreal)
- ISSB

Expand our SRI fund offering to clients.

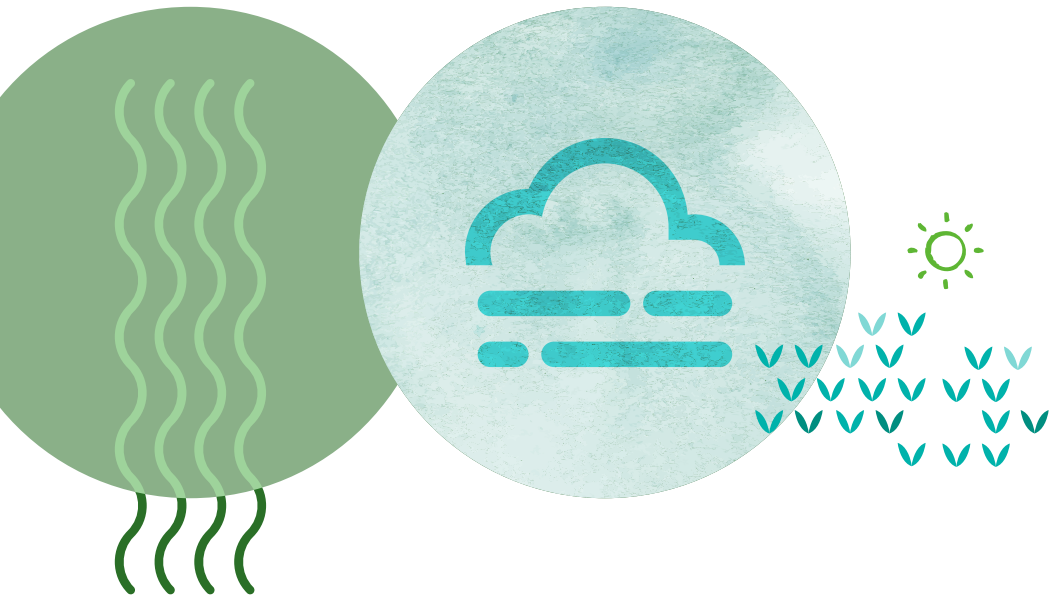
Launched 8 new funds in late 2020 and in 2021 (+2 more in early 2022).

Deepen our ESG integration oversight for all management firms on our fund platforms.

Engaged with all the firms on our investment fund platforms in 2021 to document and further encourage strong integration of ESG criteria in their investment processes.



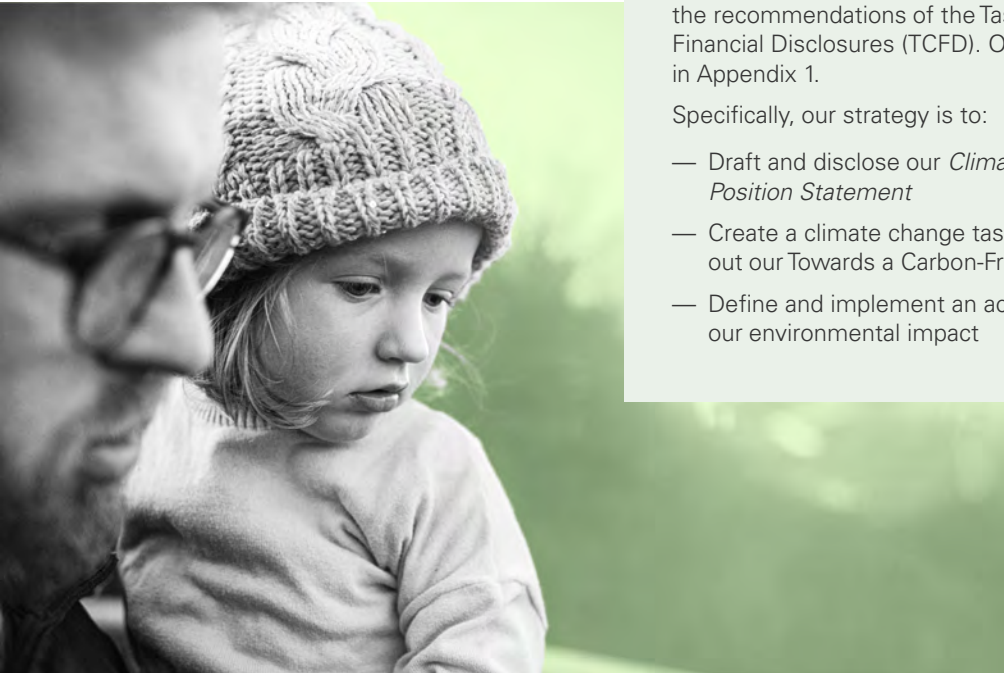
# ENVIRONMENT



OUR CONTRIBUTION FOR  
A CARBON-FREE FUTURE

Our goal is to contribute to a better world by reducing our environmental impact and providing a sustainable future for generations to come.

To support the fight against climate change, we are committed to pursuing our sustainability strategy, which has two components: offsetting our emissions (carbon neutrality), and reducing our emissions.



### Our climate action strategy

At iA Financial Group, the fight against climate change is a priority. In 2020, we were carbon neutral for the first time and we set a target of reducing our GHG emissions by 20% per employee by 2025, with 2019 as our baseline.

In 2021, we developed a concrete strategy that incorporates the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Our TCFD report is presented in Appendix 1.

Specifically, our strategy is to:

- Draft and disclose our *Climate Change Position Statement*
- Create a climate change task force to carry out our Towards a Carbon-Free Future project
- Define and implement an action plan to reduce our environmental impact

### Creation of a climate change task force

To support our approach, we have set up an expert task force. Areas of expertise were selected according to the services, sectors or activities with the highest potential environmental impact in terms of GHG emissions. They are:

- Real estate investments
- Investment portfolios
- Information technology
- Material resources and procurement

This group is under the responsibility of the Head of Investor Relations, Public Affairs and Sustainable Development, who ensures organizational alignment and liaises directly with the Action Committee and the Sustainability Steering Committee.

The goal of this task force is to assess the situation at iA Financial Group in order to develop an action plan to achieve and improve reduction targets.





## Climate Change Position Statement

Throughout 2021, iA Financial Group worked on developing a strategy to actively support the fight against climate change.

We are proud to release our *Climate Change Position Statement* through which we commit to becoming a leader on climate change in North America.

Our position statement can be found in Appendix 1.

As a long-term investor and insurance provider, our approach is guided by five key pillars:

- 1** Reduce GHG emissions in our operations and our investment portfolio
- 2** Strive to fully integrate climate-related considerations into our investment process
- 3** Strengthen climate-related disclosure in alignment with the TCFD recommendations and facilitate related disclosure from all portfolio companies
- 4** Build resilience to the physical impacts of climate change across our insurance business
- 5** Contribute to advancing understanding of the impacts of climate change on the insurance industry

## Climate risk management

iA Financial Group integrates risk management, specifically the management of climate risk, into its responsible practices. Our risk management approach is presented in the “Governance” section of this report and in our *2021 Annual Report*.

As at December 31, 2021, the company’s exposure to high emission sectors was relatively low. The oil and gas sector, for example, represents less than 4% of our total investment portfolio.

We also measure the probable maximum loss (PML) of insured products due to climate-related natural disasters, which is summarized in the table below.

We track net data, as well as our future exposure to disaster risk. This allows us to reflect the growth of our portfolio during the year and potential changes that may have been made to our reinsurance coverage.

### Net PML

Net probable maximum loss (PML) of insured products due to climate-related natural disasters

	1 in 50	1 in 100	1 in 250
Hurricanes	2,034,041	5,000,000	5,000,000
Tornadoes	5,000,000	5,000,000	5,000,000
Tsunamis	N/A	N/A	N/A
Floods	5,000,000	5,000,000	5,000,000
Drought	N/A	N/A	N/A
Extreme heat	N/A	N/A	N/A
Winter weather	5,000,000	5,000,000	5,000,000

Lastly, we integrate environmental risks into the individual contract underwriting process, our enterprise risk management and the management of capital adequacy.

For auto and home insurance risks, we consider the region in which an insured resides in the premium rate. Environmental risks vary by region, and we track this information in the history of losses for each region. Collecting this data therefore allows us to establish appropriate rates for each policyholder.

We also consider the potential impact of natural disasters in terms of capital adequacy. We use modelling for certain types of natural disasters, which is incorporated into probable scenarios and analyzed for impact on capital to ensure capital adequacy and sound risk management.

Our entire sustainability approach is supported and overseen by a multitude of stakeholders, such as the Risk Management, Governance and Ethics Committee, our President and Chief Executive Officer, our Chief Risk Officer, our Chief Investment Officer and our Chief Financial Officer. The involvement of senior management along with all managers and employees is a key to success in the fight against climate change.

Lastly, iA Financial Group now carries out its sustainability approach in accordance with TCFD recommendations and has disclosed its Carbon Disclosure Project data since 2007.

# Our GHG emissions

Each year since 2019, iA Financial Group has calculated its greenhouse gas (GHG) emissions in accordance with the recommendations of [Planetair](#), our external expert for greenhouse gas calculations and offsets, based on GHG Protocol (2017) emission factors.

Our methodology is based on a breakdown of GHG emissions by scope:



## Scope 1 and Scope 2

Scope 1 and Scope 2 relate to GHGs emitted directly from iA Financial Group's buildings and vehicle fleet, namely the use of fuels and refrigerants (1) and electricity (2).

## Scope 3

Scope 3 consists of all GHGs emitted outside of company properties, from company events or employee commuting, for example.

Geographically, although iA Financial Group has an active presence in Canada and the United States, its owned properties are all located in Canada (in Quebec, Ontario and British Columbia). iA Financial Group is looking closely at its emissions and is keen to better quantify them, especially those related to Scope 3. It is essential to reduce our emissions at the source as much as possible.

Raw data is collected for all three scopes, or extrapolated when unable to be collected. Appendix 2 presents our detailed GHG calculation methodology.

Between January 1 and December 31, 2021, iA Financial Group's emissions totalled 13,767 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), calculated from Scope 1 and Scope 2 as well as certain areas of Scope 3.

Since 2020, we have offset all calculated GHG emissions that we were unable to eliminate. In our view, this is not a justification for polluting and does not make GHG emissions more acceptable. Accordingly, our offsetting activities are carried out in parallel with our reduction efforts. Our goal is to reduce our emissions as much as possible at the source before offsetting them.

## GHG emissions since 2019 (tCO<sub>2</sub>e)

	2019	2020	2021
<b>1 Direct GHG emissions</b> 72% of total emissions for 2021			
Total	4,322	4,197	9,980
<b>2 Indirect emissions related to electricity consumption</b> 24% of total emissions for 2021			
Total	68	2,219	3,294
<b>3 Indirect emissions not related to electricity consumption</b> 4% of total emissions for 2021			
Total	6,885	1,420	493
<b>Grand total</b>	<b>11,275</b>	<b>7,836</b>	<b>13,767</b>

# Offsetting our emissions

This year, to offset our emissions, we decided to broaden our horizons by going more international. In doing so, we are demonstrating our solidarity on environmental issues and acknowledging the fact that the fight against climate change has no borders.

## Two projects, two continents, one offset

The GHGs offset by the projects described below represent the estimated totals of our GHG emissions, which is required to obtain carbon neutral certification from Planetair.

In addition, our choices reflect our desire to invest in offset projects that reduce GHG emissions at the source.

### Biomass project in Brazil

In Brazil, we're supporting an energy efficiency project with Buenos Aires Ceramics, which produces ceramic bricks and tiles mainly for the regional market where the factory is located. The factory's fuel replacement project was validated in April 2010 under the Verified Carbon Standard (VCS) and the social carbon methodology.

Today, the project is Gold Standard certified. It avoids GHG emissions by replacing non-renewable biomass with renewable biomass to generate thermal energy in the ceramic firing process.

This project corresponds directly to certain UN goals, including SDG 8, decent work and economic growth, and SDG 13, climate action, which we have targeted among our priorities.

### Biogas project in Thailand

On the Asian continent, we have selected another energy efficiency project, this time in the field of biogas. This project is Verified Carbon Standard certified and relates to anaerobic wastewater treatment. This technology was introduced at a starch factory with a total production capacity of 600 tonnes per day, which generates 5,000 m<sup>3</sup> of wastewater each production day.

Normally, the wastewater is treated in cascading ponds with a retention time of more than a year. The minimum depth of the ponds is about 10 metres for the first two ponds and more than 3 metres from the water's surface for the remaining ponds. However, thanks to the wastewater treatment technology used in the project, the wastewater is transformed into biogas, which can be used as energy, thus reducing GHG emissions by almost 40,000 tonnes per year.



Carbon neutral business certification attests that we have calculated and offset all our GHG emissions that could not be eliminated by our reduction measures in place.

By choosing the two projects described, located in developing countries, we are also supporting the goal of reducing inequalities among countries. The countries hosting these projects are particularly affected by climate change, even if they have not contributed to it as much as other countries. In addition, both projects reduce environmental impact at the source, which corresponds with our philosophy.

Alongside these offset projects, we also wish to continue making a difference in communities close to our clients and employees. In this regard, we are looking to develop partnerships with charitable organizations that promote environmental initiatives in Canada and the United States through our philanthropic program.

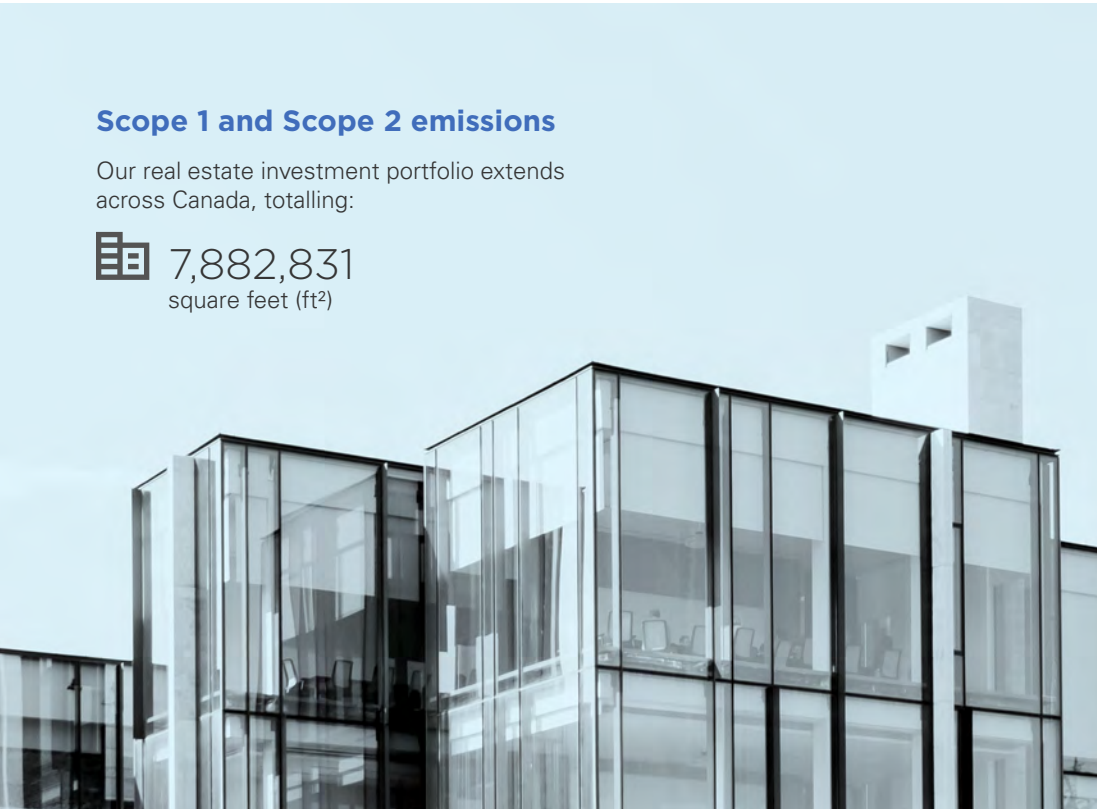


# Reducing our emissions

## Scope 1 and Scope 2 emissions

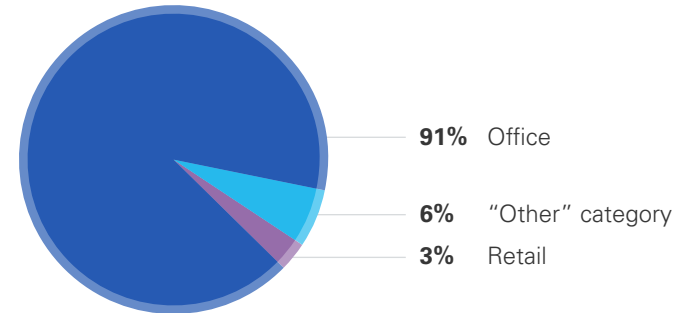
Our real estate investment portfolio extends across Canada, totalling:

 7,882,831  
square feet (ft<sup>2</sup>)



© Scott Webb/Unsplash

## Distribution of our real estate assets:



Of our total real estate investments, 13% are company-occupied properties.

## Environmental footprint of our properties

As a major property owner, iA Financial Group measures environmental performance based on the stringent BOMA BEST (Building Environmental Standards) and LEED (Leadership in Energy and Environmental Design) criteria.

BOMA BEST certification recognizes excellence in environmental practices. Since 2005, the BOMA BEST national certification program has sought to improve upon conventional North American building standards by recognizing excellence in environmental practices and encouraging the adoption of responsible behaviour in areas such as energy efficiency and water management.

LEED® certification provides independent, third-party verification that a building, home or community was designed and built using strategies aimed at achieving high performance in key areas of human and environmental health.

The complementarity of these two certifications ensures that we implement the best possible practices to reduce our environmental impact.

## Our building energy management

At iA Financial Group, we collect comprehensive energy consumption data annually for all of our real estate assets, representing 100% of the 7,882,831 ft<sup>2</sup> of total floor area in our property portfolio. The company holds three fewer properties than in 2020.

### Energy management data as at December 31, 2021

608,292 Total energy consumption (in gigajoules)	Office	Retail	Other
Energy consumed from grid electricity	76.6%	97.3%	100%
Energy consumed from renewable energy	76.6%	97.3%	94.7%
Properties with an energy rating	50.8%	100%	68%
ENERGY STAR certified	84.4%	0%	0%
LEED certified	36.2%	0%	0%
BOMA BEST certified	65.2%	100%	68%

In accordance with the stringent LEED and BOMA BEST criteria, all of our LEED and BOMA BEST certified buildings have an energy rating. Their floor area amounts to:

 5,897,549 square feet (ft<sup>2</sup>) → 74.88% of total floor area of our property portfolio

In addition, iA Financial Group receives an annual ENERGY STAR rating for all properties that we own and manage via the Portfolio Manager interface. Note that any LEED certified building must have an ENERGY STAR rating of over 70%.

For properties that we own but do not manage, this data is available from our various property management partners.

The certifications we receive allow us to provide our employees and tenants with workspaces that meet the highest standards of indoor and outdoor environmental quality, thereby promoting individual health and wellbeing.

## Our building water management


In 2021, we worked on our data collection efforts to improve water management in our buildings occupied by iA Financial Group.

### Water management data as at December 31, 2021

	Office	Retail	Other
Water withdrawal data coverage as a % of total floor area	97.3%	100%	100%
Baseline water stress (high or extremely high)	2.8%	0%	68%
Total water withdrawn by portfolio floor area with data coverage	456 (in thousands of cubic metres)	12 (in thousands of cubic metres)	13 (in thousands of cubic metres)
Regions with baseline water stress (high or extremely high)	0.9%	0%	54.9%

As in the case of energy management, water management is assessed for all properties owned or managed by iA Financial Group and the data collected follows the same procedure as for energy management.

Looking at our overall real estate portfolio, the vast majority of our properties are in regions with low baseline water stress. These properties represent a floor area of 7,598,645 ft<sup>2</sup>, which is 96.4% of our total floor area of 7,882,831 ft<sup>2</sup>. This detailed data (by property and by region) allows us to improve water management across the entire iA Financial Group real estate portfolio.

 7,598,645 square feet (ft<sup>2</sup>) → 96.4% of our total floor area



### Impact of new Work From Anywhere model on material resources

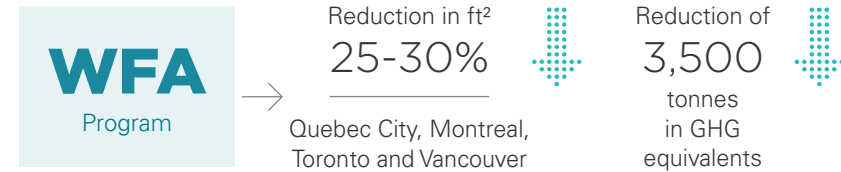
The workplace is constantly evolving, and this is especially true with the rise of telework. At iA Financial Group, we're proud to be building a flexible and adaptive new model with our Work From Anywhere (WFA) program. Through this program, employees have the choice to telework or come to the office. In light of this major change, the organization is reviewing its real estate occupancy, which has a direct impact on material resources and procurement.

This transformation brings with it the redesign of our spaces, with the addition of open areas and collaboration zones that are more flexible and better adapted to the new needs of employees.

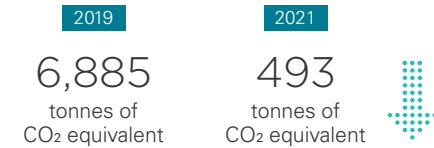
The implementation of the program allows for better management of our sites, including:

- Choice of workplace (at home or at the office)
- Unassigned workspaces for all employees
- Complementary areas away from open areas
- Standardization of design concepts for each site
- Deployment of Workplace Services (WS) consolidating imaging, mailroom services, document management, etc.
- Reduction in floor space, number of addresses and annual rental costs

At this time, we estimate that the new working model will result in a 25-30% reduction in square footage requirements in major urban centres (Quebec City, Montreal, Toronto and Vancouver). This reduction would translate into a reduction of approximately 3,500 tonnes in GHG equivalents.



Moreover, due to the pandemic, the low occupancy of our buildings and remote work have resulted in a significant reduction in our Scope 3 GHG emissions:



The WFA program applies to all iA Financial Group entities, with the exception of Career agencies, PPI and U.S. offices (initially). The aim is therefore to regroup the company's entities and reduce the number of addresses currently occupied:



### Floor area occupied by iA Financial Group in Canada and estimate:

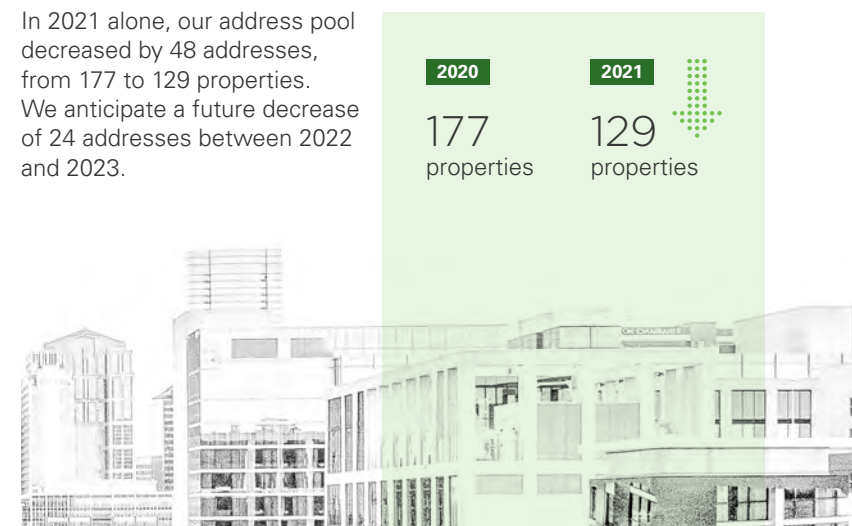
	2019		2021		WFA - 2023+	
	Addresses (number)	Floor area	Addresses (number)	Floor area	Addresses (number)	Floor area
Quebec City	20	782,135	17	735,218	9	483,272
Montreal	22	360,566	18	333,876	18	298,706
Laval	11	78,541	8	58,444	7	55,300
South-shore Montreal	11	127,224	9	121,791	7	106,983
Toronto	30	390,182	13	367,535	10	304,012
Ottawa	4	7,639	5	7,640	3	6,407
Vancouver	12	150,310	7	140,897	5	119,492
Calgary	9	59,416	6	33,309	4	27,710
Edmonton	4	13,790	1	8,897	2	8,897
Saskatchewan	1	2,903	2	3,200		
Winnipeg	6	20,124	3	6,793	2	4,430
Nova Scotia	5	8,436	3	8,436	2	4,250
New Brunswick	2	656	1	656	1	656
Newfoundland and Labrador	2	0	1	2,971	1	2,971
Agencies (other)	38	235,755	35	281,119	34	251,851
<b>Total</b>	<b>177</b>	<b>2,237,677</b>	<b>129</b>	<b>2,110,782</b>	<b>105</b>	<b>1,674,937</b>

Launched in 2020, the WFA program has established a decision-making framework, deployed a transformation budget per address and initiated a redesign phase for the following addresses:

- Quebec City campus (1080 and 1150 Grande Allée West)
- Toronto (26 Wellington)
- Montreal (2000 McGill College)
- Vancouver (988 West Broadway)

In 2021 alone, our address pool decreased by 48 addresses, from 177 to 129 properties.

We anticipate a future decrease of 24 addresses between 2022 and 2023.



Our Scope 1 and Scope 2 emissions come entirely from our company-occupied buildings and vehicle fleet. The WFA program will therefore directly influence our emissions. Given that we have had a strong demand for the continuation of telework in the long term and that it is the employees themselves who will decide on the most appropriate place to carry out their work (including via telework), this will ensure a reduction in our direct emissions.

## Scope 3 emissions

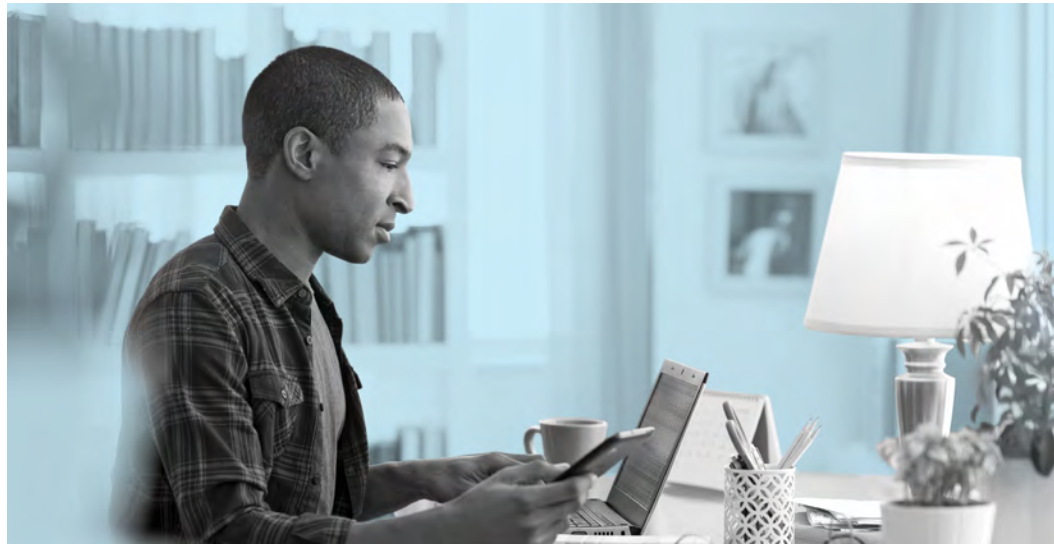
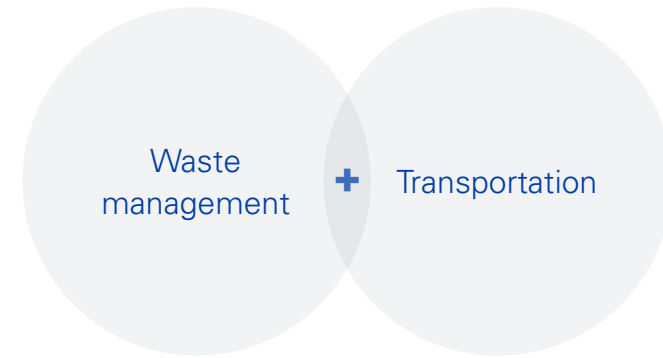
When calculating its GHG emissions, iA Financial Group takes great interest in knowing its impact in different areas of activity. As such, it was again obvious to us to include categories from Scope 3. We have therefore calculated emissions in areas such as waste management and transportation.

