

2022 SUSTAINABILITY REPORT
INSPIRED TO GROW TOGETHER, NOW



UPDATED JULY 26, 2023

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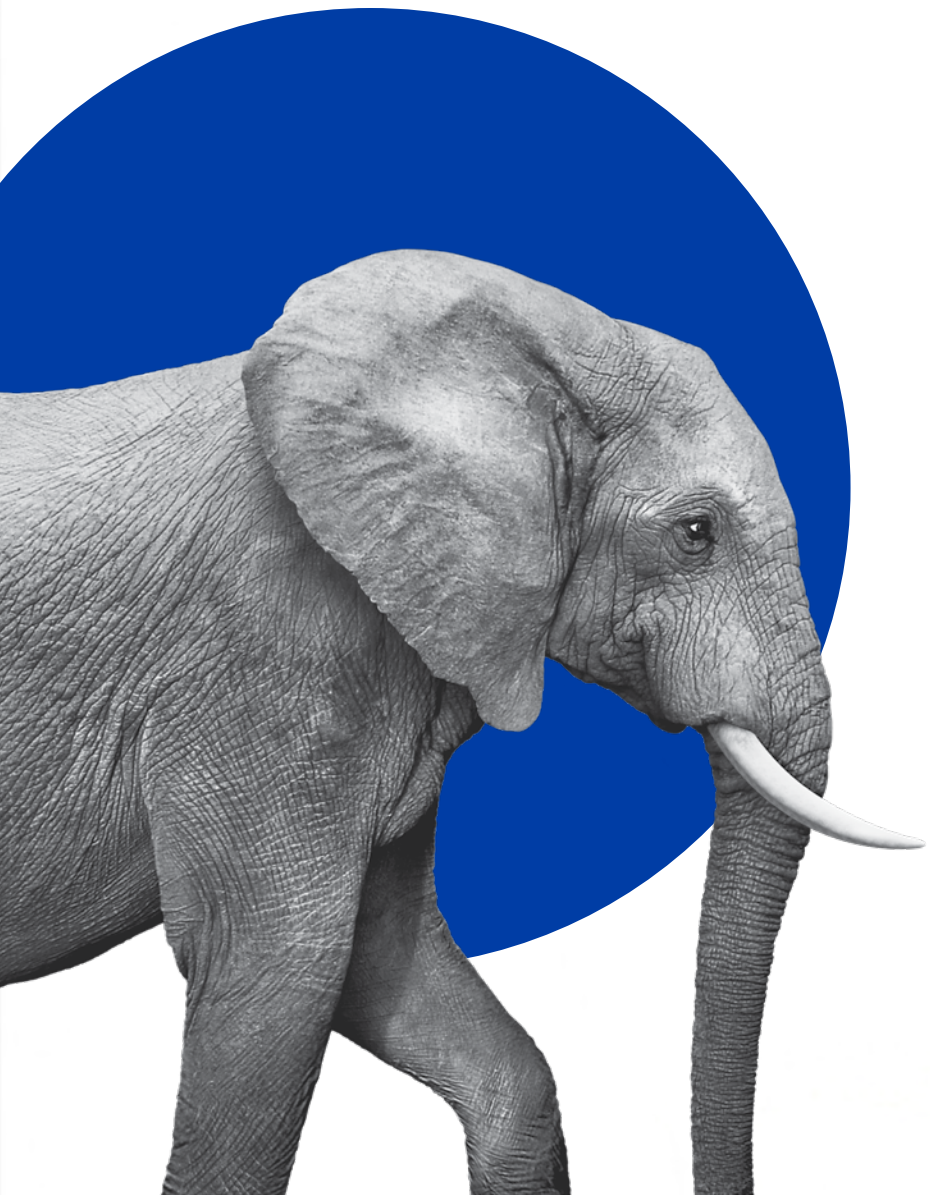
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About us

Founded in 1892, iA Financial Group is one of the largest insurance and wealth management groups in Canada. It also has 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.

iA Financial Group in figures

(as at December 31, 2022)

Over
4 million
clients

Over
8,900
employees

Over
50,000
representatives

Subsidiaries:	Over 20
Solvency ratio [†] :	126% ¹
Premiums, premium equivalents and deposits [†] :	\$15.2B
Assets under management and administration:	\$200.4B
Net income attributed to common shareholders:	\$817M
Market capitalization:	\$8.3B
Book value per share ² :	\$63.06

Economic impact

Salaries and employee benefits in 2022:	Claims paid in 2022:
\$935M	\$7.8B
	(\$150 million 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)

[†] This is a non-IFRS measure. See the "Non-IFRS and Additional Financial Measures" section in this document for key information on such measures.

^{1 and 2} See notes at the end of the document, [page 86](#)

Geographic presence

Premiums, premium equivalents and deposits by region[†]:

Western Canada	23%
Ontario	24%
Quebec	42%
Atlantic Canada	3%
United States	8%

Taxes paid

Canada:

Municipal	\$45.9M
Provincial	\$194.1M
Federal	\$123.0M

United States \$31.2M

Total **\$394.2M**

ESG ratings³

	2021		2022
S&P Global ⁴	41	↗	45
MSCI ⁵	BB	↗	A
ISS ESG ⁶	D+	↗	C-
Sustainalytics ⁷	Medium risk	=	Medium risk
CDP ⁸	C	=	C

Non-IFRS and Additional Financial Measures

iA Financial Corporation and iA Insurance report their financial results and statements in accordance with International Financial Reporting Standards (“IFRS”). They also publish certain financial measures or ratios that are not based on IFRS (“non-IFRS”). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles (“GAAP”) used for the Corporation’s audited financial statements. The Corporation uses non-IFRS measures when evaluating its results and measuring its performance. The Corporation believes that non-IFRS measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Corporation’s ongoing operations. Since non-IFRS measures do not have standardized definitions and meaning, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Corporation strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure. These non-IFRS measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS measures, there are no directly comparable amounts under IFRS. This document presents non-IFRS measures used by the Corporation when evaluating its results and measuring its performance.

For relevant information about non-IFRS measures used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis for the period ending December 31, 2022, which is hereby incorporated by reference and is available for review at [sedar.com](https://www.sedar.com) or on iA Financial Group’s website at ia.ca.



^{3 to 8} See notes at the end of the document, [page 86](#)

Caution Regarding Forward-Looking Statements

This report may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may,” “will,” “could,” “should,” “would,” “suspect,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” and “continue” (or the negative thereof), as well as words such as “objective,” “goal,” “guidance,” “outlook” and “forecast,” or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, forward-looking statements include, but are not limited to, information concerning iA Financial Group’s strategies, initiatives and goals with regard to sustainable development, governance, environmental matters, social engagement and climate change mitigation and adaptation. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change.

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from the predictions, forecasts, projections, objectives, expectations, conclusions and other forward-looking statements expressed or implied in such statements. Moreover, many of the assumptions, standards, metrics and measures used in preparing this report continue to evolve and are based on assumptions considered reasonable at the time of writing, but their accuracy should not be considered guaranteed.

Material factors and risks which could cause actual results to differ materially from those projected, many of which are beyond the control of iA Financial Group and the effects of which may be difficult to predict, include: the need for more and higher-quality climate data and for standardization in climate measurement methods, climate conditions and weather events, the need for the active and constant stakeholder participation (including governmental and non-governmental organizations, other financial institutions, businesses and individuals), technological advancements, changing consumer behaviour, variable decarbonization efforts across economies, the need for relevant climate policy on a global scale, challenges of balancing emissions with an orderly and inclusive transition, geopolitical factors that influence global energy needs, our ability to collect and verify data, our ability to implement various initiatives across the business within the set time limits, the risk of not completing the initiatives within the set time limits or at all, or without the results intended or anticipated by iA Financial Group, the compliance of third parties with our policies and procedures and their commitment to us, financial market conditions, our commercial activities, our financial results, our situation and goals, the legal and regulatory environment and regulatory compliance (which may expose us to legal proceedings and regulatory action, the consequences of which could include regulatory restrictions, penalties and fines), and strategic, reputational, legal and regulatory, systemic, competitive and other risks.

Additional information about the material factors that could cause actual results to differ materially from forecasts and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of this *Management’s Discussion and Analysis for 2022*, the “Management of Risks Associated with Financial Instruments” note to the Audited Consolidated Financial Statements for the year ended December 31, 2022, and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at [sedar.com](https://www.sedar.com).

The forward-looking statements in this document relate to future events or results and reflect iA Financial Group’s expectations as of the date of its publication. They are part of the context of climate change and detail the company’s or its industry’s growth, operating results, performance and business prospects and opportunities, as well as its environmental, social and governance objectives, its vision and strategic targets. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.



The next step

In each of our individual journeys, and in each company's journey, there are pivotal moments that mark the start of a new step. We can look at these moments and see a clear "before" and "after." iA Financial Group is in the midst of such a moment with respect to sustainability. We aren't merely aware of the shift we're experiencing—we're the ones driving it.

Integrating environmental, social and governance ("ESG") factors into the activities of a large firm like ours takes time and effort. It requires a progressive shift in perspective that eventually becomes a core part of the company culture and influences all our actions.

2022 was a turning point for our ESG strategy. After patiently building our foundation and learning to measure our progress, we're now entering an expansion phase with far more visible results. This report on our sustainability activities in 2022 speaks volumes about the breadth and depth of our achievements.

At the environmental level, we are continuing our efforts to make our organization more carbon neutral in the future. Our actions are helping to make the world a healthier place and slow the ever growing effects of climate change. We are all responsible for leaving our children a healthy world. But this commitment also makes sense for iA Financial Group as a company. Our environmental actions have a long-term impact on our clients' health and safety, on the value we create for our investors and on our financial performance.

Our social commitments benefit all of our communities, especially our employees and distribution networks. We invest a lot in equity, diversity and inclusion initiatives, as well as in our workplace culture. We've implemented a hybrid work model to improve our employees' productivity and quality of life. These choices help improve people's long-term well-being, but they also have significant financial benefits. For instance, a modern work culture facilitates employee attraction and retention, making our social efforts an investment, not an expense.

Finally, governance is an area we've invested a lot of effort in and strive to continuously improve. One might think the high degree of regulation in the financial sector would satisfy our governance needs, but we feel it's important to go beyond merely complying with existing regulation. Through sound risk management, we offer clients peace of mind and are able to accept risk levels that are consistent with our growth aspirations. This has tremendous potential for iA Financial Group.

The title of this report, *Inspired to grow together, now*, doesn't just refer to our business aspirations. It's also about our commitment to being a company that fosters healthy and sustainable growth for our clients, our distributors and our employees. It signals our commitment to becoming even more than what we are today, our commitment to taking the next step, for our own good and that of future generations.

Denis Ricard
President and Chief Executive Officer



Moving forward

Sustainability has been central to our concerns for several years and is being integrated into our corporate strategy. We have decided to integrate ESG factors into our practices and are actively working toward that goal.

Our vision for sustainable development is to actively contribute to sustainable growth and wellbeing for our clients, employees, partners, investors and communities. Our 2022 actions and achievements are directly in line with this goal.

As a financial group, we believe in the importance of ramping up our efforts in the area of sustainable finance. That is why, in 2022, we have strengthened our ESG coordination structure for our investments by appointing an expert in charge of responsible investment. We have also begun analyzing our investment portfolio's greenhouse gas ("GHG") emissions and have issued our first sustainable bond totalling \$300 million.

At the environmental level, specifically in the fight against climate change, 2022 marked the publication of our position statement on climate change and our inaugural report based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). We have also improved our disclosure and quantification processes for Scope 3 GHG emissions, which include GHG emissions produced through our investments.

iA Financial Group also continued rolling out its extensive equity, diversity and inclusion program, by establishing the Black, LGBTQ+ and Women's employee resource groups.

We are also taking formal steps to obtain the Progressive Aboriginal Relations ("PAR") certification of the *Canadian Council for Aboriginal Business*. We recognize that our relationship with Aboriginal communities in Canada must be certified by external standards set by Aboriginal peoples.

We have also stayed the course with respect to philanthropy through philanthropic contributions totalling \$8.5 million to various aid organizations in Canada and the United States.

This *Sustainability Report* highlights these and other achievements in what has been a very active and eventful year.

Rest assured that we are committed to continuing our work in this direction.

Marie-Annick Bonneau

Vice-President, Investor Relations, Capital Management, Sustainability and Public Affairs

About this report⁹

Methodology

Since 2006, 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 assessing and understanding iA Financial Group's extra-financial health with regard to ESG factors.

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, 2022, and all of the information it contains corresponds to data up to December 31, 2022 entered in the fiscal year ended on that date. Unless indicated otherwise, all data is consolidated for all of our subsidiaries and operations in Canada and the United States and all amounts are in Canadian dollars. The terms "us", "we", "our", "the Corporation" and "iA Financial Group" all refer to iA Financial Corporation Inc. and its subsidiaries if applicable.

The term "iA Insurance" refers to Industrial Alliance Insurance and Financial Services Inc. and, where applicable, its subsidiaries.

Our frameworks

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 relevant sustainability information to our various stakeholders.

The Corporation publishes its Scope 1, 2 and 3 GHG emissions calculations in accordance with the *GHG Protocol*.

iA Financial Group discloses its performance with respect to climate change in its *2022 TCFD Report*.

⁹ This document contains references to iA Financial Group's website. These references exist solely to assist the reader. The document also contains links to third-party websites. Clicking on these links will make users leave our website. These links are provided solely for convenience and supplemental information. iA Financial Group is not responsible for these third-party websites or their content. iA Financial Group does not incorporate any of the information on ia.ca or a third-party website into this report by reference.

Our sustainable operating model – The iA Model

In 2022, iA Financial Group adopted a model grounded in a vision, a culture and a business system. This distinctive iA Model guides all of the Corporation's decisions.

Our purpose

Our vision is how we see our future. Our purpose, “for our clients to be confident and secure about their future,” is the starting point for this vision, which is expressed through our **three winning ways**:

- **Immersed in Client Experience:** Immersed means being deeply involved in a particular activity or interest. It's not an afterthought or a secondary concern. At iA Financial Group, being immersed in client experience goes beyond just thinking about our clients. It means always listening to them so we can understand their situation, their needs and what's important to them. This enables us to offer them the right solutions and an exceptional experience at all levels of our organization.
- **Committed to simplicity:** The quest for simplicity is an iterative and rigorous process which, when mastered, generates immense benefits. At iA Financial Group, we seek simplicity every day, in everything we do, by asking ourselves how we could do things in fewer steps, with fewer interactions and fewer systems. What we do isn't any less complex. Far from it. But we work together to absorb and resolve that complexity, and to translate it into solutions so simple that, from the outside, they seem almost magic.
- **Inspired to grow together:** iA Financial Group is a learning organization, with a rich mix of talents and specialties, where employees are continually learning from one another. Every situation is a learning experience, where the inclusion of diverse perspectives is key to our success. As a company, we sometimes encounter setbacks. Most of the time we manage to overcome them, but we always learn from them. And as iA Financial Group grows, so do our employees, through their professional achievements and their personal wellbeing. But our desire to grow together goes beyond that. It extends to our investors, who recognize our proven ability to generate value; to our communities, in which we reinvest through philanthropy; and to our clients, who are becoming increasingly confident and secure about their future.

Our culture

Culture is a powerful lever for iA Financial Group's growth. It influences who we are and sets us apart from other companies. We want to build our future company culture while maintaining our current strengths in order to ensure our success through high performance while also taking our employees' needs and well-being into account.

That is why we have identified four characteristics we want to foster in our teams in order to influence our company culture:

Client centric: Understand clients' needs, work closely with distributors and take action to provide top-notch products and services and an outstanding client experience.

Continuous learning: Encourage continuous learning and explore new ways to grow.

Impactful effectiveness and efficiency: Take effective and efficient action to create more value for iA Financial Group and its stakeholders.

Inspired teams: Cultivate autonomous and inclusive teams that work together toward a shared vision for iA Financial Group's success.

Humans are at the heart of everything we do. Clear and honest communication, openness to different perspectives and freedom to speak out safely are the keys to offering an outstanding employee experience.

Our culture is also strengthened and defined by other elements, such as workplace flexibility and equity, diversity and inclusion.

Our business system

Our business system is rooted in the Lean philosophy and has been structured around our three winning formulas. It informs all of our major standardized business processes and allows for fair, quick, efficient and consistent decision-making that is aligned with our vision and culture.

It also ensures our sustainability and is grounded in sustainable development principles.

Sustainability is a core part of how we think and act. We strive to be a company that contributes to sustainable growth and wellbeing for its clients, employees, partners, investors and communities. In 2020, iA Financial Group committed to five of the United Nations' Sustainable Development Goals ("SDGs") in order to guide our strategy and actions. The aim of these SDGs is to protect the planet and promote prosperity for all by 2030.



Since our board of directors, our management and our employees are all deeply committed to sustainability, we have adopted a [governance structure](#). It is directly supported by the Risk, Governance and Ethics Committee ("RGEC"), whose members sit on the Board of Directors, the Steering Committee, the Action Committee and the Sustainable Development Ambassadors' Network.

To clearly express iA Financial Group's commitment to creating economic and social value and sharing our sustainability objectives and guidelines with our stakeholders, our practices are governed by a [Sustainable Development Policy](#).

Since sustainability is a rapidly evolving field, this policy will be reviewed periodically. The next review is scheduled in 2023.

On the road to B-Corp certification

iA Financial Group is proud to have one of its subsidiaries, PPI Management Inc. ("PPI"), committed to environmental sustainability, social responsibility and sound governance practices. To measure its progress and improve, PPI is on a B-Corp™ certification journey, working with its employees and independent Advisors across Canada.

B-Corp is a global certification designed to test and evaluate corporate culture and practices to fulfill commitments to sustainability and responsible business. B Corp's values and initiatives are aligned with the SDGs, as are the commitments at iA Financial Group.

Our way of engaging our stakeholders

Engaging our stakeholders is a key priority for us. Over the course of the year, we strive to establish a dialogue with them to better understand what they care about so that we can prioritize our actions accordingly. The stakeholders we mainly interact with are our employees, our clients, our investors, public authorities and regulatory bodies, industry associations and community organizations. The Table 1 below summarizes why we strive to engage these stakeholders and how we go about it.

Table 1: Stakeholder Engagement

Stakeholders	Reasons	Methods
Employees	We aspire to be an employer of choice that offers a rewarding career. We believe that our employees are the key driver of our success and that qualified, high-performing collaborators are an invaluable asset. As a result, our human resources management philosophy is focused on flexibility and openness so that we can offer a unique employee experience in line with the values of both the company and the individual.	<ul style="list-style-type: none"> — Employee engagement survey — Employee networks (Women’s network, Black community network, LGBTQ+, iA Health group, etc.) — Two virtual quarterly employee meetings (one with the vice-president and one with the president and CEO) — Ambassadors’ Network
Senior management	We are continuing our discussion with senior management in order to continuously monitor key areas and define emerging risks that could have an impact on the Corporation’s activities and solvency.	<ul style="list-style-type: none"> — Regular presentations to and discussions with the Executive Committee to spark dialogue and encourage regular follow-ups — Survey on emerging risk management conducted annually with senior management. In 2022, some 70 Board, Executive Committee and subcommittee members completed the survey. Some 45 risks were identified in the survey and evaluated based on their: <ul style="list-style-type: none"> – likelihood of occurrence; – severity; – speed; and – how they have been trending since the previous year <p>The survey results are then analyzed, presented to senior management and integrated into our planned capital calculation scenarios and strategic plan update.</p>
Clients	Our clients are at the heart of our priorities and we constantly strive to improve their experience and the products and services we offer them. We have several tools for continuously monitoring clients’ satisfaction to understand and better adapt to their needs.	<ul style="list-style-type: none"> — Transactional surveys conducted at several key moments of the client journey to measure the net promoter score (NPS), the client’s satisfaction and the level of effort expended during the client’s interaction with iA Financial Group — Online surveys on the Corporation’s main digital platforms (website, extranet and mobile applications) — Collection, pooling and analysis of all client feedback, whether solicited or spontaneous, from various targeted sources, such as client complaints and comments submitted in the “Contact us” sections on our various digital channels and social networks — Other sporadic client research to better understand the problems raised, such as call monitoring, individual interviews, group interviews, user tests, etc.

Stakeholders	Reasons	Methods
Investors	Our commitment to our shareholders and our interactions with the financial community as a whole allow us to ensure open and continuous dialogue regarding the various aspects of the Corporation's current situation and its long-term strategy, and to better understand and address the main questions and concerns. Optimizing our relations and engagement with our investors allows us to proactively align our strategy with shareholders' and potential investors' interests.	<ul style="list-style-type: none"> — Annual general meeting — Meetings and conference calls during quarterly result reporting — Meetings with the Chair of the Board — Individual meetings and communications between shareholders and investors and the President, Chief Financial Officer and other officers — Public meetings and events at finance seminars (organized by major Canadian banks)
Industry associations Public authorities and regulatory bodies	We strive to be a lever of change within our industry while supporting industry initiatives and dialoguing with peers, public authorities and regulatory bodies.	<ul style="list-style-type: none"> — Catch-up meeting with the Canadian Life and Health Insurance Association ("CLHIA") — Member of the United Nations-supported Principles for Responsible Investment ("PRI") — Fédération des chambres of the commerce of the Québec ("FCCQ") — Finance Montréal — Ad hoc communication with insurance and financial services regulatory bodies
Sustainability associations and groups	We want to support and have a positive influence on sustainability issues by working with the relevant associations and networks.	<ul style="list-style-type: none"> — Support for the International Sustainability Standards Board ("ISSB") and Finance Montréal — Participation in the forum to promote organizational change through the Investor Climate Action Plans ("ICAP") — Active participation in the Net Zero Capital Allocation Working Group
Community organizations	We are a socially engaged company that works to support individual and community wellness and become wellness catalysts today and in the future.	<ul style="list-style-type: none"> — Philanthropic donations — Annual philanthropic contest — iA Day of Caring in which employees across the country mobilize to do charitable or volunteer work. — Donation policy for employees

Our 2022 roadmap

Each year, iA Financial Group undertakes to follow a sustainability roadmap. With a view to continuous improvement, this roadmap was completed during the year and new work was begun.

