



2016

SOCIAL RESPONSIBILITY REPORT

iA 
Financial Group

125 
YEARS

About us

Our mission

To ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals.

Our ambition

To be the company that best meets client expectations, in partnership with our distributors.

Our values

- Teamwork
- High-performance environment
- Continuous improvement
- Respect for individuals and distributors
- Service oriented



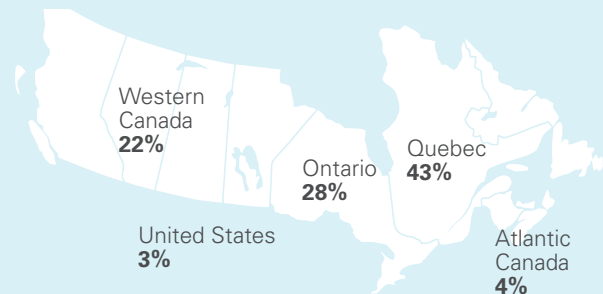
iA Financial Group in numbers

(As at December 31, 2016)

Year founded:	1892
Number of clients:	Over 4 million
Number of employees:	Over 5,300
Number of representatives:	Over 25,000
Number of subsidiaries:	Around 20
Premiums and deposits:	\$8.2 billion +17.1% in five years
Assets under management and administration:	\$126.2 billion + 71.5% in five years
Solvency ratio:	225%
Net income attributed to common shareholders:	\$537.2 million

Geographic presence

(Premiums, premium equivalents and deposits by region – 2016)

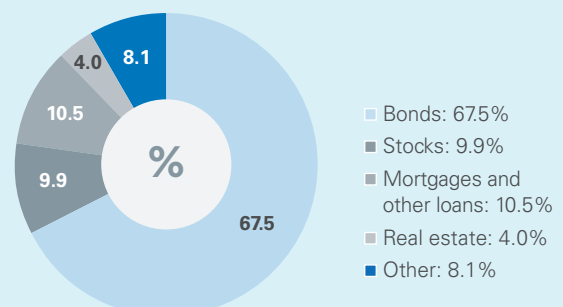


Management of our investments

Our guiding principle in managing our investments is to do so with prudence and discipline, always keeping a long-term perspective.

Total investment assets: \$31.2 billion

Net impaired investments: 0.08% of total



A global,
humanistic
approach serving
individuals
and families

I'm pleased to present iA Financial Group's sustainable development strategy and results. Once again this year, the results presented in this Social Responsibility Report reflect our desire to carry out initiatives that will have a positive impact on the economy, the environment and society as a whole. When we succeed on all three levels, our company is perfectly aligned, the same way an individual finds balance by developing mind, body and spirit.

A good example is our approach to real estate. These days, buildings need to be not only eco-friendly but also pleasant and welcoming for their occupants and the surrounding community, and beneficial to the local and regional economy. This principle extends to all our sustainable development initiatives.

Achieving all of these goals not only takes good planning, it requires a lot of resources. At iA Financial Group, we're proud to say that achieving our sustainable development initiatives is a team effort. From coast to coast, the combined expertise of skilled, dedicated employees has allowed us to carry out increasingly ambitious projects in this area. The scope of our Sustainable Development Committee is described in more detail in the pages that follow.

In addition to these key collaborators, I also want to thank all iA Financial Group employees who are equally committed to helping us evolve as a sustainable and socially responsible company. We encourage their initiative and welcome their input in this regard.

It's through this global, humanistic approach that iA Financial Group, which is proudly celebrating its 125th anniversary in 2017, plans to evolve so it can continue to serve individuals and families and ensure their wellbeing. In the interest of all our clients, both current and future, we strive to achieve continuous improvement so we can ensure a sustainable tomorrow.



A handwritten signature in black ink that reads 'Yvon Charest'.

Yvon Charest

President and Chief Executive Officer
iA Financial Group

ESG approach

Our sustainable development strategy

Our sustainable development strategy rests on the following five components:

- Ensuring the financial wellbeing of our clients
- Actively contributing to communities
- Creating a rewarding work environment
- Effectively managing risks
- Following high standards of governance

We also focus our actions on environmental, social and governance (ESG) issues. Environmental criteria help us assess the company's environmental footprint, particularly in terms of managing residual materials and reducing greenhouse gas emissions.