### Waste management

In 2015, iA Financial Group characterized its waste materials with the aim of better managing them and reducing them at the source in subsequent years.

In all of our business lines, most of our documents are now produced in digital form. When we use paper, we make an effort to use paper made of 100% postconsumer recycled fibres.

Since 2020, all employees have been teleworking and, although it is still relevant to raise awareness and educate all members of our staff to adopt good waste sorting habits at the source, it is more difficult to have control over the materials produced. We have therefore focused on virtual initiatives to reduce material consumption for all.



**Printing solutions**

Since 2019, our IT experts have been working to deploy effective solutions to reduce our printing and equip our teams accordingly. To do this, we have developed an action plan as follows:

2019  
2020

**Printing solutions**

Approximately 800 printers and multifunction devices

**No centralized management solution**

**Optimization and sizing**

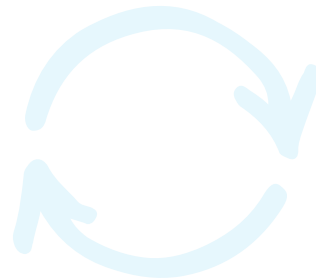
- Equipment is not optimized for needs
- Equipment is under/oversized in relation to actual needs

**Work methods**

- Paper use integral to operations
- Limited use of software and technology tools

2021  
2022

- Analysis and action plan
- Elaboration of strategy



2023 **TARGET**

**Optimized printing solutions**

- Deployment of a minimal number of multifunction devices
- Optimal printing requirements based on actual needs
  - Minimize paper consumption related to the company’s business needs
  - Eliminate paper consumption related to personal and professional needs of employees

**Centralized management solution**

- Usage reports and data measurement
- Secure printing solution
  - Up to 20% reduction in paper consumption

**Awareness raising and governance**

- Paperless environment
- Printing policies

**Electronic contract campaign – iA Auto and Home**

With the aim of increasing client use of electronic contracts, our subsidiary iA Auto and Home has been rolling out an initiative since January 2022 highlighting the positive environmental and social impacts of accepting to receive electronic contracts.

By signing up, clients help protect the environment and also contribute to the distribution of free breakfasts to children in need.



Each electronic contract enrolment provides



**10 breakfasts**  
to children in need



## Product life cycle and second life

Since 2018, iA Financial Group has been recovering and recycling its outdated computer equipment through a partnership with Quantum Lifecycle.

### New life for our old equipment

Once collected directly and securely from our offices, the equipment is tracked by Quantum to its own facilities, where it is emptied of its content, cleaned and put back into circulation. Rigorous monitoring is maintained at every stage of this secure destruction process.

Equipment that cannot be reused is disassembled and its components are sold to partners who specialize in recycling them.

### Improved recovery of our mobile devices

To go further, since June 2021, iA Financial Group has implemented a more precise process for recovering and recycling the company's mobile devices by obtaining the recovery of saved carbon credits.








Each year, we obtain detailed reports which include certificates of compliance.

Between June 2021 and February 2022, nearly 750 mobile devices were recycled, reused and disposed of responsibly for iA Financial Group.



## Equipment recovered

(Quebec City, Montreal and Toronto offices):

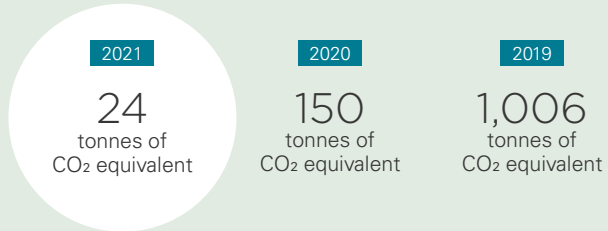
		2021	2020	2019
 <b>Cell phones</b>	Number of units processed	308	0	0
	% of units resold	0%	0%	0%
	% recycled of unsold units	100%	0%	0%
 <b>Desktop computers</b>	Number of units processed	1,069	170	533
	% of units resold	97%	98%	98%
	% recycled of unsold units	3%	2%	2%
 <b>Printers</b>	Number of units processed	23	48	52
	% of units resold	0%	0%	0%
	% recycled of unsold units	10%	0%	10%
 <b>Laptop computers</b>	Number of units processed	3,925	204	310
	% of units resold	100%	95%	94%
	% recycled of unsold units	0%	5%	6%
 <b>Monitors</b>	Number of units processed	810	64	451
	% of units resold	71%	100%	80%
	% recycled of unsold units	29%	0%	20%
 <b>Networking hardware</b>	Number of units processed	79	31	75
	% of units resold	11%	81%	37%
	% recycled of unsold units	89%	19%	63%
 <b>Servers</b>	Number of units processed	5	80	20
	% of units resold	0%	0%	0%
	% recycled of unsold units	28%	79%	21%
<b>Other</b>	Number of units processed	1,154	21	217
	% of units resold	21%	43%	17%
	% recycled of unsold units	79%	57%	83%
<b>Total</b>	Number of units processed	<b>7,065</b>	<b>490</b>	<b>1,624</b>
	% of units resold	<b>61%</b>	<b>93%</b>	<b>78%</b>
	% recycled of unsold units	<b>39%</b>	<b>7%</b>	<b>22%</b>

### Transportation

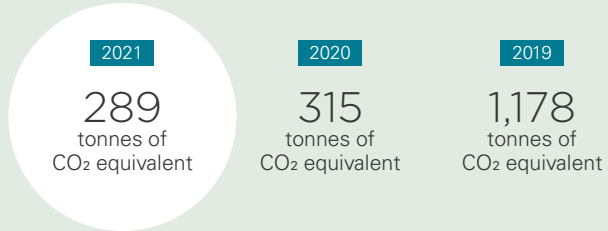
Because of the pandemic, our transportation use has decreased considerably. Between 2020 and 2021, our GHG emissions from transportation, including business travel and commuting, have been reduced by 74%.



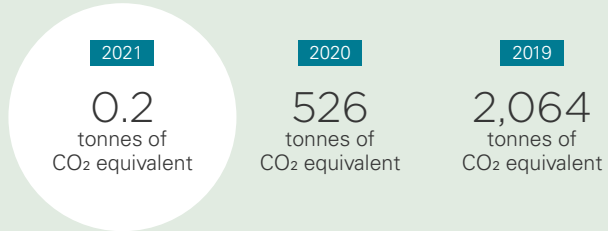
**Business travel**  
(plane and train)



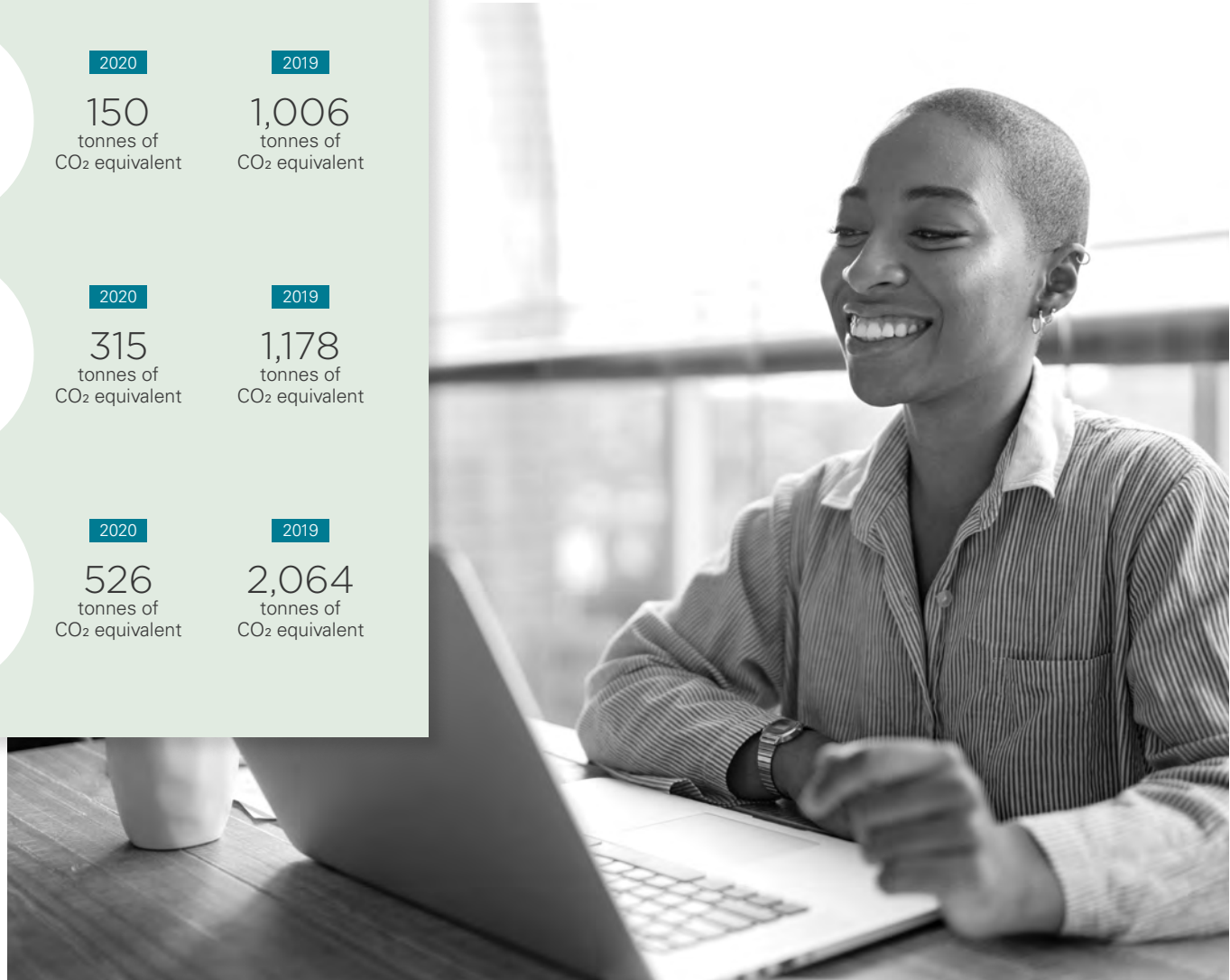
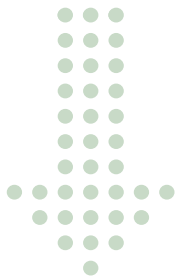
**Business travel**  
(personal vehicles)



**Employee commuting**



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**Prioritizing digital tools**

In the context of telework, it is essential to provide the technological means to do business virtually and without exchanging documents, while guaranteeing the security and confidentiality of the information processed. On the one hand, clients are increasingly demanding secure, remote interactions, and on the other, employees continuously want to work more efficiently.

To make this happen, iA Financial Group is implementing tools that allow employees to replace paper in their daily tasks (digital notepads, whiteboards, etc.). In addition, each subsidiary is deploying the necessary IT technologies to improve interactions with their clients.

At the same time, enhancing our IT tools improves working relationships and encourages employees to continue teleworking. By providing them with effective technology tools, our employees have the choice to work from the location that suits them best. In addition to providing more flexibility, this initiative helps to limit the CO<sub>2</sub> emissions resulting from their travel to and from work.

**Raising awareness about sustainable mobility**

**Car-free challenge**

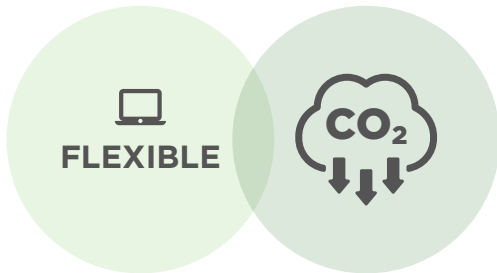
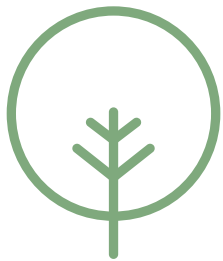
Since 2011, we have participated annually in the *Défi Sans Auto Solo* car-free challenge. iA Financial Group proudly took first place in the medium-sized organization category (1,000 to 5,000 employees) for the province of Quebec in the 2021 edition.

Since 2020, almost all of our employees have been teleworking, which has considerably reduced their travel. In addition, the implementation of the new Work From Anywhere working model ensures teleworking in the long term. This means that each employee will be able to decide where they work and how many days a week they want to go to the office. The impact of this change will be considerable for our environmental footprint, as travel will be reduced for the long term. With this in mind, we still wish to continue raising awareness about the use of public and active transportation.

**Management meeting**

Each year, iA Financial Group holds a meeting for all members of management. For the second year in a row, this event was held virtually and was carried out in accordance with the company's best practices in environmental responsibility. Holding the event virtually in 2021 resulted in a significant savings in GHG emissions. This savings amounted to approximately 72 tonnes of CO<sub>2</sub> equivalent.

The last two years have been reshaped by the introduction of teleworking. This leads us to reflect on the new categories in Scope 3 to be assessed and quantified. We therefore plan to review these categories to better define, in a virtual office future, where we need to work to further reduce our emissions at the source.



Goals



Our 2021 objectives	Results at December 31, 2021
Integrate TCFD recommendations.	Objective achieved.
Improve the impact of our real estate investment portfolio through BOMA BEST and LEED certifications.	Ongoing objective.
Implement Work From Anywhere program, particularly with respect to material resources (site renovations, reduction of workspaces, etc.).	In progress (multi-year action plan).
Implement digital and technological solutions to support our new hybrid offices.	Suppliers and technologies have been selected. Now the solutions must be implemented. Some tools, such as Microsoft 365, have already been rolled out to facilitate the work of all employees.
Centralize and reduce printer fleet.	<ul style="list-style-type: none"> <li>— 30% reduction in printer fleet.</li> <li>— Over 20% of remaining printers are offline.</li> </ul>

**2022**

- Develop partnerships with environmental charities.
- Implement technologies for our new hybrid offices.
- Assess and quantify new Scope 3 categories.

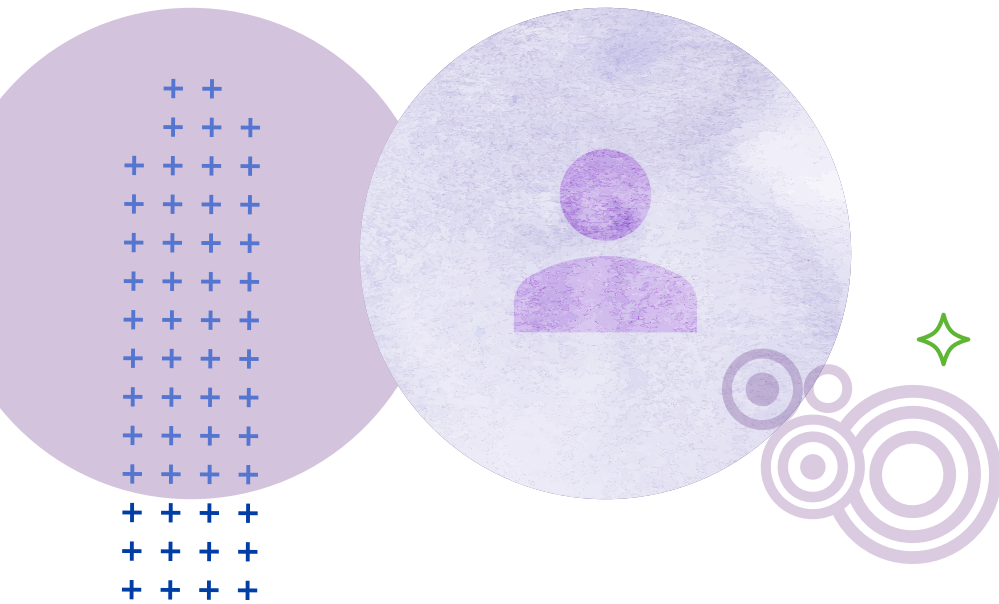
**2025**

- Reduce GHG emissions by 20% per employee versus 2019 baseline.





# S O C I A L



OUR SOCIAL RESPONSIBILITY

# Awards

At iA Financial Group, the needs and concerns of our stakeholders are among our top priorities. For each of these stakeholders, we want to be a socially responsible and exemplary corporate citizen. That's why everything we do and every decision we make is guided by the interests of our clients, our employees, our partners, our suppliers and our community.

★ 1<sup>st</sup>

First prize in the Service Companies – Large Companies category in the 2021 Honorary Awards held by the Healthy Enterprises Group. The jury also highlighted the innovative nature of our flexibility-focused WFA (Work From Anywhere) program.

★ Top 50

Corporate Knights' Best 50 Canadian Corporate Citizens list.

★ 1<sup>st</sup>

First place for two criteria in the Life Insurance category, first place for four criteria in the Living Benefits Insurance category, and first place for five criteria in the Annuities and Segregated Funds category in *Finance et investissement* magazine's 2021 insurance barometer.

★ Distinction

Distinction Award, Insurance and Financial Services category – over 1,000 employees, awarded to the best United Way-Centraide (Québec and Chaudière Appalaches) campaigns in each sector, meaning those with the highest participation rate combined with the highest average donation.

★ 2<sup>nd</sup>

Second place for our iA Auto Finance (iAAF) subsidiary in dealer satisfaction among retail non-captive providers according to the J.D. Power 2021 Canada Dealer Financing Satisfaction Study.

# Client experience

## Fair treatment of all our clients

iA Financial Group holds itself to high standards regarding the fair treatment of clients and adheres to best practices in this regard, which is why in November 2019 we adopted a fair treatment of clients (FTC) policy. After adopting this policy, we worked with the business lines concerned to implement indicators that make it possible to analyze the conduct of the FTC policy in our operations.

Our FTC policy sets out the principles we adhere to in our business practices with respect to the fair treatment of clients. This policy is an essential component of our Client Experience program. It is structured around eight key principles that reflect the behaviours expected in order to ensure the fair treatment of clients, namely:

- 1 Sound governance and culture
- 2 Conflicts of interest
- 3 Outsourcing
- 4 Design and marketing
- 5 Handling of client requests
- 6 Protection of personal information
- 7 Incentive management
- 8 Representations, advertising and communications about our products and services

This last principle enables us to describe, measure and monitor our approach to ensure clear, transparent communication with our clients regarding our products and services. This policy is outlined in our *Fair Treatment of Clients Statement*.



## Our indicators

In 2020, we developed some initial indicators to measure and monitor the fair treatment of clients in the conduct of iA Financial Group's businesses. These indicators provide an overall and accurate picture of fair treatment practices for each business line and allow us to identify gaps in applying the principles and take action to address them. Gaps are reported in accordance with the operational risk management policies of the business lines concerned.

These indicators were greatly enhanced in 2021 with client indicators from our Voice of the Customer program launched during the year, including the results of our official client net promoter score (NPS) surveys and the performance indicators for our contact centres.



# NPS

Net Promoter Score

**Our 2021 achievements**

In 2021, we continued to make significant progress in establishing corporate foundations that will enable us to improve the client experience.

After selecting our partner of choice for our client relationship management (CRM) system in July 2021, we worked with stakeholders from all business units to define our vision and our ultimate goals to ensure a common alignment regarding the transformation we hope to achieve with this new system. The first deliverable is underway in the Individual sector’s Career Network, with the goal being to roll out the selected solution to the 54 agencies in this network. To support these rollouts, the Centre of Excellence and the Target Operating Model were established in 2021 and will be utilized throughout 2022 to support and monitor the expected benefits for the first users. Respecting client consent to the exchange and use of their personal data continues to be a central component of this project.

We also continued to roll out our contact centre infrastructure, including new resource management and performance measurement processes and implemented service quality, agent training and knowledge management standards. The decommissioning of our old contact centre infrastructures began alongside the modernization of our solutions and the introduction of customer service best practices.

Lastly, we continued to execute our digital ambition to optimize the client experience by offering the best digital services. In this regard, we introduced new NPS metrics for all our digital platforms, including our websites, client interfaces and mobile apps, so we can quickly identify clients’ needs and correct any points of friction they encounter with these communication channels. We also made progress with implementing our web “factory,” which is designed to optimize the consistency of our multi-platform experience and our development efficiency by reusing common components as much as possible.

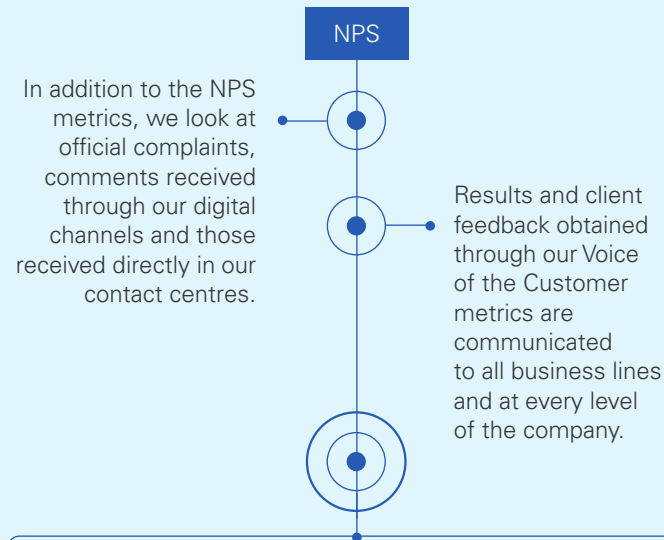
**Net Promoter Score (NPS)**

We continued our efforts to harmonize and further implement NPS metrics across the company to accurately reflect the experience of all our clients at targeted moments of truth. A Voice of the Customer program was launched during the year and will continue to be rolled out in 2022.

# Voice of the Customer

Program

The goal of this program is to consolidate all the comments received from our clients through a number of targeted sources and identify the main points of friction they encounter so we can make improvements.



“In my role, I see that iA is continually trying to understand and consider clients’ wants and needs at every stage of the process. I’m proud to be part of a company that puts the client first and to do a job that helps to improve the client experience.”

**Martine Crispo**  
Client Experience Advisor,  
specialized in client  
measures and indicators

## Goals for 2022



### Our 2021 objectives

### Results at December 31, 2021

Improve our indicators to measure and monitor the fair treatment of clients.

— Added indicators such as the results of our official client surveys (NPS) and performance indicators for our contact centres.

Establish corporate foundations by selecting a client relationship management (CRM) solution.

— Aligned our vision and our ultimate goals regarding the transformation we hope to achieve with this new system.  
— Began work on the first deliverable in the Individual sector.

Modernize the infrastructure and practices in our client contact centres.

— Modernized our IT solutions.  
— Harmonized resource management, training, quality and performance practices.

Optimize the client experience by offering the best digital services.

— Introduced new NPS metrics for all our digital platforms.

Update the Voice of the Customer (VOC) program by including additional sources of data.

Continue to put corporate foundations in place with regard to client relationship management (CRM) and the target operating model.

Continue to modernize solutions, improve practices and decommission old infrastructures in the contact centres.

Improve the consistency and development efficiency of our multi-platform digital experience.

Operationalize the measurement and tracking of indicators for the fair treatment of clients (FTC).



## Improvements to our drug management programs

At iA Financial Group, our plan members’ wellbeing is at the heart of our actions in drug management. The Group Insurance business line offers plan administrators, members and benefits advisors a number of IT tools and services to help manage plans more effectively and promote plan members’ health and wellbeing.

To that end, we’ve rolled out three management programs: one for disability, one for prescription drugs and one for health and wellbeing, including telemedicine services and an employee assistance program. These services and tools can be accessed through My Client Space and the iA Mobile app, giving clients access to a constantly evolving, omni-channel experience.

### Three management programs through My Client Space and iA Mobile



To adapt to the pandemic, the waiting period under the short-term disability management program was waived for insureds with COVID-19 whose infection was confirmed by a screening test.

The PharmAssist drug management program was revamped in 2021 to offer solid, innovative solutions that optimize plan members’ physical and mental health while contributing to the financial viability of drug insurance plans, which is a key concern for plan administrators.

Lastly, the Well-Balanced health and wellness program was enhanced to promote the use of biosimilars. As a result, we rolled out a transition campaign for plan members who use reference biologics, with targeted and personalized communications being sent to all plan members to inform them about biosimilar drugs and the benefits of switching to them. This campaign aims to promote the sustainability of drug plans, demystify the use of biosimilar drugs and, most importantly, help plan members maintain their physical and mental health through continued access to an excellent drug plan.

## 100% online claims process

The pandemic has contributed to the acceleration of digital services offered in all areas of daily life and the adoption of those solutions by consumers. A safer way to transact, faster access to claim proceeds and environmental benefits are all advantages associated with the significant increase in the use of digital services.

At iA Financial Group, we want to ensure that group insurance plan members are getting the greatest value from their plan, especially when it comes to being reimbursed for their health and dental claims.

We give our clients the option to submit their health and dental claims online. In most cases, claims submitted electronically are processed instantly and the money deposited in plan members’ bank accounts the next day!



## Life cycle investment solutions

The [ATTITUDE portfolios](#) are one of the most sophisticated investment solutions in Canada. They offer a diversified investment strategy for investors interested in pre-built portfolios managed by experts which are designed to help plan members achieve financial security and evolve alongside life changes from the first day of work all the way through retirement.



In 2021, we launched a new web page as a go-to reference for the ATTITUDE portfolios, our life cycle investment solution. It provides information about our solution, including a dynamic and interactive view of the composition of all portfolios by profile and by retirement target period.

## Financial wellness

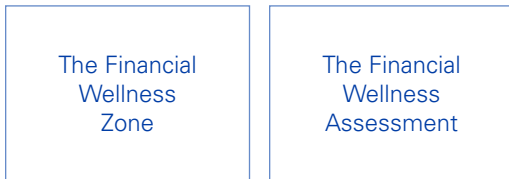
Whether it's physical, mental or financial health, employee wellness is directly linked to a company's success and should be the focus of any effective benefits strategy.

That's why group retirement savings plans must support members in reaching their financial goals and achieving financial wellness by providing access to tools and resources that help them:

- Better understand their current situation
- Learn about the options and advantages offered in their plan
- Adopt good habits to find and maintain financial balance

### New digital tools

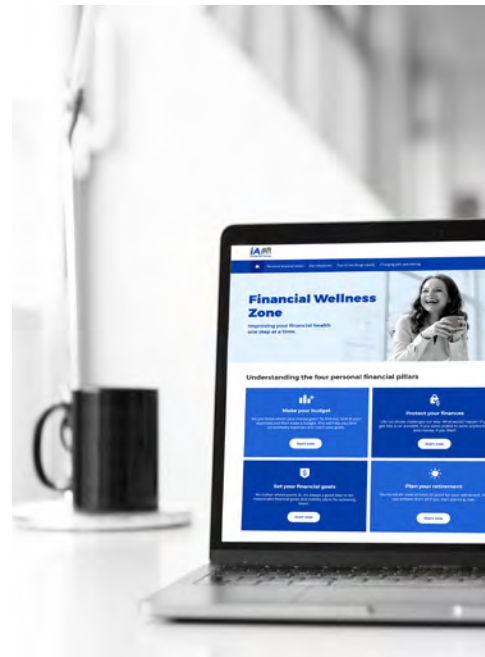
In October 2021, we were pleased to launch our new digital financial wellness tools. The new "Your Financial Wellness" section is now available in My Client Space for all group retirement savings plan members. It includes:



With its intuitive navigation, the Financial Wellness Zone brings together information, tips and tools that use plain language to help members improve their understanding of the four pillars of personal finance:

- Making a budget
- Protecting their finances
- Setting financial goals
- Planning their retirement

And given that plan member wellness includes financial, physical and mental health, articles on holistic health are also available.



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The Financial Wellness Assessment measures plan members' financial health and, for each personal finance pillar, provides an action plan and personalized resources based on their level of awareness, their knowledge and their financial habits. The action plan evolves as members reach their goals to help them move towards better financial health. Our pillar-based approach also allows members to progress at their own pace according to their preferences.