Sustainable finance

Priority projects for 2022	Progress	Actions taken in 2022
Allocate more resources to coordinating ESG efforts across the organization in order to formalize and improve the sustainable investment structure	Completed	In 2022, we implemented a sustainable investment structure, including by hiring an expert, adopting an ESG committee charter, reviewing and improving our <i>Sustainable Investment Policy</i> ¹⁰ and developing a strategy.
Continue and deepen the integration of ESG criteria in our portfolio management processes	Ongoing	The ESG committee's roles and responsibilities were formalized and the <i>Sustainable Investment Policy</i> was updated. More robust internal portfolio (in ESG matters) investment reporting systems are in place.
Quantify all Scope 3 GHG emissions and analyze our investment portfolio in view of reaching to net zero by 2050	Ongoing	We are in the process of quantifying the emissions produced by our investment portfolio, specifically the General Funds. We have calculated the footprint for listed equity and corporate bonds. This process is more complex and requires more time than anticipated, in part due to the limited information available.
Conduct a climate change financial strength stress test	To do	The scenario analysis depends on portfolio mapping, including quantification of GHG emissions, for corporate bonds and stocks. The analysis will begin once mapping is complete.
Issue a sustainable bond	Completed	<ul style="list-style-type: none"> — We have issued our first sustainable bond totalling \$300 million. — This achievement follows the publication of our Sustainability Bond Framework.
Add new socially responsible products to our fund offerings to provide additional responsible investment options for our clients	Completed	In 2022, we launched four new socially responsible funds.

¹⁰ Formerly *Responsible Investment Policy*

Environment

Priority projects for 2022	Progress	Actions taken in 2022
Continue to reduce and offset our direct GHG emissions	Ongoing	<p>To continue reducing our impact, we have begun the review of our strategy for fighting climate change. To this end, we have:</p> <ul style="list-style-type: none"> — Taken a public stance by publishing our <i>Climate Change Position Statement</i>; — Conducted a climate change risk and opportunity analysis; — Disclosed our first report in accordance with TCFD recommendations; — Trained Board members on sustainable development and climate change; — Worked with an external firm to improve the comprehensiveness of our GHG data and broaden Scope 3 quantification.
Assess and quantify new Scope 3 categories	Ongoing	We are in the process of quantifying the GHG emissions produced by our investment portfolio with the inaugural disclosure set out in this report.
Implement technologies for our new hybrid offices	Ongoing	<p>Throughout the year, we have worked on rolling out new technologies to improve our employees' experience with our flexible work model.</p> <ul style="list-style-type: none"> — Employees can work remotely or at the office and enjoy an optimal experience either way. — Though the work in some buildings is complete, we are continuing to roll out these new technologies in all of our offices. — These technologies support our flexible work model, which not only improves employees' experience but also reduces our carbon footprint.
Develop partnerships with environmental charities	Completed and under continuous improvement	<ul style="list-style-type: none"> — We have made a long-term commitment by financially supporting several environmental organizations. — In addition to these commitments, we are continuing to work on building new relationships with key organizations in this field. These organizations aim to preserve the diversity of nature, reverse species decline and reduce GHG emissions.

Talent and culture

Priority projects for 2022	Progress	Actions taken in 2022
Roll out tools and activities to further empower managers to make the use of the performance appraisal approach (Altitude) a fixture in our daily work, where it can be used to its full potential	Completed and under continuous improvement	<ul style="list-style-type: none"> — We have offered several manager information and brainstorming sessions to continue empowering them to use the Altitude approach to better set team goals and recognize behaviours. — We have also offered year-end cycle information and empowerment sessions to all our managers.
Promote and expand corporate training programs and other means of development	Completed and under continuous improvement	<ul style="list-style-type: none"> — We have improved the training offered at our learning and development centre of excellence, including by enhancing our language course offerings. — We have created a space with tools and services to help managers hone their skills and inspire their teams to focus on development.
Incorporate the principles of a learning organization	Ongoing	We have collaborated with the <i>Académie de la transformation numérique</i> to create a capsule on learning organizations and continuous learning.
Continue rolling out the diversity and inclusion program, including for Aboriginal communities, and develop a plan for more inclusive client practices company-wide	Ongoing	<ul style="list-style-type: none"> — A centre of expertise has been created to develop the Equity, diversity and inclusion program. — A three-year strategy has been made official — We have adhered to the <i>Canadian Council for Aboriginal Business</i> and are officially a PAR-committed company. This initiative allows us to create a concrete action plan for building sustainable relations with Aboriginal peoples.
<p>Achieving our gender parity goals:</p> <ul style="list-style-type: none"> — Now and in the future, between 40% and 60% of iA Financial Group Senior Leadership Position¹¹ 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 	Ongoing	<ul style="list-style-type: none"> — In 2022, 50% of the new appointments to iA Financial Group Senior Leadership Positions went to women. — For all of iA Financial Group Senior Leadership Positions, we will continue our progress to reach our target (36% women in 2022 versus 31% in 2021).
Launch and develop our Employee Resource Group (“ ERG ”) program	Completed and under continuous improvement	Three new employee resource groups were created: one for women, one for the LGBTQ+ community, and one for the Black community.

¹¹ iA Financial Group Senior Leadership Positions means the Corporation’s executives and senior management as well as senior management of the Group’s main Canadian subsidiaries.

Priority projects for 2022	Progress	Actions taken in 2022
Collect data and analyze the composition of our workforce in terms of other forms of diversity besides gender	To do	<ul style="list-style-type: none"> — We have focused our efforts on education and awareness-raising and have listened to our employees to properly understand their needs. — We have worked on the governance framework for the voluntary self-identification program.
Continue training on education and awareness for all our employees	Completed and under continuous improvement	Throughout the year, our employees had access to a range of courses, awareness activities, seminars and discussions. For instance, they have had the opportunity to attend a seminar on pronouns, and we have promoted young female talent for careers in financial services.
Roll out our framework detailing the flexible work model at iA Financial Group	Completed	All of our employees and managers have access to our framework detailing the flexible work model. This framework covers rights and responsibilities, the technology available, and alternative work models such as in-office work, remote work and work abroad.
Consolidate and promote all our global health program initiatives	Completed and under continuous improvement	<ul style="list-style-type: none"> — We have launched several new initiatives such as QR-facilitated access to information, mandatory training and an Ergonomic Furniture Program for remote workers in order to support overall health. — They were promoted through video capsules, newsletters and seminars.
Engage in philanthropy to help local communities and underprivileged populations in Canada and the United States	Completed	We contributed \$8.5 million in 2022 (\$1 million more than in 2021).

Client experience

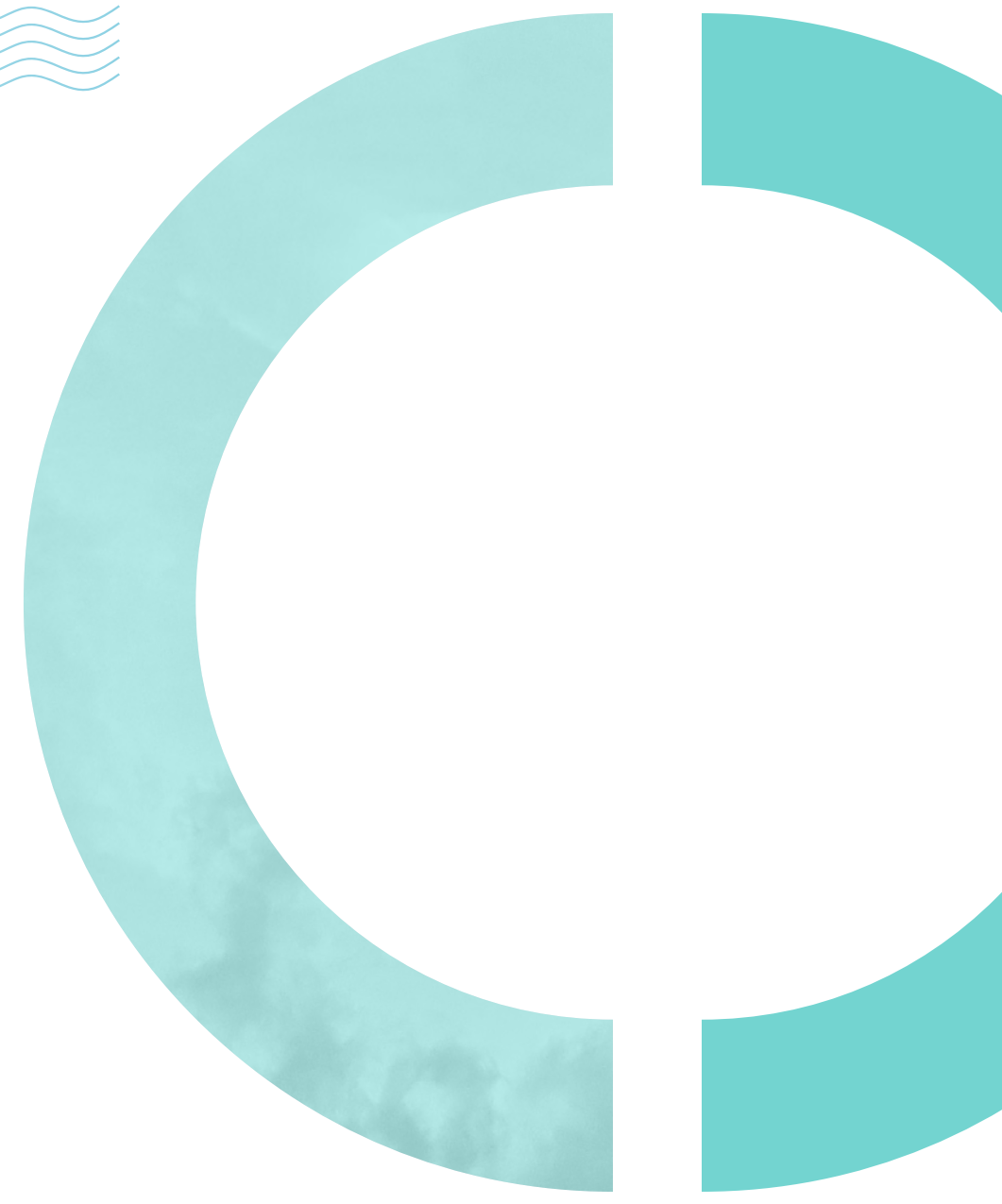
Priority projects for 2022	Progress	Actions taken in 2022
Update the <i>Voice of the Customer</i> (VOC) program by including additional sources of data	Completed	We added processing and analysis of spontaneous feedback received from clients in our main digital channels and social networks.
Continue to put foundations in place with regard to the client relationship management (“ CRM ”) target operating model	Ongoing	<ul style="list-style-type: none"> — A CRM centre of expertise was created to support these roll-outs and ensure sound platform development in line with our growth and CX goals. — We also developed a roadmap.
Continue to modernize solutions, improve practices and decommission old infrastructures in the contact centres	Completed	<ul style="list-style-type: none"> — We finished rolling out our contact centre infrastructure. — We started updating our current platform to our supplier’s new flagship solution.
Improve the consistency and development efficiency of our multi-platform digital experience	Completed and under continuous improvement	<ul style="list-style-type: none"> — We improved our mobile application. — We rolled out a first version of the new client/advisor experience. — We designed a modern new website for one of our subsidiaries.
Operationalize the measurement and tracking of indicators for the fair treatment of clients	Completed	<ul style="list-style-type: none"> — We launched a host of new metrics in various business lines and digital channels. — We enhanced our results viewing tools and significantly increased access internally.

Governance

Priority projects for 2022	Progress	Actions taken in 2022
Identify, measure and better communicate the ESG factors that can influence sustainable value creation for our stakeholders	Ongoing	<ul style="list-style-type: none"> — We are continuing to improve our reporting in order to increase our internal and external transparency. — We are integrating and striving to improve SASB standards and TCFD recommendations. — We also follow developments in industry standards, such as new pronouncements from the <i>International Sustainability Standards Board</i> (“ISSB”).
Ensure greater integration of ESG factors in our initiatives, products and services in accordance with our sustainable development goals and guidelines	Ongoing	<ul style="list-style-type: none"> — We are working with our subsidiaries to integrate ESG factors into their 2023 planning. — We have deployed several socially responsible products for our clients and improved some of our products to make them more accessible.
Define 2023–2025 ESG priorities based on a materiality analysis (matrix)	Ongoing	Work on the matrix has begun and will be completed in 2023.



SUSTAINABLE FINANCE



As one of Canada's largest insurance and wealth management groups, we strive to achieve sustainable results across our business to better manage risks and opportunities. Industrial Alliance Investment Management Inc. ("iAIM") is the primary portfolio and asset manager of iA Financial Group and certain subsidiaries and provides portfolio management services for insurer general funds, investing clients' mutual funds and segregated funds and external institutional clients, including the selection and oversight of external portfolio managers.

As PRI signatories, we remain committed to strengthening our ESG commitments and capabilities.

Our holistic and comprehensive approach to sustainable investment funds brings together the best of both worlds: the wealth-creation potential of a proven investment approach alongside the positive environmental and social impacts that drive significant and sustainable change.

At iA Financial Group, sustainable investing is a priority, which is why in April 2022, iAIM appointed a new Head of Sustainable Investing to help advance its ESG strategy. With over a decade of sustainable investing experience, our new Head of Sustainable Investing brings a wealth of finance expertise and is regarded as one of Canada's leading voices in this field. She was also named to Canada's Clean50 list of Individual award winners in the Finance category in 2021. Through a process that encourages collaboration and collective ownership, iAIM's Head of Sustainable Investing provides leadership to advance the sustainable investing mission and strategy, build the team's sustainable investing organizational capacity, including analytical and reporting capabilities, and advance iA Financial Group's stewardship efforts across all asset classes.

Our sustainable investment philosophy

We believe that sustainable investing is a structural trend that creates long-term value for both the financial markets and the Corporation. Our sustainable investment strategy is rooted in our purpose of ensuring that our clients feel confident and secure about their future. We seek superior, risk-adjusted returns through a holistic investment approach that integrates financial and sustainability considerations for both our own and our clients' investments.



Our sustainable investment strategy

ESG factors and innovation are key pillars of our long-term strategy. The main elements of our sustainable investment strategy are:

1. focusing on integrating ESG factors throughout our investment process;
2. being the best capital managers for our clients' investments and our own investments; and
3. advocating for tailored frameworks, policies and disclosure requirements to build a more sustainable future.

Our sustainable investment pillars



ESG integration

We incorporate ESG factors into our investment analysis and decision-making processes.



Stewardship

We are active investors. We encourage improvement of ESG practices by engaging with companies and voting at shareholder meetings.



Advocacy

We work with other investors and stakeholders when it is the most effective way to achieve our objectives.

Our 2022 achievements include:

- Setting up a sustainable investment function within our investment team, by hiring a Head of Sustainable Investing.
- Implementing a thorough due diligence process for the selection of ESG data providers.
- Strengthening our approach to ESG integration by expanding the tools, data and training available to our investment team.
- Adding four new socially responsible investment funds. We now offer a total of 24 funds, providing a diverse selection of sustainable investment funds to our clients. These funds cover a broad spectrum of ESG investment approaches, including strong ESG integration, positive and negative screening, best-in-class approaches, as well as certain thematic and impact investments.

We will continue our efforts in 2023 to:

- Strengthen our approach to ESG integration for each asset class to address significant ESG risks.
- Implement the processes and infrastructure to integrate ESG factors, including climate, into our investment process.



Focussing on systemic sustainability and collaboration

Active ownership is an effective mechanism to mitigate risk, increase returns and advance investment value. Our portfolio managers and analysts engage with investees on important issues related to ESG factors.

Active management allows us to better understand investees, their governance structures and their approach to ESG issues, which allows us to make better informed investment decisions. Where engagement is not successful, we escalate the issue, potentially in conjunction with other investors.

The management of iAIM is based on three key pillars that we believe represent a leading-edge approach to management:

1. focus on real-world outcomes;
2. prioritization of systemic sustainability issues; and
3. collaboration.

iAIM portfolio managers and analysts have opportunities to communicate directly with investee management teams to discuss ESG issues and concerns.

Some of the systemic sustainability issues we can focus our management approach on include:

- **Climate change:** We expect companies to ensure compliance with environmental regulations and to strive to reduce the environmental footprint of their operations in terms of GHG emissions, energy and water consumption, waste management, transportation, and indoor and outdoor environments. In 2022, we joined the *Climate Action 100+* and *Climate Engagement Canada* initiatives. The first initiative is led by investors who want to ensure that the world's largest corporate GHG emitters take action to combat climate change. The second is a Canadian initiative, led by financiers, that encourages dialogue between finance and industry to promote a just transition to a net-zero economy.

- **Biodiversity:** The greater scrutiny on climate change has shown that biodiversity loss is a crucial issue. The transition to a net-zero world cannot be achieved without addressing the biodiversity crisis. iAIM is currently conducting research in this area to identify the actions needed to halt biodiversity degradation and loss. During our participation in COP15, investors expressed their support for companies to disclose their impacts and dependencies on nature and biodiversity, so that investors can in turn better assess and manage nature-related risks and financial opportunities.

Maggie Childe, our Head of Sustainable Investing, attended COP15 and spoke at the Responsible Investment Association (RIA) Conference about solutions for protecting nature. In taking part in COP15, our goal was to raise investors' voices and show our support for an ambitious Global Biodiversity Framework (GBF). The ultimate goal for nature conservation, "30 by 30," will help nations agree to conserve 30% of the land and oceans by 2030 with a focus on important areas from a biodiversity or cultural standpoint.

- **Inclusive capitalism:** We support initiatives that foster diverse and inclusive representation at all levels of an organization, as a way to make effective decisions, innovate and achieve long-term investment performance.

In 2022, we were a proud sponsor of *Women in Capital Markets* ("**WCM**"). WCM is the largest network of Canadian women in finance who have come together to vote for greater equity, diversity and inclusion. We also joined the Environmental and Social Committee of the *Canadian Coalition for Good Governance* ("**CCGG**"). This Committee was formed to assist the CCGG in providing advice on environmental and governance risk best practices from a governance perspective.

Exercising shareholder voting rights

Proxy voting is a key element of our active participation approach with publicly listed entities. We consider exercising our voting rights to be one of the most effective mechanisms to steer issuers toward sustainable practices. It is our fiduciary duty to vote on proposals submitted at investee shareholder meetings, in accordance with our principles for responsible investment.

Advocacy

In addition to being PRI signatories, we have supported the *Statement by the Quebec Financial Centre for a Sustainable Finance* since 2021. It is important for us to help promote and defend long-term value creation through a sustainable and efficient global financial system that benefits the environment and society as a whole. iA Financial Group is also one of the Canadian financial institutions that actively supported the *Canadian position to host the International Sustainability Standards Board (ISSB)*, signalling our support for the development of sustainability reporting standards that will be used for high quality, transparent, reliable and comparable corporate reporting on climate and other ESG matters.

ESG fund oversight

In 2022, our fund oversight team completed over 30 manager ESG assessments for our three trading platforms.

These ESG assessments involve understanding and monitoring:

- The ESG integration methodology in the company's investments and decision-making processes;
- ESG integration in proxy voting decisions;
- Methodology and level of engagement;
- ESG improvements over time.




As part of our due diligence, we may request the following documents from our managers:

1. Responsible Investment Policy;
2. Proxy voting policy (including ESG-factor integration);
3. Annual sustainability report;
4. ESG integration presentation for clients;
5. Equity, diversity and inclusion (“**EDI**”) policy and company's EDI status (added in 2022);
6. Key ESG improvement areas (added in 2022).

Creating a positive impact through our investments

In 2022, we continued, through our general funds, to invest hundreds of millions of dollars in investments that meet these risk/return and portfolio diversification requirements, while providing favourable environmental and social objectives.

Private investment portfolio¹² exposure to certain “growth” sectors

Business line	2021	2022
 Renewable energy	36%	39%
 Health	13%	14%
 Mobility	3%	2%
Total	52%	55%

¹² Includes only private debt, private equity and infrastructure.

Climate change

iAIM considers that approaches to climate change should be based on science and recognizes that climate change may present risks and opportunities for investment portfolios. We strive to integrate climate change as much as possible into the investment process, including identifying climate risks at the asset class, sector and asset level over various time horizons, using scenario analysis, while recognizing that this will also change over time.

As we support and incorporate TCFD recommendations, we encourage all investees in these portfolios to disclose climate-related risks consistent with these recommendations.

As an institutional investor with investments in both public and private market asset classes, we understand that our portfolio could be affected by climate-related transition and physical risks, which is why in 2022 we focused on our General Funds to have a better understanding of the climate risk profile. To begin with, we measured the financed emissions for our General Funds' listed equity and corporate bond portfolios (see "[Financed emissions](#)" section). To follow up on this step, in 2023:

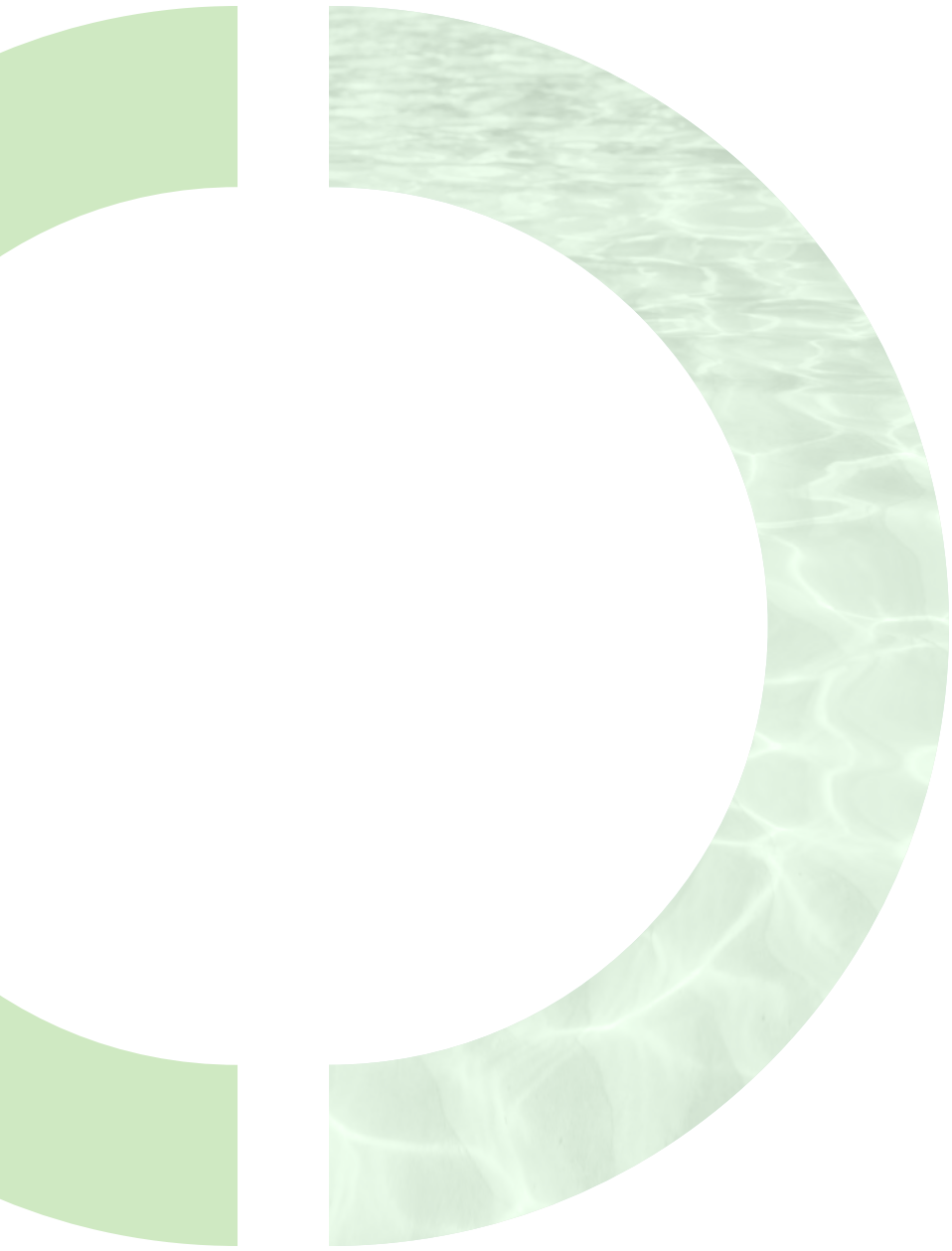
- We will continue analyzing the financed emissions data for our portfolio to better determine our approach.
- We will attempt to expand our General Funds' carbon footprint coverage ratio.
- We will continue our risk management initiatives, such as scenario analysis.
- We will develop the strategy under our climate action plan for investors.