Social criteria take into account such factors as employee health and wellbeing, the subcontracting chain and our impact on society. Governance criteria include the independence of the Board of Directors, the company's management structure and its corporate governance policies.

Environmental factors

Our environmental policy stipulates that we are committed to:

- Remaining compliant with all laws and regulations in effect regarding the environment and the prevention of pollution
- Staying informed of environmental best practices

- Offering products and services that take into account their effect on the environment
- Communicating our vision, objectives, programs and performance
- Setting realistic objectives and targets and monitoring our performance
- Integrating the opinions, recommendations and concerns of our stakeholders when making decisions or taking actions
- Reducing our environmental footprint with respect to:
 - Energy
 - Water
 - Materials management
 - Transportation
 - Indoor environment
 - Outdoor environment

Our investments in renewable energy

Renewable energy helps promote a sustainable economy and provides some clear environmental advantages.

According to a report by Canada's National Energy Board in 2016, two thirds of the country's power generation comes from renewable resources. Hydroelectricity accounts for 58% of total Canadian production, with solar and wind accounting for 7%. Canada ranks fourth worldwide for the production of renewable energy.



At iA Financial Group, our objective is to invest in high-quality renewable energy projects carried out in a responsible manner. Our investments in renewable energy currently total \$1.2 billion. In 2016 alone, we invested a total of \$152 million in seven renewable energy projects, including:

Project	Province	Type of energy	Megawatts
Rivière-du-Moulin	Quebec	Wind	350.00
Mi'kmaq – Wind4all	Nova Scotia	Wind	7.60
Chebucto Terence Bay	Nova Scotia	Wind	7.05

To maximize our social impact, we support projects carried out in collaboration with First Nations. Of the total invested in 2016, \$90 million went to projects involving a First Nation.

Social factors

Donations and sponsorships

Our donation policy gives priority to causes in the areas of health, education and social services. In addition, our sponsorship program mainly provides support for large-scale, family-friendly events.

We are also proud to financially support the voluntary participation of our employees in the activities of humanitarian organizations with which they personally identify through our employee donation program.

Imagine program

iA Financial Group adheres to the principles of the Imagine program, which encourages companies to donate 1% of profits to organizations supporting their communities.

Support for three university research chairs

To encourage and support university research, we provide financial backing for three research chairs.

They are the Université Laval Industrial Alliance Chair in Insurance and Financial Services, the Université du Québec à Montréal (UQÀM) and Université Laval Industrial Alliance Research Chair on the Economics of Demographic Change and the Université de Montréal Industrial Alliance Research Chair in Leukemia.

In our support, we are fully committed to respecting the objectivity and independence of the researchers. The many projects of these chairs have consistently benefitted not only iA Financial Group, but the entire community of stakeholders.

Our socially responsible investment funds



iA Clarington, our mutual fund subsidiary, offers a suite of socially responsible mutual funds under the IA Clarington Inhance SRI brand. The IA Clarington Inhance SRI funds are sub-advised by Vancity Investment Management Ltd. (VCIM), a leader in socially responsible investing (SRI).

Taking an integrated approach, the team incorporates financial analysis with environmental, social and governance (ESG) analysis to positively screen for quality companies. In their screen, they identify potential candidates by reviewing company performance in seven key areas:

- Corporate governance and citizenship
- Environmental commitments
- Employee relations
- Diversity
- Community relations
- Human rights
- Sustainable products

The newest addition to the IA Clarington Inhance SRI lineup is the fossil fuel free IA Clarington Inhance Bond SRI Fund, a core plus fixed income solution for investors who want to invest responsibly in pursuit of their financial goals. The fund broadens the lineup and offers an opportunity for investors to have access to responsible fixed income within the IA Clarington Inhance SRI portfolios, and can be used in combination with the IA Clarington Inhance Global Equity SRI Class for a balanced approach to fossil fuel free investing. The Canadian balanced, Canadian equity and global equity mandates of the IA Clarington Inhance offering provide investors with access to industry leaders with progressive practices in both domestic and foreign markets.