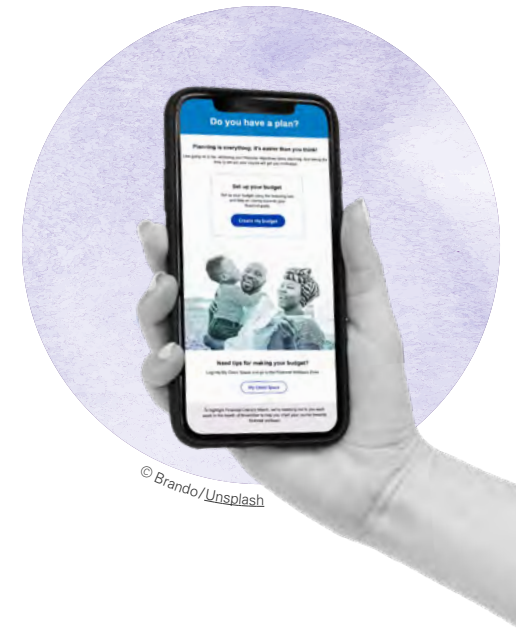


We are confident that the addition of these digital tools will help plan members find their financial balance, both now and in the future.

### Financial Literacy Month

To mark the occasion of Financial Literacy Month, we launched a month-long communication campaign in November. The intent was to help group retirement savings plan members chart their own course towards financial wellness, as well as help them understand where they are financially and where they want to go.

Each week of November, plan members received a newsletter providing them with a practical exercise and tools to take control of their finances. The topics covered were based on the four pillars of personal finance, as presented in the new Financial Wellness Zone available in My Client Space.



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“Since the pandemic began, we have actively supported the companies that participate in our group insurance and group retirement savings plans. They know they can count on us when onsite work eventually resumes.”

**Andrée-Anne Bourgeois**

Director, Products,  
Communications and  
Marketing, Group Benefits  
and Retirement Solutions

## Measures for our clients

### Group Benefits and Retirement Solutions

We designed a new toolkit to ease the transition for companies planning an eventual return to the workplace for their employees.

Developed in close collaboration with our partners, the free toolkit contains detailed information and answers to the following concerns:

- How do we establish, communicate and implement a plan for returning to the workplace?
- What anxiety coping strategies could be used to support a successful return?
- How can we help employees look after their health?
- Where can we find information on provincial workplace support measures?
- How can we help reduce employees' financial stress?

Employers can find ideas on how to support their employees' overall wellbeing and engagement in the particular context of the pandemic.



“As the owner of numerous properties, our actions were focused on two priorities: limiting the risk of contamination in our buildings by following the instructions of public health authorities and supporting business continuity for our tenants.”

**Claude Sirois**  
Senior Vice-President,  
Real Estate Investments

### Management of our properties

To ensure the safety of the businesses occupying our buildings, we invested and deployed additional resources to support the work of our maintenance and security teams working onsite.

Here is an overview of the main measures implemented since the start of the pandemic and that continued in 2021 on our properties:

- Daily maintenance and hygiene: Continuation of more frequent cleaning for main contact points such as entrance doors and elevator buttons, widespread provision of hand sanitizer dispensers and distribution of masks
- Security, health precautions and harm prevention: Tightened access to buildings with controls and verification of COVID-19 risk factors
- Installation of signage promoting physical distancing and other health measures in place, and increased monitoring of people coming and going to prevent theft
- Disinfection procedures: Disinfection of work spaces and common areas visited by anyone who may have been infected
- Air quality: Replacement of ventilation filters with higher efficiency models and increase in fresh air supply to our buildings
- Setup of conference rooms in several buildings that are specially adapted to public health guidelines

In the same vein, we took the lead in ensuring access for essential staff as well as technological infrastructure stability for our tenants, enabling the vast majority of them to maintain their operations through telework or e-commerce. With the procedures in place and the stability of the IT systems, almost all of our tenants are able to provide the bulk of their services remotely.

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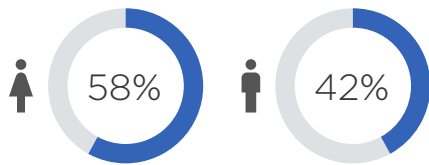
# Employee experience

## Who we are

As of the end of December 2021, iA Financial Group had a total of 8,300 employees.

### Workforce distribution

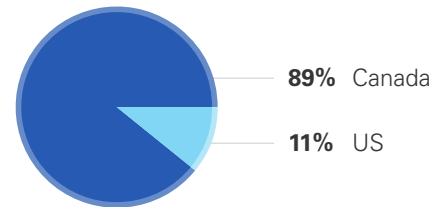
#### Distribution of women/men



#### New employees



#### Employee distribution by country



#### Average age of our employees in 2021

40.6 years



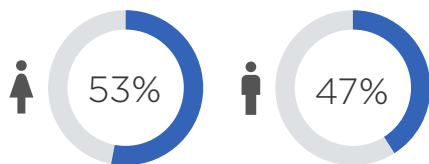
#### Average seniority of our employees in 2021

6.4 years



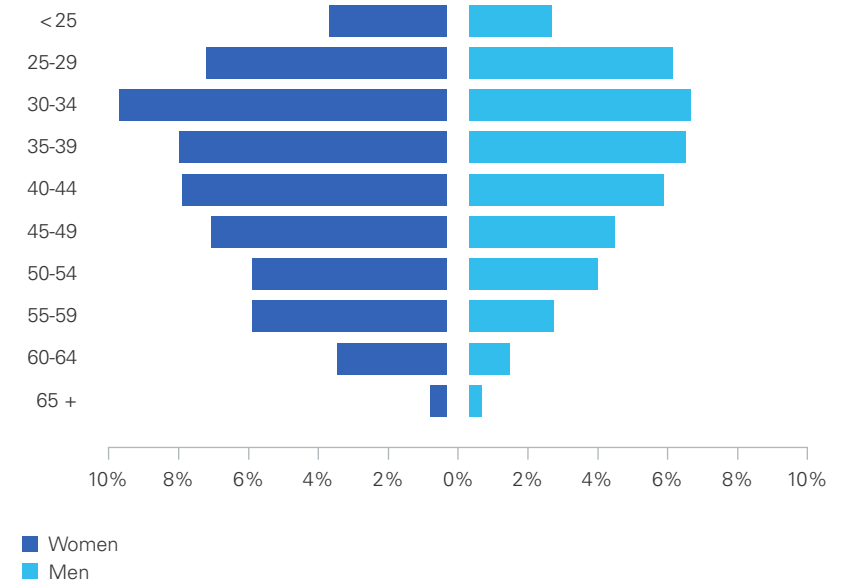
iA Financial Group gave 816 internal promotions to men and women in 2021, broken down as follows:

#### Distribution of women/men in internal promotions




8,300 employees

#### Age pyramid



“Our idea of an inclusive workplace is not just having a diversity of people represented, but a diversity of people involved, developed, empowered and trusted. We strive to provide everyone equal opportunity to contribute to iA Financial Group’s success. We want everyone to feel that they belong, to feel that they are safe and can bring their full, unique selves to work.”

**Lilia Sham**

Executive Vice-President,  
Corporate Strategy  
and Development

## Cultivating diversity and inclusion

At iA Financial Group, we recognize diversity and inclusion as a key driver of our innovation and growth. Each year, our markets are expanding to new communities. We need to understand our clients in order to best serve them, and to develop the right products for them. To do this, we need our workforce to represent the communities we serve. Moreover, if we want to remain successful, we have to constantly innovate, finding new solutions to new challenges. To achieve this, we need the best minds working together in every field. And we need *diversified* minds—a variety of points of view, from all our employees, who know that their ideas will be heard.

By promoting teamwork, respect for individuals and quality of service, we make every effort to ensure that our employees thrive in an environment of trust, solidarity and authenticity. These are the keys to success that will help them reach their full potential.

Our Diversity and Inclusion (D&I) Committee, created in 2020, has progressively implemented programs fostering D&I development. These programs, our achievements for 2021 and our action plans for 2022 are detailed in the following pages.

### D&I mission

Our differences make us unique and that much stronger. That is why at iA Financial Group, we’re committed to supporting and celebrating diversity. We strive to provide and be recognized as an inclusive workplace for all. We create this culture together every day.

#### Mission statement

The mandate of the D&I Committee extends to all forms of diversity and makes inclusion an equally important target for each of them. As such, the Committee, comprising representatives from various iA Financial Group sectors, has clearly chosen the following mission statement:

“At iA Financial Group, we support and celebrate diversity. We strive to provide and be recognized as an inclusive workplace for all regardless of ethnic origin, nationality, language, religious beliefs, gender, sexual orientation, age, marital status, family situation or physical or mental disability.”

## Our 2021 achievements

### Taking action through awareness and education

Numerous awareness and education activities were held throughout 2021 for both employees and managers. These activities, detailed below, have allowed us to:

#### Raise awareness of the importance of diversity and inclusion among our employees

- Town halls on diversity and inclusion held by the President and Chief Executive Officer with employees
- Creation of a calendar highlighting key diversity and inclusion dates and a Diversity and Inclusion intranet page for sharing resources on a monthly basis
- Extensive space devoted to diversity and inclusion on the executive meeting agenda (interactive discussion panel and speakers)

#### Implement training throughout iA Financial Group on unconscious bias and how to break down or eliminate it (in partnership with Catalyst, a non-profit organization specializing in diversity and inclusion)

- All managers have completed the two-hour small-group virtual training session aimed at ending unconscious bias for inclusive leadership.
- A first wave of employees (70%) took the *Introduction to Diversity and Inclusion* online training session on unconscious bias and inclusive communication. In 2022, this training will be expanded across the company and will be added as a mandatory component to our onboarding program for new employees.

### Fostering success through increased inclusion

With Catalyst's help, we checked in with our employees. We held a number of focus groups and numerous interviews with our leaders and conducted a survey of all our employees. The response rate (45%) was excellent compared to the market standard (between 40% and 42%). An analysis of the results helped us understand where we can make changes to have the most positive impact.

The analysis shed light on some clearly positive aspects within the company, like work-life balance (raised even higher by adjustments stemming from COVID-19), as well as noteworthy experiences around inclusive leadership behaviours, such as ownership, curiosity, courage and humility. Employees are showing a strong sense of engagement and intend to stay with iA Financial Group.

We have also identified three areas for improvement:

#### Culture

Harmonizing culture across our geographic locations, and improving the inclusion of women and under-represented groups so they can bring their full selves to work

#### Career development

Improving career development, providing more and better support and clarifying career paths

#### "Allyship" (being an ally)

Improving the role of managers to be better allies

## Ensuring our future through gender diversity

### Targets for greater gender equity

At the end of 2020, the following objectives and resource allocations were established for the Diversity and Inclusion (D&I) initiative, and targeted measures were put in place. The D&I Committee recommended the following targets for the representation of women in senior leadership positions among iA Financial Group senior managers and executives, targets approved by both the executive committee and the board of directors:

- Now and in the future, between 40% and 60% of iA Financial Group senior leadership position appointments will go to women
- Achieve increased gender equity in iA Financial Group senior leadership positions with women and men each holding between 40% and 60% of positions by 2025

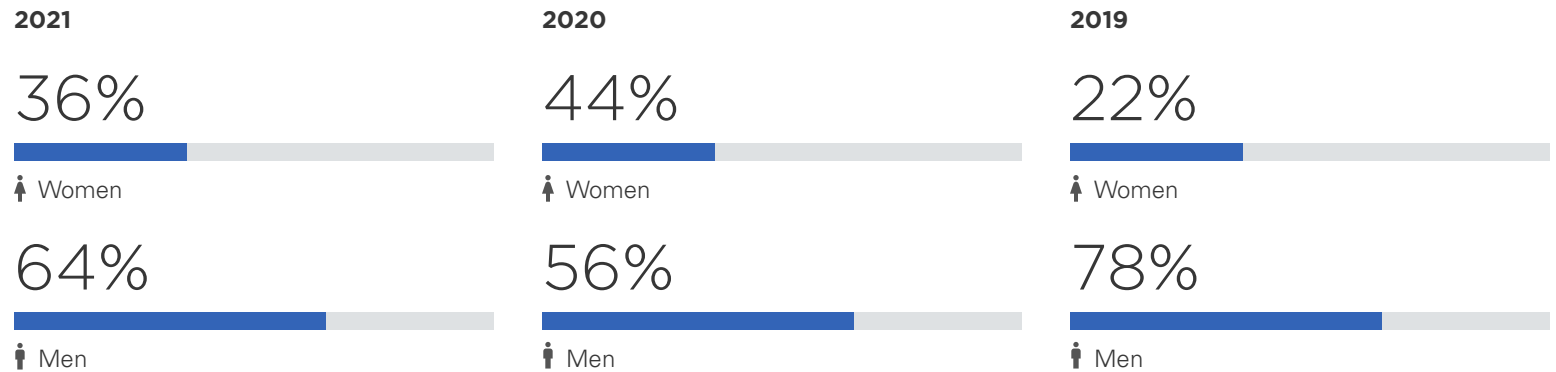
We believe that these targets are gender inclusive and that no group will be seen as advantaged or disadvantaged.

### Growing representation of women in senior leadership

At iA Financial Group, we have recently stepped up our efforts to ensure the increased participation and advancement of women in the company’s leadership. Since 2020, in particular, we have adjusted our reference pool to represent the company’s executives and senior management as well as senior management of the company’s main subsidiaries.

For example, in 2021, 36% of new senior leadership appointments within iA Financial Group were women.

### New senior leadership appointments within iA Financial Group



The adjustment of our reference pool is in addition to various measures already in place to support the representation of women within iA Financial Group’s senior leadership. These include recruitment practices (senior and middle managers), training and development, and flexible work arrangements.

Starting in 2022, we will be collecting data and analyzing the composition of our workforce in terms of other forms of diversity.

### Distribution of women/men in iA Financial Group senior leadership positions as at December 31, 2021

	Women (%)	Men (%)
Executives (Pres., EVP)	18%	82%
Senior mgmt. (SVP, VP)	34%	66%
Total senior leadership positions		
2021	31%	69%
2020	25%	75%
2019	22%	78%



### Building inclusive communities through our philanthropic program

In 2021, we established or strengthened collaborations with charities and organizations that support diversity and inclusion.



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#### Inclusion Fund

iA Financial Group is actively participating in the Inclusion Fund, which brings together 22 financial firms that share the belief that education is the best defense against intolerance, discrimination and harassment. School awareness and education programs are among the initiatives supported by this \$3.5 million fund. The purpose of these programs is to build inclusive living environments and promote greater openness in young people to diversity in all its forms.

#### GRIS-Montréal

We are a major partner of the *Le GRIS part en tournée* project. In collaboration with other GRIS chapters and local LGBT+ organizations, GRIS-Montréal is touring Quebec to visit new schools in more and more regions and help demystify sexual and gender diversity.

#### Women in Capital Markets (WCM)

iA Financial Group a proud sponsor of this organization. WCM is the reflection of Canadian financial institutions and professionals in the sector uniting to accelerate gender equality at an industry level.

WCM represents professionals in Canadian capital markets who have come together to vote for equality and progress. It is a community of over 3,500 members made up of 2,000 professionals, 500 university students, and 1,000 high school students. WCM is the largest network of female professionals in Canadian finance, with initiatives that have impacted the careers of countless female students and professionals across the country.

#### Women of Influence

We are a sponsor of the Women of Influence organization. For more than 25 years, Women of Influence has been telling the unfiltered success stories of a diverse group of role models. These stories not only inspire, educate, and connect, but also start to redefine our perceptions of gender roles and abilities. Women of Influence calls this “changing the narrative.”

#### Indspire

A reflection of our values and Canada-wide presence, our donation to Indspire will be distributed to Indigenous students attending post-secondary institutions across the country who need financial assistance for their education costs. Indspire supports, connects and financially assists Indigenous youth so they can reach their full potential. No fewer than 90% of students supported by Indspire earn a post-secondary diploma.

#### Mission inclusion

Our contribution to Mission inclusion is intended to support youth in remote areas. This project focuses on empowering marginalized youth through prevention and social inclusion.

Mission inclusion supports innovative and mobilizing actions in Quebec and around the world to improve the wellbeing of vulnerable and marginalized people.

We have also made a number of donations to charities whose mission or project supports diversity and inclusion. These organizations are presented in the table at right.



Charity	Cause
Women's Y Foundation	Passport to Employment program, a program aimed at the social and economic reintegration of women and the promotion of and contribution to equal opportunities.
Regroupement des maisons pour femmes victimes de violence conjugale	In support of the awareness video project to help better understand, detect and act on domestic violence.
Women's Crisis Services	In support of their mission to give women and children the means and support to overcome violence and abuse by providing safe shelter, education and community services.
First Nations and Inuit Suicide Prevention Association of Quebec	In support of their mission to promote wellbeing and balance in the lives of Quebec's Indigenous populations.
Native Women's Resource Centre of Toronto	In support of the education program to help women successfully transition to employment.
Dixon Transition Society	In support of their mission to provide shelter, guidance and hope to women and children fleeing violence.
Native Women's Shelter of Montreal	In support of their mission to provide a safe place for Indigenous women.
MakeWay Charitable Society	In support of the Ayalik Project for Indigenous communities.
Innovations for Learning Canada	In support of Indigenous communities.
Fondation Olo	Donation dedicated to developing their initiatives with communities of newcomers and Indigenous communities.
Mikinakoos Children's Funds	In support of their mission to improve the quality of life of Indigenous children in remote regions.
Immigrant Women's Shelter	Organization that helps immigrant women who are victims of violence.
Maison communautaire Missinak	In support of their mission to provide a resource environment for Indigenous women who are victims of violence.
Onion Lake Education Trust Fund	Post-secondary scholarships for Cree communities.
REA Foundation	Scholarships for children with disabilities.

### Action Plan 2022–2025

To achieve our mission of making D&I the core of iA culture and creating an inclusive workplace for all, we have implemented a three-year action plan from 2022 to 2025 aimed, in particular, at continuing and further deploying our diversity and inclusion programs and laying the foundation for continuing to listen to, engage and educate employees on our D&I journey.

The main themes we will focus on to support this three-year plan are to:

- Continue to raise D&I awareness and education across the entire organization
- Encourage and foster allyship among our leaders
- Support our employees in their career development in a more inclusive way
- Improve our HR practices in support of diversity and inclusion

Through all these measures, we want everyone to feel a sense of belonging, to feel safe and to be able to bring their full selves to work. Together, we will contribute to the future and success of iA Financial Group.

### Priorities for 2022

In 2022, we plan to expand our D&I team to support the action plan. We also plan to add a new question on the level of inclusion to the Pulse survey, the results of which are monitored by the executive committee. Most importantly, 2022 will allow us to:

#### Launch and develop our Employee Resource Group program

As announced to employees by our President and Chief Executive Officer in December 2021, the D&I Committee will launch a new Employee Resource Group (ERG) program within the company in 2022. A critical part of our overall initiative, this program will allow us to take into account the multiple realities of our company.

ERGs are voluntary, employee-led groups whose aim is to foster a diverse, inclusive workplace. They come together based on shared characteristics or life experiences. They form a network of contacts dedicated mainly to enhancing members' professional and personal development by discussing the challenges and opportunities they face. Aligned with corporate values, ERGs promote diversity, inclusion and equity and contribute to the achievement of iA's vision. In short, they ensure that group members have a voice in the organization, while raising awareness of their realities across the company.

The first ERG will consist of women, in accordance with the results of the 2021 Catalyst survey. iA Financial Group plans to create two to four additional ERGs in 2022 based on the needs and interests of our employees.

#### Continue training on education and awareness for all our employees

Building on strong participation and positive feedback from employees and managers in 2021, this training will be expanded across the company and will be added as a mandatory component to our onboarding program for new employees. This online training aims to raise awareness of unconscious bias and explore the theme of inclusive communication.

In addition, a continuing education program will be offered to our managers to further develop inclusive leader behaviours (allyship).

Lastly, we will continue to offer a variety of awareness and education resources, such as a D&I calendar, a D&I page on the intranet and conferences.



Goals for 2022



Launch and develop our Employee Resource Group program.

Collect data and analyze the composition of our workforce in terms of other forms of diversity besides gender.

Continue training, education and awareness initiatives for all our employees.

Our 2021 objectives	Results at December 31, 2021
Now and in the future, between 40% and 60% of iA Financial Group senior leadership position appointments will go to women.	In 2021, 36% of new senior leadership appointments went to women.
Achieve increased gender equity in iA Financial Group senior leadership positions with women and men each holding between 40% and 60% of positions by 2025.	Ongoing.
Educate all employees and managers and raise their awareness about D&I.	Objective achieved. 100% of managers and 70% of employees have completed a training session.
Establish or strengthen collaborations with charities and organizations that support diversity and inclusion.	Objective achieved. We support many organizations working in D&I related causes.



### A commitment to Indigenous people

We recognize that our company's policies and practices regarding Indigenous community relations, the recruitment and advancement of Indigenous employees, internal education on Indigenous reconciliation, and procurement from Indigenous-owned businesses should be certified by external Indigenous-led standards of practice.

That is why, iA Financial Group is committed to taking steps to obtain the Progressive Aboriginal Relations (PAR) certification of the Canadian Council for Aboriginal Business. We are proposing a phased approach in order to fully analyze, understand and progressively implement the many elements involved in achieving this certification.

iA Financial Group is committed to implement the following:

- Be officially part of the companies "Committed" to the PAR certification by the end of 2023.
- Indigenous procurement: Commit to guidelines in 2023, identify targets in 2024, and take action to achieve targets beginning in 2025.
- Employment of Indigenous people: Commit to develop a picture of the current status of Indigenous employees no later than 2024, identify targets in 2025, and begin taking action to meet the targets starting in 2025.
- Mandatory Indigenous cultural awareness training: Commit to having such a program beginning in 2024 that would be conducted over a two-year period (2024-2025).

We are convinced that the progressive approach we propose is likely to ensure the quality and success of our commitments in the context of this certification.



## Making individual and collective development one of our core responsibilities as an employer

### Altitude: A performance appraisal approach

At iA Financial Group, the performance appraisal approach is called "Altitude." Launched in 2020, our approach aims to promote and support collaboration across teams by identifying annual team goals and behaviours that support the achievement of these shared goals.



#### Supporting employee development

Altitude aligns with the corporate talent management strategy that focuses on the work environment with the goal of stimulating peer learning and fostering a climate of trust conducive to everyday learning. The performance appraisal process is a concrete example of the desire to put learning at the heart of the work at iA Financial Group. Our approach spans all levels, shaping tomorrow's employees and managers by putting them at the centre of their day-to-day learning. The approach suggests that each of our employees identify development targets and learning objectives for the coming year.

Altitude encourages continuous feedback in action so that our employees know where they stand with their contribution to their team or with their development. These conversations throughout the year allow everyone to adjust and to unleash their full potential.

Lastly, the approach invites teams to complete a year-end assessment that highlights the individual contribution each employee has made to their team and looks to the future in terms of development and learning targets for the year to come.

#### An excellent first year

At the end of 2020, after a year of using the Altitude approach for the first time, we surveyed all managers who had the opportunity to try it out with their teams. The survey results showed that:

**85%**  
of the managers surveyed believe that Altitude brings value to their teams

**84%**  
of the managers surveyed say that Altitude is consistent and aligned with their team culture

#### Priorities

In 2020 and 2021, the vast majority of iA Financial Group teams (82%) implemented the Altitude approach. Some Canadian subsidiaries not yet using it as well as subsidiaries located in the United States will also be called upon to integrate this approach in 2022–2023.

The next few years will also be dedicated to:

- Rolling out tools and activities to further empower managers and making the use of Altitude a fixture in our daily work, where it has all its value
- Elevating employees' role in the approach by rolling out tools with them in mind and communications specific to them



Given this successful first year, we want to go further in implementing and anchoring the Altitude approach within iA Financial Group in the coming years.

### Training and development solutions

The labour market is undergoing a profound transformation on account of digital advances, changing business models in the industry, labour shortages, different expectations from millennials and the worldwide phenomenon known as the Great Resignation. All of these changes create a volatile, uncertain, complex, ambiguous (VUCA) environment that requires employees' and managers' skills to evolve. At iA Financial Group, corporate development solutions evolve in keeping with our organizational culture, providing a wide range of formal and informal development tools to meet the needs and preferences of our employees.

iA Financial Group builds on two of its core values:

Continuous improvement

High-performance environment

to provide training and development solutions to employees



Theoretical and formal training  
Peer learning  
On-the-job development

for a rich, personalized and effective learning experience.



The corporate training program focuses on two areas. On the one hand, each sector is responsible for providing “continuing education” for employee development based on their business requirements. The purpose of this kind of training, delivered by internal teams or external providers, is to develop employees’ skills according to the current or future needs of the business line. For example, in the Information Technology sector, strategic technology planning allows teams to learn about new tools and practices that will be implemented. A blended-learning training strategy follows from this planning to support employee upskilling and reskilling.

On the other hand, Human Resources is responsible for “general training” to enable company employees to better understand the business world or to develop the skills required for another role in the organization (to encourage internal mobility). This training, aimed at all employees at all levels of iA Financial Group, has been in place for a number of years and evolves over time in response to changing needs. Over 160 people enrolled in eligible training in Quebec in 2021 (e.g., university, CEGEP, CFA). In addition, more than 200 employees across Canada upgraded their insurance knowledge in 2021 (i.e., LOMA). iA Financial Group intends to promote and extend this training to newly integrated companies in both the United States and Canada.



Several other training platforms are also available to employees seeking to develop skills according to their own specific needs. The main platform offers hundreds of courses, including mandatory ones to train employees on the requirements associated with our industry. This platform also contains content to develop technical or human skills. For example, training on digital thinking, created jointly with Université Laval’s Académie de transformation numérique (ATN), has been available to all employees in the organization since 2021. The training, which is incorporated into transformation projects, has helped more than 1,000 employees gain a greater understanding of the challenges of the digital shift. As a major ATN partner, we have contributed to the development of quality content available to all Quebec businesses.



### Language training

iA Financial Group has been offering English courses for several years now. A variety of services are offered, including conversation workshops, group classes and a self-directed platform. Employees can choose how and when they want to learn, creating a flexible format that meets their needs and level and the time they have available. This year, some initiatives were added to provide solutions for the development of French. By supporting language learning, iA Financial Group promotes inclusion and diversity in an increasingly North American (i.e., bilingual) context. These courses allow employees to gain confidence, which has a clearly positive impact on their employee experience and on team dynamics. In all, about 200 people took advantage of English training opportunities in 2021, while another 30 employees accessed French-language services.



### Coaching Circles

Coaching Circles are group sessions that bring together managers from different sectors. During these meetings, one of the participants is “coached” by his or her peers on a management challenge. In 2021, over 300 managers registered for Coaching Circles in both Canada and the United States. Individual coaching services, provided by certified coaches, may also be available according to certain criteria. Coaching helps managers tap into their resources to maximize the impact of their leadership in a sustainable way.



### Mentoring

In 2021, a mentoring approach was developed in conjunction with executives for employees interested in learning from a peer. Although this practice has yet to be rolled out throughout the organization, it is a highly promising development tool for individuals and the organization. In addition to fostering the development of the mentee and mentor, it’s a powerful way to promote corporate diversity and inclusion by encouraging people from different backgrounds, generations or sectors to expand their horizons.

“I heard about iA in my management courses. I was intrigued by the fact that the company had great values, a strong commitment to employee development and a great track record for stability and performance. Today, I’m lucky to have an entire team helping me improve my knowledge, even as I continue my studies.”

**Yock-Lane Bettinah Rakoto**  
Student Transaction  
Technician



#### Ad hoc development programs

Additional leadership development programs were also offered to more than 40 managers across Canada in 2021 based on specific employee needs. In addition, an innovative new path designed for everyday collective learning was co-created with a pilot sector, Information Technology, in 2021. This initiative, which has so far benefitted about 100 employees at all levels, is being studied for expanded use throughout the rest of the organization.



#### Self-service tools

Lastly, a handful of other tools are accessible to employees through the company's intranet. They include resources for development planning, improving self-knowledge and fostering resilience in turbulent times that employees can draw on to take action toward their development. The Centre of Excellence for Learning and Development, in partnership with the Information Technology sector, also provides tools to support the emergence of communities of practice in the aim of broadening access to learning within the organization.

iA Financial Group focuses on development initiatives that generate maximum value for the future. In that sense, we want to better document the impact of formal initiatives and their usage rate within the company. With that in mind, iA Financial Group is reinventing itself to become a learning organization. Senior management is determined to make learning an even greater part of everyday work life (e.g., through work methods, managers' leadership style and the annual performance appraisal cycle), with support from technology, in order to further unleash the potential of individuals, teams and the organization.



### Goals for 2022



#### Our 2021 objectives

#### Results at December 31, 2021

Implement a new performance appraisal approach in order to support employee development.