In order to point us in this direction and promote our initiatives:

- We are taking part in "Develop Your Investor Climate Action Plans (ICAPs): A Course for Asset Owners" offered by Ceres. As the transition to a net-zero GHG economy takes place, investor climate action plans (ICAPs) can provide investors with a structured approach to mitigating investment-related climate risk while seizing opportunities and ensuring strong governance and effective implementation of their climate goals.
- We co-hosted a forum in Montreal to provide an information session for capital market participants on the use of action plans within a financial institution. We acknowledge that systemic risks cannot be solved by a single institution on its own. We consider collaboration to be key to advancing sustainable finance and seek the right opportunities for collaboration that align with our organizational goals.
- We also support the mandate and work of the *Sustainable Financial Action Council*. This Council was mandated to form a *Net Zero Capital Allocation Working Group* ("**NZ CAWG**") of financial experts to provide recommendations, supported where possible by examples of specific projects, to address the challenges of driving private capital toward net zero solutions. We actively contribute to the NZ CAWG.

iA Financial Group is proud to be an agent of change by contributing to the financial sector's transition toward sustainable finance. We encourage all companies in this sector to take action to support creating a better world.





ENVIRONMENT



Our climate change governance

Our commitments

iA Financial Group makes the environment one of its priorities and to ensure that concrete actions are taken, we have publicly undertaken to protect it.

Our [Sustainable Development Policy](#) governs, among other things, our environmental responsibilities. Specifically, our guiding principle “Manage environmental impact” aims to reduce iA Financial Group’s environmental footprint across all business lines in terms of energy, water, waste management, transportation and indoor and outdoor environments. We will soon start revising the policy and expect to publicly launch the revised policy by late 2023.

In 2019, iA Financial Group, through iAIM, became a proud PRI signatory, among more than 4,000 other companies worldwide representing US\$120 billion in assets under management.

In 2020, iA Financial Group also set its first GHG emissions reduction target of a 20% reduction in GHGs, per employee, by 2025 (from a 2019 baseline).

In 2022, we released our *Climate Change Position Statement* through which we announce our ambition to be, in the future, among the best in our industry in climate change in North America. iA Financial Group publicly supports the TCFD. 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.

iA Financial Group also has a [Responsible Investment Policy](#) to integrate sustainable practices into financial portfolios. It was released in 2021 and revised at the end of 2022. Also in 2022, the Corporation prioritized three strategic themes to promote rigorous management: climate change and diversity, equity and inclusion, one of which is directly environment-related. Keep reading for more information on our contribution to sustainable finance.

Climate change responsibility

The RGEC is responsible for monitoring the organization’s sustainable development framework and reviews related strategy. The RGEC is required to provide the Board of Directors with sustainability status reports. In 2022, the directors received training on their role in combatting climate change. In 2023, the directors will also receive training on changes in the sustainability regulatory environment plus climate-related changes.

This committee, whose members sit on the Board of Directors, 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).

Within the Corporation, the sustainability steering committee 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. The RGEC is overseen by the Vice-President, Investor Relations, Capital Management, Sustainability and Public Affairs.

Climate risk management

In March 2022, iA Financial Group produced and released its first report based on the TCFD disclosing the Corporation’s climate change performance.

The report’s objective is to incorporate TCFD recommendations to mitigate risks and seize new climate-related financial disclosure opportunities. The report is reviewed annually and released at annual reporting time.

Climate-related risk management is an integral part of iA Financial Group’s risk management process. We manage risks based on our enterprise risk management framework, which is aligned with the “three lines of defence” model. Climate-related risks can manifest as transition risks (political and legal, technology, market and reputational risks) or physical risks (acute and chronic risks) with potential financial impacts on the Corporation. The risk management framework is currently being revised to incorporate climate change factors.

In 2022, after receiving the results of the survey on risks related to climate change conducted by the *Autorité des marchés financiers* (“AMF”) in fall 2021, we conducted a detailed analysis of such risks and presented the results and our strategic directions for 2023 to senior management.

In 2023, iA Financial Group will formalize its climate-related risk management governance framework. This will give rise to the following work:

- Improving how we take climate-related risks into account in our risk appetite and tolerance statement;
- Developing indicators for monitoring climate risks;
- Ensuring that risk owners and other team members with risk-management responsibilities have the knowledge and capacity to effectively identify, assess, and manage climate-related risks;¹³
- Examining whether additional tools are needed to help identify, assess and manage climate-related risks;¹⁴
- Determining whether any key elements of our integrated risk management process should be adapted to better consider the unique nature of climate-related risks and other best practices.

The “[Risk Management](#)” section and the *2022 TCFD Report* provide more details about the transition and physical risks that climate change represents across iA Financial Group operations, as well as the opportunities that we can seize.

Our decarbonization strategy

In 2022, iA Financial Group continued its decarbonization efforts. Since we have been calculating our Scope 1 and Scope 2 GHG emissions for a number of years, we have focused on analyzing existing data, as well as adding new Scope 3 categories.

At the same time, given a rapidly changing market, we review our strategy regularly to support a flexible approach.

To this end, in 2023:

- We will carry out an external assessment of our data to verify the robustness and reliability of the data collected to date;
- We will continue to expand our Scope 3 GHG emission quantification;
- We will analyze, by field of application, of new targets, more specific to our new reality and that of the market;
- We will move in lock-step with regulatory developments and new best practices from the various international bodies.

Quantifying our emissions

For a number of years, iA Financial Group has been quantifying its GHG emissions in accordance with *GHG Protocol* guidelines.

Table 2 details the Corporation’s GHG emissions as at December 31, 2022, by scope and category. In 2022, iA Financial Group emitted 20,370 tons of CO₂ equivalent (excluding investments).¹⁵

Table 2: Total GHG emissions as at December 31, 2022

Scope	Category	2022
1	Stationary combustion: Diesel and natural gas	6,964
	Fugitive emissions: refrigerants	1,662
	Mobile combustion emissions: vehicles	281
2	Emissions from purchased energy	2,889
3	Category 5: Waste generated in operations	487
	Category 6: Business travel	3,833
	Category 7: Employee commuting	843
	Category 8: Upstream leased assets	3,411
	Category 13: Downstream leased assets	0
	Absolute total GHG (excluding investments)	20,370
3	Category 15: Investments ¹⁶	458,688*

* Data corrected on July 26, 2023, and undergoing external verification

¹³ Work via the MSCI tool and GHG quantification on the investment team are already underway.

¹⁴ For general insurance, the geographic location of insureds is taken into account to set premiums.

With regard to life insurance, some work will be necessary to show the impact climate change has on this sector.

¹⁵ All iA Financial Group GHG emissions is unaudited data provided on the best of our knowledge.

¹⁶ In 2022, we began quantifying Scope 3 Category 15, Investments emissions.

Scope 1 and 2

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

Our real estate investment portfolio extends across Canada and the United States and totals 7,991,639 square feet (sq. ft.). We also have 58 vehicles used for our operations.

Scope 3

When calculating its GHG emissions, iA Financial Group takes great interest in knowing its impact across its value chain.

To this end, it was crucial for us to expand our calculations for our indirect emissions by incorporating more Scope 3 categories. In 2022, we doubled the number of Scope 3 categories considered from three to six categories.

Some details regarding the addition of certain categories:

- Category 8: We calculated emissions for the assets that we occupy for our operations but do not own (proportionately to our occupancy rate for each asset);
- Category 13: Emissions in the category are at 0 because we account for all GHG emissions (including those of our tenants) from our leased assets in Scope 1 and Scope 2 emissions;
- Category 15: We have incorporated a portion of the investment portfolio;
- Other indirect GHG emissions are accounted for in their respective Scope 3 category.

Raw data is collected for all three scopes, or extrapolated when unable to be collected. Our [GHG methodology](#) is detailed in the appendix to this report.

Financed emissions

Given how central financed emissions are for a financial institution such as iA Financial Group, in 2022, we undertook an initial quantification of financed GHG emissions, initially focusing on the General Funds.

In 2022, 458,688* tons of CO₂ equivalent were allocated to our investment portfolio.¹⁷ Table 3 details these GHG emissions.

The decline in listed equity and corporate bonds GHG emissions can be observed by the reduction in total financed emissions from 2021 to 2022.

The increase in carbon intensity over the same period can potentially be attributed to various factors. One possible explanation is the decline in business revenues, resulting from the impact of the COVID-19 pandemic. When revenues (the denominator) decrease, GHG emissions (the numerator) may not decrease at the same rate, resulting in higher carbon intensity. In addition, the portfolio increased its exposure to the utilities sector, a sector with higher direct emissions (Scope 1). This higher utilities exposure may also be partly responsible for higher carbon intensity.

Data on green asset investments is available for 2021 only, as this is the first year they were monitored. The decline in market value of renewable energy investments resulted mainly from a significant shift in our exposure to renewable energy from bonds to derivatives.

* Data corrected on July 26, 2023, and undergoing external verification

¹⁷ Securities hedging accounted for 79.5% for the combined portion of the General Funds' listed equity and corporate bonds.

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

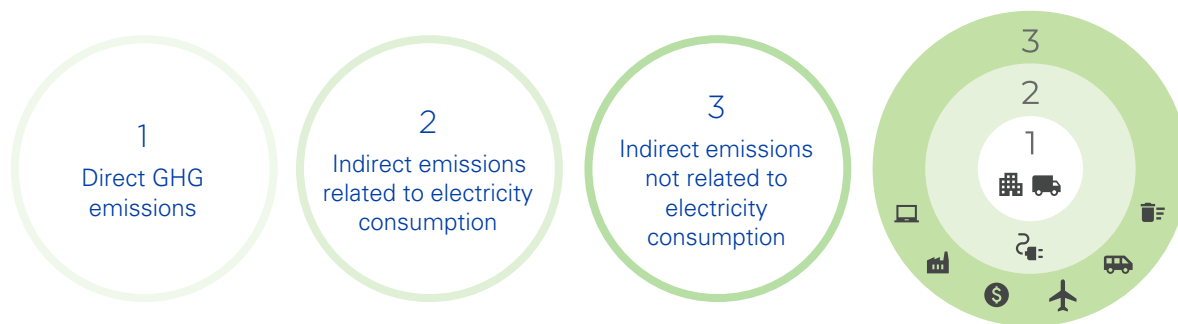


Table 3: GHG emissions from our investments, as at December 31, 2022¹⁸

Asset Class	Indicators	Units	2020	2021	2022
Listed Equity	Total Financed Emission*	tCO ₂ -e	19,978	27,210	20,485
	Financed Emission Intensity**	tCO ₂ -e /CAD MM invested	38	45	51
	Weighted Average Carbon Intensity (WACI)	tCO ₂ -e /CAD MM corporation revenues	5	7	7
Corporate Bonds	Total Financed Emission*	tCO ₂ -e	422,848	500,744	438,203
	Financed Emission Intensity**	tCO ₂ -e /CAD MM invested	56	54	47
	Weighted Average Carbon Intensity (WACI)	tCO ₂ -e /CAD MM corporation revenues	276	356	408
Total	Total Financed Emission*	tCO ₂ -e	442,826	527,954	458,688
	Total Financed Emission Intensity**	tCO ₂ -e /CAD MM invested	55	53	47
	Weighted Average Carbon Intensity (WACI)	tCO ₂ -e /CAD MM corporation revenues	280	363	415
Investments in renewable energy	Value in Renewable Energy	CAD B	N/A	3.2	2.8
	Value in Green Bonds	CAD MM	N/A	N/A	485

* Data related to « Total Financed Emission » for 2020, 2021 and 2022 were corrected on July 26, 2023, and undergoing external verification

** Data related to “Financed Emission Intensity” for 2020, 2021 and 2022 were corrected on July 26, 2023, and undergoing external verification

¹⁸ This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Industrial Alliance Investment Management Inc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the “ESG Parties”), obtain information (the “Information”) from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Actions to reduce our emissions

To reduce the environmental impact of our operations, we constantly strive to improve our operational practices. This section presents the data we collect and the actions we take to minimize our adverse environmental impact.

Scope 1 and 2

Table 4: Distribution of our real estate assets as at December 31, 2022

Categories	Number of addresses	Floor area in %
Office	32	98
Other	2	1
Retail	1	1

Energy and water management at our properties

iA Financial Group collects comprehensive energy consumption data annually for the real estate assets we own, representing 99% of the 7,991,639 sq. ft. of total surface area in our property portfolio.

Table 5: Energy management data as at December 31, 2022

Energy management	Office	Retail	Other
Energy consumption data coverage as a % of total floor area	98.8	100	100
Total energy consumption (in gigajoules)	522,742.5	1,818.8	2,099.7
% of energy consumed stemming from grid electricity	77.7	93	100
% of energy consumed stemming from renewable energy	76.1	100	95.4
% change in energy consumed by portfolio area with data coverage, by property subsector	86.5	97.9	108.7
% eligible that has an energy rating	69.5	100	68.8
ENERGY STAR certified % ¹⁹	0	0	0

¹⁹ While our properties are not ENERGY STAR® certified, most have an ENERGY STAR® profile.

How building energy management considerations are integrated into property investment analysis and operational strategy

As a major property owner, iA Financial Group measures environmental performance based on the stringent BOMA BEST® (Building Environmental Standards) and LEED®²⁰ (Leadership in Energy and Environmental Design) criteria. This allows us to provide our employees and tenants with workspaces that meet stringent indoor and outdoor environmental quality standards and support peoples' health and wellness.

In our ongoing effort to improve, we continued to collect water management data for our Canadian real estate assets in 2022.

Table 6: Energy management data as at December 31, 2022

Water management	Office	Retail	Other
Water withdrawal data coverage as a % of total floor area	89.1	100	100
% Water stress (high or extremely high baseline)	2.7	0	68.8
Total water withdrawn by portfolio area with data coverage (thousands of cubic metres).	371.1	11.5	12.7
% in water stress regions (high or extremely high baseline)	1.2	0	54.7
% change in energy consumed by portfolio area with data coverage, by property subsector	81.4	100.3	96.1

²⁰ LEED®, and its related logo, is licensed in Canada to the Canada Green Building Council and is used here with permission. LEED® is the preeminent program for the design, construction, maintenance, and operations of high-performance green buildings.

Water management risks and discussion of strategies and practices to mitigate those risks

To implement our water conservation strategy, iA Financial Group has a program that focuses on efficient water management. This approach is consistent with the requirements of the LEED and BOMA BEST certification programs in which iA Financial Group participates. Specifically, as part of the BOMA BEST certification process, a water management audit is conducted to identify opportunities to reduce water consumption in the targeted properties. Our water audit includes the following:

- Visiting the premises;
- Collecting the information required to inventory water consumption equipment;
- Preparing a water consumption report;
- Setting up and calibrating the water consumption report;
- Proposing performance improvement solutions;

Building responsibility in local offices

Our subsidiary PPI has set a goal of having at least 50% of its leased space LEED or BOMA BEST certified by 2023, entering into two new leases with certified buildings in 2022 and bringing its total certified square footage to 42% by the end of last year.

Our new model: Work From Anywhere

The workplace is constantly evolving, and this is especially true with the rise of telework. At iA Financial Group, we are 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.

Table 7 sets out changes in the area occupied to carry out our operations, as well as future projections.

More information on the WFA program is available in section "[Our FLEXIBLE Work Model](#)" of the report.

Table 7: Floor area occupied by iA Financial Group in Canada and estimates, as at December 31, 2022

Region	2021		2022		2024 +	
	Addresses (number)	Floor area (sq. ft.)	Addresses (number)	Floor area (sq. ft.)	Addresses (number)	Floor area (sq. ft.)
Quebec	16	735,218	13	592,041	11	498,987
Montréal	18	333,876	17	301,813	16	277,063
Laval	8	58,444	6	54,298	5	51,154
Mtl South Shore	9	121,791	8	129,564	8	129,564
Toronto	12	359,958	11	249,791	10	210,243
Ottawa	4	7,639	3	7,414	1	5,611
Vancouver	7	140,897	6	138,764	5	128,507
Calgary	6	33,309	4	26,562	4	26,562
Edmonton	2	8,897	2	8,897	1	6,119
Saskatchewan	1	2,903	1	2,903	0	0
Winnipeg	3	6,928	3	6,956	2	4,593
Nova Scotia	3	8,436	3	8,436	3	7,036
New Brunswick	1	656	0	0	0	0
Newfoundland	1	2,971	1	2,971	1	2,971
Agencies (other)	35	281,119	34	261,612	34	261,612
Total	126	2,103,042	112	1,792,022	101	1,610,022

Scope 3

Improving 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 the coming 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 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 that includes the following targets for 2023:

- Deployment of a minimal number of multifunction devices;
- Optimal printing requirements based on actual needs: (1) Minimize paper consumption related to the company's business needs and (2) Eliminate paper consumption related to personal and professional needs of employees;
- Usage reports and data measurement;
- Secure printing solution: up to 20% reduction in paper consumption;
- Paperless environment;
- Printing policies.

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.

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.

Going for greener IT

In 2022, we assessed the IT GHG emissions of iA Financial Group operations. We will use the assessment's findings to identify the most energy-intensive business lines and implement GHG reduction initiatives.

Particularly in connection with the WFA program that allows employees to work from home among other options, we have planned awareness activities for 2023. These activities will offer real-world tips to help reduce employees' IT energy footprint when working.

Encouraging the circular economy

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

Once collected directly and securely from our offices, the equipment is tracked by this firm 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.

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.

In 2022, nearly 2,774 technology assets were recycled, reused and disposed of responsibly by iA Financial Group, which resulted in 179.4 tonnes of CO₂ equivalents saved (according to this external firm's report).

Establish a responsible procurement policy

To go further, our subsidiary PPI. has begun to act at the source to reduce its GHG emissions. By establishing a responsible procurement policy for its office supplies, our subsidiary is in the early stages of working with its employees to favor environmentally friendly products as much as possible. For example, its new national in-office coffee program involves the return and recycling of coffee supply products.

Offsetting our emissions

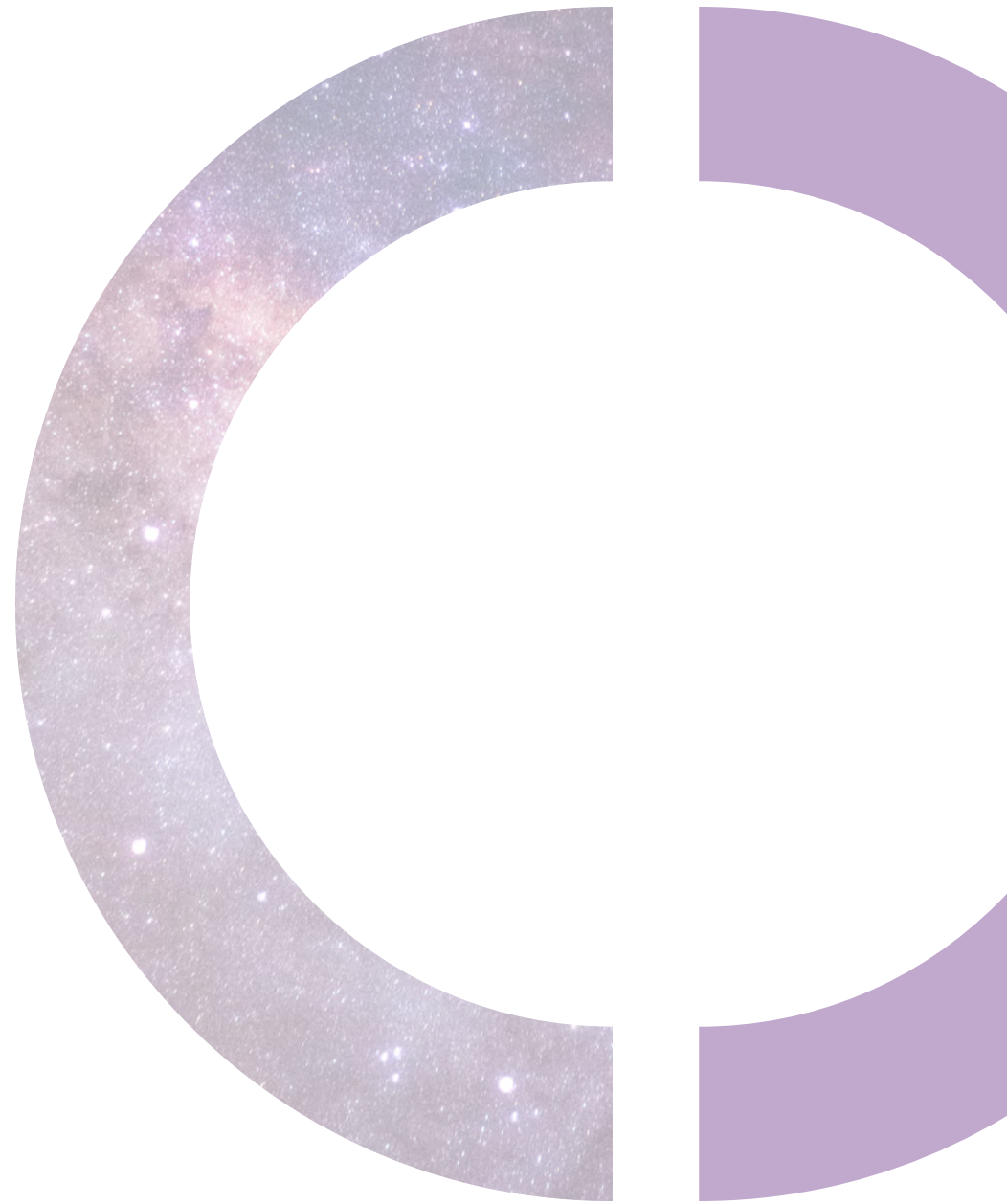
Since 2020, iA Financial Group has been offsetting a portion of its calculated emissions by purchasing (*Verified Carbon Standards* and *Gold Standard*) credits. These credits finance energy efficiency projects internationally, through Planetair.