The team at VCIM has formalized and implemented a strategy to address climate risk within the IA Clarington Inhance SRI funds:

- Fossil fuel free solutions including the newly launched IA Clarington Inhance Bond SRI Fund and the existing IA Clarington Inhance Global Equity SRI Class

For the IA Clarington Inhance Global Equity SRI Class, this means full divestment from oil and gas companies has been undertaken

- Implementation of a decarbonizing strategy for the IA Clarington Inhance Canadian Equity SRI Class and the IA Clarington Inhance Monthly Income SRI Fund

Full divestment from the oil sands miners in the IA Clarington Inhance Canadian Equity SRI Class

Divestment from heavy oil producers and coal infrastructure in the IA Clarington Inhance Monthly Income SRI Fund

Continued avoidance of companies highly focused on supporting expanded oil sands production

- Investment in natural gas as a bridge to a lower carbon future
- Investment in renewable energy providers and infrastructure

Industry exclusions within our socially responsible investment funds

Vancity Investment Management Ltd. (VCIM) will not invest in securities issued by companies whose primary line of business includes one of the following:

- Tobacco
- Nuclear power
- Military weapons
- Adult entertainment
- Gaming

Integral to their fully integrated approach is shareholder engagement that VCIM implements to add value to clients. As stakeholders, one way that the VCIM team engages with companies is by filing shareholder resolutions to create opportunities for focused discussions with decision-makers within the companies they hold. Key areas include: living wages, human rights, working conditions in the supply chain, climate change and food waste.

Performance of our socially responsible investment funds

December 31, 2016	1-year	3-year	5-year
IA Clarington Inhance Monthly Income SRI Fund-T6	13.1%	5.1%	7.1%
IA Clarington Inhance Monthly Income SRI Fund-F6	14.4%	6.4%	8.4%
IA Clarington Inhance Canadian Equity SRI Class-A	17.3%	4.9%	8.4%
IA Clarington Inhance Canadian Equity SRI Class-F	18.8%	6.3%	9.8%
IA Clarington Inhance Global Equity SRI Class-A	-4.8%	6.2%	12.4%
IA Clarington Inhance Global Equity SRI Class-F	-3.7%	7.4%	13.7%
IA Clarington Inhance Conservative SRI Portfolio-T6	3.5%	3.9%	4.7%
IA Clarington Inhance Conservative SRI Portfolio-F6	4.7%	—	—
IA Clarington Inhance Balanced SRI Portfolio-A	4.1%	4.3%	6.2%
IA Clarington Inhance Balanced SRI Portfolio-F	5.4%	—	—
IA Clarington Inhance Growth SRI Portfolio-A	4.4%	4.6%	7.2%
IA Clarington Inhance Growth SRI Portfolio-F	5.7%	5.9%	8.6%

Past investment performance of a mutual fund or individual security may not be repeated. Statements that pertain to the future represent the portfolio manager's current view regarding future events. Actual future events may differ.

Our investments in seniors' homes

The aging of the population is a major demographic trend. A study published for the Société d'habitation du Québec showed the economic and social impact that investing in seniors had in 2013.

This was the impetus for us to begin making these kinds of investments in 2015. From a social standpoint, these investments will contribute to seniors' wellbeing and quality of life.

In 2016, we invested a total of \$30 million in seniors' homes on top of the \$130 million already invested. We're very proud to be contributing to this investment niche.



Employment diversity

The ambition of iA Financial Group is to be an employer of choice that offers a rewarding career.

The company is committed to offering a work environment that encourages diversity, regardless of ethnic origin, nationality, language, religious beliefs, gender, sexual orientation, age, marital status, family situation or physical or mental disability.

iA Financial Group offers an inclusive work environment that values teamwork, respect for individuals and service quality. The company also provides ideal conditions to help every employee realize their full potential in a high-performance, continuous improvement environment.

Employee health and wellness program

iA Health, our health and wellness program, covers many aspects of employee health from awareness to the implementation of concrete daily actions to maximize both personal and professional wellbeing.

It offers employees a wide array of tools:

- Employee and Family Assistance Program (EFAP)
- Ergonomics services
- Preventive health checks
- First aid in the workplace
- Workplace health and safety initiatives
- Vaccinations
- Wellness-related conferences and activities
- Fitness centres at some of our offices

Through our commitment to this program, we encourage employees across the company to develop healthy lifestyle habits (such as regular physical activity and balanced nutrition), reliable safety reflexes and an enjoyable work-life balance.



In the past year, we also worked hard to better define the mission and objectives of iA Health. Until now, the tools and initiatives created by iA Health have focused mainly on physical health.

In 2016, a Canada-wide strategic plan was put in place and certain initiatives were rolled out, including mental health training for managers. As a follow-up to this plan, we will be investing more in mental health promotion and prevention in order to have a sustainable impact on the health of our employees and the company.