Objective achieved.

Roll out tools and activities to further empower managers to make the use of Altitude a fixture in our daily work, where it can be used to its full potential.

Promote and expand corporate training programs and other means of development.

Incorporate the principles of a learning organization.



## Efforts to support our employees' wellbeing

### Pulse surveys

iA Financial Group has conducted an annual survey of all its employees for a number of years to determine their level of satisfaction and measure our employer recommendation index. The year 2021 was no exception. On the contrary, we adapted the survey to make it a communication channel for keeping in touch with our employees, almost all of whom are now teleworking.

#### Taking the pulse of all our employees

The survey was named "Pulse" with the goal of keeping a finger on the pulse of employees and hearing their needs. iA Financial Group developed the survey around four components related to the public health situation in order to target urgent action that needs to be taken:

- 1 Employee wellbeing (physical and mental)
- 2 Their impressions of how the organization has been handling the situation
- 3 Their satisfaction with the work tools available to them to work effectively
- 4 Lastly, an open-ended question allowing them to make suggestions or speak more generally about what more iA Financial Group could do to better support them

#### The solutions implemented

This survey has proven to be a very effective tool for guiding important decisions that meet real and immediate needs. The solutions implemented include:

- A \$400 expense account for each employee for the purchase of equipment to make their telework set-up more ergonomic
- Five additional "wellness" days added to the paid leave bank already available
- Project prioritization in order to reduce the workload for some sectors

#### Survey distribution

The first Pulse survey was sent out on March 23, 2020, one week after mandatory telework began. In 2021, the survey was administered on a monthly basis, with a question added from time to time related to developments in the situation. These included, for example, a question on return to work arrangements and a proposal for a flexible schedule option. Each survey was available for a period of two days.

iA Financial Group is satisfied with the Pulse survey for 2021, with a total of 12 surveys conducted and excellent participation rates.

## 12 surveys

### Average participation rate

57%





### Data collection and analysis

iA Financial Group collected data through the usual survey platform since we have a good grasp of the tool, in addition to it being flexible. Our employees are also familiar with the tool, making it easy for respondents to use. Considering the IT security campaigns launched during the same period to promote the security of our networks in telework mode, the purpose of using a trusted platform was to minimize the risk of lower participation unduly associated with a phishing attempt. At the same time, employees' responses are not associated with their names, ensuring confidentiality and encouraging participation.

#### Crisis management

Extremely  
poorly



Neither well,  
nor poorly



Extremely  
well



#### Wellbeing

Extremely  
poorly



Neither well,  
nor poorly



Extremely  
well



#### Tools and resources

Extremely  
poorly



Neither well,  
nor poorly



Extremely  
well



At iA Financial Group, taking our employees' pulse has enabled us to implement concrete actions that meet real and immediate needs. Key findings from the analysis of the survey results have been generally very positive and are shared with employees at the President's town halls.

The survey contains three quantitative questions measured using a Likert scale:

Responses are received and analyzed by a dedicated HR Intelligence team. They are then provided in aggregate form by sector, preserving respondent anonymity, to each executive vice-president so that action plans can be developed in connection with the issues raised by each sector's employees.

## A stimulating employee experience

The employee experience is central to changing how we work through the Work From Anywhere (WFA) program, which aims to develop a flexible, hybrid work model. Our flexible, choice-based approach seeks to offer most of the group's employees a choice of where to work on a daily basis so that they are most effective in fulfilling the company's ambition.

### New office spaces

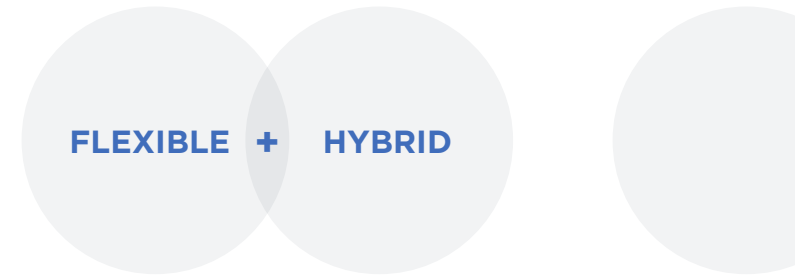
To support the new hybrid, flexible work reality, our office spaces are being redesigned to create work environments that encourage socialization and collaboration and contribute to an engaging employee experience. The enhancement and addition of workplace services will also meet employees' diverse needs (such as enhanced food services, healthy food offerings, "genius bar"-type setup).

Our office revamp also involves a technological and material overhaul. The revamp will be progressively rolled out to provide wireless technology tools that facilitate mobility and to create technology-enabled rooms for employees to seamlessly collaborate, whether they're working at the office or at home.

This model is intended for most employees working for iA Financial Group and its subsidiaries in Canada. It will benefit permanent, temporary and casual employees as well as students and interns.



Future shared spaces at the Quebec City head office, showcasing biophilia



### Next steps

In 2022, we aim to roll out our framework detailing the flexible work model at iA Financial Group. In addition, our first WFA-design office will be unveiled in 2022 at our head office in Quebec City, located at 1080 Grande Allée West.

A multidisciplinary program team is working on the joint design and on delivering priority initiatives. Since the beginning of the WFA program, employee consultation has been an integral part of the approach through focus groups, surveys and a group of some 40 ambassadors involved in creating solutions. In 2022, agents of change will contribute to program-related discussions. As a result, the transformation of workspaces will be phased in over the next few years. Workspaces in the United States will be evaluated in a subsequent phase.

iA Financial Group wants to provide maximum flexibility to meet employee needs, while at the same time supporting our ambition to deliver exemplary service to our clients and partners. We are convinced that flexibility is the key to performance, wellbeing and engagement.



Future shared spaces at the Quebec City head office, showing a quiet library environment

### Promoting global health

At iA Financial Group, we have developed a comprehensive health program based on five key health pillars:



- Physical health
- Mental health
- Financial health
- Work-life balance
- Social health

### Global health program

Created in 2011, our global health program has been continually expanded to include different spheres. Since senior management views employees' global health as a driver of the employee experience pillar, a structure has been put in place to reflect these values. For example, the creation in 2018 of a Global Health team resulted in the development of a strategic plan in response to employee needs. Since the beginning of the pandemic, senior management has increased the frequency and types of employee communications (emails, surveys, videoconferences) in order to proactively meet their needs. In addition, the Global Health team has nearly tripled, growing from 4 to 11 employees.

The organization takes a holistic approach to the needs of its employees and the challenges they face on a daily basis. One of the success factors for the sustainable global health program is listening to employees. They are surveyed on an ongoing basis to assess their level of satisfaction and solicit their comments and suggestions. In addition, regular monitoring of our health indicators allows us to take the pulse of the situation and target our activities proactively in response to employees' needs and provide a multitude of resources and support.

### Our initiatives

One of the important pillars of the global health program is mental health. A number of strategies have been rolled out to meet the needs of all our employees and managers as well as of groups or sectors targeted on the base of identified psychosocial risks.

One of these strategies was the deployment of a network of workplace mental health ambassadors in January 2020. We had about 30 ambassadors who had received special training at that time. By 2021, we had over 90 ambassadors in the network and, by the end of April 2022, we will have more than 180 mental health ambassadors trained and certified in mental health first aid. The role of a mental health ambassador is to detect signs of distress and listen to employees in order to refer them to the right professional resources. This certification is issued by the Mental Health Commission of Canada. Since the start of the program, our ambassadors have had over 84 interventions with employees who needed support. We have ambassadors in every sector and in many of our subsidiaries. We will also be training a cohort of managers in 2022. The goal is to grow the network and continue to promote it. Ultimately, we want to create a caring culture within the organization.

Alongside the ambassadors, the Stay Healthy at Work team also provides support to employees in the form of prevention calls. Early intervention steps are taken with employees experiencing difficulties. Over the past year, more than 93 employees have received this support. In addition, the team continues its prevention interventions by meeting with managers and/or teams and has given 25 awareness presentations to managers and teams who needed them.

Also, all our employees have access to virtual healthcare and an employee and family assistance program. As at December 31, 2021, over 61% of our employees were enrolled in the program, 68% of whom had used the virtual clinic at least once. The number of registered employees continues to grow, and employee satisfaction with the service is in the 90% range.

One of the program's flagship activities is *Adapt. Together.* It has been tremendously successful with employees. It was initially created at the beginning of the pandemic and has been maintained since then as a lever for health awareness and promotion. Every year, *Adapt. Together.* offers a series of talks that employees can attend during work hours. On average, there are five talks in English and French every year, along with advice pieces and newsletter articles on various health topics under themes such as nutrition, physical activity, mental health, financial health and the like. Since 2020, the program has taken place during work hours, with more than 8,000 participants benefitting from it.



Adapt.  
Together.

8,000  
participants

### Protecting the health and safety of all employees

Health and safety continue to be at the heart of our COVID-19 management concerns. All stakeholders have been called upon to play their part in dealing with the pandemic. Managers have played a critical role in informing employees of the decisions of senior management, the Emergency Crisis Management Committee and the Global Health team. We added a specific tab for managers to our intranet with quick access to our health resources and rolled out a COVID portal to facilitate communication between managers and employees.

Since the beginning of the crisis, we have established a multidisciplinary team to monitor developments in order to ensure risk-based decision-making and protect the health and safety of all employees. The team makes recommendations to senior management. It is also responsible for ensuring that our health policies, procedures and measures are up to date and implemented.

We published a handy guide on how to get set up for telework, supplemented by four webinars on proper workstation ergonomics as well as daily stretching and relaxation clips. We also reimbursed a portion of home Internet expenses and allocated \$400 to each employee for the purchase of ergonomic office equipment, promoting health and safety at home.

Every year, iA Financial Group offers all of its employees across Canada the opportunity to get the flu shot. In 2021, more than 400 employees took advantage of this service.

“We have spared no effort to ensure the health and safety of our employees and to try to reduce the spread of the virus in the community.”

**Marie-Claude Girard-Jauvin**  
Director, Employee Experience



## Measures for our employees

### Measures adopted in 2020 and renewed in 2021

- Five additional paid wellness days for our employees
- Stress management and wellbeing program by our partner, Dialogue
- \$400/employee allowance for ergonomic home office equipment
- Wellness Account increase to \$400 as part of our group benefits program
- Four virtual wellness breaks
- Town halls to inform employees and answer their questions, particularly about pandemic management
- Internal COVID-19 website with comprehensive news and information for employees and managers
- \$25/month allowance for telework Internet expenses
- Five virtual Adapt. Together. conferences
- Pandemic support tools for managers
- Support program for employees to help prevent disability leave
- Employee hotline for COVID-19 questions, test declarations and/or positive test result support

### New measures introduced in 2021

- Introduction of a COVID-19 rapid testing program
- Introduction of a pilot compressed work schedule (possibility for employees to work 5 days in 4 ½ and 10 days in 9)
- Start of a gradual return to the office in fall 2021 for employees who prefer to work in the office
- Possibility of booking meeting rooms in compliance with existing public health requirements
- End-of-year gift to employees valued at \$100 to thank them for their involvement and efforts

### Priorities for 2022

The goal in 2022 is to consolidate and promote all our global health program initiatives, especially the mental health program, where efforts will be more focused on supporting managers and specific groups and/or sectors. This is the goal of the Focus pilot project launched in December 2021. It aims to provide more targeted interventions and personalized support.

iA Financial Group's goal is clear: to be a company that contributes to sustainable growth and wellbeing for its clients, partners, investors, communities and employees. Providing a safe and healthy workplace has a positive impact, both on society and on the environment.

### Goals for 2022



Roll out our framework detailing the flexible work model at iA Financial Group.

Consolidate and promote all our global health program initiatives.

#### Our 2021 objectives

#### Results at December 31, 2021

Continue to survey our employees on a regular basis and roll out concrete actions.

Objective achieved.

Roll out the Work From Anywhere program and start renovation work.

Objective achieved.

Increase the number of trained mental health ambassadors.

Objective achieved. 60 new ambassadors trained.



## Providing fair, equitable and competitive compensation

For the past several years, iA Financial Group has been administering its pay scales in a forward-looking manner to meet business line needs based on a changing market. Guiding principles help direct management of the company’s overall remuneration, notably to provide employees with fair, equitable and competitive compensation.

### Pay equity

iA Financial Group has complied with pay equity legislation since it came into force in the late 1980s in Ontario and the late 1990s in Quebec.

### Internal equity and external competitiveness

In addition to complying with current pay equity legislation, iA Financial Group is proactively reviewing its salary structures to ensure that:

- Jobs are carefully classified based on objective criteria in accordance with applicable legislation
- Control points are aligned with the market

Strict annual monitoring is also carried out systematically with a reference group established and validated each year to ensure alignment with the market.

### Major investment for fair, equitable and competitive compensation

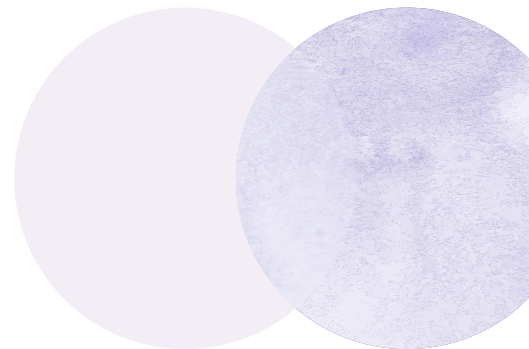
In addition to the isolation experienced by employees working remotely, two important phenomena external to the company were observed in the market:

- First, inflation rose significantly in Canada to close to 4% year-over-year in the last quarter of 2021. This has had the immediate effect of eroding the purchasing power of the entire population.
- Second, labour shortages have led to higher-than-usual attrition in some sectors of the company.

Even before the inflation results were published, iA Financial Group took action to ensure that our employees maintained their purchasing power and were compensated competitively. In spring 2021, we conducted a systematic analysis of our employees’ positioning within their respective pay scales. The exhaustive and comprehensive salary review was carried out according to a strict process for all Canadian employees. The results of this salary repositioning exercise were obtained at the beginning of the last quarter of 2021, and the adjustments were applied retroactively to June 1, 2021, for all employees affected by this measure.

In addition to this major initiative, which had a major impact on employee compensation, the annual salary review process took place at the end of the year (with an effective adjustment date of January 1, 2022). While all salaries were scrutinized and 55% of our employees received an adjustment in 2021, all of our employees remained eligible for an annual adjustment as part of our regular compensation cycle. In view of market conditions, the compensation envelope available for annual adjustments was increased from 2.8% for 2021 to 3.5% for adjustments effective January 1, 2022.

On a base index of 100 at the beginning of 2021, including the annual promotion budget, the overall adjustments that took place as of June 1, 2021, and the adjustments as part of annual salary revisions, the starting index of 100 increased to 108 in a single year.



**Salary adjustment**

55%	3,000
of employees	Employees

\$14.7 million was invested in our employees’ base salaries, representing 3.8% of the payroll.

**Average adjustment**

7%

In short, 2021 was marked by major investments to ensure fair, equitable and competitive compensation in a turbulent market. The results led to a salary review that went well beyond the scope of the inflation observed across the country.

# Philanthropy

## Our commitment to the community

Philanthropy is a key part of the contribution iA Financial Group and its subsidiaries make to society, with a view to ensuring sustainable development and providing tangible support to communities. This year, the group donated over \$7.5 million to different social and community organizations or organizations working in the health and education sectors.

### Vision

iA Financial Group is an engaged company that works with its stakeholders for the betterment of individuals and the community so that everyone becomes a catalyst of betterment, today and in the future.

### Strategy

To have a positive impact on our community, we have adopted a strategy that aims to:

- Create catalysts so everyone pays it forward
- Unite forces within communities so we can be stronger together (corporate services, business lines and subsidiaries)
- Guarantee the sustainability of our community actions today and for future generations

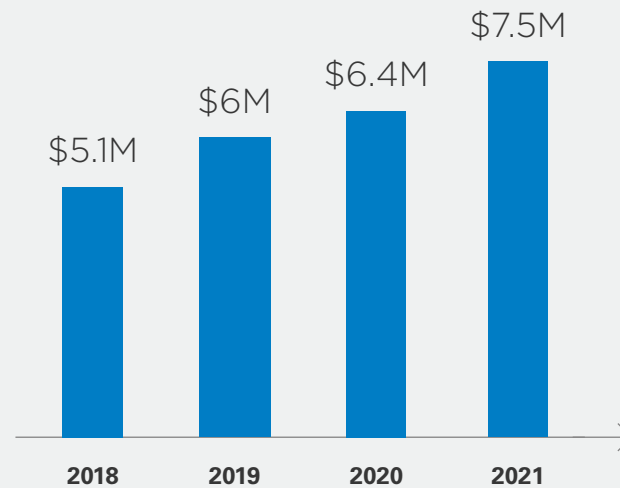


### Support for food banks

In December 2021, iA Financial Group donated half a million dollars to Food Banks Canada, a national charitable organization dedicated to helping Canadians living with food insecurity. During this period of pandemic, and with the holidays approaching, we wanted to provide tangible support to food banks across the country given that more and more people are using food banks in the context of the pandemic. This is in addition to the \$300,000 already donated throughout the year to food banks across the country.

\$7.5 million  
in donations

Our donations over the last 4 years

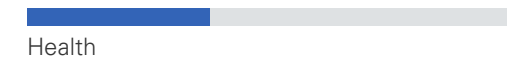


## Distribution of our donations by sector in 2021\*

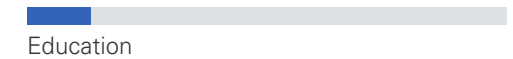
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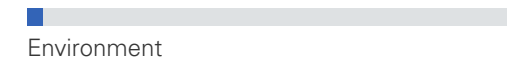
38%



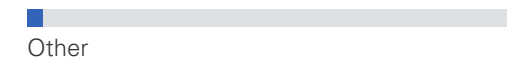
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3%



3%



\* Excludes amounts for carbon neutrality and additional donations related to COVID-19



## Active contribution to the wellbeing of individuals and communities

iA Financial Group holds a major annual philanthropic contest in order to actively contribute to the wellbeing of individuals and communities. This has allowed us to support the missions of a wide variety of charities over the years, with 2021 marking the fifth year of this initiative.

Philanthropic contest donations totalling  
**\$600,000**

### Four \$100,000 donation winners

#### CancerCare Manitoba Foundation (Winnipeg, MB)

The pediatric oncology department, with support from CancerCare Manitoba, is working to reduce the incidence of cancer and blood disorders in children. This donation will allow participation in a clinical study of a promising new treatment for sickle cell anemia, a blood disorder that affects a large number of children.

#### Teach for Canada Foundation (Toronto, ON)

Teach For Canada fights the lack of qualified professionals in 25 remote First Nations. This organization wants to ensure every child has a high-quality education. The donation of \$100,000 will have a positive impact on over 3,000 students in these communities.

#### La Bouchée Généreuse (Quebec City, QC)

The mission of La Bouchée Généreuse is to offer front-line services to help improve the nutrition and living environment of the underprivileged population in the Quebec City area. It provides children in need with warm clothing for winter and healthy food through the distribution of new clothing and food baskets. With a donation of \$100,000, the organization can meet the ever-increasing demand and help even more people in the Quebec City area.

#### Kids Eat Smart Foundation (St. John's, NL)

Every year, Kids Eat Smart serves 5.3 million meals to students in kindergarten to grade 12 who come to school hungry. The organization will transform \$100,000 into as many breakfasts so that every child has access to healthy food.

#### An additional donation

In addition to the \$100,000, the CancerCare Manitoba Foundation, La Bouchée Généreuse and the Kids Eat Smart Foundation also received an additional \$5,000 from iA Financial Group on behalf of its employees, who were called on to vote for their favourite submission from each region. The Autism in Mind Children's Charity won this honour for Ontario.

Due to the popularity of the contest and to highlight the fifth edition of this major philanthropic initiative, iA Financial Group upped the ante with the donation of an additional \$100,000 which was distributed among the 12 charities that just missed becoming contest finalists.

The eight remaining finalists each received a donation of \$10,000: Environmental Youth Alliance (Vancouver, BC), Mealshare Aid Foundation (Sherwood Park, AB), Lung Health Foundation (Toronto, ON), Autism in Mind Children's Charity (Markham, ON), Maison le Prélude (Laval, QC), Passeport pour ma réussite (Verdun, QC), Frontier College (Fredericton, NB) and NoTime for That (Halifax, NS).



#### Assistance for victims of tragedies

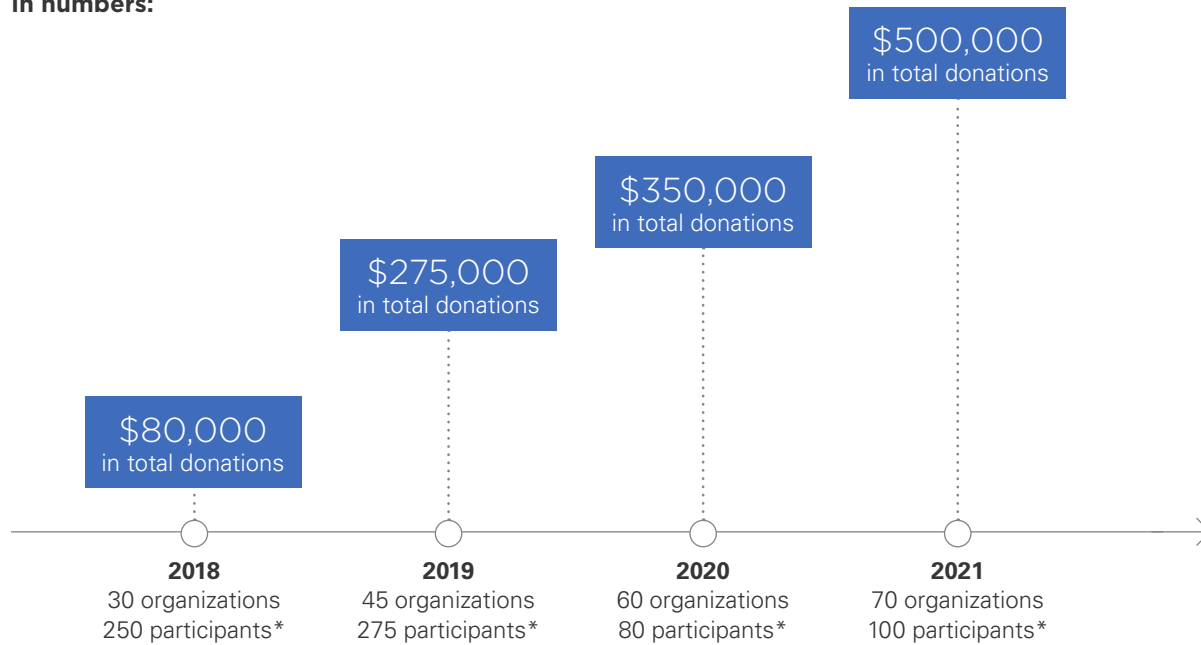
Because solidarity and helping others are deeply rooted in our values, it was natural for iA Financial Group to make major donations to support victims of tragedies. We donated \$50,000 to United Way of the Lower Mainland—more specifically the United for BC Wildfire Recovery Fund—to support victims of forest fires in Western Canada in the summer of 2021. A large part of our donation is to support Indigenous communities, which were hardest hit by the wildfires. In addition, we donated \$50,000 to the Canadian Red Cross, \$25,000 to Food Banks BC and \$25,000 to Archway Community Services following a second natural disaster in Western Canada: the flooding in November 2021.

## Encouraging employees' community involvement

iA Financial Group makes it easy for employees to get involved in their community by consolidating various resources and tools on an employee community involvement website. This shared platform allows employees to promote their community involvement, solicit donations and invite their colleagues to sign up for various activities.

In addition, iA Financial Group provides donations to charities for which employees volunteer. These donations are based on an analysis grid that takes into account the employee's level of involvement as well as the organization's outreach. We also have a shared platform where employees can promote their community involvement, solicit donations and invite their colleagues to sign up for various activities.

### In numbers:

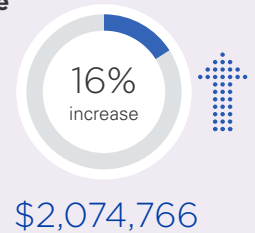


\* Company employees, retirees or representatives serving as volunteers or benefit attendees. In 2020 and 2021, the number of participants decreased significantly as volunteering activities had to be done individually instead of in groups due to social distancing measures.



### Support for United Way-Centraide

iA Financial Group donated a total of \$2,074,766 to United Way-Centraide following the campaigns it ran among its employees across Canada. This is a 16% increase compared to 2020.



### Second-language learning through the iA Financial Group Foundation

Given the limitations on students' language immersion trips in 2021, we redirected our usual donation to virtual language stays, when available. Since 2010, over \$1 million has been awarded to college-level students for language immersion trips.

**Our community involvement in pictures**

**A colleague's commitment praised by The Cancer Assistance Program**

Michael Ecker, iA Securities investment advisor, is president of the board of The Cancer Assistance Program (CAP) in Hamilton, Ontario.

CAP is a community based, not-for-profit organization offering free services for individuals and families affected by cancer, living in the greater region of Hamilton and surrounding communities.

Debbie Logel Butler, CAP Executive Director, sent us the following kind words about Michael's involvement:

"Michael began his term as president of the board when the pandemic started and has been a tremendous leader during this past year. He is a remarkable advocate for our charity, continuing to share the work that we do amongst his business networks. As a small organization that receives no sustainable funding, we are very appreciative of Michael's work and that iA has chosen to make this gift." 1 📷

**A member of our Career network gets involved for the youth of Rimouski**

Financial planner André Maurice is proud to be involved with Pro-Jeune-Est, an organization that supports youth, as chair of the board of directors. In support of his great dedication, we made a donation to this organization.

Pro-Jeune-Est has a two-pronged mission: educational and social. This organization supports young people with learning difficulties and difficulty adapting to school and socially. It also supports their families, taking a preventive, continuous approach aimed at improving overall development and achieving wellbeing. 2 📷

**Denis Ricard one of the leaders of the Leucan Shaved Head Challenge**

President and CEO Denis Ricard was one of the 20 Inspiring Leaders who had their head shaved in celebration of the 20th anniversary of the Leucan Shaved Head Challenge on May 30, 2021. 3 📷

**A sixth Shaved Head Challenge for our colleague in Montreal**

Our colleague Joëlle Meilleur, Accounting, Group Insurance, took part in the Leucan Shaved Head Challenge for the sixth year in a row.





#### Rimouski Branch Manager helps youth

For Dominic Thériault, Rimouski Branch Manager, children and family are very important. That is why he was chosen to be honorary chair of the 2021 edition of the crab at home dinner, one of the key fundraising events of the Fondation du Centre de jeunesse du Bas-Saint-Laurent (Bas-Saint-Laurent youth centre foundation), which took place on May 8, 2021.

The event helped raise \$32,000. A real success! 4 📷



#### Les Sunshine take part once again in the Grand défolement walk for cancer

Our co-worker, Sylvie Deshaies, Senior Advisor, Administration and Group Implementation, Group Savings and Retirement, in Quebec City, participated once again in the *Grand défolement* walk for cancer to raise money for the Quebec Cancer Foundation (QCF). This year, the walk took place on September 12 at the Sainte-Foy outdoor recreational area.

Sylvie has been involved with the QCF for a little over four years. She volunteers with the telephone support line. In 2018, when the QCF launched the first *Grand défolement* walk, she signed up and formed a small team, named *Les Sunshine*. More recently, she also offered her volunteer services for the QCF shelter, which will open once health conditions permit. 5 📷

#### A Nova Scotia colleague helps women and families fleeing domestic abuse

Our Bedford, Nova Scotia, colleague Jennifer O'Neil joined Shelter Movers just before the beginning of the pandemic. Shelter Movers consists of volunteers who facilitate free moving services for those fleeing domestic abuse.

### A PEI colleague helps Islanders facing cancer

iA Client Relationship Manager, Samantha Gallant, from Prince Edward Island, has been the lead organizer for Harness the Hope PEI since 2019.

In the past two years, Samantha and her team raised over \$100,000 for Islanders facing cancer.

### Andy Ali: Changing the face of male health one moustache at a time

Our colleague in Vancouver, Andy Ali, Branch Manager, National Supervision, iA Private Wealth, was one of 10 supporters of Movember Canada whose whiskers were chosen to be featured on billboards in public spaces across Canada.