In 2022, we offset all of our Scope 1 and Scope 2 emissions.

Since 2021, we have been supporting a Brazilian biomass project and a Thai biogas project. This year, we also supported a wind power project in Turkey.



TALENT
AND CULTURE



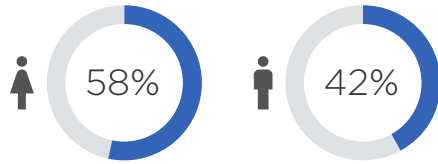
Who we are

As at December 31, 2022, iA Financial Group had approximately 8,900 employees in Canada and the United States.



8,900 employees

Gender representation



Recruitment and gender representation²¹

2,434

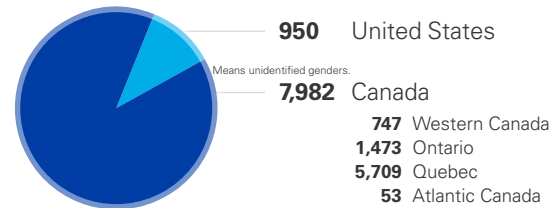


Internal promotions and gender representation²¹

837

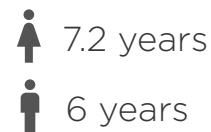


Breakdown of employees by country/region



Average seniority

6.7 years



Types of positions

95% permanent employees

5% casual temporary employees, students and interns

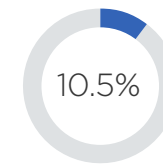
Employee service milestones

2,241 Over 10 years

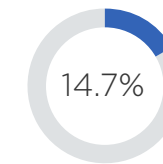
1,333 Over 15 years

759 Over 20 years

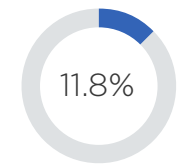
Short-term disability incidence rate



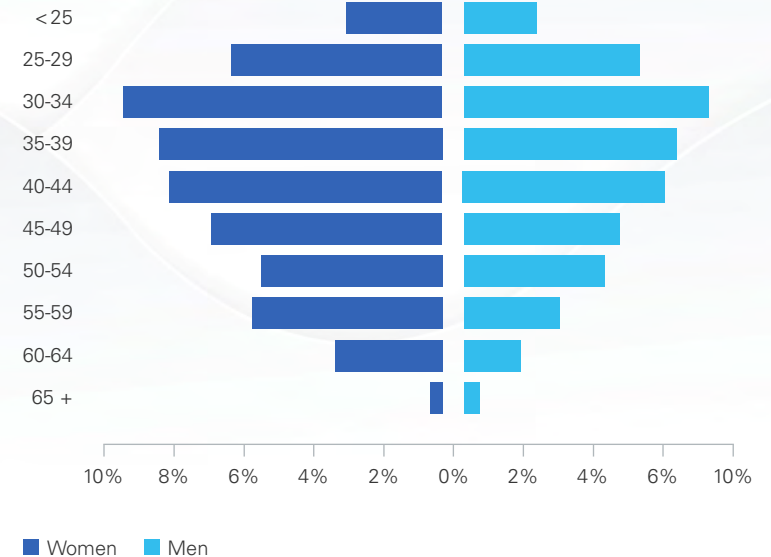
Total turnover rate



Voluntary turnover rate



Age pyramid (male/female)



²¹ Excluding approximately 15% of our employees, including our U.S. subsidiaries.
 Means unidentified genders.

We consider our employees to be our key success driver, which is why we have developed an open and flexible human resources management philosophy to offer a unique employee experience in line with both corporate and individual values. We truly value the work of our employees. Their expertise underpins our collective success every day.

Employee engagement

In 2022, iA Financial Group continued our pulse survey approach introduced in March 2020 at the outset of the pandemic as part of a transition from a long annual survey. The survey, called “*We’d like to hear from you*” took a new approach to surveying employees who had mostly transitioned to teleworking. It also kept them informed about the unpredictable, fast-changing COVID-19 situation. It also satisfied a growing need for decision-makers to obtain timely information on employee sentiment. While the approach was the same in 2022, survey questions were updated to reflect a different reality since launching. After asking questions about the pandemic from March 2020 to March 2022, in April 2022, we updated the questionnaire to gauge employee experience factors tied to the labour challenges facing the Corporation.

As of April 2022, the survey now assesses²²:

- 1 Employee engagement**, which reflects the degree to which employees enjoy doing their jobs. This is associated with intrinsic motivation, a key factor underlying employees’ positive, healthy and sustainable work engagement. **86.6%** of employees report feeling positively engaged in their work.
- 2 Empowerment**, which measures the degree to which employees feel they are trusted to make decisions, which is key to developing competent employees who can work independently. **89.6%** of employees report feeling trusted to take action.
- 3 Development**, which gauges the degree to which employees develop professionally, an essential part of a work environment for employees to hone their skills and allow the organization to evolve and adapt to an increasingly changing environment. **73.4%** of employees report feeling they are developing professionally.
- 4 Career progression**, which assesses the degree to which their current work furthers their career goals. This factor is critical for iA Financial Group’s work environment to offer an exciting career and, in turn, attract the best talent. **78%** of employees report that their work furthers their career goals.
- 5 Well-being**, which rates how employees report feeling. iA Financial Group wants to ensure we have healthy employees and provide an environment conducive to their health and mental well-being. This question was carried over from the previous questionnaire. **76.6%** of employees report feeling very well at work.
- 6 Inclusion**, which refers to the degree to which employees feel they can be themselves at work. iA Financial Group wants to provide an inclusive work environment, allowing everyone to be their full selves at work. Inclusive companies more readily attract and retain a diverse workforce. **87.6%** of employees report that they can be themselves at work.
- 7 An open-ended question** was kept to allow the Corporation to remain responsive to employee concerns and realities.

²² In 2022, the average participation rate was 50% for the Corporation as a whole, excluding some subsidiaries.

Every month, all comments are read, categorized and sent to the relevant Talent and Culture teams to help them factor employee realities into developing and implementing employee initiatives. Feedback is also sent to Talent and Culture business partners to help them support the leadership of their respective functional areas. Lastly, the results and findings were presented monthly to the Executive Committee and Talent and Culture division management team. The goal is to ensure decision-makers can factor employee realities and perspectives into their decision-making. Every effort is made to protect the anonymity of respondents.

Articulating the goals

Our subsidiary, PPI is currently working on integrating ESG factors into the organizational mission, job descriptions, and annual performance evaluations of its employees. In 2023, managers and their teams will also be asked to identify some objectives and activities that they can take over the next 12 to 18 months.

Talent acquisition

In 2022, we rolled out a new talent acquisition process to ensure a fair, equitable and personalized applicant experience, while keeping the process flexible and efficient. In addition, iA Financial Group joined an initiative to support the recruitment of Ukrainian newcomers affected by the crisis in their country. We hired Ukrainian refugees in 2022. Favourable conditions were put in place last year to launch immigration support services in 2023 for managers and employees.

Development and training

Succession planning and development

Succession planning and development are ways to ensure robust continuity. The current environment of technology transformation, employee expectations for a rewarding career and growing labour shortages have prompted us to take concerted action to address this reality.

Consequently, in 2022, we rolled out a succession management process to identify key positions and potential successors.

In particular, this process aims to:

- Ascertain the talent in our teams
- Ensure talent development is fully addressed
- Groom successors to reduce our vulnerability in key positions
- Predict the skills of the future within a transformation context

A number of teams have implemented this process. They particularly appreciated:

- Improved visibility for key positions
- Downtime to consider how the team is developing
- Opportunities to discover new talents

In 2023, the talent review roll-out will continue in areas of the organization based on business needs.

This initiative is part of a desire to accelerate our organizational shift toward a learning culture.

In 2022, senior management firmly expressed its desire to become a learning organization in which learning is baked into employees' everyday lives.

The Altitude approach

Our Altitude performance appraisal approach aims to promote and support collaboration by identifying annual team goals and the behaviours to help meet them. To date, over 7,500 employees (84%) benefit from this approach.²³



Our 2022 achievements include:

- Manager information and brainstorming sessions identifying team goals and behaviours;
- Workshops on the review of our annual process and calibration best practices;
- The creation and release of the e-learning capsule “How to talk about career in 5 minutes” to help inspire employee and manager conversations;
- Various communications to equip our employees and hold them accountable for their role in the approach;
- Altitude approach integrated at our subsidiary Industrial Alliance Auto and Home Insurance Inc. (“**iA Auto and Home**”) (900 employees).

These efforts have had a significant impact on the quality of the day-to-day employee and manager experience. Everyone derives real value in terms of their performance and development.

By expanding data use, we have taken another step toward optimizing and leveraging our human resources system. Calibration best practices are important to ensure budget amounts are distributed effectively but are also decisive to fairly recognizing the performance of all employees. Our rigorous process ensures all employees are duly recognized for their contributions, thereby enhancing the employee experience.

Looking forward to 2023

Altitude will continue along its development path in 2023 by:

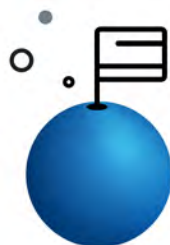
- Incorporating the new iA Model behavioural themes
- Leveraging more data to support best practices
- Continuing to empower managers and make employees accountable through various tools and activities

A learning and development centre of excellence

In 2021, a learning and development centre of excellence was set up to support development of employees, leaders and teams to move the organizational culture forward. In 2022, we are proud to have deployed an integrated, personalized resource that is accessible to the vast majority of our people.²⁴

For our employees: At iA Financial Group, we are keen to equip our employees to drive their development and reach their full potential.

To initiate or enhance development with their managers, employees benefit from many self-service tools to reflect on their career goals. To help them get started, we offer online training, theme-based development and mentoring.



ALTITUDE

²³ Excluding approximately 15% of our employees, including our U.S. subsidiaries.

²⁴ Excluding some subsidiaries in Canada and the United States.

Every year, we work on improving our training resources. In 2022, we enhanced our language course offerings to offer courses in French: 136 employees signed up. A partnership with the *Académie de la transformation numérique* led to the creation of an educational capsule on the learning organization. It will be publicly available to all employees in 2023 and will allow them to better understand continuous learning. In addition, in 2023, we will expand our training catalogue with a comprehensive virtual library.

For our leaders

For our managers, we have created a space with all the tools and services available to them to hone their skills and inspire their team to focus on development. We offer individual or group coaching, personalized support and online services.

To build on these resources, we established a vision in 2022 for our leader development programs. We are contemplating five different programs to support our leaders at the right time during their journey.

For our training professionals

We offer a range of self-service tools to design challenging training, identify the best means of delivering training based on the target and measure the impact. For example, one tool allows participants to apply the concepts learned in training in their work and recognize the impact on behaviours.

Our five ways to continuously develop leaders by offering the right programs at the right time

1 Emerging leaders	2 Onboarding	3 Critical transition	4 Foundations	5 Transformation Leadership
Creating a pool of professionals for director positions and up while providing them with learning opportunities to accelerate their leadership development.	Help leaders quickly understand what is expected of them, in terms of their role, their responsibilities and the procedures to be followed in shaping and supporting the organizational culture.	Extend onboarding for transitioning leaders moving into a new position so they do the critical shifts they need to attain success in their new role.	Clarifying expectations and essential skills required to be an effective leader in a people and team management role.	Equipping and supporting leaders in driving transformational change.



CULTURE A behaviours adoption and skills development



EMPLOYEE EXPERIENCE Engagement and Professional Development

In 2022, at iA Financial Group, a learning company means:

661 courses created by all training instructors	79,936 training registrations completed	67,559 courses completed
265 participants in coaching circle group sessions	71 people in individual coaching sessions	

Provide Advisor resources about Responsible Stewardship in their independent businesses

At our subsidiary PPI's 2022 Tax and Estate Planning Conference for 100 Advisors working in the high net-worth market, the theme was 'Responsible Stewardship: our role as 21st Century Advisors'. In part, the conference covered topics around ESG and the important role that independent Advisors can play in this area as they support their clients with insurance, tax and estate planning.

Responsible compensation

We also see aggregate compensation as a way to recognize our employees' efforts and promote their health and financial security, which is why we are committed to providing competitive and advantageous compensation and working conditions that increase employee wellness. Most importantly, we make every effort to develop and implement responsible compensation practices, demonstrating our commitment to fostering an inclusive, positive and equitable workplace.

Equity, competitiveness and transparency

True to our ethics and integrity value system, we rely on key guiding principles in managing our aggregate compensation programs to provide fair, equitable and competitive compensation.

Equity

Pay equity

iA Financial Group has been committed for many years to improving the inclusion of women. Our commitment to inclusion is also reflected in our compensation practices: we strive to offer fair and equitable conditions to all our employee groups.

More concretely, iA Financial Group upholds statutory pay equity requirements. Rigorous internal processes have been established to maintain compliance with the legal and regulatory framework. In addition, the Corporation applies stringent pay equity standards and proactively implements practices that promote gender equality.

The latest pay equity assessment, carried out in collaboration with an external firm, confirmed iA Financial Group's compliance with Quebec's *Pay Equity Act*. As a result, no pay equity salary were required.

Internal equity

Internal equity is another fundamental guiding principle of compensation programs. iA Financial Group adheres to the highest standards of internal equity and pays particular attention to the positioning of its employees' compensation to ensure it is free from discriminatory bias.

Among the initiatives implemented to ensure internal equity best practices are followed and maintained, iA Financial Group regularly conducts a comprehensive and in-depth pay analysis to ensure that:

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

Competitiveness

iA Financial Group boasts an attractive and competitive compensation policy. This compensation strategy is intended not only to appropriately reward employees for their contributions and efforts, but also to attract, engage and retain talent.

More specifically, we administer our pay scales in a forward-looking manner to meet business line needs and market conditions. In addition, the aggregate compensation team, supported by external experts, systematically monitors our compensation structure and programs to ensure alignment with the target benchmark markets. Assessments and ad hoc benchmarking are also carried out with targeted position groups to assess the competitiveness of their compensation and respond to certain specific and circumstantial issues.

Transparency

Driven by our commitment to integrity and fairness, our teams strive to be as transparent as possible in all compensation practices and activities. More specifically, in Canada, we are making our compensation structure and salary ranges accessible where possible.

In addition, as part of our commitment to maintain responsible compensation practices and meet regulatory requirements, each year we disclose in our *Proxy Circular* to shareholders the components of executive compensation, as well as the compensation of our five named executive officers, including the President and Chief Executive Officer.

A comprehensive, balanced and advantageous compensation package

As a large employer, the Corporation offers competitive compensation based on a large number of varied and advantageous components. Ultimately, iA Financial Group wants its employees to enjoy the best possible conditions and aspires to continuously enhance its employer value proposition.

Compensation approach

We pursue a compensation approach that supports the Corporation's vision, values and strategic goals. The compensation program is structured to ensure a positive correlation between organizational results, as well as business line and individual contributions.

Aggregate compensation mix

Employee compensation consists of the following²⁵:

1. A competitive **base salary** devised in accordance with rigorous market assessments and analysis, and the principles of equity and parity.
2. **An annual bonus** to recognize employee contributions and involvement in driving the Corporation's success and to encourage superior overall performance with respect to the company's objectives.
3. **A group insurance plan** that provides employees and their dependents with the security and protection they need. This plan provides comprehensive and personalized coverage, including medical and dental care, short- and long-term disability insurance, life insurance, accidental death and dismemberment insurance, and business travel insurance. Employees may choose from a number of coverage options based on their needs.
4. Competitive **pension plans** that go beyond what is usually available in the market, including a defined benefit plan and a defined contribution plan.

As a result, aggregate compensation is used to drive wellness and to support our ESG goals.

Various initiatives to drive wellness

Out of a desire to contribute proactively and meaningfully to employee wellness, over the years we have built a series of wellness initiatives into our aggregate compensation program²⁵:

- **Wellness account:** Each year, our employees receive a maximum reimbursement of \$400 for activities and services designed to drive wellness for employees and their family members covered under the group insurance plan.
- **Health spending account:** In addition to group insurance coverage, employees are provided with a Health Spending Account through which a dollar amount is provided to pay for health and dental expenses that are not covered under the group insurance plan or a spousal plan.
- **Working conditions:** To support our fully flexible and hybrid working model, we provide an ergonomic desk and chair for all Canadian employees who request it. In addition, a monthly allowance is offered to Canadian employees for the cost of using Wi-Fi at home.
- **Telemedicine:** Through our Dialogue platform, employees have access at all times to virtual consultations with health care professionals for non-emergency medical care.
- **Employee and Family Assistance Program ("EFAP"):** This program provides family, interpersonal, workplace and career support, as well as legal and financial advice.
- **Vacation time:** In addition to the advantageous vacation and statutory holiday program, iA Financial Group offers multiple days of additional leave to allow employees to better balance their personal and professional lives, including five wellness days²⁶ and eight personal leave days²⁶.

- **Public transit discount:** Anxious to contribute positively to collective efforts in environmental sustainability, we offer corporate public transit discounts (in Quebec City, Montreal, Toronto and Vancouver) and we offer a ride-sharing service through ridesharing.com (in Quebec).
- **Discounts on iA Financial Group products:** We offer a wide range of insurance products and financial services to meet the full range of client needs in Canada and the United States. Most of these products are offered to employees at a discount.
- **Share Purchase Plan:** Our Canadian employees are eligible for the iA Financial Group Share Purchase Plan. They can purchase common shares of the Corporation. In addition, iA Financial Group covers a portion of the contributions up to a determined maximum annual amount.
- **Reimbursement of course and training expenses:** Employees who wish to pursue their professional development have the opportunity to receive financial support from iA Financial Group. Under this support, they are reimbursed for a portion of the costs incurred to attend a course or training aimed at developing or honing their professional skills.

²⁵ Excluding some subsidiaries in Canada and the United States.

²⁶ This measure was introduced during the COVID-19 pandemic and renewed in 2021 and 2022.

Other initiatives to support our ESG goals

iA Financial Group places the integration of ESG factors at the core of its business practices.

Under our strategy of adopting concrete measures and engaging practices, an ESG component is built into the performance assessments of all employees and senior executives, which has a direct impact on their variable compensation, and more specifically on the determination of their annual bonus.

Incorporating an ESG component into our compensation programs creates financial, ethical and sustainable value for the Corporation and our various stakeholders.

The ESG component measured is the net promoter score (“NPS”), a unit of measure that considers client satisfaction. This component is directly aligned with the purpose of our business, as well as our organizational values. iA Financial Group regularly measures the NPS in each of its business lines and has therefore developed proven processes for researching, calculating and analyzing the NPS.

iA Financial Group is proud to support employee health, safety and wellness through its aggregate compensation programs. Our teams work diligently to maintain the Corporation’s position as an employer of choice and continue leveraging our key differentiator: the quality of the workplace and conditions we offer.

This compensation applies to all employees, including senior executives. Further details regarding executive compensation can be found in the *2023 Proxy Circular*.

Equity, diversity, and inclusion

iA Financial Group is committed to ensuring Equity, diversity and inclusion (“EDI”) is truly an enterprise-wide initiative with a view to creating a fair and inclusive workplace for everyone.

In 2022, we officially unveiled iA Financial Group’s new EDI internal governance strategy for the next three years. We have an aspiration to improve the experience of our employees, where they can thrive in an environment of trust, solidarity and authenticity.

With this in mind, iA Financial Group strives to ensure all employees have access to the same opportunities. Which is why we adopted the term “equity” in our diversity and inclusion mission statement.

Our EDI strategy and governance

Our new strategy is based on a series of commitments to ensure our vision is always aligned with the culture and changing face of the Corporation’s business:

Nurturing a sustainable inclusive organization

- EDI accountability.
- Strengthening inclusion and allyship.
- Education and learning.
- Diversified markets and external clientele.

Workforce Diversity

- Diverse executive & senior talent.
- Diverse representation at executive & senior level.
- Career progression.

Diverse Community and philanthropy

- Building inclusive communities through our philanthropic program.
- Embrace diverse partnerships.

This year, we created the EDI Centre of Expertise (“CoE”) to achieve our goals and key initiatives within the next three years and review our governance.

Since January 2023, iA Financial Group has transformed the EDI Executive Committee into an EDI Advisory Board. A number of key influencers serve on this Board to ensure employee voices are always heard and our EDI strategy aligns with organizational changes. These influencers are:

- EDI influencers, such as the EDI EC members, the co-chairs of our Employee Resource Group (“ERG”), and our VP EDI sponsors.
- Organizational strategy and culture influencers to ensure EDI always aligns with organizational strategy and culture.

Improving governance also includes making EDI an enterprise-wide responsibility.

Our new EDI governance is intended to ensure all employees have access to all EDI initiatives and processes, which is why EDI communities are to be set up in each business line and function.

In 2022, to take our expertise to the next level, we created the roles of EDI Leader and EDI Advisor. iA Financial Group is proud to have a dedicated EDI team for all EDI strategy operations and initiatives.

Our EDI accomplishments

To support a sustainable and inclusive organization, education and awareness campaigns were developed to help eliminate biases and strengthen the sense of inclusion across the Corporation. Our educational tools included seminars, training sessions and monthly newsletters. We held a number of successful seminars this year to help shed light on key EDI topics.

In addition, 96% of employees completed their unconscious bias training.²⁷

We have also offered other seminars such as “Indigenous Culture in Canada: An Awareness Seminar” or “Neurodiversity and Inclusion Seminar.”

Through our monthly newsletters, we have shared many events, such as Black History Month, International Day for the Elimination of Racial Discrimination, Asian Heritage Month, National Aboriginal History Month and the National Day for Truth and Reconciliation. We have also leveraged our newsletter to provide learning resources, such as on inclusive writing.

In 2022, we also introduced the Women’s ERG and the LGBTQ+ ERG to strengthen inclusion and concern for the wellness of others. These groups’ missions and main achievements are outlined below.