Governance factors

Our governance policies have been developed upon the bases of integrity and ethics. These policies govern all directors, officers and employees of iA Financial Group. The company has also adopted rigorous monitoring mechanisms to ensure that these governance policies are understood and strictly adhered to by all.

Main governance work carried out in 2016:

- Revision of Risk Management Policy Regarding Fraud and Other Practices Associated with Financial Crime
- Update of Complaint Handling and Dispute Resolution Policy
- Revision of iA Financial Group Code of Business Conduct
- Engagement in a dialogue with many of our shareholders during the past two years, and in the fall of 2016 in particular, on governance-related topics including the compensation of the company's principal officers

Composition of the Board of Directors (at February 1, 2017):

- Men: 9 (60%)
- Women: 6 (40%, compared to 29% in 2015)

2016 *Globe and Mail* ranking

According to the 2016 *Annual Corporate Governance Rankings* from the *Globe and Mail*, iA Financial Group is ranked 17th among 231 Canadian companies for the quality of its governance, with a score of 93%. The company was ranked 36th in 2015 with a score of 89%.

Net Promoter Score

We consider the Net Promoter Score (NPS) to be a good indicator of customer service quality. As such, we gather results on this metric from all of our business lines.

The feedback we receive from our clients is taken into account in our continuous improvement processes. The NPS is also a component of our employee bonus calculation formula.

Notable progress in various areas of sustainable development

In 2016, we continued to make progress in various areas of sustainable development. Below are a few of the major initiatives we've put in place over the past few months.

A new sustainable development committee

iA Financial Group has a long history of working hard to reduce its environmental footprint by using sound management practices for its internal operations and in the buildings it owns. These efforts are governed by an environmental policy and a number of performance programs like *ICI ON RECYCLE!* and BOMA BEST. In addition, an environmental committee created 10 years ago at the request of senior management has also developed and implemented a number of environmental initiatives at our head office over the years.

We're proud of our company's long tradition of community involvement, whether it be through in-house volunteer programs or our solid donations and sponsorships policy. Our company also creates jobs and is a powerful economic driver for the regions where we conduct business.

To oversee these activities, a sustainable development committee was set up in 2016, made up of resources from the company's various departments, business lines and offices across Canada.

In addition to implementing major initiatives involving all company stakeholders, this committee will be responsible for maintaining and building on the achievements of prior years in keeping with all the components of our sustainable development program.

A supplier code of conduct

Rather than limiting its business conduct framework to employees at its various offices and subsidiaries, iA Financial Group has broadened its scope by drafting a code of conduct for its suppliers.

The recently implemented iA Financial Group Supplier Code of Conduct sets forth the principles and expectations of iA Financial Group and its affiliates as to how suppliers of goods and services, along with their representatives and employees, are to conduct business and deal with us.

Suppliers that wish to establish a business relationship with us must agree to respect the principles and standards laid out in the code and act ethically, honestly and with integrity at all times with respect to this relationship.

This code of conduct covers various aspects, including governance, work, health and safety, the environment and sustainable development.

In particular, it specifies that our suppliers must not, either directly or indirectly, offer gifts, benefits or cash to iA Financial Group or its employees for the purpose of influencing a transaction or business decision.

The new code of conduct also requires that suppliers conduct their business in keeping with environmental protection and sustainable development principles.

We have also set up a confidential, anonymous hotline that suppliers can use to report suspicious behaviour they believe may be illegal, fraudulent or unethical.



988 West Broadway

Construction of LEED property in Vancouver

In a few months' time, employees in our Vancouver Service Centre will be moving to a new building at 988 West Broadway. We will be part owners of this building, which will meet our future growth and expansion needs in Vancouver.

The new building will be LEED Gold certified. Leadership in Energy and Environmental Design (LEED) certification provides independent, third party verification that a building, home or community was designed and built using strategies aimed at achieving high performance in key areas of human environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

Some of the benefits will include an outdoor green space, vertical and horizontal thermal shading to reduce solar heat gain, operable windows, washrooms that utilize low flush fixtures, ventilation effectiveness, electric car charging stations, thermal comfort monitoring and smart glass.

The move to 988 West Broadway is scheduled to take place in the first quarter of 2018.