From November 30 to December 6, 2021, Andy's impressive facial hair display helped educate passers-by in Montreal, Ottawa, Toronto, Calgary and Vancouver about men's health. On the photo, we can see Andy and his creative moustache on a screen in Dundas Square, in Toronto. **6** 📷

### Renée Laflamme, honorary chair of the Cancerto event

Renée Laflamme, Executive Vice-President, Individual Insurance, Savings and Retirement, was honorary chair of the Cancerto Québec benefit, a show performed by the Septième Art (Seventh Art) orchestra to raise money for the Quebec Cancer Foundation. **7** 📷

### Helping vulnerable women and their children: A natural mission for Isabelle Blackburn

Our colleague Isabelle Blackburn, President and COO of iAAH and Prysm, acted as ambassador for the Quebec City YWCA's *De l'ombre à la lumière* (From Darkness to Light) fundraising event on November 17.

The YWCA's primary mission is to help vulnerable women and their children.

### Ken Godfray's involvement benefits the Leukemia & Lymphoma Society of Canada

Our co-worker, Ken Godfray, Regional Vice-President, Sales (British Columbia), is very involved with the Leukemia & Lymphoma Society of Canada (LLSC). Last year, he set up a friendly competition for insurance companies: The Insurance Cup presented by iA Financial Group. This challenge among competitors was a veritable success. **8** 📷

### A colleague from Investments supports people in cancer remission in Saint John

Chris Flood, Vice-President, Sales, from our Investments sector, recently met with staff at the Saint John Regional Hospital Foundation. He donated \$10,000 to the Foundation's Stay Strong Program. **9** 📷

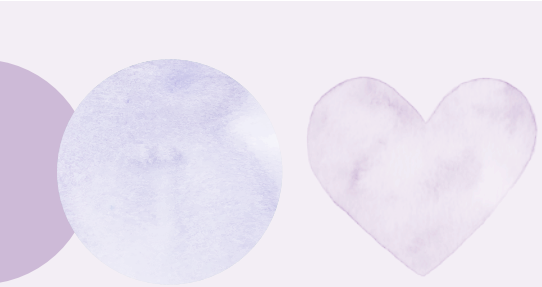


In 2021, some \$500,000 was donated to causes supporting the community thanks to the involvement of iA Financial Group employees. We are particularly proud of this contribution, which speaks to the reach of our commitment when it counts the most.



### Paying it forward on the iA Day of Caring

For the second year in a row, we have suggested that employees pay it forward virtually. Whether it's simply an act of kindness or remote volunteering, many of us enthusiastically took part, across Canada and in the U.S.!



#### Mississauga, Ontario

Andrew Fenton and his wife organized a food drive on September 25 in their townhome complex and beyond. Congratulations for this neighbourhood food drive!



#### Vancouver, British Columbia

Sophie Beauvois and her kids participated in the Adopt-a-Block clean-up program in Vancouver. The city provided them with all the equipment and then they cleaned up around the park two blocks from their house.



All together, even virtually, we found ways to keep paying it forward!



#### Austin, Texas

Susan and Brian Farr, a couple who both work at iA Financial Group, participated in Austin's kickoff of a pilot program called Grass and Roots, a new volunteer coalition that matches property owners in need of extra help to community volunteers.



#### Quebec City, Quebec

Sylvie Lavallée helped a woman living alone stack six cords of wood. A generous way to combine fun and function, while getting a bit of fresh air!

## Supporting scientific research for a sustainable community

iA Financial Group believes in science and proudly supports university research.

In particular, we are involved with the Eco-Advising Chair of the University of Quebec in Chicoutimi (UQAC) Foundation. The Chair's principal mandate is to support the development of the eco-advisor profession in order to ensure its implementation and long-term success in our society. In 2021, we supported a student's research project on the fertilization of wild blueberries through the use of industrial by-products: application of industrial ecology in a symbiosis between the blueberry, pulp and paper and aluminum industries. iA Financial Group is confident that its support will enable the Chair's innovative projects, like this one, to generate new knowledge and new practices that may be beneficial to the scientific community and society as a whole. As a result, we donated \$20,000 for the first year of study, renewable for a second year.

\$20,000

Eco-Advising Chair of the University of Quebec in Chicoutimi

We are also continuing our support of the Université Laval Research Chair on Leadership in Community Support Education. This Chair builds ties with community organizations in the Quebec City area. Our donation allows the managers of these organizations to receive a year of instruction on management functions from administrative sciences experts. Their interactions promote the sharing of knowledge and best management practices. This is a concrete way for iA Financial Group to contribute to the development of a solid, sustainable community ecosystem, and represents a donation of \$125,000 over five years.

\$125,000

Université Laval Research Chair on Leadership in Community Support Education



The Industrial Alliance Research Chair in Leukemia has been instrumental to the operations of Hôpital Maisonneuve-Rosemont, a centre of excellence in hematology. The Chair received a donation of \$750,000 from 2016 to 2021.

\$750,000

Industrial Alliance Research Chair in Leukemia

The iA Financial Group Chair in Insurance and Financial Services was created to promote and support research, training, and transfer in emerging fields related to the insurance industry. It will receive a donation of \$625,000 from 2021 to 2025.

\$625,000

iA Financial Group Chair in Insurance and Financial Services

iA Financial Group's support for higher education goes beyond our funding of research chairs. We also take part in a number of scholarship programs, in particular with several departments at different educational institutions.

## Supporting access to health supports and services

Every year, iA Financial Group redoubles its effort to support the healthcare sector, in particular by improving access to health supports and services. This support has become more important than ever since the COVID-19 pandemic.

“Since March 2020, we have been actively involved in fighting the unprecedented effects of the pandemic on our communities. We increased our donations in the areas of health, education and community services, specifically targeting organizations with urgent needs due to the pandemic. Nearly two years later, charities Canada-wide remain in critical need and we continue to be proactive in supporting them.”

**Catherine Tardif**

Head of Philanthropy,  
Donations and Sponsorships

More specifically, a number of contributions were made in 2021 to support mental health programs and initiatives. These donations are outlined in the following table.

Organization	Commitment	Cause
Relief	Over 3 years (2021–2023)	The organization's mission is to support individuals living with anxiety, depression or bipolar disorder, as well as their loved ones, along the journey to mental health. Our donation will help make self-management workshops bilingual so they can be offered Canada-wide.
Fondation Tel-jeunes	2020–2021	The donation will help support the mission, and more specifically, Tel-jeunes and the LigneParents hotline, which offer free, confidential counselling services (psychological support) day and night by professional counsellors to all young people and parents in Quebec.
Douglas Mental Health University Institute Foundation	Over 3 years (2021–2023)	The organization's mission is to unite great minds and build resources to improve the mental health of all, today and tomorrow. Our donation helps support mental health research projects.
Bullying Ends Here	Over 3 years (2021–2023)	To support the development of an app to help children who are victims of bullying.
Centre for Addiction and Mental Health	2021	The centre's mission is to change attitudes and shape a world where people with mental illness receive the level of care they need and deserve.
Crisis Intervention and Suicide Prevention Centre of BC	2021	To support the counselling program for young people.
Canadian Mental Health Association	2021	To support the TextoMotive initiative.



More generally, we also helped support organizations working in the field of global health. The table below presents a non-exhaustive list of our contributions.

Organization	Commitment	Cause
Fondation Sainte-Justine	Over 5 years (2019–2023)	Purchase of specialized equipment.
Sick Kids Hospital	Over 5 years (2021–2025)	Purchase of specialized equipment.
University Institute of Cardiology and Respirology of Quebec	Over 4 years (2021–2024)	To support the major fundraising campaign to advance research.
Montreal Heart Institute	Over 5 years (2021–2025)	To support the Brain-AF research project. This program provides essential support to a clinical study that will have a positive impact on the two diseases identified as the leading cause of death worldwide: cardiovascular disease and cognitive disorders.
Leucan	Over 3 years (2020–2022)	To support research on the post-treatment sequelae of a cancer.
The Leukemia & Lymphoma Society	Since 2016	To support research on blood cancer.
BC Women's Health Foundation	Over 2 years (2020–2021)	To support the Creating Comfort in Choice program.
Scarborough Health Network Foundation	Over 2 years (2020–2021)	To support the Rapid Access Addiction Medicine program.
Canadian Cancer Society	Since 2019	To support the Healthy Workplaces program.
The Lighthouse, Children and Families	2021	Purchase of patient lifts and therapeutic baths for children.

Lastly, we honoured all our donation commitments for fundraising activities, even those that had to be cancelled in 2021 due to the pandemic.



Along with these donations, we helped combat COVID-19 by rolling out a vaccination hub.

iA Financial Group played an active role in the vaccination campaign by setting up the Capitale-Nationale Region Enterprise Vaccination Hub in May 2021, in cooperation with other companies in the region.

This vaccination hub was open to the population of the Capitale-Nationale region, including some 15,000 employees of the participating companies and the members of their immediate family, while respecting the order of priority set by the Quebec government.

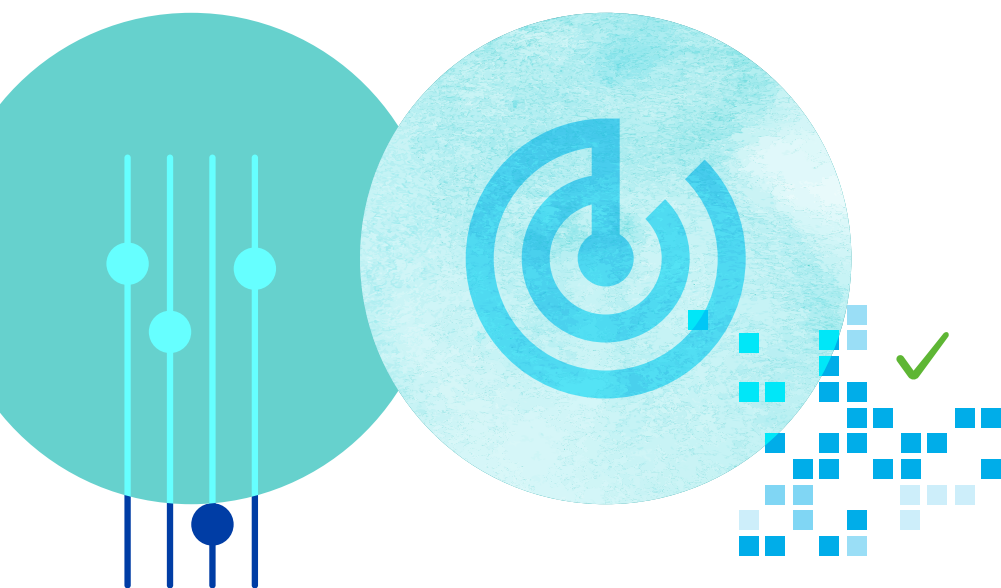
The Capitale-Nationale Region Enterprise Vaccination Hub ran from May to September 2021, and enabled thousands of people to get vaccinated.



#### Food recovery and donation

For the third straight year, iA Financial Group was a national partner of the *Tablée des Chefs* food recovery program. In 2021, to support the organization's *Les Cuisines Solidaires* project, 1,723,737 meals were prepared and distributed to food banks across Canada, including 842,743 meals in Quebec. iA Financial Group is proud to have contributed to this initiative.

# GOVERNANCE



OUR GOVERNANCE  
STANDARDS

# Our governance structure

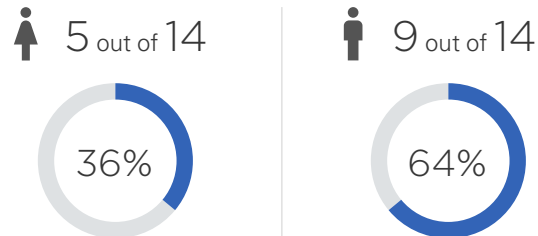
## Board of directors

The board of directors of iA Financial Group is composed of 14 members (as at December 31, 2021). It comprises four committees: the Audit Committee, the Investment Committee, the Human Resources and Compensation Committee and the Risk Management, Governance and Ethics Committee.

“We believe it is essential to regularly follow best governance practices in order to foster the sustainable growth of iA Financial Group, increase value for common shareholders and maintain the confidence of clients, investors and other stakeholders. These best governance practices are consistent with our core values and support the pursuit of our purpose.”

**Amélie Cantin**  
Senior Director,  
Corporate Affairs and  
Corporate Secretary

### Gender representation



### Average age



### Meeting attendance rate



Five members of the board have expertise in corporate social responsibility and sustainable development. iA Financial Group is proud to be able to count on this expertise and knowledge on all four of the board's committees.

Our proxy circular provides detailed information on such things as the composition of the board of directors, the profile of the directors and their areas of expertise.

## Risk Management, Governance and Ethics Committee

In 2021, the Board reassessed the distribution of risk management oversight responsibilities among its committees. As a result of this reassessment, the Governance and Ethics Committee was renamed the Risk Management, Governance and Ethics Committee and given responsibility for most risk management oversight responsibilities. Certain risk management oversight responsibilities that were previously assigned to the Audit Committee are therefore now the responsibility of the Risk Management, Governance and Ethics Committee.

## Internal audit responsibility

For iA Financial Group, the Audit Committee's oversight is governed by the *Policy Regarding the Head of Internal Audit* and by the *Governance Guideline* of the Autorité des marchés financiers (AMF).

The Audit Committee is responsible for ensuring the independence and objectivity of the internal audit function. The internal auditor must perform their work objectively in an impartial and unbiased manner and avoid any conflict of interest.

The internal auditor reports functionally to the Audit Committee. They can communicate freely and directly with the members of the committee, including the chair. In 2021, the internal auditor met with the committee in camera after each committee meeting. The internal auditor must confirm to the committee the independence of the internal audit function within the organization at least annually.

The committee approves and monitors, among other things, the internal audit charter, the internal audit plan and the budget and resource estimates for internal audit.

## Independence of the external auditor

Deloitte LLP is the external auditor for iA Financial Group.

A rigorous Canadian regulatory framework governs the independence and objectivity of the external auditor. The Canadian Public Accountability Board and the professional provincial associations provide oversight of accounting firms that audit Canadian reporting issuers.

Rotation of the managing partner in charge is required at least every seven years. For iA Financial Group, the last rotation occurred for the audit of the 2019 fiscal year.

## Integration of sustainable development in our governance structure

Sustainability is a commitment taken seriously by our board of directors, our management and our employees.

To support our sustainability approach and evolve based on our organization and needs, we have improved our structure. It now comprises the following components (at right):



### Our vision of sustainable development

To be a company that contributes to sustainable growth and wellbeing for its clients, employees, partners, investors and communities.

#### Risk Management, Governance and Ethics Committee

This committee of the board of directors is responsible for the iA Financial Group *Sustainable Development Policy* and examines the company's strategy in this area. The committee meets quarterly to oversee and discuss iA Financial Group's sustainability strategy.

#### Sustainability Steering Committee

The steering committee establishes iA Financial Group's sustainable development strategy, objectives and targets and monitors their progress. It is composed of members of management from various business lines and departments within iA Financial Group. This committee meets monthly.

#### Action Committee

Formerly the Strategic Advisor Committee, this committee is made up of a multidisciplinary team. Its role is to issue recommendations, support teams and business units in implementing actions, conduct strategic monitoring of ESG factors in our industry, act as an expert group regarding our sustainability approach, and produce content for our internal and external stakeholders. In 2021, the structure of the committee was revised to better reflect new organizational developments. This committee meets monthly.

#### Climate Change Task Force

This task force brings together experts from the areas of property management, investments, material resources and information technology. Its goal is to carry out our Towards a Carbon-Free Future project by developing and implementing an action plan to reduce our environmental impact. The frequency of meetings is currently being determined.

#### Diversity and Inclusion (D&I) Committee

The D&I Committee is made up of 15 people from all levels and a variety of sectors. The role of this committee is to establish the organization's diversity and inclusion strategy in order to provide a workplace that is recognized as inclusive for all and to oversee its progress. For example, in 2020, the committee recommended targets for the representation of women in senior leadership positions at iA Financial Group. This committee meets monthly.

In 2022, we are working on a review of our extended sustainability committee. This committee of over 60 employees representing all of our business units in Canada and the United States has slowed down amid the pandemic and our remote work context. We remain committed to enabling each of our employees to actively contribute to sustainable development, to propose initiatives and to act as ambassadors within our sustainability approach.

### Policies and practices supporting our governance

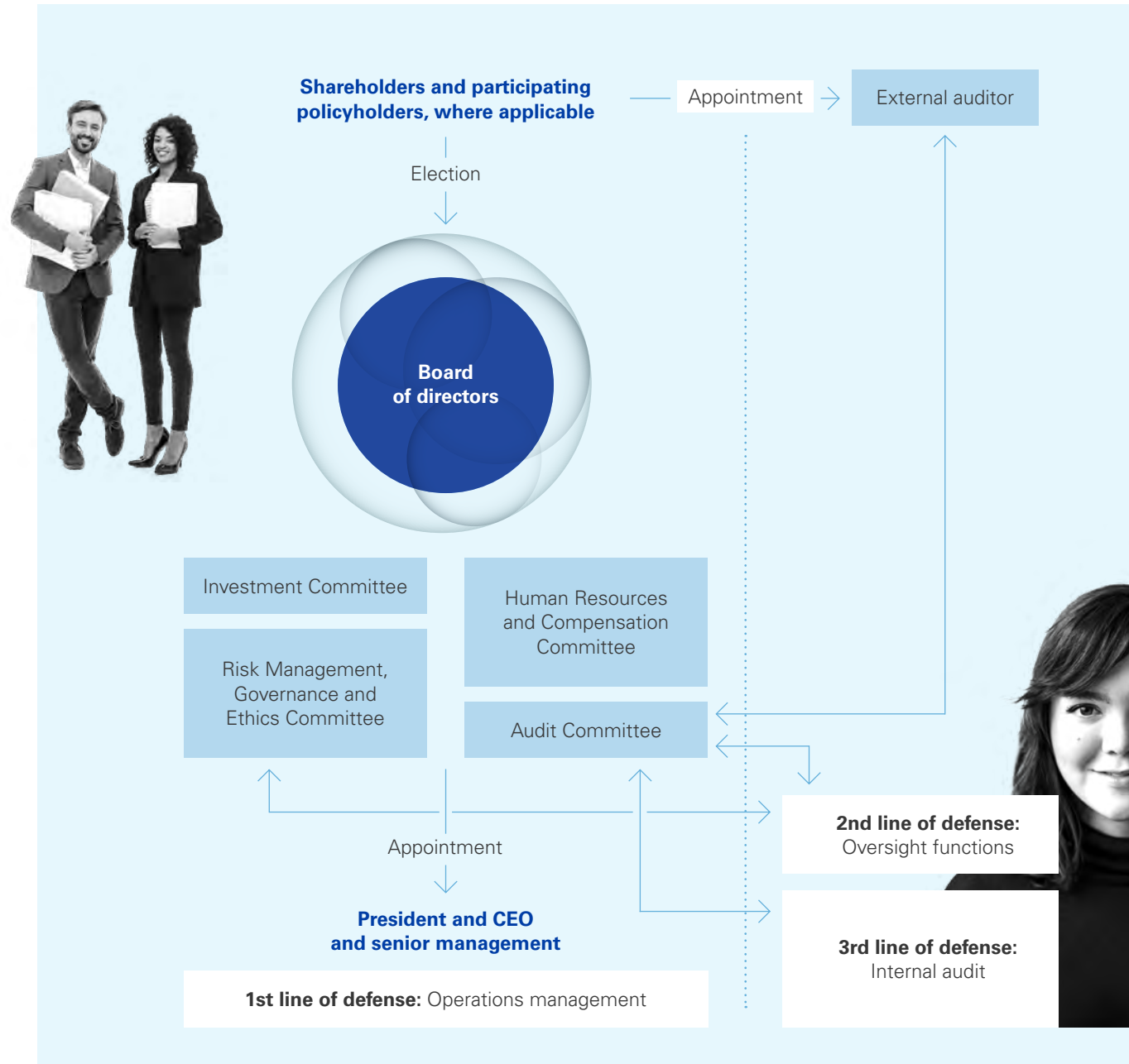
iA Financial Group has always placed a high priority on establishing and maintaining sound and prudent corporate governance, in the interests of the company and its stakeholders. We continuously draw inspiration from ideas and initiatives and review our ways of doing things to improve.

Here are a few of the policies and practices on which our governance is based:

#### Our Governance Framework

Our [Governance Framework](#) links the culture of integrity to the company's purpose, governance structure and key governance policies and practices.

We adhere to governance best practices to preserve the independence of the board and its ability to effectively oversee the company's activities. These practices are based on a solid culture of integrity and ethics, and on a sound and prudent approach to risk management.





### Our Code of Business Conduct

This stringent code applies to employees, officers and directors of iA Financial Group and its subsidiaries. Its main objective is to emphasize the high standards of behaviour expected and required of them and the importance of acting ethically, honestly and with integrity at all times.

Every new employee and director is required to read and agree to abide by the *Code of Business Conduct* prior to beginning to work for the company. All directors, officers and employees are required to confirm in writing on an annual basis that they have reviewed the code and complied with it during the year.

Our [Code of Business Conduct](#) stipulates, in particular, that:

- We do not tolerate any violation of the law or any unethical behaviour by an employee. Employees who commit or participate in illegal activities shall be subject to sanctions and criminal prosecution.
- Employees must, within the framework of their functions, treat clients in an honest, courteous, fair, objective and impartial manner. Clients must be able to express their concerns. Complaints and disputes must be handled in a diligent and fair manner. Employees who have knowledge of a situation where a client has been treated unfairly or where there is the appearance of such a situation must report it to their manager, to the Legal Department or via our Integrity Hotline.
- Employees must keep the affairs of the company and its clients, employees, investors and subsidiaries strictly confidential both during their employment or contract and after the termination of their employment or the end of a contract.
- Employees must report, in good faith and without fear of reprisal, any questionable behaviour, behaviour that may seem illegal or fraudulent or against business ethics or any breach of the code.

We do not consider reporting a known or suspected violation of the code to be an act of “disloyalty.” **No retaliation is tolerated against any employee who reports what he or she believes in good faith to be an actual or potential violation of the code.** Consequently, this means that an employee will not be disciplined, fired or discriminated against in any way for voicing concerns about an actual or potential violation, so long as the employee acted honestly and in good faith.

Our *Code of Business Conduct* is periodically revised and updated. The next revision is scheduled in 2022. Management annually reports to the Risk Management, Governance and Ethics Committee on compliance with the *Code of Business Conduct*.

### Integrity Hotline

In general, and in order to preserve the integrity of iA Financial Group, any employee who has knowledge of an actual or potential violation or integrity issue involving accounting, accounting controls or personal or business ethics has the responsibility to notify their manager, Human Resources or the Legal Department, or to report such information **anonymously** through our Integrity Hotline.

Since its launch in 2014, the Integrity Hotline has been available as a quick, effective, independent, confidential and anonymous reporting mechanism for all employees, consultants and suppliers of iA Financial Group.

It can be used to report:

- Irregular activities and practices
- Suspicious behaviours that appear illegal, fraudulent or unethical
- Violations of the *Code of Business Conduct*
- Irregularities with respect to accounting, accounting controls and the law
- Activities that have negative repercussions on the company
- Allegations, suspicions and incidents associated with financial crime and fraud

Reports are received by an external firm, **guaranteeing the confidentiality** of calls and written statements. When an incident is reported, the responsible resources are notified. They then coordinate and/or carry out verifications or an investigation where appropriate, make recommendations where necessary, and report the results to various committees. Steps are taken as discreetly as possible to preserve the confidentiality and reputation of the individuals concerned.

Employees, consultants and suppliers who call the Integrity Hotline to report an incident honestly and in good faith are assured that **they will not face any retaliation** from iA Financial Group or its members, regardless of the investigation outcome.

### Board Independence Policy

The *Board Independence Policy* defines the criteria for assessing the independence of the company's directors. It establishes the proportion of independent directors required within the board and its committees, as well as the specific independence criteria that apply in order to sit on certain committees. It also states the measures that have been put in place to monitor and ensure the independence of the board and its directors.

Under our *Board Independence Policy*, the board must be independent of the company. Accordingly, all directors are independent of the company, except for Denis Ricard, who has a direct material relationship with the company as President and Chief Executive Officer.

### Board Diversity Policy

In order to encourage diversity on its board, iA Financial Group has adopted the *Board Diversity Policy*. According to this policy, when seeking and selecting candidates for board membership, the Risk Management, Governance and Ethics Committee and the board recruit the best possible candidates, while aiming to improve diversity in accordance with established objectives.

The notion of diversity includes not only gender diversity, but also diversity with respect to ethnic origin, geographic origin, cultural identity, sexual orientation and age.



### **Disclosure Policy**

iA Financial Group's communications must be timely, factual, accurate and balanced. They also must be widely available, in compliance with relevant legal and regulatory requirements. Our *Disclosure Policy* applies to all our employees, directors and all those authorized to speak on behalf of the company. The Disclosure Committee, which is an internal committee, is responsible for ensuring that all securities regulatory disclosure requirements are met and for overseeing the company's disclosure practices.

### **Accessible Customer Service Policy**

This [policy](#) establishes practices and procedures for the provision of goods and services to people with disabilities in compliance with customer service accessibility standards under the *Accessibility for Ontarians with Disabilities Act, 2005* ("AODA") and any other similar accessibility legislation applicable in other Canadian jurisdictions. iA Financial Group recognizes its obligations under accessibility legislation and supports efforts to achieve accessibility.

### **Integrated Standards Policy (AODA)**

This [policy](#) establishes practices and procedures regarding areas such as communications, websites, training and employment in compliance with the *Integrated Accessibility Standards Regulation* under the *Accessibility for Ontarians with Disabilities Act, 2005* ("AODA"). iA Financial Group recognizes its obligations under accessibility legislation and supports efforts to achieve accessibility.

### **Securities Trading Policy**

A fundamental rule of Canada's financial markets is that every person who invests in the securities of publicly traded companies must have equal access to information that could influence his or her investment decisions.

In order to build public confidence in market integrity, material information on the business or affairs of a reporting issuer, like iA Financial Group, must be disclosed simultaneously and in a timely manner to all market participants.

Our *Securities Trading Policy* establishes, among other things, certain rules regarding transactions and trades in the company's securities by insiders and employees.

In addition, our *Code of Business Conduct* stipulates that in the course of their duties, employees who have access to privileged information or material information that has not yet been made public must not, on their own behalf or on behalf of friends, relatives or related companies, trade in securities using such information or otherwise use such information before that information has been fully disclosed to the public and sufficient time has elapsed to allow for the dissemination thereof.

Moreover, certain persons, because of their functions and the information to which they have access, are subject to trading blackout periods on the company's securities.

### **Risk Management Policy Regarding Fraud and Other Practices Associated with Financial Crime**

This policy establishes the basis of the risk management program regarding fraud and other practices associated with financial crime. It deals with, among other things, accounting, internal accounting controls and auditing matters. It applies to all employees, officers and directors. Risk management regarding fraud and financial crime is a continual process supported by the implementation of measures for prevention, detection and monitoring, and by effective governance.

### **Sustainable Development Policy**

Our [Sustainable Development Policy](#) clearly expresses iA Financial Group's commitment to creating economic and social value and our desire to share our sustainable development objectives and guidelines with our various stakeholders.

This policy sets out our **eight sustainable development guidelines**:

- Ensure the financial wellbeing of our clients
- Effectively manage risks
- Follow high standards of governance
- Actively contribute to our communities
- Manage environmental impact
- Create a rewarding work environment centred around diversity and inclusion
- Practice responsible sourcing
- Incorporate ESG factors in our investment processes

In order to address new organizational concerns, this policy will be revised in 2022.



## Human Rights Statement

In 2021, we drafted and published our [Human Rights Statement](#), outlining our commitment to respect and promote internationally recognized human rights.

iA Financial Group is committed to upholding the *Universal Declaration of Human Rights*, the *International Covenant on Civil and Political Rights* and the *International Covenant on Economic, Social and Cultural Rights*, as well as the *International Labour Organization Declaration on Fundamental Principles and Rights at Work*.

By supporting these international standards, we provide an inclusive work environment where all forms of discrimination are strictly prohibited.

Sound governance, the implementation of a positive work environment and our social impact through philanthropy are the three cornerstones of our support for these fundamental rights.