Women’s ERG

Mission

The Women’s Network is a community that aims to support women in their professional development and career progression, while providing them with the opportunity to network within the organization.

By breaking down barriers, fighting prejudice, inspiring women and helping them gain self-confidence and increase their influence, the Women’s ERG promotes equal opportunities and career development.

This year’s major achievements

In 2022, the Women’s Network and EDI team took an important step forward by initiating the gender parity certification in governance. This will assess the strengths of iA Financial Group and implement additional mechanisms to enable women at all levels to advance their careers, thereby driving female talent across the Corporation.

A series of events and conferences were organized to raise awareness and support women and allies within the organization on key topics.

The first-ever Women’s Network seminar and face-to-face networking events took place in Montreal and Quebec City.

Testimonial

Jade Bellemare, Manager, Marketing Strategy and Analytics, Group Benefits and Retirement Solutions.

“The Women’s Network has allowed me to get to know and work with several inspiring women from iA on a daily basis, as well as to learn from them. This community also provides tools for women and their allies, who like me, want to develop themselves and grow in the organization.”

Conferences and trainings

- Developing young female talent for careers in financial services
- Tall Poppy Syndrome seminar, Rumeet Billan, CEO of Women of Influence+ (WOI+)
- Introducing iA Financial Group’s career development opportunities to daughters of employees
- Seminar on workplace well-being and networking event
- Seminar on impostor syndrome and unconscious bias, Caroline Codsí, Founder & Chief Equity Officer, Women in Governance.

²⁷ Excluding some subsidiaries in Canada and the United States.

LGBTQ+ ERG

Mission

iA Financial Group's LGBTQ+ ERG is a community of employees committed to supporting their career development and growth within the organization, regardless of their gender expression/identity or sexual orientation.

Our goal is also to create an inclusive and supportive community that celebrates diversity and fights stigma.

This year's major achievements

For the first time this year, the LGBTQ+ ERG attended the festivities organized by Pride Montréal and the *Fête Arc-en-Ciel* in Quebec City.

Testimonial

Shauna Budden, Director, Client Relationships, Co-Chair of LGBTQ+ ERG:

"I am proud of our ERG because we are acting as pioneers at iA as we help our culture of Equity, Diversity, and Inclusion evolve. We get to be part of the conversations and have a voice that would otherwise have not been heard in a way that specifically speaks to the experiences and needs of LGBTQ+ employees and allies. It is exciting to be creative and be at the start of an amazing journey of what will undoubtedly be an evolving and exciting community in the years to come"

Conferences and trainings

- LGBTQ+ awareness seminar, Olivia Baker, Fondation Émergence
- Seminar on gender pronouns, Olivia Baker, Fondation Émergence



We were proud to introduce a new ERG to our family in December 2022: the Black resources increasing diversity gains and engagement ("**BRIDGE**") ERG, representing the Black community within iA Financial Group. The BRIDGE ERG is committed to supporting members of the Black community in their career development and growth within the organization.

We look forward to supporting this community and providing the right tools for all employees.

Our progress in gender parity

In 2020, iA Financial Group set two gender equality targets:

- 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.

In 2022, 50% of new appointments to iA Financial Group Senior Leadership Positions went to women. For the whole Senior Leadership Positions, we will continue our progress to reach our target.

Table 8: Appointment and distribution of women and men in iA Financial Group Senior Leadership Positions, as at December 31, 2022

		2019	2020	2021	2022
Appointment to Senior Leadership Positions	Women	22%	44%	36%	50%
	Men	78%	56%	64%	50%
Distribution in Senior Leadership Positions	Women	22%	25%	31%	36%
	Men	78%	75%	69%	64%

Table 9 : Gender distribution within iA Financial Group, as at December 31, 2022

	Women (%)	Men (%)
Senior executives (CEO, EVP)	25	75
Senior management (SVP, VP)	39	61
Directors (Senior Directors and Directors)	43	57
Managers	55	45
Non-management personnel	59	41

In 2022, iA Financial Group was Silver Parity Certified by *Women in Governance*.

The goal of Parity Certification is to help organizations increase women’s representation, especially in historically underrepresented areas and leadership positions. Parity Certification looks at parity in decision-making bodies and whether the necessary mechanisms are being introduced to empower women at all levels to advance their careers, thereby creating a female talent pool.²⁸ Particular attention is also paid to intersectionality to ensure that women of colour or with a disability, and Aboriginal or LGBTQ+ women genuinely enjoy equal opportunity.

Lastly, as part of our initiatives in support of diverse communities and philanthropy, we continue to build and strengthen collaborations with charities and organizations that support diversity and inclusion. For example, we are contributing \$150,000 over five years, as of 2022, for the [UQAT Chair in Indigenous Health and Perspectives](#).

Our next steps

At iA Financial Group, 2023 will be an exciting year to focus primarily on the following:

- **Intersectionality:** We want to get to know our employees better through our voluntary self-identification project.
- **Deploying EDI governance and strategy:** We will work on building a strong foundation for EDI to continue being a key innovation and growth driver.
- **Review of our HR practices:** We want to ensure equality is firmly rooted in our HR processes and practices.



²⁸ Women in Governance, *The Certification That is Closing the Gender Parity Gap in the Workplace*, online: <https://paritycertification.org/>

Toward a sustainable relationship with Aboriginal peoples

For a number of years, iA Financial Group has been inspired to create a positive impact by building a lasting relationship with Aboriginal peoples.

In 2022, we committed to taking steps to obtain Progressive Aboriginal Relations (“**PAR**”) certification to guide our approach. We are proud to officially be a PAR-committed company.

Four-step process

In conjunction with the *Canadian Council for Aboriginal Business*, iA Financial Group is proposing a four-step approach to analyze, understand and gradually implement the multiple elements involved in achieving PAR certification.

We also created a group of experts to carry out this project. Various units, such as Talent Acquisition, Philanthropy, the EDI team, Procurement, Communications and the Sustainability team, are banding together to build an action plan. Lastly, the final step will be to deploy our strategy to build sustainable relations with Aboriginal peoples.

Our FLEXIBLE work model²⁹

In 2022, we launched our FLEXIBLE work model, WFA, which allows most employees to choose where they work the most effectively on a day-to-day basis. This model also emphasizes the value of working occasionally out of the office to take part in key team moments. These moments are intended to increase our teams’ sense of belonging and leverage opportunities for water-cooler conversations. A framework has been developed to bring this model to life every day.

During the transition period, we were constantly supported by our managers and employees. Our WFA Learning Centre was developed to provide them with training, tools, articles and videos on best practices under a hybrid work model.

In addition, in 2022, we launched a range of WFA initiatives each crafted and devised to evolve and to support our new working model.

- Our work environments have been optimized to meet the growing need for employee collaboration and socialization. Over 160 new hybrid rooms provide employees with a similar experience no matter where they work from. Individual or collaborative booths, pavilions and concentration chairs were also added to the decor. Bistro or lounge areas round out the facilities on offer, which are being gradually deployed in our offices in major urban centres.
- To promote employee well-being at home, we have launched the Ergonomic Furniture Program.³⁰ It includes an adjustable table, an ergonomic chair and self-adjustment training for the furniture. Nearly half of our employees took advantage of this offer.³¹

- Since September 2022, an international teleworking pilot project has been integrated into our alternative working models. It allows eligible employees to telework in another country for a maximum of 10 days following a holiday taken in that same country, and includes over 70 destinations worldwide.
- Wireless peripherals, consisting of a headset, a mouse and a keyboard, were offered to Quebec employees to facilitate their mobility. These peripherals will be offered to employees elsewhere in Canada in 2023. It is also with this in mind that a pilot project was launched to assess the concept of satellite offices outside the major urban centres. For example, in our offices in Brossard, Quebec and Oakville, Ontario, all iA Financial Group employees can work in a well-equipped office, without having to travel to downtown Montreal or Toronto.
- Lastly, in January 2023, we reopened our Quebec City head office at 1080 Grande Allée West. Our completely revamped property offers new services to employees and spaces for them to socialize and work together.

Our program in figures³²:

- 18 newsletters sent to employees and managers dealing with various topics related to the program. The average view rate is 80%.
- 94% of employees have become familiar with the FLEXIBLE model. Most employees have defined key moments as a team.
- 181 ambassadors and change agents are actively involved in the project. Monthly meetings inform them of the initiatives underway. They act as the program’s positive thought leaders.

²⁹ To date, this model has not been deployed at some of our Canadian or U.S. subsidiaries.

³⁰ Since 2020, each employee also has two screens, a computer, a headset, a web camera, a mouse and a keyboard.

In addition, they have access to a self-adjustment video to ensure better ergonomics.

³¹ In 2022, our employees placed 4,128 ergonomic furniture orders.

³² Excluding certain of our subsidiaries in Canada and the United States.

Health and safety

Health and safety have been core iA Financial Group values since 1892.

Marked by an ongoing COVID-19 pandemic, 2022 required continuous management by a multidisciplinary team. On a more positive note, the gradual lifting of lockdown measures allowed on-site workplace operations to resume. Our Global Health team, through its iA Health component, was in charge of constantly monitoring and adapting our existing health guidelines, procedures and measures to evolving conditions to ensure the health and safety of all employees.

In concrete terms, this team makes recommendations to senior management through an advisory committee and ensures all stakeholders are informed of the decisions and changes to the rules to be followed. The Global Health team continues to update our biohazard management practices and is transitioning from COVID-19-specific management to management of common infectious diseases in the workplace.

We have enhanced our risk management structure based on employee health and safety. One person has joined our Global Health team to focus on occupational health and safety.

Implementing this program has helped to update the risks identified and generate a global action plan. In addition, new health and safety committees have been created in Quebec City and Montreal. Forming these new committees has also provided an opportunity to review practices and reinvigorate the Toronto and Vancouver committees. The committees' role is to support developing a strong health and safety culture at iA Financial Group.

Adopting our new FLEXIBLE working model has forced us to rethink how we do things in terms of first aid and workplace emergency plans. First-aid stations have been set up to provide information on our medical emergency procedure, a first-aid kit, the list of the building's employees with first-aid training and evacuation plans, all in a single place. A QR code on the station also allows employees with first-aid training to have quick and direct access to the incident report to be completed during a first-aid response incident. New indicators for monitoring workplace incidents have also been developed. New mandatory training on emergency preparedness plans has been developed and will be completed by all employees now that our offices have reopened at full capacity.

A mental health program was set up in 2022. The program includes a variety of strategies to meet employee needs, such as mental health ambassador training and the iA Mental Health Ambassador Network for employees. An array of resources are available: our EFAP, telemedicine and our prevention team that supports employees in finding solutions and is mandated to raise team awareness of sound mental health.

63.1% of our employees are enrolled on our telemedicine platform, with an average of 76.5% of enrollees who use it.

We have also developed a guideline, which applies to all the Corporation employees in Canada, on work-life balance and disconnecting. In addition, our Focus Committee was created in 2022. It consists of the iA Health team, business partners, and HR intelligence, professional relationship and other members as required. The Focus Committee meets to identify psychosocial risks across the business lines and develop an action plan to be proposed to business line management. With a view to supporting leaders, we also offer mental health training specifically for managers.

In addition, the risk of failing to protect and ensure the physical security of employees, clients or any other person when on or around the company's premises or in the course of the company's business operations has been integrated into the Corporation's operational risk management. This risk includes theft, workplace violence, harassment or discrimination, and a deterioration in employee well-being. The integrated risk management framework, described in section "[Risk Management](#)" of this report, provides for tools and methodologies to ensure that, for the business lines in which this risk is material, the exposure is identified, assessed and monitored, and appropriately managed within the Corporation.

Every year, iA Financial Group offers all employees in Canada the opportunity to have a flu shot. In 2022, over 350 employees took advantage of this service.

A comprehensive and rigorous occupational health and safety risk identification and analysis program has been developed and implemented.

Table 10: Some facts about iA Health programs³³

Activity	2019	2020	2021	2022
Adapt. Together.: no. of seminars, articles with advice, newsletters and health flashes	N/A	7	10	12
Adapt. Together.: total no. of seminar participants	N/A	6,953	4,017	4,160
No. of mental health ambassador response incidents	3	50	32	96
No. of active mental health ambassadors	0	0	83	150
No. of mental health management training courses (MHFA, Relief and The Working Mind)	0	23	N/A	131
No. of mental health awareness presentations	N/A	N/A	25	26
No. of employees given a mental health awareness presentation	N/A	N/A	N/A	856
No. of prevention calls	N/A	87	122	181
No. of workplace first aid training courses	N/A	0 ³⁴	30	40
No. of ergonomic assessments	N/A	166	41	28
No. of flu vaccination campaign participants	581	509	432	356

³³ This data excludes some of our subsidiaries in Canada and the United States.

³⁴ Due to COVID-19, there was no training.

Our philanthropic 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 driving sustainability and providing tangible support to our communities. This year, the Corporation donated \$8.5 million to a broad range of social, community, health care, educational and environmental organizations.

In 2022, iA Financial Group received the Award for Outstanding Major Corporate Donor from the *Association of Fundraising Professionals*.

Vision

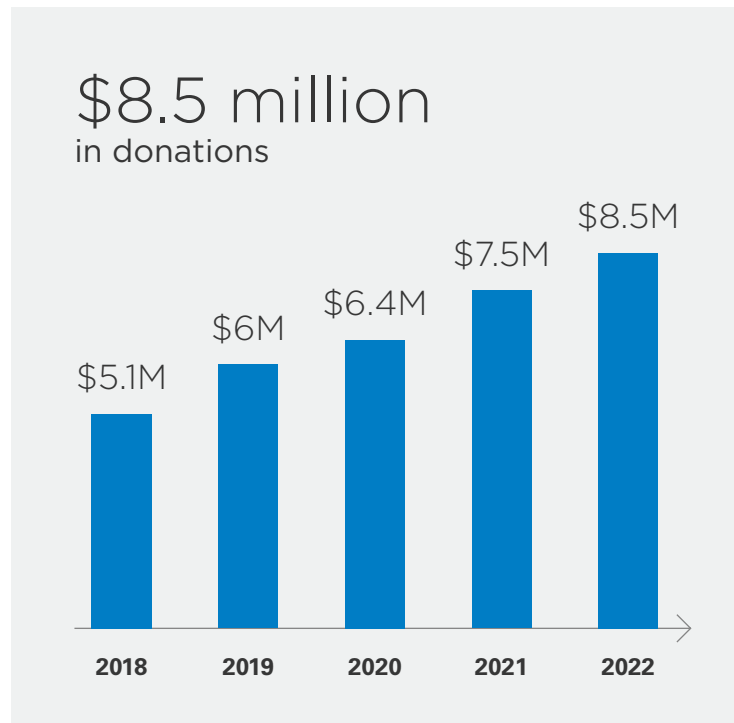
iA Financial Group is a socially engaged company that works with its stakeholders to support individual and community wellness and become wellness catalysts today and in the future.

Strategy

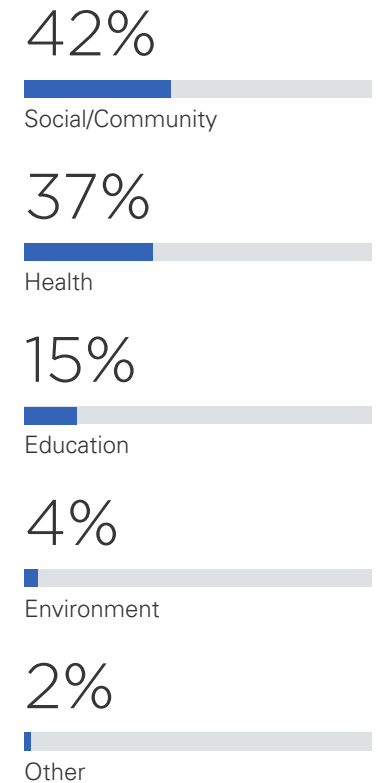
To have a positive impact on our community, we have adopted a strategy that aims to:

- Create catalysts so everyone pays it forward;
- Coordinate Corporation-wide community actions so we can be stronger together (our various business lines, corporate functions and subsidiaries);
- Provide for sustainable community actions today and for future generations.

Our donations over the past five years:



Distribution of our donations by sector in 2022³⁵:



³⁵ Excluding amounts spent on carbon offsets.

Philanthropic contest

Since 2017, iA Financial Group has held a major annual philanthropic contest to actively contribute to individual and community wellness. This contest has diversified our support to a wide variety of charities over the years and is part of our resolve to help drive growth in the communities we operate in.

For the 2022 edition, we have committed \$580,000 in donations to charities that work with people with disabilities. This amount was shared among the [12 finalist organizations](#). Four \$100,000 donations were awarded to the charities with the most support in each of the contest's major geographical areas. In addition, eight \$20,000 donations were made to the other finalists, and \$20,000 was distributed to the causes employees care most about.

At iA Financial Group, we support and celebrate diversity and encourage inclusion. Our differences make us unique and even stronger. These are values that drive us to support Canadian charities this year that provide assistance to people with disabilities and their families.
– Denis Ricard.

2022 United Way/Centraide campaign

A unified, nationwide campaign was launched for this year and the years to come. We leveraged the group's strength and synergies to raise funds for the most disadvantaged. At the end of the campaign, each donation raised was redistributed locally. We had a record year with donations totalling \$2,480,000, up 17% from last year. Across Canada, all employees were solicited and 4,103 donated, for an overall participation rate of 39%!

Second-language learning through the iA Financial Group Foundation

Scholarships support students seeking to improve their English skills to discover more of the world and other cultures. Since 2010, over \$1 million has been awarded to CEGEP-level students for English-language immersion trips and studies. In 2022, we added a CEGEP to the list of three CEGEPs already participating.

Quebec blood drive

On November 10, 2022, we organized a special blood and plasma drive throughout the province of Quebec. 150 people from our employees and the staff and advisors of our agencies rolled up their sleeves. A \$20,000 donation was also made in support of research.

Major donations to the Red Cross during tragedies and natural disasters

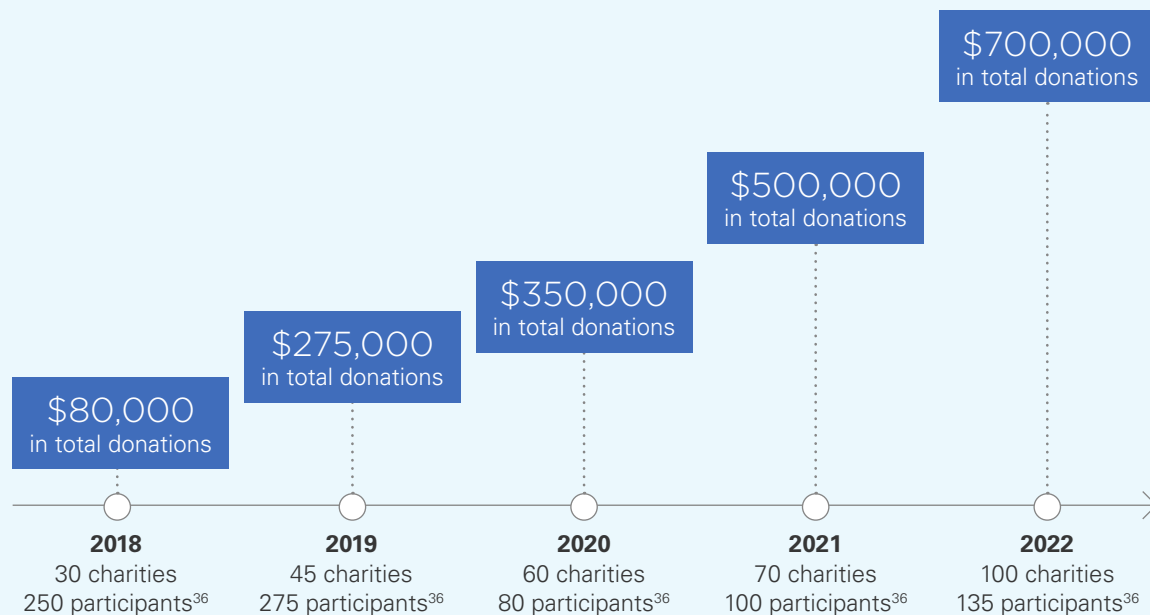
To support hurricane victims and our employees and their families affected by the terrible consequences of Hurricane Fiona in eastern Canada, we donated \$50,000 to the Canadian Red Cross Hurricane Fiona Relief Fund in Canada.

Support for Ukraine

We made a major donation of \$100,000 to the Canadian Red Cross Ukraine Humanitarian Crisis Appeal. We joined the network of Quebec businesses in support of employment opportunities for new Ukrainian immigrants. This group supports newly arrived Ukrainian families by providing them with employment and subsistence opportunities.

Encouraging employees' community involvement

As every year, our employees are directly involved with their local communities and to cheer them on, iA Financial Group lends them its support by making a donation to the cause they care about.



³⁶ Corporation employees, retirees or representatives serving as volunteers or benefit attendees.

Employees making a difference

To strengthen employee community involvement, while creating stronger engagement, in 2022 our subsidiary PPI introduced one paid day per year for each employee to volunteer. In 2023, this same subsidiary will seek to build employee engagement around team activities that make a difference in local communities.

iA Auto and Home online enrolment philanthropic initiative

In January 2022, iA Auto and Home launched a campaign inviting clients to enrol to receive their contract by email rather than by mail.

For each enrolment, iA Auto and Home donated \$5 to the *Breakfast Club of Canada* to help children start their day on a full stomach. Thanks to the 1,800 clients who completed the online enrolment for their contract, over 36,000 breakfasts were delivered, in addition to helping protect the environment by cutting down paper use. A small gesture with a big impact.


Jasmin Roy Sophie Desmarais Foundation


We made a significant donation to the Jasmin Roy Sophie Desmarais Foundation, whose mission is to fight bullying, violence and discrimination against children at school. Our contribution supports the creation of a toolkit to reduce environmental anxiety and make young people more environmentally active. This toolkit is intended for parents, teachers, educators and child professionals who want to calmly address the issue of climate change with children and adolescents. It will be available free of charge on the Jasmin Roy Sophie Desmarais Foundation website.

Our advocacy in pictures


Ken Godfray, Vice-President of Sales, Independent Advisors Network, Individual Life Sales and Marketing is actively involved with The Leukemia & Lymphoma Society of Canada ("LLSC"). In 2020, he set up a friendly competition for insurance companies: The Insurance Cup presented by iA Financial Group. Since then, this challenge has been a popular success. This year, the insurance industry rose to the occasion and raised \$147,593 for the LLSC!