LEED certification for 1150 Grande Allée West

The number of iA Financial Group employees is continually growing. As a result, we spent the last two years redesigning a building neighbouring our head office, located at 1150 Grande Allée West, to gradually start housing employees from our Individual Savings and Retirement and Individual Insurance sectors.

We're aiming to achieve LEED SILVER certification for this redevelopment project. The elements considered for LEED certification were mutually selected by the owner, architect and engineers.

The 1150 Grande Allée West building must meet high standards in the following areas:

- Sustainable site development
- Water efficiency
- Energy and atmosphere
- Materials and resources
- Indoor environmental quality

New charging stations for electric vehicles

Three more electric vehicle charging stations (two outdoor and one indoor) have been installed at our head office. These stations can be used by employees at any time free of charge.

Our buildings now have a total of six electric vehicle charging stations.

Our risk management

More efficient

As a financial institution, iA Financial Group assumes a variety of risks inherent in the conduct of its business. Its challenge is to manage these risks in order to ensure its growth while continuing to meet client needs and comply with regulatory requirements.

We maintain an overall vision and demonstrate prudence in implementing our strategies and business decisions in order to protect our clients, our reputation and our value. To do so, management must have the best understanding possible of the risks in order to make sound, informed decisions, both strategically and operationally.

A dedicated team with responsible oversight

In view of the company's growth and diversity, a multi-disciplinary Risk Management team was set up in 2015 to reinforce our risk management approach. The team is made up of professionals (actuaries, lawyers, accountants, risk management and compliance experts) and is headed up by a vice-president and chief risk officer.

This team is in charge of developing strict standards in accordance with our Enterprise Risk Management Policy and ensuring that these standards are met through support and monitoring missions to continually promote an appropriate, value-added risk culture in the company's business lines and subsidiaries.





Our Enterprise Risk Management Policy

Our policy incorporates a disciplined approach of balancing risk-taking and risk management into the management practices of all lines of business and all business units. The continuous enterprise risk management process is designed to provide the Board with reasonable assurance that the appropriate resources and procedures are in place to identify, assess, manage, monitor and report enterprise risk.



Responsible risk management also requires the cooperation of various stakeholders to communicate the risk culture effectively, whether it be with senior management, the various business lines, Internal Audit or the Board of Directors.

Close monitoring of emerging risks

In North America, the main emerging risks that companies need to consider are cyberattacks, deficiencies in key infrastructures and failure to adapt to climate change, as well as how these risks relate to other risks like fraud and terrorism.

To eliminate any “blind spots” and prepare the company for risks that could emerge in the coming years, we carry out a variety of activities to identify trends that could affect iA Financial Group. The goal is not only to improve the company’s ability to anticipate risks, but also to identify potential decisions and give ourselves enough time to react.

For a detailed description of the various risks, please refer to the Risk Management section of our 2016 Annual Report, available at ia.ca.

Our digital strategy



From a sustainable development standpoint, we feel it is strategically important to consider such factors as the emergence of new players transforming consumption methods, the new expectations of younger generations, the changes in technology and the emergence of FinTech companies.

With this in mind, the company set up a digital strategy committee two years ago in order to develop a structured institutional approach to meet its digital challenges.

This committee is composed of members of management from our main business lines and its current chair is the company's Executive Vice-President, CFO and Chief Actuary. The committee's efforts are regularly reported on to the Board of Directors by senior management.

Since it was created, the committee has been the driver of many initiatives, such as:

- The definition of a digital corporate ambition: "To serve our clients and partners technologically the way they want to be served."
- The identification of major strategic orientations calling upon digital potential to guide the company's project portfolio.
- The creation of a digital innovation lab, "The Zone", whose mission is to identify, develop and test innovations to be implemented.

- The development of a partnership with tech business incubator LE CAMP (Quebec City, Quebec), including an injection of \$150,000 for the development of new technologies in the insurance and financial services sector.
- A collaboration with startup incubator and innovation lab COMMUNITECH (Waterloo, Ontario), in order to monitor, draw inspiration from and develop partnerships with FinTech startup companies working in finance and insurance.
- Involvement as co-organizer and chair of the FinTech Montreal event that took place in September 2016 gathering finance and startup professionals to discuss key digital themes.

More recently, iA Financial Group has set up a new entity with dedicated resources in order to develop online distribution methods to complement its traditional distribution channels and thereby offer a multi-channel approach that responds to the consumption methods of younger generations.