## Supplier Code of Conduct

“iA Financial Group has implemented a supplier code of conduct. This code lays out our principles and expectations regarding the way our suppliers of goods and services and their representatives and employees must do business and deal with us. Suppliers that wish to establish a business relationship with us must agree to act ethically, honestly and with integrity at all times with respect to this relationship.”

**Michael Boucher**  
Director, Procurement

In 2021, we revised our [Supplier Code of Conduct](#) with the aim of ensuring better social compliance from our suppliers. This code covers a number of items, including:

### Ethics and governance

We consider it essential that our business relationships be founded on transparency and integrity. We ask that our suppliers act ethically in the conduct of their business. Our suppliers must therefore act honestly and with integrity at all times and must not facilitate dishonest, illegal or inappropriate activities.

### Collusion and corruption

Any arrangement that may prevent a normal business relationship between iA Financial Group and its suppliers, including all forms of corruption, extortion, bid rigging, influence peddling, use of confidential information, mismanagement and falsification, must be avoided.

### Diversity and inclusion

Our suppliers must promote diversity and inclusion in their operations.

### Human rights and labour law

Our suppliers must respect the *Universal Declaration of Human Rights*, the *International Covenant on Civil and Political Rights* and the *International Covenant on Economic, Social and Cultural Rights*, as well as the *International Labour Organization Declaration on Fundamental Principles and Rights at Work*.

### Working conditions

Suppliers are not authorized to engage in the practice of forced labour, which is any work or service required of an individual under the threat of any penalty. In addition, we will not tolerate any form of child labour, regardless of where it takes place.

### Freedom of association and collective bargaining

Suppliers must respect freedom of association, organization and collective bargaining.

### Taxation

Our suppliers must comply with any applicable obligations and must not participate in any way in tax evasion in any jurisdiction.

### Environment

Our suppliers must be aware of environmental protection and sustainable development in the course of their business operations.





## ESG criteria in compensation

At our 2019 Annual Meeting, shareholders asked us to consider incorporating environmental, social and governance (ESG) criteria into executive compensation. After carrying out a detailed analysis of these practices in our reference market, we decided to act on this request.

Consequently, an ESG component came into effect in 2021 in the variable compensation of senior executives, that is, in the calculation of their annual bonus. This ESG component is the Net Promoter Score (NPS), a unit of measurement that takes into account client satisfaction and is perfectly aligned with the company's purpose and core values.

iA Financial Group has been regularly measuring the NPS in each of its business lines for several years and has therefore developed rigorous mechanisms for researching, calculating and analyzing the NPS.

**By incorporating this ESG component into the senior executive annual bonus plan, we have been able to create an additional link between executive compensation and the importance of client satisfaction.**

In 2021, the Net Promoter Score (NPS) was above target, resulting in an increase in the bonus paid to senior executives for the year. We are very pleased with this result, as it demonstrates the relevance of the strategies and actions deployed at various levels by iA Financial Group's senior management, particularly in terms of client experience.

Finally, each year we disclose in detail the components of our executive compensation, as well as the compensation of five named executive officers, including the President and Chief Executive Officer. This information is published in our proxy circular for shareholders.

## Our global compensation for employees

*"Our employees are at the centre of our concerns and we recognize the contribution of each individual to the company's success. We offer a highly competitive global compensation package as well as a dynamic professional workplace founded on respect."*

**Isabelle Bérubé**

Practice Leader, Compensation

## Our guidelines

To provide fair, equitable and competitive compensation to its employees, iA Financial Group has set out four guidelines:

### Market positioning

Attract and retain key talent in a highly competitive business environment and offer total compensation based on the achievement of the company's strategic goals.

### Analysis and maintenance of internal equity

Commit to high standards of internal equity. Particular attention is paid to the positioning of employee compensation to ensure that it is free from discriminatory bias.

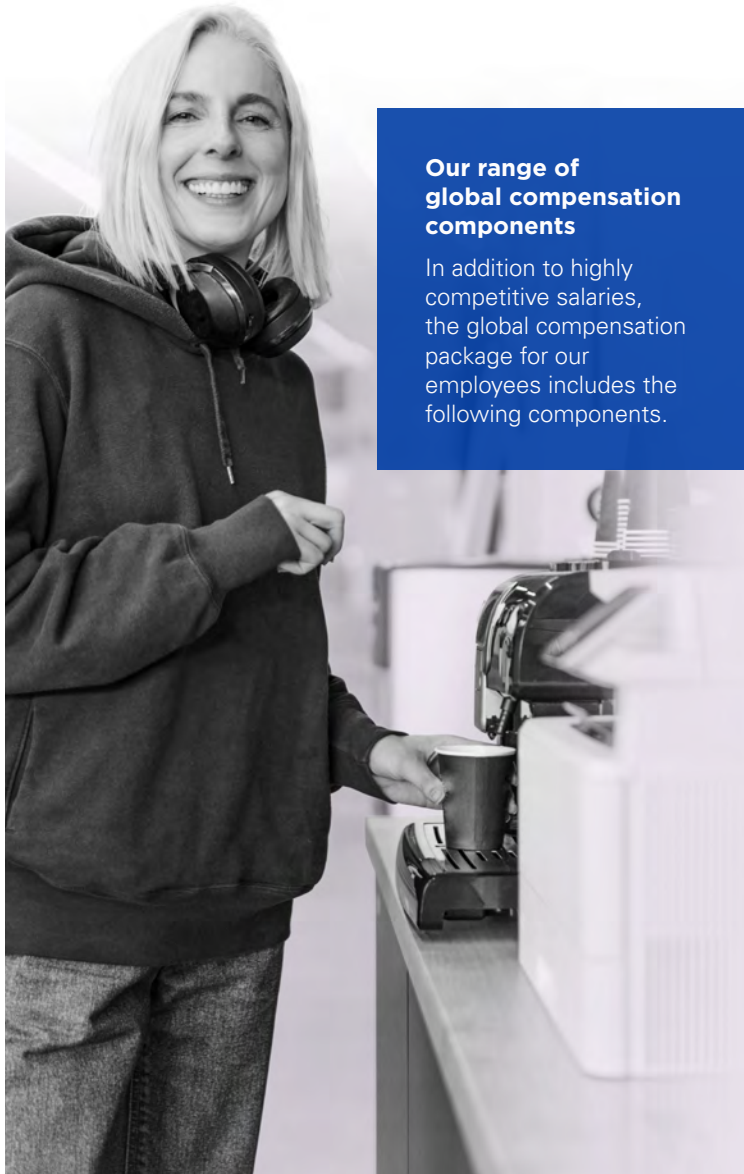
### Internal mobility

Deploy a compensation structure (practices and policies) that supports internal mobility to keep our talent engaged and mobilized.

### Operating efficiency

On an ongoing basis, improve our processes, consolidate our operations and leverage technology to maximize operational efficiencies.

On an annual basis, we also agreed to validate our positioning and the competitiveness of our salary structure against a specific industry comparison group.



### Our range of global compensation components

In addition to highly competitive salaries, the global compensation package for our employees includes the following components.

#### Group insurance

iA Financial Group's group insurance plan offers our employees and their dependents the security and protection they need.

The plan is composed of three pillars to offer complete coverage:

- Health care and dental care
- Disability insurance
- Life and accidental death and dismemberment insurance

#### Corporate bonus

The annual corporate bonus is designed to recognize the contribution and involvement of employees in the company's success and to encourage superior overall performance with respect to the Group's objectives.

The company's board of directors determines each year whether the economic environment and iA Financial Group's overall performance allow for a bonus to be paid. If so, the board also defines the terms of payment.

#### Share purchase plan

All employees are eligible for the iA Financial Group share purchase plan. By enrolling in the plan, they become shareholders of the company.

#### Pension plans

To help every employee prepare for retirement, we offer various competitive and complementary pension plans.

#### Product discounts

iA Financial Group offers a wide range of insurance products and financial services to serve the needs of its clients in Canada and the United States. Most of these products are offered to employees at a discount.

Discounts are available on the following types of products:

- Group savings and retirement
- Group RRSPs and TFSAs
- Accident insurance
- Individual insurance
- Auto and home insurance (in Quebec only)
- Individual savings and retirement

#### Recognition of years of service

Points are awarded to employees on their service anniversaries based on the number of years of service.

These points can be redeemed for one or more gifts of their choice from an online catalogue.



At iA Financial Group, every effort is made to offer fair, equitable and competitive compensation packages to all employees.

## Engagement with our shareholders

The board of directors and senior management strongly promote interaction with shareholders and believe that it is important to have direct, regular and constructive engagement with them in order to allow and encourage an open dialogue and an exchange of ideas.

### Board of directors

The board of directors recognizes that engagement with shareholders is a constantly evolving practice, and it periodically reviews its actions in this area to ensure that they are effective and suit the stakeholders.

In 2021, the chair of the board met virtually with several institutional investors to discuss, among other things, the company's strategy, governance and sustainability vision.

Shareholders who wish to communicate or meet with directors are invited to send us their requests in writing at the following email address:

✉ [secretariat\\_corporatif@ia.ca](mailto:secretariat_corporatif@ia.ca)

It is also possible to communicate with the directors by writing to the following address:

Chair of the Board  
iA Financial Corporation Inc.  
1080 Grande Allée West  
P.O. Box 1907, Station Terminus  
Quebec City, Quebec G1K 7M3

### Senior management

Despite the COVID-19 pandemic, the company's senior management maintained its engagement with shareholders by communicating with them and with other stakeholders in various ways, including:

#### Publicly available documents

- *Annual Report* and quarterly reports
- Press releases on quarterly results and other topics of interest
- *Information Circular for the Solicitation of Proxies*
- *Annual Information Form*
- *Sustainability Report*

### Conferences and presentations

- Annual Shareholders' Meeting
- Quarterly conference calls with financial analysts, to which all shareholders have access
- Virtual event for investors held on March 10, 2021
- Participation in industry conferences and other events
- Live and recorded webcasts of quarterly conference calls to present financial results and of the Annual Shareholders' Meeting
- Virtual and telephone meetings upon request
- The ia.ca website, particularly the *Investor Relations section*

Shareholders who wish to communicate or meet with the executive officers are invited to send us their requests in writing at the following email address:

✉ [investors@ia.ca](mailto:investors@ia.ca)

### Investor Relations

Our Investor Relations department makes it a duty and is pleased to provide shareholders with a wealth of information, particularly financial results, information on dividends and credit ratings, and conferences and presentations.

Investor Relations also publishes a newsletter for investors to disclose the latest financial information.

For more information, please visit the *Investor Relations* section at [ia.ca](http://ia.ca).

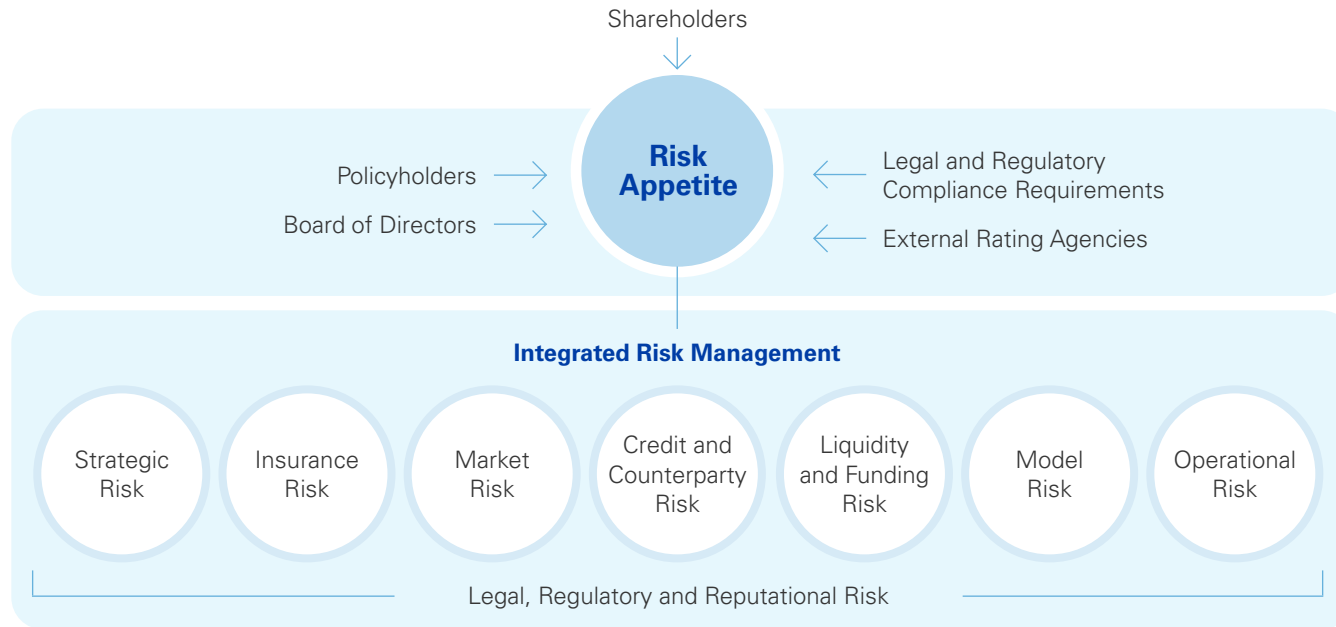
## Risk management

### Integrated risk management framework

The company has implemented an enterprise risk management framework that is continually applied and embedded in the company’s business strategies and all its operations.

The goal of the framework is to identify, measure, assess, understand, manage and monitor the risks the company is exposed to in the course of its operations. The framework defines the company’s risk appetite and tolerance which represents the amount of risk the company is willing to take in order to execute its business strategy and achieve its goals.

As part of our integrated risk management framework, iA Financial Group also assesses the impact of financial and insurance risks once a year through exercises like Financial Condition Testing (FCT) and the Own Risk and Solvency Assessment (ORSA), and confirms the company’s financial strength for dealing with adverse events.



“iA Financial Group assumes a variety of risks inherent in the development and diversification of its operations. The goal of the company’s risk management program is to generate maximum sustainable value for its clients, shareholders and employees, and for the community it serves. More specifically, the company is committed to carrying out sound and prudent risk management through an approach that balances risk and return.”

**Christophe Blondeau**  
Senior Risk Management Advisor

The integrated risk management framework provides the board of directors with reasonable assurance that all required elements are in place within the organization to ensure effective risk management.

## Risk governance

The board, assisted by its different committees, ensures the general oversight of the framework and its effectiveness. The board approves and oversees the policies guiding the risk framework and the risk appetite and tolerance that the company is ready to accept in order to achieve its business and growth objectives. In order to fulfill its responsibilities, the board relies on the proven “three lines of defense” governance model that is implemented within the organization.

1

The first line of defense owns and manages risks in day-to-day business operations.

2

The second line of defense develops and maintains the integrated risk management framework (including the risk governance framework, risk appetite framework, corporate policy framework, regulatory compliance framework, etc.).

3

The third line of defense provides independent assurance as to the effectiveness of internal controls, the risk governance framework and the effectiveness of the first and second lines of defense.

## Climate-related risk management

iA Financial Group uses the approach recommended by the Taskforce on Climate-related Financial Disclosures (TCFD) as the foundation of its climate change risk assessments.

In 2021, iA Financial Group conducted a Climate Change Materiality Assessment to assess and prioritize the risks and opportunities identified by the TCFD. The impact and likelihood criteria used in the Climate Change Materiality Assessment were aligned to iA Financial Group’s internal enterprise risk assessment methodology to ensure that climate-related risks are assessed consistently and proportionately relative to other risks. In 2021, we published our *Responsible Investment Policy* that lays out guidelines for the integration of ESG factors in the investment process for our investments and includes a section on our approach to climate change.

In 2022, we will integrate climate change into our risk appetite and tolerance statement and continue to enhance the integration of climate-related risks into our integrated risk management framework.



## Information security



“iA Financial Group is committed to making every effort to ensure the security of information within the company and its various entities. In 2021, we continued to deploy efforts towards a consistent approach, aligned with industry best practices in information security, in order to promote and develop a true information security culture.”

**Christopher Grove**  
Vice-President and Chief  
Information Security Officer

### Information Security Steering Committee in 2021:

On a quarterly basis, the Chief Information Security Officer (CISO) shared with the members of the Information Security Steering Committee (ISSC) various performance indicators to provide them with the necessary tools to fulfill their responsibilities in securing assets and developing an information security culture within the organization.

The members of the ISSC have the following responsibilities:

- Communicate with operating units to create a culture of information security and raise awareness of security standards and upcoming initiatives.
- Regularly review and approve aspects of the information security (IS) policy framework, services and roadmap stemming from the IS Program to ensure that they adequately address the significant risks which iA Financial Group may face.
- Monitor the evolution of the security culture within the company.
- Communicate with other committees and seek their input on information security strategy.
- Review security posture indicators and set priorities for improvement.
- Ensure sufficient resources to implement the guiding principles, directions, standards and guidelines.
- Endorse the investments required for the various initiatives to strengthen IS posture, maturity, cohesion and related processes and ensure that they are aligned with iA Financial Group’s strategy.

As information security is a priority for the company, reflections and discussions revolve in particular around:

- The overall performance of the IS Program to ensure its strategic implementation and provide the necessary support to increase organizational maturity in information security.
- Rigorous follow-up on the implementation and progress of the recommendations of both internal and external auditors.
- Monitoring of emerging threats and major information security incidents in the industry. This allows for ongoing support and assessment of the prioritization of improvements submitted to the IS Program and helps provide answers to specific questions about the safeguards and controls in place to minimize the organization’s exposure, particularly regarding recent high profile security incidents.
- The IS training and awareness document, as well as the mapping of phishing strategies to reduce the risk of cyber attacks.

Under the *Monitoring and Security Incident Analysis* directive of the *Information Security Policy Framework*, four items are taken into account:

- ✓ Forensic analysis
- ✓ Threat management
- ✓ Vulnerability management
- ✓ Security monitoring and analytics

These items are subject to a review process annually or following major changes.

### Email: The biggest vector for threat distribution

According to publicly available phishing data compiled in 2020, there was a staggering 30,000% increase in the number of suspicious messages targeting remote workers worldwide in the first quarter of 2020 alone. The number of COVID-19-related spearphishing attacks also increased by 667%. Of the millions of phishing emails seen and tracked each day, roughly 60,000 include malicious attachments or URLs related to the global pandemic.

These impressive numbers are only expected to climb in the coming decade, with ransomware-related damage costs alone to exceed \$265 billion by 2031. These realities prove, more than ever before, that technological safeguards alone can't prevent ransomware, malware or any other types of cyber attacks from occurring.

For this reason, we have put in place rigorous security practices regarding training and awareness. These practices apply to iA Financial Group, its employees, service providers and subcontractors, consultants and any other person whose work falls under the company's responsibility.

Our practices in this area are based on security frameworks and controls, such as the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), the Center for Internet Security (CIS) and ISO. The ISO standard was revised in 2021 and is reviewed annually or following major changes.

### Cyber caution: A major asset

Organizations need to promote and engrain expected security behaviours among all individuals who have access to their information and systems. In addition, they must create a culture where all individuals make effective risk-based decisions and protect sensitive information used throughout the organization from being compromised.

To do this, iA Financial Group's objective in 2022 in terms of IS training and awareness is to execute a training strategy guided by its Training and Awareness security standard. This standard aims to equip and support employees and consultants in dealing with cyber threats through a program that will include multiple activities, including phishing tests to test the knowledge acquired during the year.

Ensuring the security of a large company like iA Financial Group is a collective responsibility. Everyone must do their part. The better informed employees are, the better prepared they are to protect our clients, other employees and the entire organization, and to report any risky situation.

For this reason, we have set up an internal website for employees where we have gathered all our knowledge on cyber caution to better guide them in adopting responsible and secure behaviours.

In addition, our team of information security awareness experts has developed a new program for 2022. The program will include numerous activities such as quizzes, newsletters, training, conferences, contests and phishing tests to test knowledge and increase reflexes and awareness.





## Government relations

Active participation in policy work in cooperation with the government, the public and other economic agents in the community has a considerable impact on the sustainable and responsible development of industry practices.

Whether we take part directly or through the Canadian Life and Health Insurance Association (CLHIA), we feel that it's important to contribute to the public debate so we can represent not only our own concerns, but also those of our clients. To ensure that these discussions take place in accordance with the laws and our company values, our *Code of Business Conduct* sets out certain obligations in this regard.

### Dealings with public service employees

"All dealings with public service employees are to be conducted in a manner that will not compromise their integrity or discredit their reputation or that of the company. Any gifts or invitations can only be offered if authorized by a member of senior management and only if their value is minimal."

"Any lobbying activity must first be authorized by the Legal Department. Employees who engage in such activity must do so in accordance with the various applicable laws."

(Excerpts from our *Code of Business Conduct*)



### Contributions to political parties

iA Financial Group's guideline is not to make financial contributions to municipal, provincial or federal political parties.

With regard to government relations, we take our direction from standard **BNQ 21000** pertaining to business ethics and codes of conduct.

According to the standard: "The company maintains lobbying relationships with political leaders (see section 7.3.3 ISO 26000), but does so in strict compliance with its code of conduct. This assumes adherence to three fundamental values:

Honesty: compliance with laws (no attempted bribery in the form of kickbacks or extortion);

Integrity: consistency between what the company says in its code of conduct and what it does on a day-to-day basis through the decisions it makes;

Social justice: it puts community interests ahead of its own interests."



# Appendix 1

## Our report on the integration of the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD)

### Message from Leadership

We are pleased to present iA Financial Group's inaugural TCFD Report as part of our commitment to accountability and transparency to investors and stakeholders on our approach to climate change. The integration of climate change factors into corporate strategy will support our long-term success as a financial institution.

In 2020, we achieved carbon neutrality by purchasing carbon offsets. We also previously set a GHG emissions intensity reduction target to reduce our operational greenhouse gas (GHG) emissions by 20% per employee by 2025. In 2021, we began developing a company-wide climate change strategy that builds upon our existing approach to climate change. Developing a leading climate change strategy is an ongoing journey. In 2021, we completed a number of key climate-related milestones including:

- Conducting a Climate Change Materiality Assessment to identify, assess and prioritize our climate-related risks and opportunities.
- Conducting gap assessments to analyze how our current climate change practices compared to climate change best practices in the areas of Governance, Strategy, Risk Management, Metrics and Targets, and Reporting and Disclosure.
- Developing a multi-year climate change strategy implementation roadmap designed to address any existing gaps between our current practices and best practices.

- Releasing our [Responsible Investment Policy](#), which includes a section on climate change and commitments to integrate climate change factors into investment decisions and encourage portfolio companies to report in alignment with the TCFD recommendations.
- Signing the [Statement by the Quebec Financial Centre for a Sustainable Finance](#).
- Expressing our support for establishing an [International Sustainability Standards Board \(ISSB\) office](#) in Montreal.

In 2022, our focus will be on enhancing our existing commitments and targets to increase our ambition, while further integrating climate-related risks and opportunities into our core policies and processes in pursuit of our objective to be a leader within our industry on climate change.

The financial industry is in a unique position with respect to climate change, given that it has exposure to physical and transition climate-related risks, while also being well-positioned to capture opportunities related to the transition to a lower carbon economy.

iA Financial Group will continue to build internal capacity and resiliency to seize climate-related opportunities while addressing key climate-related challenges and will seek to contribute to meaningful dialogue within the industry. As one of the largest insurance and wealth management groups in Canada, we are committed to doing our part in the fight against climate change.

#### Denis Ricard

President and Chief Executive Officer  
iA Financial Group

## About This Report

- This report provides information on our climate change performance in 2021 and the progress we have made developing our climate change strategy. Where available and relevant, data is also presented for the previous two years to provide additional context for our performance and results.
- This report is aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD recommendations), which has emerged as the market-preferred framework for reporting on climate change factors.
- Data presented in this report includes data for the consolidated company, including its subsidiaries. Any data limitations are explicitly noted where relevant and where information is available.
- Financial data is stated in Canadian dollars unless otherwise noted.
- Additional climate change, Environmental, Social and Governance (ESG), and company information can be found in the following documents: 2020 Sustainability Report, 2021 Management's Discussion and Analysis, 2021 Financial Statements, 2021 Annual Report, 2021 Annual Information Form, 2021 Management Information Circular, and on our company website.

## About iA Financial Group

### Company Profile

iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. Founded in 1892, it is an important Canadian public company and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares). iA Financial Group offers life and health insurance products, savings and retirement plans, RRSPs, mutual and segregated funds, securities, auto and home insurance, mortgages and car loans, and other products and services for both individuals and groups. Table 1 provides an overview of each of our business lines.

**Table 1: iA's Business Lines**

Line of Business	Types of Products & Services Offered
Individual Insurance	Life, critical illness, short and long-term disability, mortgage, accidental death and dismemberment (AD&D), creditor, and travel insurance
Group Insurance	<ul style="list-style-type: none"> <li>— Employee Plans: life and health, AD&amp;D, dental care, short and long-term disability, critical illness, and home care insurance, voluntary benefits, and out-of-Canada medical insurance</li> <li>— Dealer Services: creditor insurance, P&amp;C products, car loans</li> <li>— Special Markets: AD&amp;D, critical illness, and disability insurance and other specialized products, travel medical and health insurance, term life insurance</li> </ul>
Individual Wealth Management	Segregated funds, mutual funds, securities, life and fixed-term annuities, registered savings and disbursement plans, investment advice, private wealth management
Group Savings and Retirement	Capital accumulation products, disbursement products (insured annuities)
US Operations	<ul style="list-style-type: none"> <li>— Individual Insurance: life, critical illness, short-term disability, accidental death, annuities, group life</li> <li>— Dealer Services: extended warranties, guaranteed asset protection, ancillary vehicle protection, training services, marketing services</li> </ul>
Auto and Home Insurance	Auto and home insurance

**Applying a Climate Lens to Our Business**

In recognition of the risks and opportunities that climate change presents, we are focusing on developing a leading company-wide climate change strategy that builds upon our existing approach to climate change and is integrated into our corporate strategy.

We have developed and published the iA Financial Group Climate Change Position Statement, which articulates our commitments to climate change and our overall approach.

The risks and opportunities presented by climate change differ by line of business. In this report, we discuss how climate change factors apply to our insurance and asset management activities, and the consolidated company.

## Our Approach to Climate Change

### Governance

iA Financial Group's approach to climate change is underpinned by a robust governance framework that enables effective oversight and management of climate change risks and opportunities.

### Board Oversight of Climate Change

Our Risk Management, Governance and Ethics Committee of the Board is responsible for oversight of sustainable development, including climate change factors. Climate change is currently a standing agenda item at every Committee meeting. The Risk Management, Governance and Ethics Committee receives quarterly reporting on climate change from the Head of Investor Relations and Sustainable Development. Further, the Investment Committee will receive quarterly reporting on climate change. As appropriate, we will revisit the frequency of reporting to the Board and the inclusion of climate change as a standing agenda item at Committee meetings as our approach to climate change evolves. The Risk Management, Governance and Ethics Committee reports to the Board and makes recommendations for approval by the Board, as needed. To maintain a high level of awareness of climate-related matters, Board members will participate in training sessions and activities on topics related to climate change.

iA Financial Group maintains a Board Skills Matrix which includes Board competencies that are deemed to be essential to our operations. This includes expertise and knowledge related to social responsibility and sustainable development in order to ensure the Board can provide effective oversight of ESG factors, including climate change. Five of iA Financial Group's directors have competency in the area of social responsibility and sustainable development.

### Oversight of Responsible Investment at iA Investment Management

iA Investment Management is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). The Investment Committee of the Board receives quarterly reporting that includes information on the implementation of our PRI commitments. The Investment Committee reports to the Board and makes recommendations for approval by the Board, as needed. Further information on governance of Responsible Investment can be found in our Responsible Investment Policy.

### Management Accountability for Climate Change

Our Risk Management, Governance and Ethics Committee of the Board is supported in its responsibility for oversight of climate change by senior management, including our Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chief Investment Officer (CIO), and Chief Financial Officer (CFO). Together, these individuals have senior management responsibility for climate change factors at iA Financial Group, including assessing and managing climate-related risks and opportunities on an annual basis at a minimum. Climate-related initiatives and programs approved by senior management include iA Financial Group's carbon neutral commitment and target to reduce GHG emissions by 20% per employee by 2025, based on 2019 levels.