Frédéric Alain, Senior Software Developer, took part in the *Leucan Ski Challenge* in support of children fighting cancer and their families. His daughter, Laurence Alain, was the young spokesperson for the 2022 edition. Following Laurence and her family's touching involvement, iA Financial Group supported Frédéric by making a donation under its employee community engagement donation policy.

Pierre Miron, Executive Vice-President and Chief Transformation Officer, was one of the honorary patrons of Father/Daughter Ball. He is actively involved in FitSpirit, an organization devoted to the physical and mental well-being of adolescent girls. Pierre also serves on the board of Forces Avenir. **1** 

Daphne King, Vice-President, Sales, National Accounts, and her team took part in the *Enbridge Ride to Conquer Cancer*. The 38-member team did their part to help find a cure, riding over 200 km over two days, from Toronto to Niagara Falls, and raised \$171,717, beating their goal of \$156,000 with brio. **2** 

Michael Ecker, Investment Advisor at iA Securities, presented a cheque for \$3,000 to the Cancer Assistance Program (CAP) in Hamilton, Ontario, on behalf of iA Financial Group. CAP is a community-based, not-for-profit organization offering free services for individuals and families fighting cancer in the greater Hamilton area. His dedication to this organization, which does not receive sustainable funding, is greatly appreciated.

Catherine Newman participated in the *Leucan Shaved Head Challenge* in Montreal as part of the Audacieuses campaign. Very involved in the community, she is also a director of the Fondation de l'Institut universitaire en santé mentale de Montréal and the Foundation of the Women's Centre of Montreal. **3** 

Richard Talbot, Chief Operating Officer, Investments serves on the board of Second Harvest, a charity that fights against Food Waste.



Nancy Daigle from the Granby agency created a new charity event. *Mon sommet pour toi*³⁷ is a fundraising mountain climb to raise money for mental health. In the inaugural edition, a total of \$120,000 was raised. 4

Many employees are involved as volunteers with Bénévoles d'Expertise. Our colleagues Isabelle Blackburn, President and Chief Operating Officer of iA Auto and Home and Prysm, and Chantale Lemire, Vice-President, Treasury, serve on the board as chair and director, respectively. We also note the dedication of employees such as Léa Gariépy, Dominique Carrier, Manon Fournier, Augustin Bert, Éric Desgagnés and Charles Gervais who serve as expert volunteers. 5

Denis Ricard, President and Chief Executive Officer, is Co-Chair of the fundraising campaign for La Maison des sciences, a project of Quebec City's Musée de la civilisation. For him, science represents one of humanity's most beautiful ideals and brings people from all corners of the globe together to move us forward and solve our greatest challenges. He is also involved as Grand Campaign Co-Chair of Fondation Michel-Sarrazin, a fundraising campaign office member of the Foundation of the Quebec Heart and Lung Institute and a fundraising campaign office member of Fondation CERVO. He also served as Honorary President of the Concours de musique de la Capitale. Lastly, our president joined the 40 Giants for Leucan: 40 women and men who have each committed to

donating \$40,000 or more to Leucan and carrying its mission further. Their giant idea: raising \$1.6 million to improve the lives and treatments of childhood cancer survivors. 6

Renée Laflamme, Executive Vice-President, Individual Insurance, Savings and Retirement, served as Co-Chair of the 2022 Centraide Québec et Chaudière-Appalaches Campaign, a natural next step for her involvement with this organization. Previously, she served as a member of the Major Donations Committee, later joining the Executive Committee, and also mentored the Cohort 2020-2022 of the Centraide Emerging Philanthropists Program.



³⁷ My Summit for You



Our Quebec City and Montreal employees raised over \$15,000 at the *Run for the Cure!* In Quebec City, nine of our colleagues raised \$12,701 in support of breast cancer research. In Montreal, five of our coworkers took up the challenge, raising \$2,331 for the cause. They were supported by Julie Martel, Vice-President, Corporate Development, who served on the organizing committee of this fine event. **7** 📷

Manon Carpentier formed a Women's Insurance team, for a run between Quebec City and Montreal as a fundraiser for Les Petits Trésors Foundation, which supports mental health among young people.



Pierre Beaudry, retired, was member of iA Financial Group's *Ride to Conquer Cancer* team for the 14th year in support of the Jewish General Hospital Foundation. The iA Financial Group team consisted of 15 cyclists, including a number of cancer survivors. **8** 📷

Andy Ali, Branch Manager, National Supervision, iA Private Wealth, took part in Movember. His goal: changing the face of men's health one moustache at a time.

Sean O'Brien, Executive Vice-President, Insurance and Group Savings Solutions, serves on the board of the Cancer Research Society.



Pierre Vincent, Senior Vice-President, Distribution and Product Development, is involved as a fundraising campaign ambassador for the Fondation Logis Rose-Virginie, an organization that helps women in difficulty by offering them supervised and subsidized accommodation and professional support to help them regain control of their lives. **9** 📷

Marie-Annick Bonneau, Vice-President, Investor Relations, Capital Management, Sustainability and Public Affairs, is a director of the Fondation des Petits Frères. The mission of this organization is to combat the isolation of seniors.

iA Financial Group is proud to support these and many other employees by making donations to organizations they generously serve through our employee community engagement donation policy.



CLIENT EXPERIENCE



We believe a strong client focus will drive our success by helping us achieve organic growth and offer an even more consistent client experience.

Our client experience vision is constantly evolving to help us become the corporation that best meets client expectations. In the coming years, this will translate into tangible improvements, such as:

- In seconds, employees and advisors will be able to see all of the client's iA Financial Group products.
- Consenting clients will be able to quickly find and obtain the most appropriate products for them, either online, by phone or with an advisor as part of an omnichannel approach.
- Employees and advisors will be able to quickly recommend products that a consenting client should purchase based on their needs.

In this vision of client experience, we will increasingly be driven by data with targeted marketing strategies based on client behaviours, life events and lifelong value, while preserving the legal and regulatory framework that such strategies require. These technology strategies to acquire and retain clients will be used to better support advisors.

Global CX: Our new target business model

In 2021, iA Financial Group launched a major corporate transformation program aimed at ensuring continuous digital strategy development, maximizing operational efficiency, developing talent and enhancing our 360° client view.

Client focus is critical to our transformation as it enables us to:

- Move our financial group toward a more client-centric organization.
- Determine the capabilities needed to ensure operational effectiveness.
- Strengthen our cross-functional services to support performance.

This stronger client focus will drive our success by helping us achieve organic growth. We will leverage market and client data to identify growth opportunities. It will also ensure a coherent and consistent client experience ("CX").

In 2022, to achieve our goals, one role of the Transformation Office was to oversee implementation of the business model aimed at optimizing the client experience.

Called *Global CX*, it is a business function with clear accountability and a focus on CX growth and consistency across all iA Financial Group business lines. This function involves strong collaboration by cross-functional agile teams aligned with client perspectives.

Accordingly, key strategic directions were developed for *Global CX* this year, including:

Client data and data analytics

- Centralize capacities from which will be generated potential opportunities to better meet our clients' financial needs
- Create a single, reliable source and a 360° client view

Harmonized CX

- Define a common, streamlined CX across iA Financial Group
- Common CX tools and platforms, including CRM

Advisor experience ("AX")

- Maintain AX distribution networks and activities in the business units

Marketing strategy

- Maintain marketing strategy and implementation at the business unit level to retain operational agility
- Ensure overall consistency

CX governance

- Assign common key performance indicators (KPIs) to stakeholders to increase accountability
- Create incentives for overall alignment

Enterprise client relationship management (“CRM”) solution

To support our new CX vision, a client-centric approach to becoming the corporation that best meets client expectations, in 2022, we began rolling out a single corporate CRM solution across all business lines. The first roll-out is underway in the Individual Insurance’s Career network and the iA Clarington’s wealth management arm. To support these roll-outs and ensure sound platform development in line with our growth and CX goals, we started creating a CRM centre of expertise. Following strategic thinking aimed at ensuring overall consistency in initiatives driven by the 360° client view, a coherent roadmap was developed to help achieve our client uniqueness and growth goals.

Digital strategy

In 2022, we continued to strengthen our digital goal of an optimized CX across our digital channels, in particular by developing the foundation for an enhanced iA Mobile and My Client Space experience. We also improved the way advisors are found and selected through our ia.ca website. In addition, we designed a modern new website for our subsidiary iA Private Wealth. We also developed online homeowners and tenants insurance quote solutions. A first version of the new, improved and modernized AX/CX was created in the Advisor Centre and My Client Space. Lastly, we continued to make progress on our web-manufacturing initiative, which increases our efficiency in developing new features and aims to achieve a more coherent and consistent digital CX at iA Financial Group.

Contact centre

We also finished rolling out our contact centre infrastructure, including new resource management and performance metric processes and implemented service quality, agent training and knowledge management standards. The legacy contact centre infrastructure has now been completely removed, and we are in the process of updating our current platform to our supplier’s new flagship solution. Finally, exploratory work was carried out to validate technology innovation product capabilities and profitability, such as conversation analytics and virtual voice assistants.

CX Key Performance Indicators (“KPIs”)

To ensure client needs, expectations and desires remain top concerns and central to our strategies and actions, multiple CX KPIs, including the NPS, were implemented using a common methodology; these KPIs are being continuously tweaked and improved. In 2022, we continued harmonizing and rolling out more CX KPIs across the Corporation to achieve a comprehensive CX view for all our clients during targeted moments of truth, including the digital experience. As a result, a host of new metrics have been launched in a number of business lines and digital channels.

At the same time, we enhance our results viewing tools and significantly increased the number of Corporation individuals who can access them. More key personnel are now equipped to continuously query and act on the CX KPI results to drive CX improvements.

The client feedback process guidelines were updated based on client comments and are being presented to the various business lines. This process is constantly evolving and is primarily intended to ensure quick and concrete actions are taken as necessary with a client and/or an employee.

CX KPIs were added to the KPIs monitored under the *Corporate Fair Treatment of Clients Policy*.

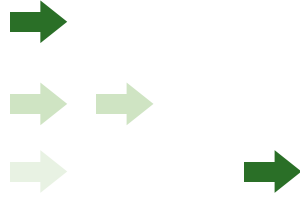
Voice of the Customer program

In addition to enhancing and continually improving our KPIs, we have continued to develop our *Voice of the Customer* program, which was launched in 2021 and aims to pool, process and analyze all client feedback from multiple targeted sources. In 2022, client feedback from our official surveys was supplemented by the processing and analysis of spontaneous feedback received from clients in our main digital channels and social networks (Twitter, Facebook, Google My Business, Apple Store, etc.) as well as complaints from two levels. Lastly, since the beginning of 2022, detailed *Voice of the Customer* program feedback reports are presented quarterly to senior management in each business line.

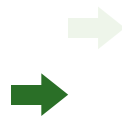


Goals for 2023

	2023 goals
Global CX: Our new target business model	<ul style="list-style-type: none"> — Finalize the target business model to support our vision and continue implementing the required organizational changes.
Enterprise CRM solution	<ul style="list-style-type: none"> — Continue implementing the corporate foundations (B2B, B2C) and target business model for the CRM centre of expertise. — The tools to be rolled out will have to support goals for client uniqueness, growth and simplification of the client experience, particularly online or during interactions with our contact centre.
Digital strategy	<ul style="list-style-type: none"> — Continuously develop our digital strategy through an enhanced experience for the iA Financial Group Mobile app and the launched and optimized common portion of My Client Space. — Deliver key client features as part of our iA Auto and Home digital transformation. — Continue the “Web-Factory” initiative across the company, in conjunction with the technology teams.
Contact centre	<ul style="list-style-type: none"> — Start work on migration to a new solution. — Start modernizing communication channels, such as management of written interactions and opportunities to improve the voice channel.
CX KPIs	<ul style="list-style-type: none"> — Roll out new CX KPIs across the Corporation to better meet needs in accordance with our <i>Corporate Fair Treatment of Clients Policy</i>. — Roll out more KPIs in the business lines and digital channels and ensure metrics built into each channel and business line are coherent and consistent. — Continue efforts to ensure that more key people in the company, at all levels, with the power to improve the client experience and access KPI results and the ability to use them as effectively as possible. — Monitor changes in CX KPIs to gauge the impact of CX improvement projects.
Voice of the Customer program	<ul style="list-style-type: none"> — Add other sources to our <i>Voice of the Customer</i> program, such as dissatisfaction reported by clients on a call to one of our contact centres. — Explore categorization and analytics tools, leveraging AI, to ensure that all client feedback from sources included in the <i>Voice of the Customer</i> program can be processed, analyzed, and continuously monitored.



ESG PRODUCTS AND SERVICES



Support overall employee well-being

Labour shortages, employee retention issues, multi-generational workplaces with diverse and evolving needs: the challenges facing organizations are manifold and complex. In today's market, a comprehensive employee benefits package, crafted with overall employee well-being in mind, is therefore more essential than ever.

At iA Financial Group, we band together with organizations to address these challenges. Together, we design comprehensive and innovative group plans to support employee physical, mental and financial health.

Group insurance

Health and wellness: new services to support mental health

Mental health issues, many of which were compounded by the pandemic, are top-of-mind concerns for a host of organizations. To address them and ensure group insurance clients enjoy a comprehensive product and service lineup tailored to their needs, we added new services to support member mental health.

Mental Health+ Program

This premium program includes a stress assessment questionnaire, preventive coaching and tips for coping with stress.

In addition to a clinical assessment by mental health specialists, plan members have access to an unlimited number of virtual psychotherapy sessions. To ensure successful therapy and prevent relapse, a case manager is assigned to coordinate care between psychologists, physicians and mental health specialists.

Internet-based Cognitive Behavioural Therapy

The Internet-based Cognitive Behavioural Therapy program is an effective and recommended approach to supporting plan members with mild to moderate mental health symptoms.

This approach can help treat a wide range of mental health issues, including depression and anxiety disorders. It consists of short-term psychotherapy aimed at building resilience and strengthening coping skills.

The Mental Health+ and Internet-based Cognitive Behavioural Therapy programs are available through our external partner.

Biosimilar drug transition campaign

Launched in 2021, this campaign is part of our vision to support prescription drug insurance plan sustainability while preserving the physical and mental health of members through continued access to outstanding prescription drug insurance plans and leading-edge treatments.

With more biosimilar drugs entering the market in recent months and biosimilar use policies in a number of provinces, we decided to introduce the lowest price rule for reference biologic drugs to encourage biosimilar drug use by members. Biosimilars are less expensive than reference biologic drugs and have no clinically significant differences in terms of efficacy and safety.

Webinars

As one of Canada's largest group insurers, iA Financial Group actively pursues opportunities to assert its leadership and expertise, including webinars for advisors we do business with and executives of organizations with employee benefit needs.

The *Group Insurance Sustainability: Prevention and Cost Management* webinar addressed the issue of managing group insurance plan costs by presenting the latest initiatives related to biosimilar drug management. It also presented ideas on various preventive measures that could be adopted to prevent health issues from turning into illness or disability. It also provided an opportunity to address prevention from the perspective of health and wellness services and programs.

This [webinar](#) is available by video on demand.

Fraud prevention

According to the CLHIA, over \$40.8 billion in health benefits was paid out in 2022.³⁸ The CLHIA estimates that fraudulent claims total up to 10% of the total amount paid, representing more than \$4 billion.

Who absorbs this shortfall? All of us. Because, contrary to popular belief—three out of four Canadians trivialize the consequences of insurance fraud³⁹—fraud is indeed a serious crime and represents a genuine threat to the sustainability of group insurance plans.

The losses generated by fraudulent claims are borne as much by insurers as by plan sponsors and insured persons.

This scourge puts enormous pressure on plans, resulting in particular in premium increases or reduced coverage to the detriment of insured persons and their family members.

As a responsible company, we have strengthened our controls over the past few years to detect and investigate suspicious activity and claims. Not to mention the efforts made to ensure the integrity and probity of providers and professionals who dispense health care and services.

Group Savings and Retirement

Resource Centre for Plan Sponsors

The [Resource Centre for Plan Sponsors](#) is a handy information and support website for group retirement savings plan sponsors, who can browse a wide range of content to find answers to their everyday questions about administering their plan.

This self-service content includes:

- Educational videos on managing the plan, remitting contributions, etc.
- Frequently asked questions on administrative tasks, member support, and taxation.
- A general email address to get quick answers to specific questions.
- How to register for the new webinars offered.

A slate of initiatives have been developed to support the entire Group Benefits and Retirement Solutions client base.

Facilitating the transition back to in-office work

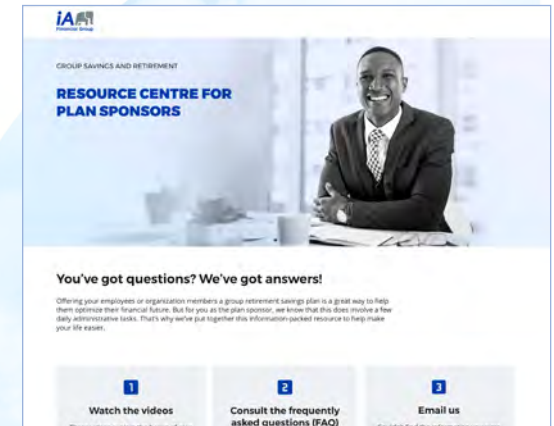
The decline in the Omicron wave in spring 2022 paved the way for a return to in-office work for a number of organizations. We were among them and provided employees with a toolkit free of charge.

Developed in close collaboration with our external partners, this [toolkit](#) contains a wealth of useful information and answers to key organizational concerns.

Preauthorized payment: Our new default payment method

We are committed to optimizing the way we do business and providing clients with the best possible experience. With this in mind, we have begun a transition to preauthorized payment as our new default payment method.

This transition will make life easier for clients, improve their experience with us and spark a collective reduction in our carbon footprint.



³⁸ CLHIA (2022), Canadian Life & Health Insurance Facts, 2022 Edition

³⁹ CLHIA (2018), Anti-Fraud Campaign Research Report, EnviroNics Research Group

iA Auto and Home solutions

At iA Auto and Home, we competitively insure electric and hybrid vehicles and closely monitor trends to ensure we offer the right insurance for alternative energy vehicles entering the market.

We consider fair treatment of consumers to be paramount in the client experience we deliver at iA Auto and Home. We are committed to the highest CX quality standards by ensuring fair pricing based on the underlying risk, underwriting insurance products tailored to client needs that promote prevention of the risks they face and providing a fast, efficient and streamlined claims processing experience.

The client experience is systematically measured using the NPS, with strategic plan action items to improve this measure added year after year for more than a decade. We enjoy an outstanding NPS, which consistently comes in above 60 and is constantly improving.

What's more, our concerted effort to offer a quality client experience throughout our clients' journey with us has not gone unnoticed, as evidenced by our robust client retention of over 85% each year.

Developed from consumer needs studies, our products are sold by over 300 insurance agents mandated to advise and offer clients the products most suited to their needs.

We are also developing client relationships toward omnichannel solutions and enhanced digital touchpoints such as online submissions and My Client Space. In the past year, we have driven significant property and casualty insurance sales growth through digital client touchpoints. The proportion of these sales to total sales rose to 37% in 2022 from 24% in 2021.

Individual Insurance, Savings and Retirement products

Our ESG funds

Five new segregated funds were launched in October 2022, consisting of four ESG funds (focused on environmental, social, and governance factors) and one global value equity fund. With the addition of these four new ESG funds alongside the three ESG funds that were already available, we now offer a total of seven socially responsible funds. iA Financial Group is supporting the creation of a sustainable world through finance, in addition to better meeting the growing interest of several investors seeking to invest in line with their core values.

EVO Savings electronic tools

With the implementation of the EVO Savings system over the past few years, clients' and advisors' time is used wisely by avoiding travel and administrative processing with no added value.

In 2022, 217,000 applications were completed electronically, thereby eliminating hundreds of thousands of printed sheets of paper. This responsible action is consistent with our corporate values.

Documents in Mandarin and Punjabi

To help advisors communicate more effectively with current or potential clients who are native speakers of Mandarin or Punjabi, iA Financial Group has made available 27 documents in Mandarin and 11 in Punjabi for a variety of products offered in the Life Insurance, and Individual Savings and Retirement business lines, allowing these clients to benefit from a fully transparent, personalized approach.



Tools for clients' day-to-day lives

In your Interest! podcast: Your need-to-know economic news

The conflict in Ukraine, market instability, inflation and rate hikes and much more. The [In your interest!](#) podcast covers a range of current economic and financial topics for advisors, retirement savings plan sponsors and members.

Economic and finance videos and webinars

Sébastien Mc Mahon, Chief Strategist and Senior Economist, presents [short videos](#) on various economic and financial topics in simple, understandable language.

Various topics are covered:

- Inflation
- Gross domestic product (GDP)
- Central banks and monetary policy
- Stocks and bonds
- Emerging countries and markets

Sébastien Mc Mahon and three portfolio managers also kicked off the year with a [webinar](#) on the outlook for 2022.

Lastly, to take stock of economic and market behaviour in 2022 and look ahead to 2023, he moderated the *Inflation, récession et obligations* webinar. An additional tool to support our Group Benefits and Retirement Solutions clients, answer their questions and positively affect overall member well-being.

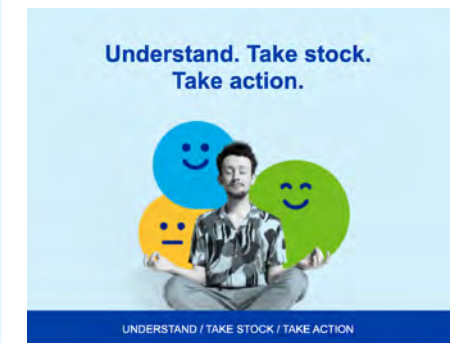
This [webinar](#) is available by video on demand.



Financial Literacy Month campaign

November is Financial Literacy Month. For the occasion, we organized an information and education campaign. In 2022, our goal was to raise awareness and reassure group retirement savings plan members about prevailing inflation and market instability.

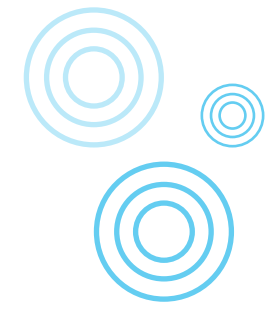
Throughout the month, we communicated by email with the members who signed up for the group retirement savings newsletter. We also provided tools to help them better understand the current special economic environment, gain awareness of their financial situation, and take the right steps to meet their financial goals.



All throughout Financial Literacy Month, we offered you tools to help you make the right choices to achieve your financial goals.