With respect to security issues raised by digital technologies, the company has put in place a cybersecurity management program covering the entire group. This program allows the company to ensure the protection of the information under its care and to comply with all regulatory requirements in this area.

2016 results

Economic impact

Salaries and employee benefits:

\$492 million

Taxes paid:

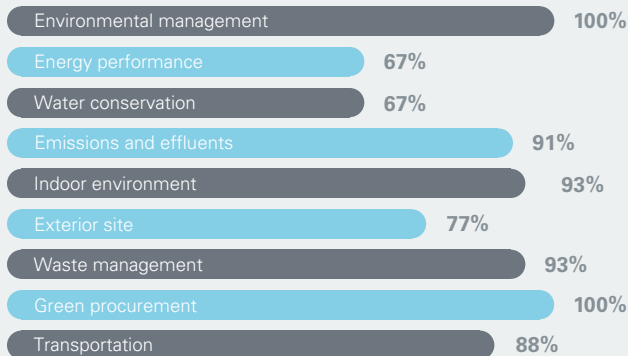
- Municipal: **\$38.6 million**
- Provincial: **\$114.7 million**
- Federal: **\$47.6 million**
- Total: **\$200.9 million**

Purchase of new properties: **\$41.3 million**

Claims paid: **\$4.6 billion or
\$87.6 million per week**

Environmental impact

Environmental performance of our head office according to the BOMA BEST assessment in 2014:



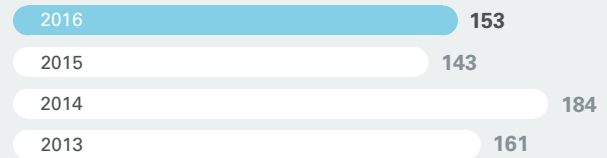
Waste management

In 2016, iA Financial Group was awarded “Level 3 – Performance, Silver Seal” certification by the *ICI ON RECYCLE!* program for responsible management of its residual materials at its 1080 Grande Allée West building.

To earn the Silver Seal, participating industries, businesses and institutions must achieve an average recovery rate of 80% or higher.

In 2015, iA Financial Group commissioned an outside company to perform a characterization study on waste materials at the head office. The study determined our real overall recovery rate to be 83.1%, compared to 72.4% three years earlier. A recovered material is one that “continues its useful life” and thereby avoids ending up in landfill.

Paper recycled from our Quebec City offices (in metric tons)



A unique supply loop

Ultra-secure shredding

For over 10 years, iA Financial Group has commissioned Recyclage Vanier, a social reintegration company, to provide ultra-secure shredding for paper to be recycled from its offices.

Recyclage Vanier is one of the few suppliers that will shred documents in a secure room at its Quebec City head office rather than in a truck parked nearby. This method reduces the impact on the environment as well as on the neighbourhood by cutting down on noise and odours.

Local, environmentally-friendly de-inking

In addition to its socially responsible focus, Recyclage Vanier does business locally with Cascades, a well-known firm that produces, converts and markets packaging and tissue products, and that is known for having one of the smallest environmental footprints in North America.

Once the paper is shredded, it’s sent to Cascades’ de-inking facility in Breakeyville, a suburb of Quebec City.

Exemplary manufacturing

The pulp generated by the de-inking facility is then purchased by Rolland in St-Jérôme, which uses it to manufacture its Enviro™ Print paper. One ton of Rolland Enviro™ Print compared to one ton of virgin paper saves the equivalent of:

- 17 trees
- 62,078 litres of water
- 2,496 kg of atmospheric emissions
- 761 kg of solid waste

Back to the source

This is the same paper iA Financial Group buys for printing its documents, like this Social Responsibility Report.

In that way, the fibre comes back to us full circle!

In Vancouver

In our Vancouver offices, nearly 17.5 tons of paper were recycled in 2016. This measure helped save:

- 27.1 tons of carbon
- 457,933 litres of water
- 294 trees
- 70,856 kWh of electricity

We also achieved the following results for other materials:

- We segregated and recycled approximately 1,080 gallons worth of Styrofoam.
- Approximately 6,500 gallons worth of mixed containers (glass, plastic, tetra-pack/gable) were segregated and sent to recycling.
- Approximately 6,500 gallons worth of soft plastics were segregated and sent to recycling.
- Approximately 700 light bulbs were sent to recycling.
- Approximately 200 lbs of used batteries were sent to recycling.