The Investor Relations and Sustainable Development Department, led by the Head of Investor Relations and Sustainable Development, has responsibility for sustainable development, including climate change factors. In 2020, a Sustainability Advisor position was created and assigned responsibility for the consideration of climate change in the organizational strategy. This position reports to the Head of

Investor Relations and Sustainable Development, who reports to the CFO. A key priority for the Investor Relations and Sustainable Development Department, together with the Risk Management Department, will be climate change, including identifying, assessing and managing climate-related risks and opportunities, as well as enhancing climate-related disclosure in alignment with the TCFD recommendations.

iA Financial Group has developed an internal structure to ensure the integration of climate-related risks and opportunities into strategy, decision-making, and business processes and to ensure accountability for our response to climate change. An overview of this structure is provided in Table 2.

**Table 2: Management Accountabilities for Climate Change**

Committee	Responsibilities and Composition
Sustainability Steering Committee	<ul style="list-style-type: none"> <li>— Establishes iA Financial Group’s sustainable development strategy, objectives and targets, and monitors progress, including on the climate transition and the reduction of GHG emissions.</li> <li>— Composed of members of management from various business lines and departments within iA Financial Group, including the risk management and procurement functions.</li> <li>— Meets monthly and includes climate-related matters as part of regular meeting agendas.</li> </ul>
Sustainable Development Action Committee	<ul style="list-style-type: none"> <li>— Multidisciplinary team whose mandate is to (1) support external communications, (2) mobilize and engage employees, (3) support and promote Sustainable Development Goal 11: Sustainable Cities and Communities, and (4) be the resource group for the Ambassadors' Network by guiding and supporting them in initiatives.</li> <li>— Meets every two weeks to ensure the implementation of actions and follow-up with the Sustainability Steering Committee.</li> </ul>
Ambassadors' Network	<ul style="list-style-type: none"> <li>— Network must include at least one person from each business unit and represent the entire geographic coverage of iA Financial Group (Canada and the United States).</li> <li>— Mandate is to help promote our achievements, identify and implement new sustainable development projects, and act as ambassadors for our corporate approach within their business unit.</li> </ul>

### Climate-Related Policies

Table 3 includes an overview of iA Financial Group's key ESG-related policies that guide our approach to climate change.

**Table 3: iA Financial Group Climate-related Policies**

Policy	Description
Climate Change Position Statement	<ul style="list-style-type: none"> <li>— Outlines our approach to climate change, including the five key pillars that guide this approach.</li> <li>— Lists our climate change commitments in pursuit of our ambition to be a leader on climate change in Canada and globally.</li> </ul>
Sustainable Development Policy Approved by the Board of Directors	<ul style="list-style-type: none"> <li>— Outlines our commitment to creating economic and social value.</li> <li>— Lists additional climate change commitments made by iA Financial Group in support of SDG 13: Climate Action.</li> <li>— We plan to update the Sustainable Development Policy in 2022 to include more information on our approach to climate change.</li> </ul>
Responsible Investment Policy Approved by the CEO and the Board of Directors of iA Investment Management (iAIM)	<ul style="list-style-type: none"> <li>— Outlines our commitment to responsible investment and includes a section on climate change specifically.</li> <li>— One of our guiding principles is environmental stewardship, including aiming to reduce the environmental footprint of investments with respect to climate change and energy.</li> <li>— We are committed to integrating climate change factors into the investment process and to encourage all investee companies to provide climate-related disclosure that is aligned with the TCFD recommendations.</li> </ul>

## Strategy

We recognize that climate change represents a risk for our business and stakeholders, including our clients, employees, partners, investors, as well as the communities in which we operate. We also recognize that the way that we manage climate change factors has a direct link to the success of our business given the importance of climate-related impacts to the global financial industry.

[iA Financial Group strives to be a leader on climate change in North America. Our aspirations are aligned with our purpose to enable our clients to be confident and secure about their future.](#)

We believe that the integration of climate change factors into our corporate strategy will support our long-term success as a financial institution. We are driven by the objective of the Paris Agreement to limit global warming and we support the Sustainable Development Goals (SDGs). As part of our journey to becoming a climate change leader, we believe that transparency and accountability are critically important. We are committed to implementing the TCFD recommendations to provide this transparency to our investors and stakeholders.

iA Financial Group's approach to climate change is guided by five key pillars:

1. Reduce GHG emissions in our operations and our investment portfolio
2. Strive to fully integrate climate-related considerations into our investment process
3. Strengthen climate-related disclosure in alignment with the TCFD recommendations and facilitate related disclosure from all portfolio companies
4. Build resilience to the physical impacts of climate change across our insurance business
5. Contribute to advancing understanding of the impacts of climate change on the insurance industry

These pillars are focused on the climate-related risks and opportunities that we believe have the greatest potential to impact our long-term value and that are of most importance to key stakeholders, including investors.




In 2021, iA Financial Group conducted a Climate Change Materiality Assessment to assess and prioritize the risks and opportunities identified by the TCFD to inform the development of the five key pillars of our approach. This involved assessing the potential impact of climate-related risks and opportunities on the company's value, and their likelihood of occurrence over the short,

medium, and long term. The short term was defined as 0 to 3 years; the medium term was defined as 3-10 years; and the long term was defined as 10+ years. The impact and likelihood criteria used were aligned to iA Financial Group's internal enterprise risk assessment methodology. For further discussion on our climate-related risk management processes, refer to the Risk Management section below.




Table 4 below outlines the climate-related risks and opportunities the organization has identified over the short, medium, and long term, as well as the business lines impacted and our strategies to mitigate risks and capture new opportunities.






**Table 4: iA Financial Group's Climate-related Risks and Opportunities**




Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Policy and Legal Risks</b></p> <p> Short Term (0 to 3 years)</p> <p> Medium Term (3 to 10 years)</p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Increasing potential for legal disputes on the coverage of auto and home insurance policies due to more frequent and severe extreme weather events</li> <li>— Increasing indirect (operating) costs to company because of enhanced sector-specific disclosure requirements</li> <li>— Challenges in modelling and pricing risk coverage across geographies due to patchwork of policies</li> <li>— Potential for enhanced capital adequacy and liquidity requirements by regulators</li> </ul>	<p><b>Insurance</b></p> <p>We monitor the changing policy and legal landscape to understand potential implications for our business lines and overall corporate strategy. Home and auto insurance policies (P&amp;C insurance) constitute a small portion of our overall insurance business, thereby mitigating iA Financial Group's exposure to the risk of legal disputes. We operate in Canada and the United States, where climate-related policies and laws are relatively consistent compared to other jurisdictions globally. We continue to monitor the efforts of regulators on the integration of climate-related risks and opportunities into oversight of Canadian insurance companies, including the Autorité des marchés financiers (AMF) and the Office of the Superintendent of Financial Institutions (OSFI).<sup>2</sup></p>
	<p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Expectations for increased transparency and reporting on emissions performance and climate-related risks of portfolio investments</li> <li>— Investees across asset classes may be exposed to increasing costs of compliance with new policies and regulations to reduce emissions, impacting the value of investments</li> <li>— For real estate asset classes, increasing operating costs and capital expenditures to invest in emissions reductions technologies and solutions</li> </ul>	<p><b>Asset Management</b></p> <p>We proactively monitor our portfolio's exposure to high-emitting sectors (e.g., oil and gas, which is less than 3% of our overall portfolio). We are committed to integrating climate change factors into our investment decisions, including through engagement with existing portfolio companies, to encourage climate-related disclosure that is aligned with the TCFD recommendations. Our updated Responsible Investment Policy outlines our approach to integrating climate-related risks and opportunities into our investment process and reporting to our clients, as well as the PRI.</p>
	<p><b>iA Corporate</b></p> <ul style="list-style-type: none"> <li>— Increasing policy and regulation aimed at reducing GHG emissions across sectors and geographies to meet national targets under the Paris Agreement</li> <li>— Increasing regulatory disclosure requirements (e.g., proposed NI 51-107) for iA Financial Group as a Canadian public company</li> </ul>	<p><b>iA Corporate</b></p> <p>We are issuing this standalone TCFD report as an initial step toward TCFD-aligned disclosure. As part of our Climate Change Position Statement, we have committed to doing our part to proactively address climate-related risks and opportunities, and to enhance our transparency and disclosure. iA Financial Group will also review its current GHG emissions reduction targets with a view to exploring the feasibility of setting a more ambitious target.</p>




<sup>2</sup> While we are not regulated by OSFI, OSFI's projects create expectations for our industry broadly. Therefore, it is important for us to monitor relevant developments.

Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Acute Physical Risks</b></p> <ul style="list-style-type: none"> <li> Short Term (0 to 3 years)</li> <li> Medium Term (3 to 10 years)</li> <li> Long Term (10+ years)</li> </ul>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Potential for increased morbidity and mortality rates due to more frequent and severe extreme weather impacting life and health customers</li> <li>— Potential for increase in insured losses due to more frequent and severe extreme weather events impacting P&amp;C customers</li> </ul> <hr/> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential for increased operating costs (e.g., maintenance) and lost revenue (due to operational shutdowns) at portfolio companies in response to extreme weather events, resulting in potential impacts to investment returns</li> <li>— Potential for asset impairment or impacts to useful life of long-term assets of portfolio companies in real estate and infrastructure asset classes</li> </ul>	<p><b>Insurance</b></p> <p>Acute physical risks of climate change are generally not expected to have a material impact on life and health insurance activities in the near term, based on the industry's current limited understanding of the link between mortality and morbidity rates and acute climate events. However, iA Financial Group will conduct studies to understand the potential impacts of climate change on long-term health, morbidity and mortality rates. See discussion of 'Chronic Physical Risks' below.</p> <p>The company's exposure to acute physical risk through P&amp;C insurance activities is inherently reduced, as pricing can be renewed over shorter time horizons to price evolving risks. This is the case for iA Financial Group's damage insurance subsidiary (contributing 3% of the company's sales as of December 31, 2021), which adjusts pricing annually.</p> <hr/> <p><b>Asset Management</b></p> <p>For our real estate portfolio, we have established a business continuity plan and introduced plans in our offices to minimize waiting periods before the resumption of service and the resulting costs. Relocations are expected for Quebec City, Montreal, Toronto and Vancouver business centres to adapt to the physical impacts of climate change.</p>



Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Market Risks</b></p> <p> Medium Term (3 to 10 years)</p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Current assumptions in financial modelling may not capture the impact of climate change on the future direction of insurers' risk exposure, given that historical data on losses due to climate change is insufficient as a predictor of future patterns</li> <li>— Potential inability to provide insurance in high-risk geographies may translate to reduced insurance premiums from P&amp;C products</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential for impacts across portfolio investments in carbon-intensive sectors including oil and gas, transportation, real estate, electricity generation, heavy industry, and agriculture</li> <li>— For real estate portfolios, focus on green building practices has increased over recent years and is expected to continue as demand by tenants increases and green technologies are incorporated into new construction and retrofitting of existing buildings</li> </ul> <p><b>iA Corporate</b></p> <ul style="list-style-type: none"> <li>— Increasing focus of institutional investors, credit rating agencies, and other financial market participants on climate-related market risks, resulting in potential for impacts for access to and cost of capital, as well as long-term value</li> </ul>	<p><b>Insurance</b></p> <p>iA Financial Group's business is primarily life and health insurance, which is not anticipated to be directly impacted by market risks. As industries shift and evolve in the transition to a lower carbon economy, iA Financial Group will be well-positioned to pivot our insurance products accordingly. Further, P&amp;C represents a significantly smaller component of our business than life and health insurance products.</p> <p><b>Asset Management</b></p> <p>In order to attract tenants looking for green office spaces, we have upgraded our real estate portfolio over the past few years. As a major property owner, iA Financial Group measures environmental performance based on the stringent BOMA BEST and LEED® (Leadership in Energy and Environmental Design) criteria. iA Financial Group has obtained LEED® certification for 8 buildings from its real estate portfolio: notably, the company obtained LEED® Gold certification for its new 988 West Broadway building, where the company is the main tenant. This building has brought iA Vancouver staff together all in the same attractive workplace. BOMA BEST certification recognizes excellence in environmental practices. Up to now, 25 of our buildings (more than a half of all our real estate portfolio properties) have obtained this certification.</p> <p><b>iA Corporate</b></p> <p>As a publicly traded company, we recognize that our investors, lenders, peers and other capital market participants are increasingly focused on allocating capital to companies with strong climate change performance. We are developing a firm-wide climate change strategy to address the expectations of the capital markets and build resilience in the transition to a low-carbon economy.</p>

Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p>Chronic Physical Risks</p> <p> Medium Term (3 to 10 years)</p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Growing body of research suggests a potential correlation between climate change impacts and increased mortality and morbidity rates</li> <li>— Increasing chronic droughts and heatwaves may lead to more frequent auto and home damage and wildfires, leading to increased insured losses</li> </ul> <hr/> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Portfolio companies, particularly real asset investments, operating in high-risk areas may encounter increased costs, disruptions, and shutdowns due to extreme weather events (e.g., coastal erosion, heatwaves, water stress), potentially leading to impacts to investment returns</li> </ul>	<p><b>Insurance</b></p> <p>iA Financial Group operates in Canada and the United States, where the countries' overall vulnerability to the negative impacts of climate change are considered low based on the Notre Dame Global Adaptation Country Index. In addition, the governments of Canada and the United States have acknowledged the risks posed to their countries by climate change and have announced strategies related to climate change mitigation and adaptation.</p> <hr/> <p><b>Asset Management</b></p> <p>Our investment process includes an analysis of chronic physical risks through the performance of environmental studies conducted by specialized third parties. Identified risks are insured by contracting specialized insurance. Coverage adequacy is then confirmed by a third-party insurance consultant. We are committed to improving our understanding of the impacts of long-term climate change on our portfolio by undertaking detailed analyses of potential impacts, with a focus on our real estate and infrastructure assets given their inherent exposure to this issue.</p>

Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Reputational Risks</b></p> <ul style="list-style-type: none"> <li> Short Term (0 to 3 years)</li> <li> Medium Term (3 to 10 years)</li> <li> Long Term (10+ years)</li> </ul>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Potential for negative public perception if insurers are not adequately protecting clients from added health care costs because of climate change</li> <li>— Potential for negative impacts if P&amp;C insurance coverage is perceived to be unaffordable due to growing extreme weather events resulting in increased premiums</li> </ul> <hr/> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential for negative public and/or client perception with respect to investments in high-emitting sectors and companies</li> <li>— Potential for increasing pressure to commit to net zero GHG emissions by 2050 for iA Financial's investment portfolio</li> </ul> <hr/> <p><b>iA Corporate</b></p> <ul style="list-style-type: none"> <li>— Increasing expectations of investors for disclosure on climate-related risks and opportunities, and strategies for addressing climate change in the short, medium and long-term</li> </ul>	<p><b>Insurance</b></p> <p>Given P&amp;C insurance product pricing can be renewed over shorter time horizons, the risk of perceived unaffordability can be mitigated by providing customers with knowledge and information about rising premiums due to climate change. We are committed to advancing understanding of the impacts of climate change on the insurance industry – and that includes educating our customers on how to minimize their risks to keep premiums lower.</p> <hr/> <p><b>Asset Management</b></p> <p>Our updated Responsible Investment Policy includes a guiding principle on environmental stewardship, including aiming to reduce the environmental footprint of investments with respect to climate change and energy. We are committed to integrating climate change factors into the investment process and to encourage all investee companies to provide climate-related disclosure that is aligned with the TCFD recommendations.</p> <hr/> <p><b>iA Corporate</b></p> <p>We recognize the importance of addressing climate-related risks and opportunities across our various business lines, and across the company as a whole. We have a company-wide GHG emissions reduction target and we intend to review our current target with a view to exploring the feasibility of setting a more ambitious target. We will strive to continually improve our alignment with the TCFD recommendations and provide increasingly decision-useful climate-related information over time.</p>

Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Technology Risks</b></p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Potential for technology risks to impact key sectors for our life and health insurance products</li> <li>— Potential for mispricing risks relating to new technologies (e.g., electric vehicles) in the context of P&amp;C insurance</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential for write-downs, impairments and stranded assets relating to incumbent technologies, which may have material implications for the value of assets and portfolio returns</li> </ul>	<p><b>Insurance</b></p> <p>We provide life and health insurance products to a variety of sectors that will be impacted by the low-carbon transition. As technologies evolve, we will adapt our insurance products to meet our clients' changing insurance requirements.</p> <p><b>Asset Management</b></p> <p>iA Financial Group's exposure is relatively low, given limited exposure to high-carbon sectors in our investment portfolio. iA Financial Group is already seeking to capitalize on opportunities relating to lower-emissions sources of energy through its investments in renewable energy. In 2021, iA Financial Group reached a total of \$3.2 billion invested in renewable energy (e.g., solar, hydro, wind, and geothermal).</p>
<p><b>Products and Services Opportunities</b></p> <p> Medium Term (3 to 10 years)</p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Potential for increased revenues resulting from increased demand for new and existing life and health insurance and P&amp;C insurance products</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential for strategic investments into our real estate assets to attract high-quality tenants, minimize vacancy rates and maintain rents</li> <li>— Potential to attract new clients and grow our client base by offering more ESG and climate change-focused investment products, including impact investments, as part of wealth management</li> <li>— Potential for new types of investment products (e.g., sustainability-linked debt, transition bonds)</li> </ul>	<p><b>Insurance</b></p> <p>We actively monitor the changing landscape for insurance products in light of climate change. As our clients' life and health insurance needs change over time, we will actively seek opportunities to provide new and innovative insurance products to address these changing circumstances.</p> <p><b>Asset Management</b></p> <p>iA Clarington, our mutual fund subsidiary, offers a suite of socially-responsible mutual funds and portfolio solutions under the IA Clarington Inhance SRI brand. The IA Clarington Inhance SRI funds and portfolios are sub-advised by Vancity Investment Management Ltd. (VCIM), a leader in socially-responsible investing. The VCIM team uses an integrated approach, combining financial analysis with ESG analysis to screen for quality companies.</p>

Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Market Opportunities</b></p> <p> Medium Term (3 to 10 years)</p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Potential for expansion of insurance products into new and emerging markets</li> <li>— Potential for new insurable markets (e.g., insurance on offset credits for carbon markets)</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential to access the growing global market for sustainable debt by issuing green bonds or sustainability-linked debt</li> <li>— Potential for investments in offset credits in emerging carbon markets</li> <li>— For our real estate portfolio, potential to access new sources of government funding and incentives (e.g., grants/tax credits for building retrofits and energy efficiency projects)</li> </ul>	<p><b>Insurance</b></p> <p>We are monitoring the North American landscape for new market opportunities created by the transition to a lower-carbon, climate-resilient economy. As insurable markets evolve over time, iA Financial Group may consider expanding its insurance offerings to address these new opportunities, such as the emerging market for insurance of carbon credits.</p> <p><b>Asset Management</b></p> <p>We are exploring opportunities to invest in new market opportunities focused on mitigating and adapting to climate change. This includes evaluating potential future investments in sustainable debt products. For our real estate portfolio, we are assessing potential sources of government funding to support investments in our buildings to reduce GHG emissions and build resilience to the growing physical impacts of climate change.</p>
<p><b>Resilience Opportunities</b></p> <p> Medium Term (3 to 10 years)</p> <p> Long Term (10+ years)</p>	<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>— Potential to educate life and health insurance policyholders on the potential health impacts of climate change and benefits of a healthy lifestyle</li> <li>— Potential to educate P&amp;C insurance policyholders on emergency preparedness in the face of extreme weather events (e.g., fires, floods)</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Opportunities to invest in new financial products aimed at strengthening climate-related resilience (e.g., catastrophe bonds)</li> <li>— Opportunities to invest in companies with strong climate resilience and physical risk mitigation strategies, including in the real estate asset class</li> </ul>	<p><b>Insurance</b></p> <p>We are exploring ways to engage our customers to empower them to understand how they can proactively minimize their life and health, as well as home and auto, insurance risks. This benefits iA Financial Group as it translates into fewer claims and loss payouts for avoidable incidents.</p> <p><b>Asset Management</b></p> <p>Over time, we may capitalize on new opportunities to invest in financial products focused on building resilience to extreme weather events and slow onset average temperature increases causing heatwaves, droughts, sea level rise and coastal erosion.</p>

Factor & Time Horizon	Potential Impacts to Our Business	Initiatives to Mitigate Risk or Capture Opportunity
<p><b>Resource Efficiency Opportunities</b></p> <p> Long Term (10+ years)</p>	<p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Portfolio companies that pursue resource efficiency opportunities may benefit from reduced operational costs, translating into higher returns and increased free cash flow</li> <li>— For our real estate portfolio, achieving green building certifications, such as BOMA BEST and LEED®, will lead to improved water and energy efficiency, reduced operational costs, and increased building value</li> </ul>	<p><b>Asset Management</b></p> <p>iA Financial Group is committed to achieving green building certifications. We have already obtained BOMA BEST and LEED® certifications for several buildings across Canada, including Gold certification for our Vancouver office, located at 988 West Broadway, where iA Financial Group is also the main tenant.</p>
<p><b>Energy Source Opportunities</b></p> <p> Long Term (10+ years)</p>	<p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>— Potential to invest in low carbon sources of energy, such as solar, hydro, wind and geothermal</li> <li>— Potential to invest in supporting high-emitting sectors with diversification of energy sources to reduce emissions</li> </ul>	<p><b>Asset Management</b></p> <p>iA Financial Group is already seeking to capitalize on opportunities relating to lower-emissions sources of energy through its investments in renewable energy. In 2021, iA Financial Group reached a total of \$3.2 billion invested in renewable energy (e.g., solar, hydro, wind, and geothermal).</p>

### Next Steps for Strategy

We are committed to improving our understanding of the impacts of climate change on our corporate strategy. To this end, we intend to further integrate climate-related risks and opportunities into our strategic planning and budgeting processes. Over time, this will involve quantifying the potential financial impacts of these issues on our business lines and consolidated company performance. We will continue to monitor the evolving landscape for insurers in terms of industry-focused data and methodologies to quantify financial impacts of climate change and conduct robust scenario analysis. In 2022, we will include climate risk in our stress-testing process. In 2023, we intend to undertake initial qualitative scenario analysis to help inform our overall strategic response to addressing climate-related risks and opportunities over the short, medium and long term.



## Risk Management

iA Financial Group uses the TCFD's climate-related risks as the foundation of its climate change risk assessments. We assess climate-related risks at the business line level (i.e., insurance and asset management) and as a consolidated entity. The Strategy section above describes the process we undertook in 2021 to conduct an entity-wide Climate Change Materiality Assessment, which was an important step in enhancing our processes for identifying and assessing climate-related risks. The Climate Change Materiality Assessment allowed us to better consider the unique characteristics of climate-related risks, including their longer time horizon and uncertain nature, among other characteristics. The impact and likelihood criteria used in the Climate Change Materiality Assessment were aligned to iA Financial Group's internal enterprise risk assessment methodology to ensure that climate-related risks are assessed consistently and proportionately relative to other risks. The climate-related risks identified through this assessment are described in greater detail in Table 4 above.

### iA Corporate

As part of the risk assessment, we consider:

- Existing climate-related regulations (e.g., Canadian Securities Administrators Staff Notices, federal climate-related regulation in Canada and the United States, provincial climate-related regulation in Quebec, Autorité des marchés financiers [AMF] and Office of the Superintendent of Financial Institutions [OSFI] developments)
- Climate-related guidance and industry initiatives (e.g., Climate Action 100+, Net-Zero Asset Owner Alliance, Net Zero Asset Manager Initiative, PRI)
- Climate change frameworks and standards (e.g., Sustainability Accounting Standards Board (SASB) Standards, SASB Climate Risk Technical Bulletin, TCFD recommendations)
- Peers' disclosure on climate change

We also monitor emerging climate-related regulatory requirements, including the Proposed National Instrument 51-107 Disclosure of Climate-related Matters published by the Canadian Securities Administrators / Autorités canadiennes en valeurs mobilières. This allows us to assess our corporate exposure to climate-related risks and opportunities, as well as our exposure via our specific lines of business, as described below.

### Insurance

The integrated risk management framework covers all potential risks the company may face, including risks related to climate change. iA Financial Group determined that all insurance products could be impacted by risks associated with climate change, but with varying likelihoods. The company has established guidelines pertaining to underwriting and claims adjudication risk that specify the company's retention limits. These retention limits vary according to the type of protection and the characteristics of the insureds and are revised regularly according to the company's capacity to manage and absorb the financial impact associated with unfavourable experience regarding each risk. Once the retention limits have been reached, the company turns to reinsurance to cover the excess risk. Regarding its general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company subscribes enough coverage to be adequately protected from this risk.

### Asset Management

We recognize that climate change will continue to present risks and opportunities for investment portfolios with transition risks being a key consideration. iA Financial Group measures its exposure to transition risks through its investment portfolio in terms of its overall exposure to high-emitting sectors. As of December 31, 2021, the company's exposure to high-emitting sectors was relatively low (e.g., the oil and gas sector represents about 3% of the total portfolio), decreasing our exposure to risks associated with climate-related regulation of our portfolio companies.

As asset managers, investors, and stewards of our clients' assets, we are committed to fully integrating climate change in the investment process. Our Responsible Investment Policy lays out guidelines for the integration of ESG factors in the investment process for our investments and includes a section on our approach to climate change.

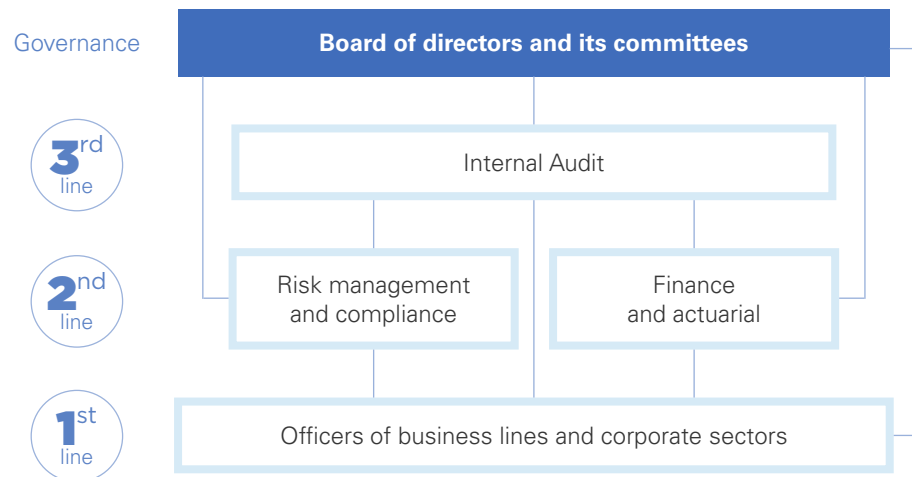
We encourage all portfolio companies to provide disclosure on climate-related risk that is aligned with the TCFD recommendations to improve data availability and our own ability to assess our portfolio's exposure to climate-related risks.

### Managing Climate-related Risks and Integration into Overall Risk Management Process

We manage risks based on our enterprise risk management framework, which is aligned with the "three lines of defense" model<sup>3</sup>.

The goal of our enterprise risk management framework is to:

- Identify, assess, manage, and monitor the risks to which we are exposed.
- Ensure that pertinent information regarding risks is communicated and shared on a regular and timely basis between the various people involved.
- Provide the Board of Directors with reasonable assurance that sufficient resources and appropriate procedures are in place to ensure sound risk management.



As part of our enterprise risk management framework, iA Financial Group assesses the impact of financial and insurance risks once a year, or more frequently if required, through exercises like Financial Condition Testing (FCT) and the Own Risk and Solvency Assessment (ORSA) and confirms the company's financial strength for dealing with adverse events.

Our enterprise risk management framework designates the structures, policies, procedures, processes, and control measures that allow us to identify, assess, communicate, manage, mitigate and monitor risks that arise from our operations. Risks are grouped into eight categories: strategic, insurance, market, credit and counterparty, liquidity and funding, model, operational and legal, regulatory and reputational risks. Climate-related risks are currently considered as cross-cutting drivers of risk and integrated into our overall risk management process. Material risks are assigned to risk owners, who are given tools to monitor changes in exposure to key risks and to ensure that exposure is within risk limits and tolerance.

We have an independent risk management function to oversee the enterprise risk management framework and ensure it is being implemented effectively. The independent risk management function is overseen by our Executive Vice-President and Chief Risk Officer.