GOVERNANCE




Institutional governance structure

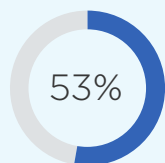
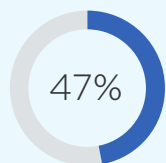
Board of Directors

(as at December 31, 2022)

Number of directors

 7 out of 15

 8 out of 15



Number of independent directors

14 out of 15

Average age

61 years

3.96 years
Average tenure

Attendance rate

98.8%

Board
meetings

100%

Committee
meetings

Our website features each of the [15 members of the Board of Directors](#) and the [composition of the four Board committees](#).

Our Board of Directors is the foundation of our business ethics. Its mandate is to promote a culture of integrity at iA Financial Group based on ethical corporate behaviour. For example, Canadian insurance firms' Risk, Governance and Ethics committees are required to monitor the effectiveness of existing fair client treatment and client complaint handling programs, receive annual reports, and recommend relevant policies to their Board.

Board independence

The [Board Independence Statement](#), which refers to our [Board Independence Policy](#), sets out the criteria for evaluating Board members' independence.

Under this policy, the Board must be independent from the Corporation. 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

To encourage diversity on its board, iA Financial Group has published a [Board Diversity Statement](#), which refers to our [Board Diversity Policy](#). 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.

Internal audit responsibility

For iA Insurance, the Audit Committee's oversight is governed by the [Policy Regarding the Head of Internal Audit](#) and by the [Governance Guideline](#) of the 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. In 2022, the internal auditor met with the committee in camera after each regularly scheduled committee meeting.

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 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.

In addition, iA Financial Group has adopted the [External Auditor Independence Policy](#) which, among other things, sets out the underlying principles for granting service contracts for non-audit services and recruiting the external auditor's partners or employees.

Our sound governance tools

iA Financial Group has always greatly prioritized establishing and maintaining sound and prudent corporate governance in the interests of the Corporation and its stakeholders. We are always looking for ways to improve how we do things.

Some of the policies, guidelines and practices our governance is based on are outlined below.

Our Governance Framework

Our [Governance Framework](#) links the culture of integrity to the Corporation'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 Corporation'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

Our [Code of Business Conduct](#) applies among others to employees, officers and directors of iA Financial Group. Its main objective is to underscore the high standards of behaviour expected and required of them and the importance of acting ethically, honestly and with integrity at all times.

[All new employees, directors and officers are required to read and agree to abide by the Code before starting to work, and must 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* is revised and updated periodically. Management annually reports to the RGEC on compliance with the *Code of Business Conduct*.

Integrity Hotline

In a continued effort to adhere to ethics and governance best practices, a reporting mechanism known as the "Integrity Hotline" is in place. The Integrity Hotline allows iA Financial Group employees, consultants and suppliers to confidentially and anonymously report things, such as questionable behaviour, that may seem illegal, fraudulent or against business ethics, irregular activities and practices, or any breach of the iA Financial Group's or *Supplier Code of Conduct*. Reporting is done through an independent third party.

Every six months, the RGEC receives and examines a report regarding the information received through the Integrity Hotline, which can be about any inappropriate behaviour but excludes fraud, which is instead reported to the Audit Committee.

Guideline on disconnecting

iA Financial Group's employee health and well-being are pillars of the employee experience, and mental health is one of the core aspects of the iA Health program. One of the five key elements of the FLEXIBLE work model is balance, and the Corporation is committed to supporting work-life balance for all of its employees.

iA Financial Group has created a guideline on work-life balance and disconnecting which sets expectations for employees who engage in professional communications outside regular work hours.

The guideline applies to all of the Corporation's employees in Canada.

iA Financial Group encourages all employees to be mindful of when they send professional emails or other communications to immediate supervisors, team members or other colleagues. Where possible, iA Financial Group encourages its employees to send all important communications during regular work hours or to let their colleagues know that they are not expected to reply outside of regular work hours.

Working conditions and policies

Several measures to encourage work-life balance are in place. Employees have flexible schedules and can, depending on their position, decide when they start and end their work day. They are responsible for making sure they work the required number of hours per week and stay on track with their projects. Some may also enter into an agreement to reduce their work hours (part time) or work part of the time in another role for greater versatility.

Disclosure Policy

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

Securities Trading Policy

iA Financial Group's *Securities Trading Policy* includes certain rules regarding transactions and trades in the Corporation's securities by insiders and employees. It is rooted in the principle that every person who invests in iA Financial Group's securities must have equal access to information that could influence their investment decisions.

This policy applies to all transactions involving the Corporation's securities and to any person who, in the performance of their duties at iA Financial Group, receives or has access to insider and/or important information which has not yet been disclosed to the public. This policy also applies to anyone who receives this type of information from an insider or an employee.

Accessible Customer Service Policy

iA Financial Group strives to provide goods and services that respect the dignity and independence of people with disabilities. We are committed to providing people with disabilities with the same access to our goods and services and enabling them to enjoy the same services, as quickly and in the same manner as other clients. As part of this undertaking, we will strive to comply with our obligations under the *Accessibility for Ontarians with Disabilities Act*, the *Accessibility for Manitobans Act* 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.

Corporate policy on financial crime risk management

In February 2023, we reviewed our policy, which 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. Financial crime risk management is a continuous process supported by the implementation of prevention, detection and monitoring measures and by effective governance.

Human Rights Statement

Our *Human Rights Statement* outlines our commitment to respecting and promoting internationally recognized human rights.

iA Financial Group is committed to respecting 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.

Supplier Code of Conduct

Our *Supplier Code of Conduct* addresses various elements, including ethics and governance, collusion and corruption, diversity and inclusion, human rights and labour law, working conditions, and the environment. We feel it is essential that our business relationships be grounded in transparency and integrity. We ask that our suppliers act ethically in the conduct of their business.

Policies promoting a quality work environment for all employees

Internally, iA Financial Group has policies such as the one on respect in the workplace and on the prevention of violence in the workplace to encourage and ensure a quality workplace for all employees. The goals of these policies are to promote equity, diversity and inclusion; raise awareness and train employees to prevent violent behaviour; and encourage the Corporation to take steps to prevent unacceptable situations potentially akin to harassment.

Sound commercial practices and fair treatment of clients

iA Financial Group is committed to its clients' interests and holds itself to high standards regarding fair treatment of clients. It has implemented changes in order to place sound commercial practices and fair treatment of clients at the heart of the Corporation's culture. The *Corporate Fair Treatment of Clients Policy* sets out the principles business sectors must adhere to and the standards they must adopt to ensure clients are treated fairly, offer an optimal client experience and meet regulatory requirements.

The policy is structured around eight key principles that reflect the behaviours expected in order to ensure the fair treatment of clients, namely:

1. Governance and culture
2. Conflict of interest management
3. Outsourcing
4. Product design and marketing
5. Representations, advertising and communications about our products and services
6. Processing of client requests
7. Protection of personal information
8. Incentive management

Our indicators

Over the last few years, we have developed indicators to track and measure iA Financial Group's performance with respect to fair treatment of clients. These indicators provide an overall and accurate picture of fair treatment practices and allow us to identify gaps in applying the principles and take action to address them. These indicators also help us ensure proper reporting to our governance bodies.

The [Fair Treatment of Clients Statement](#) provides an overview of this policy.

Engagement with shareholders

iA Financial Group's Board of Directors and management strongly promote interaction with shareholders and stakeholders by various means and believe that it is important to have direct, regular and constructive engagement with them in order to foster open dialogue and sharing of ideas.

Senior management and the Board of Directors have established mechanisms for shareholders and other stakeholders to communicate with them. These mechanisms are explained on [ia.ca](#) and in the *2023 Proxy Circular*.

Shareholders who wish to communicate or meet with directors are invited to send us their requests in writing at 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

iA Financial Group's senior management has continued to engage with shareholders by communicating with them and other stakeholders in various ways, including:

Publicly available documents

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

Conferences and presentations

- Annual Shareholders' Meeting
- Quarterly conference calls with financial analysts, which are accessible to all shareholders
- Participation in industry conferences and other events
- Live and recorded webcasts of quarterly conference calls to present financial results and the annual shareholders' meeting
- In-person, videoconference or telephone meetings
- The [ia.ca](#) website, particularly under [About iA](#), in 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 investisseurs@ia.ca

Investor Relations

It is our Investor Relations department's duty and pleasure 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 where it shares the latest financial information.



Relations with government bodies

Active and constructive dialogue 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 CLHIA or any other industry association, we feel that it is important to contribute to the public debate so we can represent not only our own concerns, but also those of our clients. iA Financial Group is subject to a high degree of regulation, which affects most of our operations. Our clients, employees and shareholders are directly affected by our relationships with regulatory and government authorities.

We are primarily subject to regulation by Quebec's AMF and most of our government relations activities take place in Quebec, where we are registered in the Lobbyists Registry.

Our communications with government bodies are open, transparent and comply with applicable laws and regulations. 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

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

Contributions to political parties

iA Financial Group's guideline is not to make financial contributions to political parties or election candidates at any level of government, whether in Canada or the United States.

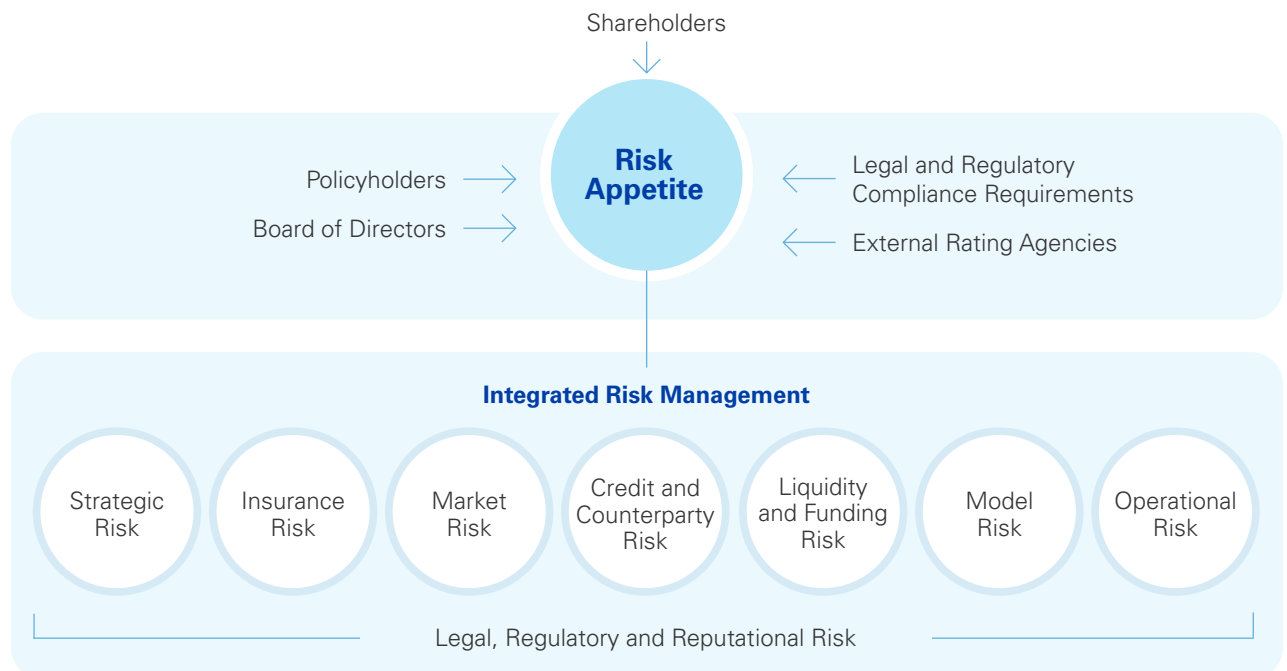
Risk management

Integrated risk management framework

iA Financial Group is committed to carrying out sound and prudent risk management through an approach that balances risk and return. This approach takes risk into consideration in decision-making, is aligned with strategic directions and is consistent with the Corporation's risk appetite and tolerance.

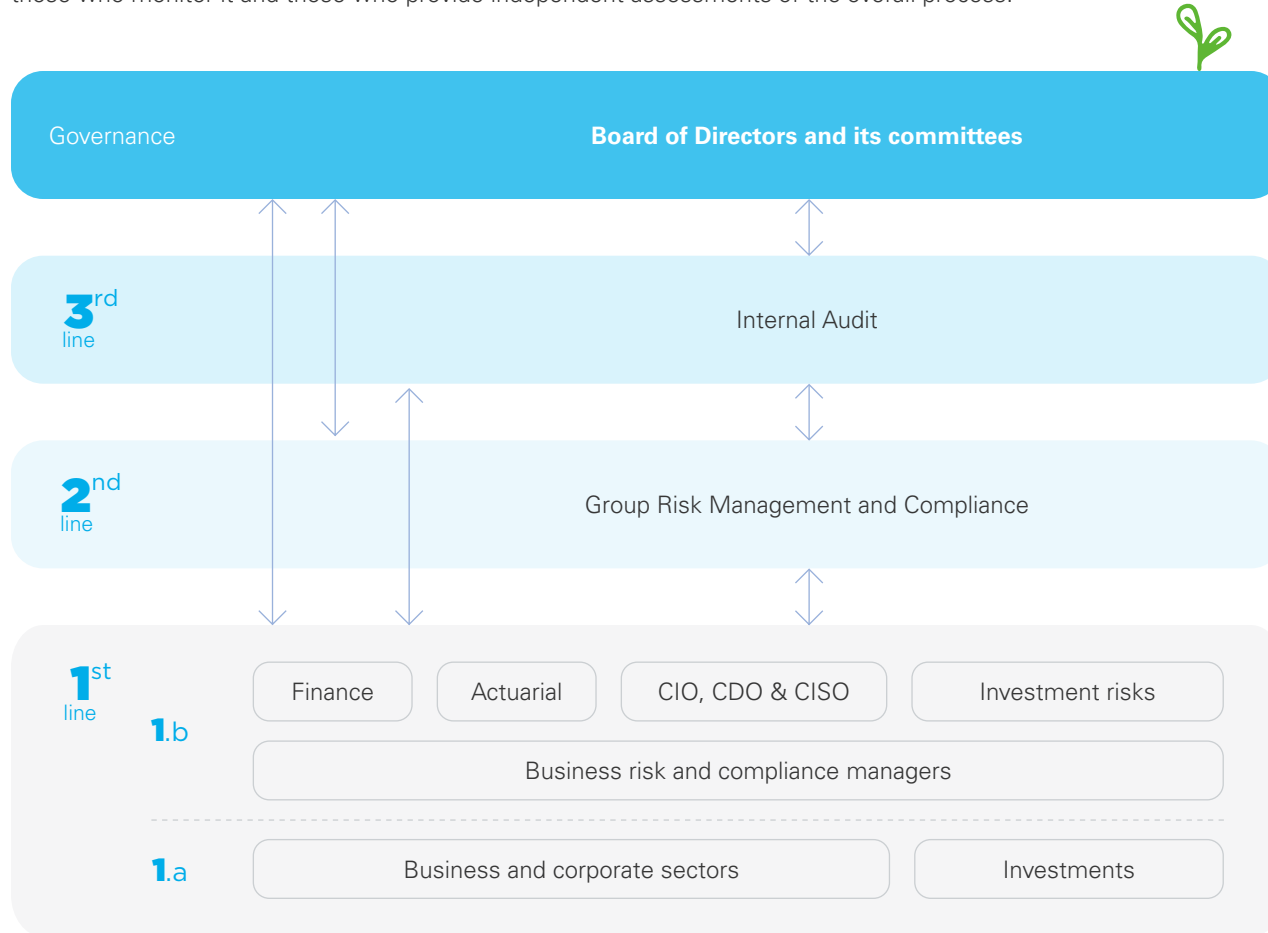
The integrated risk management framework goes over the structures, policies, procedures, processes and other control measures allowing iA Financial Group to identify, assess, communicate, manage, mitigate and monitor the risks inherent to its business.

By providing sufficient and relevant information on risk and how effectively it is managed, the risk management framework gives senior management and the Board of Directors a reasonable degree of confidence and comfort in the Corporation's understanding and management of all risks related to its objectives. It enables the Corporation to monitor its risk profile, report to the appropriate bodies and take prompt action if needed.



Risk governance

iA Financial Group has created and implemented a risk management approach rooted in the Lean philosophy and the “three lines of defence” model.⁴⁰ This approach spreads accountability among those who take and control the risk, those who monitor it and those who provide independent assessments of the overall process.



First line of defence

The first line of defence is composed of the risk owners. It is responsible for establishing and executing the business strategies in keeping with the Corporation’s defined risk appetite and tolerance and ensuring a long-term balance between risk and return. It is also responsible for implementing the appropriate controls and corrective measures based on the risks it is taking and managing on a daily basis, and for applying the principles, frameworks, policies, guidelines, standards, tools and methodologies developed by the second line of defence.

Second line of defence

The second line of defence is responsible for objectively and impartially monitoring and critically analyzing the risks and controls implemented by the first line of defence. It is also responsible for developing and maintaining the principles, frameworks, policies, guidelines, standards, tools, and methodologies needed to identify, assess, incorporate, track and monitor the current and emerging risks, and to report thereon. This independent and objective risk management function, the Group Risk Management and Compliance (“**GRMC**”) is the responsibility of the Executive Vice-President and Chief Risk Officer (“**CRO**”) and the Vice-President and Chief Compliance Officer (“**CCO**”). The GRMC supports the CRO and CCO in the implementation and monitoring of the risk management framework, policies and programs in all of iA Financial Group’s sectors.

Third line of defence

The third line of defence provides independent assurance to senior management and to the Board of Directors regarding the effectiveness and adequacy of the governance, risk management framework and internal control processes.

⁴⁰ *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.

Integrated risk management process

Risk management is an ongoing and iterative process that aims to ensure risks are managed adequately and are consistent with iA Financial Group's risk appetite and tolerance. This process applies to any current or emerging risk in any risk category that can arise in any of iA Financial Group's business lines.

The taxonomy groups risks into eight categories: insurance risk, credit risk, market risk, cash flow risk, strategic risk, operational risk, regulatory non-compliance risk and reputational risk.

As part of our *integrated risk management framework*, iA Financial Group assesses the impact of financial (insurance, credit and market) risks and certain non-financial (strategic, operational and regulatory non-compliance) risks once a year, or more frequently if required, through scenario analysis and crisis simulation exercises like Financial Condition Testing (FCT) and the Own Risk and Solvency Assessment (ORSA) and confirms the Corporation's financial strength for dealing with adverse events. Additional risk assessment processes based on a standardized approach for taking the effectiveness of controls and dependencies between processes are also in place.

Climate-related risks are considered cross-cutting drivers of risk and are integrated into our overall risk management process.

Compliance

To ensure sound and prudent regulatory risk management, iA Financial Group has undertaken to promote a corporate culture that encourages regulatory compliance, thereby helping to meet business goals. iA Financial Group thus strives to comply with all applicable laws, regulations and guidelines. iA Financial Group's Compliance department aims to protect both the Corporation's value and clients' peace of mind by supporting the implementation of a regulatory framework and standards across all of the Corporation's business units. It promotes a corporate culture that is focused both on realizing the Corporation's strategy and remaining consistent with its risk appetite and tolerance.

Compliance's purpose is to establish and maintain compliance principles, frameworks, policies and standards. It ensures that these standards are complied with through monitoring, among other means. It also independently supervises the adequacy, consistency and effectiveness of regulatory risk control mechanisms and reports thereon.

Fiscal transparency

We firmly believe that there is no room for compromise and half measures when it comes to fiscal transparency.

At iA Financial Group, we comply will all tax laws and regulations in Canada, the United States and worldwide.

We also facilitate continuous dialogue and collaboration with the tax authorities.

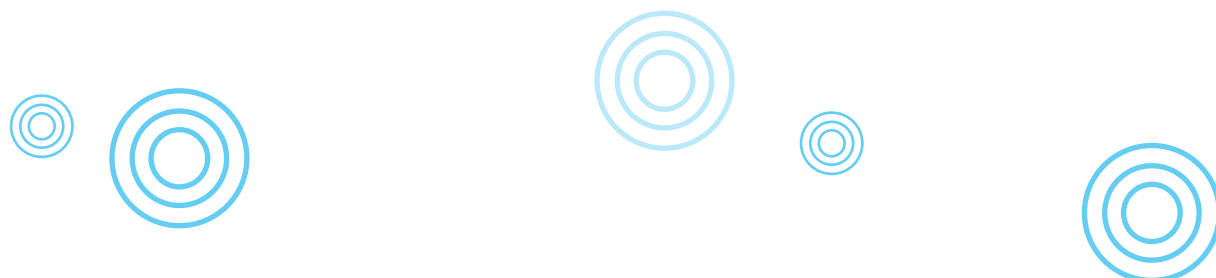
Our tax governance structure consists of the Corporation's Board of Directors and senior management, including the CFO. Our Taxation department is in charge of our fiscal strategy and all relevant operational matters.

To ensure sound risk management, we have created various committees and working groups to examine and validate various operations and transactions, in collaboration with the Taxation department.

Since we have operations in the United States, iA Financial Group fully complies with the Organization for Economic Co-operation and Development ("**OECD**") principles that apply to transfer pricing.

In a global economy where multinational firms are major players, governments must make sure that taxable profits are not artificially transferred outside their borders and that the tax base declared reflects the actual economic activity in that country.

The OECD Transfer Pricing Guidelines provide guidance on the application of the "arm's length principle", which is the international consensus on the valuation of cross-border transactions between associated enterprises.



Information security

Information Security Policy Framework

To support its operations and ensure its assets and activities are adequately protected, iA Financial Group bolsters its vision for a sound information security (“IS”) culture with a governance structure and guidance documents, including a *Corporate Information Security Policy*. To support the policy, the IS Policy Framework provides a document structure of directives, standards, processes and guidelines. It is designed to ensure internal consistency through a consultation, approval and review process by stakeholders and application of compliance mechanisms consistent with Legal Services’ directions.

Four key principles that underpin the IS Normative Framework

Risk management

- Define and communicate IS risks and risk tolerance to management
- Measure and control compliance with respect to IS risk

Alignment

- Align IS objectives with the overall priorities of the digital transformation
- Achieve alignment with legal and regulatory aspects
- Achieve alignment with industry requirements and standards

Integration

- Ensure consistent management of IS processes and technologies
- Provide mechanisms for complying with IS requirements

Standardization

- Standardize IS processes and requirements Corporation-wide
- Define the main aspects of IS management

Three-dimensional governance

IS governance is three-dimensional in order to ensure integrated alignment across all elements that support IS within the Corporation. The first dimension is based on the *Cybersecurity Framework of the National Institute of Standards and Technology* (NIST-CSF) and is complemented by additional capacities with respect to ISO standards. This governance is thus underpinned by industry best practices.