Energy

Since 2007, iA Financial Group has taken part in the Carbon Disclosure Project, which asks companies to measure and disclose their greenhouse gas emissions. The following data was measured for our buildings in Quebec City.

2015

Air emissions in CO₂ equivalent tons

Direct emissions: 2,211

Indirect emissions (related to electricity consumption): 126

2014

Air emissions in CO₂ equivalent tons

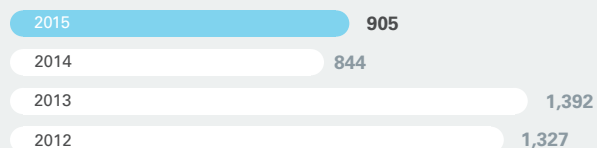
Direct emissions: 2,189

Indirect emissions (related to electricity consumption): 125

Transportation

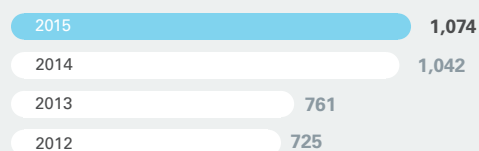
We calculate the annual greenhouse gas emissions generated by head office employees when travelling for business as well as on their commutes to and from work.

Business travel by plane (in CO₂ equivalent tons)



The increase in greenhouse gas emissions from business travel by plane in 2015 is explained by the fact that our plane travel during the year was more often over shorter distances than in 2014, and that short-distance flights generate more average greenhouse gas emissions per kilometre than longer flights. In 2015, we also calculated greenhouse gas emissions from our head office employees' business travel by train, which amounted to 170 tons.

Employee commutes (in CO₂ equivalent tons)



The calculation for commutes includes employees at four office locations in Quebec City: 925 Grande Allée West, 1080 Grande Allée West, 1091 Grande Allée West and 1150 Grande Allée West. The increase seen in the past two years compared to 2013 is normal, as only 1080 Grande Allée West employees were included in the calculation at that time.

Promotion of public and active transportation

We encourage our employees to use alternative means for commuting through carpool programs and incentives regarding public and active transportation.

Public transit

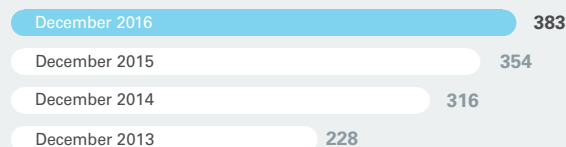
Measures:

- Additional incentive of 50% of Quebec City and Lévis bus pass paid by iA Financial Group for its Quebec City employees. For Quebec City employees of iA Auto and Home Insurance (iAAH), the entire cost of the pass is paid by the employer.

A bus pass discount is also available for immediate family members of employees who use the bus pass program. However, family members are not eligible for the employer-paid portion.

- Return home policy for carpoolers and public transit users

Number of users (iA Financial Group and iAAH employees in Quebec City)



Active transportation

Quebec City

A survey done in 2015 indicated that 151 people (about 10% of employees) use active transportation to get to work. We encourage our employees to use active transportation by providing them with various incentives in this regard:

- 227 bike racks
- Showers and change rooms in all our buildings

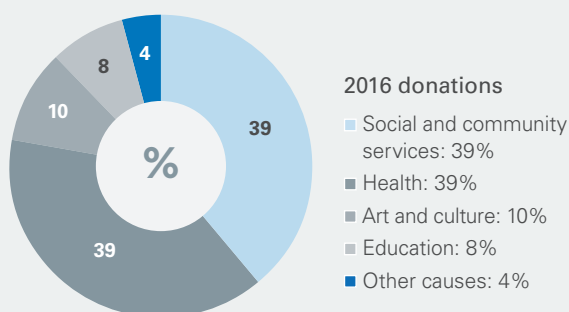
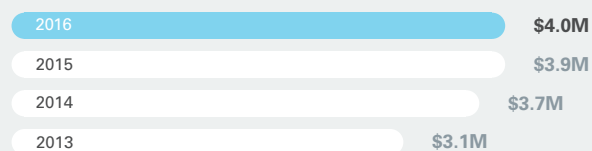
Vancouver

Bike to work events

In 2016, 20 company employees participated in Bike to Work weeks or Bike to Work month. There are six riders who still ride on a regular basis, in all weather. Over the year, the team has logged 461 trips for a total of 3,515 kms, and burned 105,455 calories.