### Next Steps for Risk Management

The framework is reviewed every three years, with the next review planned for 2022. As part of this revision, we will review the TCFD's best practices with respect to the integration of climate change factors into enterprise risk management processes. We are currently evaluating opportunities to enhance the integration of climate-related risks into our enterprise risk management framework. In 2022, this work will include:

- Integrating climate change into our risk appetite and tolerance statement.
- Ensuring that risk owners and other team members who have responsibilities related to risk management have the knowledge and capacity to effectively identify, assess, and manage climate-related risks.
- Considering whether we need additional tools to support the identification, assessment, and management of climate-related risks.
- Determining whether any key elements of our enterprise risk management process should be adapted to better consider the unique nature of climate-related risks and other best practices.

<sup>3</sup> *The Three Lines of Defense in Effective Risk Management and Control*, The Institute of Internal Auditors Position Paper, January 2013 or *Leveraging COSO across the three lines of defense*, The Institute of Internal Auditors, July 2015

## Metrics and Targets

iA Financial Group has an existing commitment to be a carbon-neutral corporation and a target to reduce our GHG emissions by 20% per employee by 2025. Our GHG emissions are calculated in accordance with the GHG Protocol – Corporate Standard. We calculate iA Financial Group’s Scope 1 and 2 emissions, as well as some of our Scope 3 emissions, including those from business travel (air, rail, vehicle) and employee commuting.

Table 5 below outlines our 2022 climate-related metrics and targets for our most relevant climate-related risks and opportunities based on our Climate Change Materiality Assessment. In future years, iA Financial Group will re-visit our climate-related metrics and targets to ensure they continue to reflect our unique business lines and circumstances, as well as our ambition to be an industry leader in climate change in Canada and globally.

**Table 5: iA Financial Group’s 2022 Climate-related Metrics and Targets**

Factor	Climate-related Metrics	Climate-related Targets
Policy and Legal Risks	<ul style="list-style-type: none"> <li>— Absolute Scope 1 and 2 GHG emissions (metric tons of CO<sub>2e</sub>)</li> <li>— Scope 1 and 2 GHG emissions intensity (metric tons of CO<sub>2e</sub> per unit output)</li> <li>— Gross global Scope 1 GHG emissions covered under emissions-limiting regulations (metric tons of CO<sub>2e</sub>)</li> </ul>	<ul style="list-style-type: none"> <li>— Complete the technical studies for GHG emissions reduction pathways, including conducting first-year qualitative scenario analysis considering a 1.5°C scenario to inform future target-setting</li> <li>— Measure annual portfolio carbon footprint, where data is available to support reliable measurement</li> </ul>
Acute Physical Risks	<ul style="list-style-type: none"> <li>— Percentage of property, infrastructure, or other alternative asset portfolios in an area subject to flooding, heat stress, or water stress</li> <li>— Dollar value of insured losses in P&amp;C business due to extreme weather</li> </ul>	<ul style="list-style-type: none"> <li>— Assess asset vulnerability to acute physical climate-related risks</li> <li>— Complete technical studies to determine overall risk exposure of P&amp;C business to extreme weather events (i.e., annual expected losses from extreme weather)</li> </ul>
Products and Services Opportunities	Percentage of annual revenue invested in R&D for products/services that respond to shifting consumer requirements and preferences as a result of climate change (e.g., insurance products for electric vehicles)	Initiate technical studies to identify and assess opportunities to further integrate climate-related considerations into product and service development
Market Opportunities	Amount invested in sustainable investments (green infrastructure, renewable energy, etc.)	<ul style="list-style-type: none"> <li>— Initiate technical studies to set a sustainable investment target</li> <li>— Assess how to further enhance the resiliency of the organization’s real estate portfolio</li> </ul>

## Our 2021 Performance

Table 6 provides highlights on iA Financial Group's performance in 2021, as well as in 2020 where the data is available. We have also included commentary on iA Financial Group's performance and forward-looking direction for 2022.

**Table 6: iA Financial Group's 2021 Performance on Climate-related Metrics and Targets**

Climate-related Metrics	2021	2020	Commentary
Absolute Scope 1 and 2 GHG emissions (metric tons of CO <sub>2</sub> e)	13,274	6,416	Increase in 2021 explained by more exhaustive data collection.
Scope 1 and 2 GHG emissions intensity (metric tons of CO <sub>2</sub> e per employee)	1.67	0.83	Increase in 2021 explained by more exhaustive data collection.
Gross global Scope 1 GHG emissions covered under emissions-limiting regulations (metric tons of CO <sub>2</sub> e)	0	0	No Scope 1 GHG emissions subject to emissions limits.
Percentage of property, infrastructure, or other alternative asset portfolios in an area subject to flooding, heat stress, or water stress	2.78	16.93	Decrease caused by change in calculation, which is based on data from the real estate investments department for the year 2021 (contrary to 2020).
Dollar value of insured losses in P&C business due to extreme weather	0	4,004,252	Hail events are not considered extreme weather.
Percentage of total investment portfolio invested in high-emitting sectors	10.3	Data not available	High-emitting sectors considered: Energy (oil & gas, coal, electric utilities), Transportation (air, shipping, rail, trucking, passenger vehicles), Materials and buildings (metals & mining, chemicals, construction, capital goods, real estate), Agriculture, Food, Forests (beverages, agriculture, packaged foods, paper and forest products).
Energy consumption data coverage as a percentage of total floor area, by property subsector (SASB Code: IF-RE-130a.1)	78.55 (office), 100 (retail), 100 (other)	100	Decrease caused by more precise data collection in 2021.

### Next Steps for Metrics and Targets

We are committed to reporting on our progress toward our climate-related targets using the TCFD framework. We will review our climate-related goals on an annual basis to determine if they should be updated. Building on our existing commitment to reduce our operational GHG emissions by 20% per employee by 2025, iA Financial Group will accelerate the development of enhanced targets for emissions reductions for Scope 1 and Scope 2 GHG emissions. We will also strive to enhance targets for Scope 3 GHG emissions over time, including our investment portfolio. In addition, we will work to strengthen the measurement of the overall climate-related risk exposure of our insurance activities to extreme weather.

### Looking Forward

We will strive to continually improve our alignment with the TCFD recommendations and provide increasingly decision-useful climate-related information over time. As we look forward to 2022 and beyond, iA Financial Group recognizes that this is the decade of climate action. In this report, we outlined our intended next steps for enhancing our climate-related strategy, risk management, and metrics and targets.

iA Financial Group will continue to play our part in addressing climate change by pushing ourselves to increase our ambition over time. To be an industry leader in North America, we are committed to increasing the ambition of our GHG emissions targets in 2023.

## iA Financial Group Climate Change Position Statement

For several years, iA Financial Group has placed great importance on environmental protection and has multiplied its initiatives in this area. The Company recognizes that climate change represents a risk for our business and stakeholders, including our clients, employees, partners, investors, as well as the communities in which we operate. We recognize that the way that we manage climate change factors has a direct link to the success of our business given the importance of climate-related impacts to the global financial industry.

As one of the largest insurance and wealth management groups in Canada, we are committed to doing our part in the fight against climate change. This includes sharing knowledge about existing and emerging climate impacts for the financial industry and our clients, and effectively managing climate-related risks across our business lines. This statement expands on our approach to sustainable development and is complementary to the objectives and guidelines articulated in our [Sustainable Development Policy](#).

### Climate Change Commitment

Pursuant to achieving our objective to become a climate change leader, we make the following commitments. These commitments apply to all iA Financial Group activities and outline expectations related to climate change for all directors, officers, employees, and any person working under iA Financial Group's direction. These commitments also set forth our expectations as to how suppliers of goods and services, their representatives, and employees are to conduct business with iA Financial Group.

[iA Financial Group strives to be a leader on climate change in North America. Our aspirations are aligned with our purpose to enable our clients to be confident and secure about their future.](#)

We believe that the integration of climate change factors into our corporate strategy will support our long-term success as a financial institution. We are driven by the objective of the Paris Agreement to limit global warming and we support the United Nations' Sustainable Development Goals (SDGs), including one on climate action.

As part of our journey to becoming a climate change leader, we believe that transparency and accountability are critically important. We are committed to implementing the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) to provide this transparency to our investors and stakeholders.

### Climate Change Governance

iA Financial Group's approach to climate change is underpinned by a robust governance framework that enables effective oversight and management of climate change risks and opportunities. Our Risk Management, Governance and Ethics Committee of the Board is responsible for oversight of sustainable development, including climate change factors, and is supported by senior management, including our Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chief Investment Officer (CIO), and Chief Financial Officer (CFO). Together, these individuals have responsibility for climate-related matters at iA Financial Group.

iA Financial Group has developed an internal structure to ensure the integration of climate-related risks and opportunities into strategy, decision-making, and business processes and to ensure accountability for our response to climate change:

#### [Sustainability Steering Committee:](#)

The Sustainability Steering Committee establishes iA Financial Group's sustainable development strategy, objectives and targets, including the climate transition or the reduction of GHG emissions.

#### [Sustainable Development Action Committee:](#)

The Sustainable Development Action Committee is a multidisciplinary team whose mandate is to support external communications, mobilize and engage employees, support and promote Sustainable Development Goals, and be the resource group for the ambassadors' network by guiding and supporting them in initiatives.

**Ambassadors' Network:**

The ambassadors' network brings together all employees who wish to participate and implement sustainable initiatives. The mandate is to help promote our achievements, identify and implement new sustainable development projects, and act as ambassadors for our corporate approach within their business unit.

**Climate Change Approach**

As a signatory to the United Nations-supported Principles for Responsible Investment (PRI), we are fully committed to bolstering the integration of climate change considerations into our long-term corporate strategy<sup>4</sup>. As both a long-term investor and insurance provider, iA Financial Group's approach to climate change is guided by five key pillars:

1. Reduce GHG emissions in our operations and our investment portfolio. We have already set a target for reducing our GHG emissions and have established a "Carbon-Free Future" working group.
2. Strive to fully integrate climate-related considerations into our investment process. iA Financial Group is a signatory of the United Nations-supported Principles for Responsible Investment (PRI).
3. Strengthen climate-related disclosure in alignment with the TCFD recommendations and facilitate related disclosure from all portfolio companies.
4. Build resilience to the physical impacts of climate change across our insurance business.
5. Contribute to advancing understanding of the impacts of climate change on the insurance industry.

These pillars are focused on the climate-related risks and opportunities that we believe have the greatest potential to impact our long-term value and that are of most importance to key stakeholders, including investors.

**Climate Change Metrics and Targets**

- Building on our existing commitment to be a carbon-neutral corporation and target to reduce our greenhouse gas (GHG) emissions by 20% per employee by 2025, iA Financial Group will accelerate the development of enhanced goals and/or targets for emissions reductions for Scope 1 and Scope 2 GHG emissions and strive to enhance targets for Scope 3 GHG emissions over time, including consideration of setting more ambitious targets.
- iA Financial Group will work to strengthen the measurement of the overall climate-related risk exposure of our insurance activities to extreme weather events and other climate-related impacts.

**Climate Change Reporting and Disclosure**

- We will report on our climate change performance in alignment with the TCFD recommendations using a phased approach.
- We will strive to continually improve our disclosure of decision-useful climate-related information over time. This includes continuing to enhance climate-related disclosure through relevant topics and metrics aligned with the Sustainability Accounting Standards Board (SASB) standards, as well as through our annual CDP climate change questionnaire submissions.
- We will enhance our incorporation of climate-related disclosure into regulatory filings, including a discussion of the financial materiality of climate change factors on the organization.

iA Financial Group's ambition in terms of sustainable development is to be a company that contributes to sustainable growth and wellbeing for its clients, employees, partners, investors and communities. We want to ensure our sustainability by supporting the community, combining our financial success with a positive environmental and societal impact.

<sup>4</sup> iA Investment Management is a signatory to the Principles for Responsible Investment.

# Appendix 2

## GHG emissions index and methodology

### Our 2021 GHG calculation methodology



This section outlines the methodology used by iA Financial Group to quantify its GHG emissions. It specifies the type of data that must be used to calculate GHG emissions and how the data must be processed. The methodology used is updated annually for the purposes of continuous improvement. This also allows us to refine estimates as new data sources become available. In the interest of clarity and conciseness, the information in this section does not include certain elements, such as the resources who provide our data or the mechanics of our calculator.

### Emissions scopes

Our GHG emissions calculations are presented below according to the three scopes used by the Carbon Disclosure Project (CDP).

Scope 1 relates to the direct emissions from the fossil fuels we use to operate the buildings we occupy. Scope 2 covers indirect emissions related to electricity consumption. Electricity produced by a thermal power plant that relies on fossil fuels for its operation will, for example, have a greater GHG impact than a plant that produces electricity from renewable sources. Lastly, Scope 3 deals with other indirect emissions not related to electricity consumption that result from our operations.

Scope 1 and Scope 2 emissions were able to be calculated directly by our real estate management sector. For our indirect emissions in Scope 3, which are able to be measured either in full or in part, iA Financial Group covers the following categories:

- Waste management
- Transportation

### Calculation basis and data verification

For Scope 1 and Scope 2, our GHG calculations are based on the buildings where our employees work. For Scope 3, as emissions are related to individual behaviours and personal choices (e.g., food, consumption, transportation), our raw GHG data has been adjusted based on the total number of employees of iA Financial Group, including its subsidiaries.

The raw data was mainly provided to us by third parties (energy providers, travel agencies, etc.) and is indicated below. All raw data files were then analyzed by Planetair, our external partner for our GHG calculations and our carbon neutrality program, as part of the carbon neutral certification process.

Where raw data was not available for one or more segments or subsidiaries, we extrapolated from consolidated data for the entire Group, such as the total number of full-time employees.



## SCOPE 1

**Direct emissions****Building energy consumption (fossil fuels)**

iA Financial Group calculates the GHGs emitted from operating the buildings that it owns and that house its offices.

The fossil fuels we use are mainly related to heating, ventilation, air conditioning and the operation of some mechanical equipment.

For the data on diesel consumption (for mechanical equipment such as generators) and natural gas, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the *GHG Protocol, Emission Factors from Cross-Sector Tools*, dating from March 2017.

**Refrigerants gases**

To calculate R22 and R134a refrigerant leaks, whereas the LEED standard estimates leakage of 2% of the total refrigerant load over the lifetime of the equipment and given that the typical lifespan of the equipment is 15 years, we used the following formula: refrigerant load  $\times$  0.02/15 years. The emission factors retained to multiply our raw data for each of these gases are those of the *Greenhouse Gas Protocol Fifth Assessment Report (AR5)*.

Finally, for buildings held in co-ownership, the data has been adjusted according to the percentage that we hold in each property. For example, for 1981 McGill College, in Montreal, for which we are 50% owners, the raw consumption data was multiplied by 0.5, and the GHGs emitted were calculated from this adjusted data.

## SCOPE 2

**Indirect emissions related to electricity consumption**

For GHG emissions related to electricity consumption, we multiplied our consumption data by the emission factors of the *National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada*, for each province where our various buildings are located.

## SCOPE 3

**Other indirect emissions not related to electricity consumption connected to our operations****Waste management**

Our raw data was collected from the tonnage indicated on the contracts with our recovery partners and then multiplied by the corresponding equivalence factors, as shown in the table below.

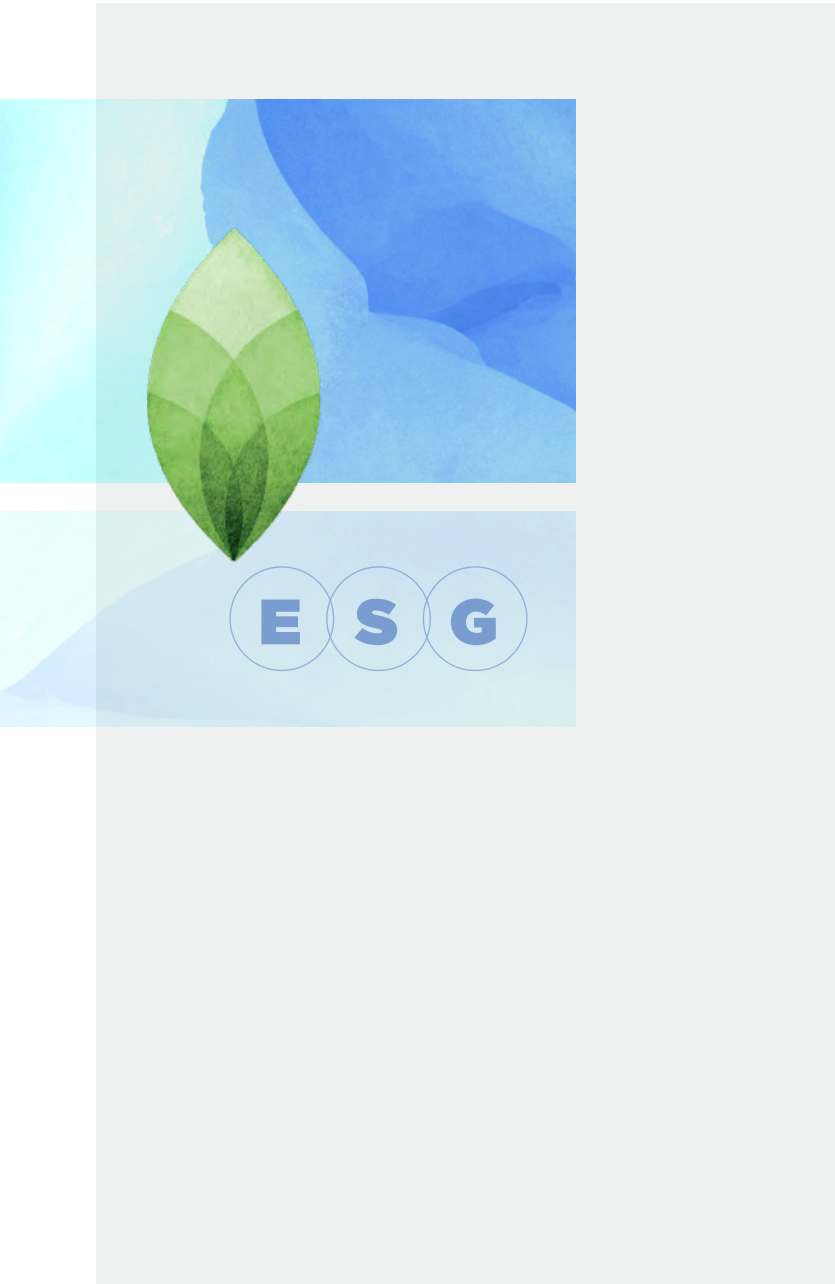
Waste type	Emission factor
Waste disposal-municipal landfill	Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0
Municipal waste closed loop	Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0
Municipal waste composting	Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0

**Transportation****Business travel (air and train)**

Our raw data on travel by airplane and by train was provided by Direct Travel, our partner for employee business trips by air and train. This data has been divided into short haul, medium haul and long haul. We then multiplied the total kilometrage for each category by the emission factors of the *Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0*. This information is presented in the following table.

Type of travel	Distance	Emission factor
Short haul	Less than 480 km	0.15573 kg CO <sub>2</sub> e/ passenger.km
Medium haul	Between 480 and 1,120 km	0.14981 kg CO <sub>2</sub> e/ passenger.km
Long haul	More than 1,120 km	0.1384453 kg CO <sub>2</sub> e/ passenger.km

Note: The emission factors are different for the long, medium and short haul categories; the short haul emission factor is higher. In the last fifteen years, an increase in videoconference meetings has contributed to a reduction in business travel.



### Business travel (personal vehicles)

For business trips made with employees' personal vehicles, we added up the expense report statements for the four quarters of 2020, on which the kilometrage of each trip appears, and we multiplied it by the Passenger vehicles- Average car petrol emission factor of the *Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0*.

### Employee commuting

Using the data collected in the travel management plan (TMP) for which we mandated an outside firm (the Mobili-T travel manager), we determined the number of car and public transport users.

The number of employees who use a car is calculated according to the number of available parking spaces. Thanks to various initiatives, including a valet service and better control of access to our parking areas, we can provide more accurate data on our employees' car use.

The GHG emissions were then calculated respectively for city bus and car kilometrage (raw data), multiplied by the emission factor, as shown in the following table.

Kilometres travelled by	Emission factor
City bus	GHG Protocol, Emission Factors from Cross-Sector Tools (March 2017)
Car	Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0 (Passenger vehicles- Average car petrol)

Finally, due to confinement measures that reduced access to all our offices, we used the average number of days/employee of physical access to our head office building at 1080 Grande Allée West. As we also had the average number of days/employee of physical access to this building in 2021, we adapted the 2015 GHG calculations proportionally.

### Event organization

All events that we held in 2021 were held virtually. Our offset calculation in previous years took into account the travel involved for our employees or guests to attend these events. In 2021, this raw data doesn't apply.

Nonetheless, we are aware that videoconferencing also has an impact on GHG emissions. It is for this reason that we wish to revise the categories in Scope 3 that we calculate.



iA Financial Group  
has always made its  
investment choices  
in a serious and  
responsible manner

#### **Investment real estate management**

As iA Financial Group is a major asset owner and manager, emissions from our investments are a category that will be calculated in increasing detail over the coming years. In the short term, only indirect GHGs related to our investment real estate (i.e., properties we own and lease to third parties) will be calculated. In the near future, GHGs related to the multiple companies in which we invest will also be calculated. iA Financial Group has always made its investment choices in a serious and responsible manner, which is why we feel it will be important to begin also considering these GHGs.

## Our GHG emissions

2021 GHG emissions index (by source) in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)

Scope 1: Direct GHG emissions	2019	2020	2021
<b>72% of total emissions for 2021</b>			
Diesel	40	43	97
Gas	3,853	3,826	7,630
Refrigerant	421	327	2,251
Vehicle fleet	8	1	2
<b>Total</b>	<b>4,322</b>	<b>4,197</b>	<b>9,980</b>
Indirect emissions related to electricity consumption	2019	2020	2021
<b>24% of total emissions for 2021</b>			
Alberta	5	1,755	2,154
British Columbia	2	133	148
Manitoba	0	40	39
Ontario	2	118	817
Quebec	59	173	136
<b>Total</b>	<b>68</b>	<b>2,219</b>	<b>3,294</b>
Scope 3: Indirect emissions not related to electricity consumption	2019	2020	2021
<b>4% of total emissions for 2021</b>			
Waste management	1,908	237	179
Transportation (air, train, bus, car)	4,977	1,183	314
<b>Total</b>	<b>6,885</b>	<b>1,420</b>	<b>493</b>
<b>Grand total</b>	<b>11,275</b>	<b>7,836</b>	<b>13,767</b>

# Appendix 3

## SASB standards index

In 2020, we adopted the Sustainability Accounting Standards Board (SASB) framework. SASB standards address sustainability issues by industry type. Adopting this robust, recognized framework enables us to identify, measure, manage and better communicate to our various stakeholders relevant sustainability information. By adopting SASB standards for our business lines, we are able to focus on the factors that are most likely to have a significant financial impact on value creation for our business. In addition, since the measures are specific to our lines of business, our stakeholders have clear, objective and comparable information to track our progress over time and assess our performance.

Moreover, this framework provides enhanced alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures, allowing us to adopt complementary measures and performance metrics.

Finally, in 2021, we improved our reporting on the measures we had adopted in 2021, and we adopted new ones.

★ Represents new metrics adopted in 2021

Topic	Accounting metric	Code	Disclosure
<b>Business lines: Insurance, asset management and asset safekeeping</b>			
Incorporation of Environmental, Social, and Governance Factors in Investment Management	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	<b>FN-IN-410a.2</b>	<i>2021 Sustainability Report</i> , page 12
		<b>FN-AC-410a.2</b>	<i>2021 Management's Discussion and Analysis</i> , page 38
<b>Business lines: Insurance</b>			
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	<b>FN-IN-270a.1</b>	Although some legal proceedings involve allegations relating to product understanding, an analysis of each specific case has not identified any issues that indicate that marketing or communication of insurance products is unsatisfactory or even lacking.
	★ Customer retention rate	<b>FN-IN-270a.3</b>	<i>2021 Sustainability Report</i> , page 89
	Description of approach to informing customers about products	<b>FN-IN-270a.4</b>	<i>2021 Sustainability Report</i> , page 42 Fair Treatment of Clients Statement
Incorporation of Environmental, Social, and Governance Factors in Investment Management	Total invested assets, by industry and asset class	<b>FN-IN-410a.1</b>	<i>2021 Sustainability Report</i> , page 17 <i>2021 Management's Discussion and Analysis</i> , page 39



Topic	Accounting metric	Code	Disclosure
<b>Business lines: Insurance</b>			
Policies Designed to Incentivize Responsible Behavior	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	<b>FN-IN-410b.2</b>	<i>2021 Sustainability Report</i> , pages 45, 66, 73, and 34 to 38
Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	<b>FN-IN-450a.1</b>	<i>2021 Sustainability Report</i> , page 27
	★ Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	<b>FN-IN-450a.2</b>	The premiums of our auto and home insurance subsidiary (iA Auto and Home Insurance) represent approximately 2% of the Group's net premiums, premium equivalents and deposits as at December 31, 2021. The amount of probable losses related to physical risks (damage directly caused by climate events) is not significant.
	★ Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	<b>FN-IN-450a.3</b>	<i>2021 Sustainability Report</i> , page 27 <i>2021 Management's Discussion and Analysis</i> , page 47
Systemic Risk Management	★ Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	<b>FN-IN-550a.1</b>	<i>2021 Sustainability Report</i> , page 45
	★ Total fair value of securities lending collateral assets	<b>FN-IN-550a.2</b>	<i>2021 Sustainability Report</i> , page 45
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<b>FN-IN-550a.3</b>	<i>2021 Management's Discussion and Analysis</i> , page 45
<b>Business lines: Asset management and asset safekeeping activities</b>			
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	★ Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	<b>FN-AC-410a.1</b>	<i>2021 Sustainability Report</i> , page 17 <i>2021 Management's Discussion and Analysis</i> , page 39
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	<b>FN-AC-330a.1</b>	<i>2021 Sustainability Report</i> , page 49

Topic	Accounting metric	Code	Disclosure
<b>Business lines: Asset management and asset safekeeping activities</b>			
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	<b>FN-AC-510a.1</b>	In 2021, iA Financial Group was not the target of any legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.
	Description of whistleblower policies and procedures	<b>FN-AC-510a.2</b>	<i>2021 Sustainability Report</i> , page 86 <a href="#">Code of Business Conduct</a> , page 4
<b>Complementary to our operations: Real estate, corporate banking and brokerage, integrated healthcare management</b>			
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	<b>IF-RE-130a.1</b>	<i>2021 Sustainability Report</i> , page 33
	★ (1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	<b>IF-RE-130a.2</b>	<i>2021 Sustainability Report</i> , page 31
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	<b>IF-RE-130a.4</b>	<i>2021 Sustainability Report</i> , page 31
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	<b>IF-RE-130a.5</b>	<i>2021 Sustainability Report</i> , page 30
	Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	<b>IF-RE-140a.1</b>
	★ (1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	<b>IF-RE-140a.2</b>	<i>2021 Sustainability Report</i> , page 31
	Description of water management risks and discussion of strategies and practices to mitigate those risks	<b>IF-RE-140a.4</b>	<i>2021 Sustainability Report</i> , page 31





Topic	Accounting metric	Code	Disclosure
<b>Complementary to our operations: Real estate, corporate banking and brokerage, integrated healthcare management</b>			
Climate Change Adaptation	★ Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	<b>IF-RE-450a.2</b>	<i>2021 Sustainability Report</i> , pages 27, 92 and 110 <i>2021 Management's Discussion and Analysis</i> , page 47
Professional Integrity	★ Description of approach to ensuring professional integrity, including duty of care	<b>FN-IB-510b.4</b>	<i>2021 Sustainability Report</i> , page 85 <a href="#">Code of Business Conduct</a>
Climate Change Impacts on Human Health	★ Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographic incidence, morbidity, and mortality of illnesses and diseases are incorporated into risk models	<b>HC-MC-450a.1</b>	<i>2021 Sustainability Report</i> , pages 92 and 113 <i>2021 Sustainability Report</i> , page 47

# 2021 SUSTAINABILITY REPORT

This report, our sustainable development policy and various other documents related to sustainable development are available on our website at [ia.ca](https://ia.ca), in the *Sustainable development* section.

To reduce our production of printed materials at the source, iA Financial Group has decided not to print this *Sustainability Report*. An electronic version of this document is available at [ia.ca](https://ia.ca).



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