The second dimension is based on the IS Policy Framework detailed above, which ensures alignment so that each guidance document is rooted in frameworks, security controls and standards by recognized organizations (NIST-CST, CIS, ISO) and explains the applicable requirements for fostering a safe and compliant environment. It includes six directives under which IS standards document operational requirements and processes.



These directives cover:

- 1 IS governance, risk management and compliance**, governing standards such as *Third-party Management*, which aims to identify and manage IS risks at every stage of the business relationship by integrating IS requirements into agreements.
- 2 Information protection**, governing standards such as *data protection*, which aims to apply a combination of security controls to data at each phase of its life cycle.
- 3 Security event monitoring and analysis**, governing standards such as *threat management*, which helps identify and explain threat search and profiling activities so that the Corporation can be proactive, respond promptly to potential attacks, and protect its systems and information.
- 4 Information security resilience**, governing standards such as *security incident management*, which allows the Corporation to develop a cohesive, effective and tactical approach to incident management.

It also includes guidelines on 5) acceptable use of technology and 6) electronic monitoring.

IS services are the third dimension of this governance, allowing the Corporation and its subsidiaries to:

- ✓ Implement sound information security governance and management
- ✓ Implement effective controls to ensure our assets are protected, allow access and use of data through sound management of identifiers and accesses
- ✓ Watch, monitor, detect and react to anomalous access, data and threats while being proactive with respect to our business environments' input telemetry

Our employees are our best line of defence!

Public data on security incident risk factors in 2022 shows that 44% more of those risks have been arising internally.⁴¹ This data also shows that while many people still think malware is spread through attachments, three to four times more malware attacks actually happen through malicious links. This shows how important it is to train and raise awareness in our best line of defence: our employees.

In 2022, the IS training and awareness program led to safer behaviour by iA Financial Group employees, who reported malicious emails more often and were less prone to clicking on malicious links during phishing campaigns, a direct result of our training campaigns, which we refine as cyberthreats evolve.

In addition to our training and phishing awareness programs, 2022 was also marked by:

- ✓ Cyber Gazette; an information security newsletter
- ✓ The Cyber-Alliance; a network of ambassadors who inform and inspire their colleagues
- ✓ Several conferences

⁴¹ Proofpoint (2022). *The Human Factor 2022*, Online report.

Our transformation program

To make iA a more modern financial group

In 2021, iA Financial Group launched a major corporate transformation program aimed at ensuring continuous digital strategy development, maximizing operational efficiency, developing talent and enhancing our 360° client view. These changes reflect the Corporation's evolution in the strategic areas of client, advisor and employee experience and information technology.

The mandate of the transformation program is to lead and orchestrate the organizational and cultural changes needed to simplify and improve iA Financial Group's efficiency, clarify the roles and mandates of the various sectors and ensure strategic alignment to meet the objectives of the digital transformation.

2022 achievements

In late January 2022, we rolled out the program's governance structure. We also staffed priority positions at the Transformation Office by hiring a Senior Director, Initiative Portfolio Management, a Director, Transformation Projects, a Senior Global Transformation Portfolio Officer and a Lead Strategic Communications Advisor. A veritable accelerator, this team is tasked with rolling out a comprehensive program across iA Financial Group in close collaboration with all operating units.

2022 was marked by another important mandate: rolling out a new target business model to optimize client experience, which is a strategic pillar for iA Financial Group. Called *Global CX*, it is a business function with clear accountability and a focus on CX growth and consistency across all of iA. These achievements are detailed in the [Client experience](#) section of this report.

Similarly, our employee experience and corporate culture achievements are detailed in the [Talent and culture](#) section.

Goals of 2023

In 2023, the transformation program we have developed will continue to be rolled out company-wide. As in 2022, our priorities will be to ensure proper implementation of our new CX business model and refine our portfolio management practices.

We will also focus on operational efficiency to help our company grow and optimize how we do things. Throughout, we will continue to listen to our stakeholders and make sure our corporate culture supports these changes.

APPENDICES

SASB Framework

In 2020, we adopted the SASB framework. SASB standards address sustainability issues by industry type. Adopting this robust, recognized framework enables us to identify, measure, manage and better communicate relevant ESG performance information to our various stakeholders. By adopting SASB standards for our business lines, we are

able to focus on the factors that are most likely to have a financial impact on value creation for our business. In addition, since the measures are specific to our lines of business, our stakeholders will 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 TCFD, allowing us to adopt complementary measures and performance metrics.

* Represents new metrics adopted in 2022

Business lines: insurance, asset management and asset safekeeping

Topic	Accounting metric	Code	Disclosure
Incorporation of environmental, social, and governance factors (ESG) in investment management	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-IN-410a.2 FN-AC-410a.2	Section « Individual Wealth Management » (page 15) and section « Investment » (page 38) of the 2022 Annual MD&A Section « Sustainable Finance » of the 2022 Sustainability Report Responsible Investment Policy

Business line: insurance

Topic	Accounting metric	Code	Disclosure
Transparent information and 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	FN-IN-270a.1	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	FN-IN-270a.3	Section « Client Experience » of the <i>2022 Sustainability Report</i>
	Description of approach to informing customers about products	FN-IN-270a.4	Section « Sound commercial practices and fair treatment of clients » of the <i>2022 Sustainability Report</i> Fair Treatment of Clients Statement
Incorporation of environmental, social, and governance factors (ESG) in investment management	Total invested assets, by industry and asset class	FN-IN-410a.1	Section « Investment » (page 38) of the 2022 Annual MD&A
Policies designed to incentivize responsible behaviour	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours	FN-IN-410b.2	Section « Creating a positive impact through our investments » and section « ESG Products and Services » of the <i>2022 Sustainability Report</i>
Environmental risk exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Section “Risk management” of the <i>2022 TCFD Report</i>
	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)	FN-IN-450a.2	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, 2022. 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	FN-IN-450a.3	Section « Risk Management » (page 45) of the 2022 Annual MD&A Section « Climate Risk Management » of the <i>2022 Sustainability Report</i> Section « Risk Management » of the <i>2022 TCFD Report</i>

Topic	Accounting metric	Code	Disclosure
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	FN-IN-550a.1	Section « Climate Risk Management » of the <i>2022 Sustainability Report</i> Section "Risk management" of the <i>2022 TCFD Report</i>
	Total fair value of securities lending collateral assets	FN-IN-550a.2	Section « Consolidated Comprehensive Income Statements » (page 7) of the 2022 Consolidated Financial Statements
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	Section « Risk Management » (page 45) of the 2022 Annual MD&A Section « Climate Risk Management » of the <i>2022 Sustainability Report</i> Section "Risk management" of the <i>2022 TCFD Report</i>

Business line: asset management and safekeeping

Topic	Accounting metric	Code	Disclosure
Incorporation of environmental, social, and governance factors (ESG) in investment management	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	FN-AC-410a.1	Section « Individual Wealth Management » (page 15) and section « Investment » (page 38) of the 2022 Annual MD&A Section « Sustainable Finance » of the <i>2022 Sustainability Report</i> Responsible Investment Policy
Employee, diversity and inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	Section « Equity, Diversity and Inclusion » of the <i>2022 Sustainability Report</i> Section "Employment Equity, Diversity and Inclusion" of the <i>2023 Proxy Circular</i>
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	FN-AC-510a.1	In 2022, 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	FN-AC-510a.2	Section « Our sound governance tools » of the <i>2022 Sustainability Report</i> Code of Business Conduct , page 4

Complementary to our operations: real estate, corporate banking and brokerage, integrated healthcare management

Topic	Accounting metric	Code	Disclosure
Energy management	Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	Section « Energy and water management at our properties » of the <i>2022 Sustainability Report</i>
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	IF-RE-130a.2	
	* Percentage change in energy consumed by portfolio area with data coverage, by property subsector.	IF-RE-130a.3	
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR®, by property subsector	IF-RE-130a.4	Section « Energy and water management at our properties » of the <i>2022 Sustainability Report</i> While our properties are not ENERGY STAR® certified, most have an ENERGY STAR® profile.
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Section « Energy and water management at our properties » of the <i>2022 Sustainability Report</i>
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	IF-RE-140a.1	Section « Energy and water management at our properties » of the <i>2022 Sustainability Report</i>
	(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	IF-RE-140a.2	
	* Percentage change in energy consumed by portfolio area with data coverage, by property subsector.	IF-RE-140a.3	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	

Topic	Accounting metric	Code	Disclosure
Climate change adaptation	Description of climate changes risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Section « Environment » of the <i>2022 Sustainability Report</i> Section « Strategy » of the <i>2022 TCFD Report</i>
Professional integrity	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	Section « Our sound governance tools » of the <i>2022 Sustainability Report</i> Code of Business Conduct
Climate change impacts on human health	Discussion of the strategy to address the effects of climate changes 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	HC-MC-450a.1	Section « Environment » of the <i>2022 Sustainability Report</i> Section “Strategy” of the <i>2022 TCFD Report</i>

GHG methodology⁴²

Scope of the reporting entity

The data in this report applies to iA Financial Group.

This methodology covers the period from January 1 to December 31, 2022, and all of the information it contains corresponds to data up to December 31, 2022 entered in the fiscal year ended on that date. Unless indicated otherwise, all data is real and consolidated for all of our subsidiaries and operations in Canada and the United States and all amounts are in Canadian dollars. In addition, the structure of iA Financial Corporation can be found on our [website](#).

The only change to the scope of the 2022 reporting entity compared to that of 2021 is in terms of the ownership percentages that were used to calculate the GHG emissions of the properties we own. Last year, ownership percentages were applied to Scope 1 and Scope 2 GHG emissions. This year, a correction was made to last year’s figures to consider 100% of the GHG emissions from Scope 1 and Scope 2 properties (according to the *GHG Protocol* guidelines).

Other data changes are factual, non-recurring and resulting primarily from the fact that, for 2022, properties or vehicles that were not yet considered in 2021 were included in this calculation (e.g., leased properties or office space). In addition, several additional Scope 3 categories were considered this year (including a portion of financed emissions).

⁴² All iA Financial Group GHG emissions data is unaudited and internal to the best of our knowledge.

Scope 1 (direct GHG emissions)

For Scope 1, stationary combustion (i.e., diesel and natural gas) and fugitive emissions (i.e., refrigerants R22 and R134) from all owned properties (at least partially) as well as iA Financial Group's mobile combustion emissions (i.e., vehicle fleet) were considered.⁴³ All the Corporation's properties were taken into account. The data was provided to us by the internal teams who collected it from our property management firms.

In addition, our vehicle fleet must also be taken into account in Scope 1. The Corporation owns one van for occasional use by the Physical Resources Department and leases 50 vehicles (gasoline and/or hybrid).⁴⁴

Our actual raw consumption data was multiplied by the corresponding emission factor:

Emission	Factor	Source
Diesel (L)	2.689 (kg of CO ₂ /L)	National Inventory Report 1990-2020: GHG Sources and Sinks
Natural gas (m³)	1.955 (kg of CO ₂ /m ³)	National Inventory Report 1990-2020: GHG Sources and Sinks
R22 refrigerant (kg)	1,760 (kg of CO ₂ /kg)	Global emissions of refrigerants HCFC-22 and HFC-134a: Unforeseen seasonal contributions.
R134 refrigerant (kg)	1,300 (kg of CO ₂ /kg)	Global emissions of refrigerants HCFC-22 and HFC-134a: Unforeseen seasonal contributions.
Gasoline vehicles (SUV, compact/midsize) (km)⁴⁵	0.33 (kg of CO ₂ /km)	National Inventory Report 1990-2020: GHG Sources and Sinks

⁴³ Data from our properties owned and/or occupied in the United States was estimated.

⁴⁴ Although iA Financial Group owns 58 vehicles, 7 have been excluded from the calculation as they are electric.

⁴⁵ The 50 gasoline vehicles are all SUVs or compact/midsize models.

⁴⁶ Power consumption is based on estimated data.

Scope 2 (indirect emissions related to electricity consumption)

As for Scope 1, all the Corporation's properties were taken into account.

Our actual raw consumption data was multiplied by the corresponding emission factor for each Canadian province or territory or U.S. state:

Emissions (purchased energy)	Factor	Source
Alberta	0.59 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
British Columbia	0.0073 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Manitoba	0.0011 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Ontario	0.025 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Quebec	0.0015 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Texas (US)⁴⁶	0.373 (kg of CO ₂ /kWh)	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 6 Electricity, March 9, 2018.

Estimated missing property data

Regardless of the scope, in order to compensate for missing data, total emissions were estimated and calculated for each property. Using our actual data, a value per square foot was first calculated. This value was then multiplied by the total floor area of the properties for which data was missing:

$$\frac{\sum \text{actual values}}{\text{Total floor area concerned}} = \text{Value per square foot}$$

$$\text{Estimated value} = \text{value per square foot} \left(\frac{\text{unit}}{\text{sq. ft.}} \right) \times \text{floor area (sq. ft.)}$$

Scope 3 (indirect emissions not related to electricity consumption)

The following categories were considered for iA Financial Group's GHG offsets:

- **Category 5:** waste generated in operations
- **Category 6:** business travel
- **Category 7:** employee commuting
- **Category 8:** upstream leased assets
- **Category 13:** downstream leased assets
- **Category 15:** investments

Category 5: waste generated in operations

Data was collected directly from supplier shipping documentation (indicating actual shipping tonnage data for unrecovered waste, as well as recovered waste destined for recycling or composting).

Here is how GHGs were considered based on the status of the property under consideration:

- If the property was at least partially owned by the Corporation, 100% of waste-related GHGs were considered.
- If the property was occupied by the Corporation (but not owned), the occupancy rate was used to calculate the portion of GHGs to be considered.

The data was multiplied by the corresponding emission factors for the three categories of waste:

Emission ⁴⁷	Factor	Source
Landfilled waste	520 (kg of CO ₂ /t)	EPA, Office of Resource Conservation and Recovery (February 2016)
Recycled waste	90 (kg of CO ₂ /t)	
Composted waste	17 (kg of CO ₂ /t)	

Category 6: business travel

The actual data was provided by our internal teams (for passenger vehicles), but also by an external supplier (for trains and planes). For business trips made with employees' personal vehicles, we added up the expense report statements for the four quarters of 2022, on which the kilometrage of each trip appears.

⁴⁷ Some data had to be estimated. The same calculation method as that set out for properties above was applied.

Our actual kilometres travelled data was multiplied by the corresponding emission factor for each transport category:

Emission	Factor	Source
Air travel (short trip)	0.3318 (kg of CO ₂ /km)	EPA (2021) Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019.
Air travel (medium trip)	0.2066 (kg of CO ₂ /km)	
Air travel (long trip)	0.2611 (kg of CO ₂ /km)	
Train	0.1814 (kg of CO ₂ /km)	
Passenger car	0.532 (kg of CO ₂ /km)	

Category 7: employee commuting

Actual data was only available for Quebec City and was provided by an external supplier who contributed to the 2015 travel management plan for Industrial Alliance Insurance and Financial Services Inc. (a subsidiary of iA Financial Corporation Inc.). The kilometres travelled totals that emerged from the study (for car and bus travel) were then extrapolated to the number of current employees in the entire Corporation and for an entire year of work.

Through our WFA initiative, it is important to consider the proportion of work from home in our calculations. The office attendance rates for several of our properties were provided by our access management system service and were applied to the calculations.

Our estimated kilometres travelled data was multiplied by the corresponding emission factor for each transport category:

Emission	Factor	Source
Passenger car	0.532 (kg of CO ₂ /km)	EPA (2021) Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019.
City bus	0.0906 (kg of CO ₂ /km)	

Category 8: upstream leased assets

All data in this category was estimated for the properties that we occupy (but do not own) using our actual owned building data.

To calculate all the GHG emissions within Scope 1 applicable to these properties and Scope 3,

Category 5 (waste generated in operations) applicable to the properties we are tenants in, the same approach and emission factors as for owned-property GHG calculations were used.

To calculate Scope 2 GHG emissions, the same approach was used as for owned properties, but the following additional emission factors were also used:

Emissions (purchased energy)	Factor	Source
Saskatchewan	0.58 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Nova Scotia	0.67 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Newfoundland	0.024 (kg of CO ₂ /kWh)	2020 Canada National Inventory Report 1990–2019
Michigan (US)	0.526 (kg of CO ₂ /kWh)	EPA, «Emission Factors for Greenhouse Gas Inventories, » Table 6 Electricity, March 9, 2018.
New Mexico (US)	0.386 (kg of CO ₂ /kWh)	
North Carolina (US)	0.284 (kg of CO ₂ /kWh)	
Connecticut (US)	0.242 (kg of CO ₂ /kWh)	
Arizona (US)	0.386 (kg of CO ₂ /kWh)	
Nevada (US)	0.274 (kg of CO ₂ /kWh)	
Missouri (US)	0.337 (kg of CO ₂ /kWh)	
Oregon (US)	0.274 (kg of CO ₂ /kWh)	
Florida (US)	0.380 (kg of CO ₂ /kWh)	
Oklahoma (US)	0.425 (kg of CO ₂ /kWh)	
Ohio (US)	0.449 (kg of CO ₂ /kWh)	

Category 13: downstream leased assets

As we consider all owned-property GHG emissions in our Scope 1 and Scope 2 totals, the total for this Scope 3 category is therefore 0.

Category 15: investments

For the first time in 2022, we are disclosing Category 15 (Investments) indirect emissions. We followed the methodology of the *Partnership for Carbon Accounting Financials* (“PCAF”) to calculate the carbon footprint of the listed equity and corporate bonds portion of our General Funds. Data is from MSCI, and the portfolio coverage accounted for 79.5%⁴⁸ for the combined portion of the General Funds’ listed equity and corporate bonds. Our securities and their market values were extracted from our database, while enterprise value including cash (“EVIC”) and GHG emissions, particularly Scope 1 and Scope 2 emissions, were obtained from data provider MSCI.

In accordance with PCAF guidelines, we used EVIC to calculate the allocation factor of financed emissions. This measure adjusts the sum of the two scopes—Scope 1 and Scope 2 emissions—to obtain total financed emissions. The Weighted average carbon intensity (WACI) was calculated as the weighted average of each issuer’s amount of carbon emissions in total carbon dioxide content (in tCO₂e) per million in revenue (CAD). Although not required by the PCAF, we have included weighted average carbon intensity (WACI), which is carbon intensity normalized by its weight in the General Funds.

Table 11 sets out the formulas used to calculate the metrics in [Table 3](#) for GHG emissions from our investment portfolios.

⁴⁸ 79.5% is the success rate of security mapping from our data warehouse to our data provider’s database. This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Industrial Alliance Investment Management Inc’s information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the “ESG Parties”), obtain information (the “Information”) from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Table 11: Table of formulas (Updated on July 26, 2023)

$$\text{Attribution factor (in \%)} = \sum_{i=1}^n \frac{\text{CAD invested in issuer}}{\text{issuer's EVIC}}$$

$$\text{Total Financed Emissions (in tCO}_2\text{e)} = \sum_{i=1}^n (\text{issuer's scope 1 and scope 2}) * \text{Attribution factor}$$

$$\text{Total Financed Emission Intensity (in tCO}_2\text{e per MM CAD invested)} = \frac{\text{Total Financed Emissions}}{\text{Covered portion of the portfolio's CAD MM value}}$$

$$\text{Carbon intensity (in tCO}_2\text{e per million of revenue)} = \frac{\text{issuer's emission tCO}_2}{\text{issuer's revenue MM CAD}}$$

$$\text{Weighted Average Carbon Intensity (in tCO}_2\text{e per million of revenue)} = \sum_{i=1}^n \frac{\text{CAD invested in issuer}}{\text{portfolio's CAD value}} * \text{carbon intensity}$$



Total GHG emissions⁴⁷

Table 12 details the Corporation's GHG emissions (in tCO₂-e) as at December 31, 2022, by scope and category.

Table 12: Total GHG emissions

Scope	Category	2019	2020	2021 ⁴⁸	2022
1	Stationary combustion: Diesel and natural gas	3,893	3,869	7,725	6,964
	Fugitive emissions: refrigerants	421	327	2,678	1,662
	Mobile combustion emissions: vehicles	8	1	2	281
2	Emissions from purchased energy	68	2,219	3,757	2,889
3	Category 5: Waste generated in operations	1,908	237	552	487
	Category 6: Business travel	2,913	657	313	3,833
	Category 7: Employee commuting	2,064	526	189	843
	Category 8: Upstream leased assets	–	–	–	3,411
	Category 13: Downstream leased assets	–	–	–	0
Absolute total GHG		11,275	7,836	15,216	20,370
3	Category 15: Investments ⁴⁹	–	–	–	458,688*

* Data corrected on July 26, 2023, and undergoing external verification

⁴⁷ All iA Financial Group GHG emissions data is unaudited and provided to the best of our knowledge. Since 2019, we have made improvements in the completeness of data collection and GHG calculation accuracy. iA Financial Group intends to make further inroads along this continuous improvement path. On the one hand, the number of GHG emission sources considered in each of the scopes has grown since 2019 (e.g., properties and vehicles). On the other hand, the number of Scope 3 categories has expanded significantly (including financed emissions).

⁴⁸ With a view to continuous improvement, a methodology adjustment was made to 2021 Sustainability Report data.

⁴⁹ In 2022, we began quantifying Scope 3, Category 15, Investments emissions. This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Industrial Alliance Investment Management Inc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Endnotes

¹ With the transition to IFRS 9 and IFRS 17, an increase of over 20 percentage points in the solvency ratio is expected.

² The book value per common share is a financial measure calculated by dividing common equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.

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⁴ 2021 rating as of November 11, 2021; 2022 rating as of December 8, 2022.

⁵ 2021 rating as August 27, 2021; 2022 rating as of July 26, 2022. Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

⁶ 2021 rating as of July, 26, 2021 ; 2022 rating as of 28th December 2022.

⁷ As of January 2023, iA Financial Corporation Inc. received an ESG Risk Rating of 26.0 (as of August 31, 2021 the rating was 21.5) from Morningstar Sustainalytics and was assessed to be at medium risk of experiencing material financial impacts from ESG factors. In no event this *Sustainability Report* shall be construed as investment advice or expert opinion as defined by the applicable legislation. Copyright 2023 Morningstar Sustainalytics. All rights reserved. This report contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

⁸ CDP Worldwide. As of December, 2021 and 2022, iA Financial Group received a CDP Climate Change score of C which represents a "Awareness" disclosure.



2022 SUSTAINABILITY REPORT

INSPIRED TO GROW TOGETHER, NOW

This report, our *Sustainable Development Policy* and various other documents related to sustainable development are available on our website at 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.

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