Social impact

In 2016, iA Financial Group donated \$4.0 million, or the equivalent of \$765 per employee, to close to 500 different organizations.



Employee donation program

Through our employee donation program, we were able to donate close to \$75,000 to nearly 50 charities in 2016. We had over 230 company employees, retirees or representatives get personally involved in their communities, either by attending benefit events or as volunteers.

Industrial Alliance Foundation for Learning a Second Language

In 2016, 51 grants were awarded through the Industrial Alliance Foundation for Learning a Second Language. 32 of these grants went to help college students go on immersion trips.

United Way-Centraide campaigns

Our 2016 United Way-Centraide campaigns broke the million dollar mark for the third year in a row. From coast to coast, we raised a total of \$1,383,691—a new record!

Again this year, in addition to deductions at source, a variety of incentives and special activities held in our offices helped boost donations by rallying people around the cause, increasing its visibility and adding an element of fun.

Details of amounts raised	
Vancouver and Calgary	\$55,084
Toronto (iA Financial Group, iA Clarington, Investia and FundEX)	\$196,278
Quebec City (iA Financial Group)	\$666,717
Montreal (iA Financial Group, iAS and iA-VAG)	\$156,597
iA Excellence	\$46,500
Career Network	\$46,869
Investia (Quebec City)	\$23,496
iA Auto and Home	\$177,150
Elsewhere in Quebec	\$15,000

Awards and distinctions



- “Level 3 – Performance, Silver Seal” certification under the *ICI ON RECYCLE!* program for responsible management of residual materials at the 1080 Grande Allée West building. To earn the Silver Seal, participating industries, businesses and institutions must achieve an average recovery rate of 80% or higher.
- “Level 2 – Implementation” certification under the *ICI ON RECYCLE!* program for responsible management of residual materials at the 925 Grande Allée West building.
- Renewal of BOMA BEST certification for two iA Financial Group buildings in Quebec City (333 Grande Allée East and Édifices Bois-Fontaine at 880 Chemin Sainte-Foy).
- Thanks a Million award from United Way-Centraide Canada for raising over \$1 million in our 2015 campaigns across the country.
- Coup de cœur award in the “Daily Heroes” category received by iA Financial Group from United Way-Centraide Québec and Chaudière Appalaches for the 2015 fundraising campaign.
- MAESTRIA 4-Star Award received by iA Auto and Home from United Way-Centraide Québec and Chaudière Appalaches for the 2015 fundraising campaign.
- Award from the Leukemia and Lymphoma Society of Canada (LLSC) presented to our Special Markets Solutions team in Calgary to recognize iA Financial Group’s total donation of \$1,000,000 over the years since our charitable involvement began in 2005.
- Leukemia & Lymphoma Society of Canada Cup awarded to our Special Markets Solutions team in Calgary for the largest fundraising contribution by a corporate team during the Light the Night Walk in Calgary.
- French merit award in IT awarded to iA Financial Group by the Office québécois de la langue française for its ia.ca site at the 2016 French-language awards night.
- LOMA’s Excellence in Education and Educational Achievement awards presented to iA Financial Group for the fourth straight year.

Honours received by our president

Yvon Charest, President and Chief Executive Officer, was recognized as the most socially engaged executive in the *PDG de l’année* (CEO of the year) contest organized by business publication *Les Affaires*.

He was also named an Officer of the Order of Canada. The Advisory Council for the Order of Canada awarded this prestigious distinction to Mr. Charest “for his achievements as a senior business executive and for his dedication to the well-being of his community.”



Our 125th anniversary: Focus on sharing and helping others

To mark our 125th anniversary, we've launched a series of activities that will be held throughout the year, from coast to coast. These include a contest for charitable projects and a nationwide tour where special squads have been handing out cash prizes.

We have a number of surprises in store for our clients, employees and the general public throughout the year. In January and February, squads handed out surprise gifts of \$125 each on the streets of Quebec City, Vancouver, Montreal and Toronto, primarily to people performing a spontaneous good deed like opening the door for someone or helping someone carry their bags or brush snow off their vehicle. In total, 1,000 good Samaritans received \$125 in cash to reward them for their good deed.

Without a doubt, the high point of the year-long celebrations will be the contest where one Canadian registered charity will receive a donation of \$125,000 to help fund a specific project, and nine other charitable organizations will receive donations of \$12,500.

For more information on iA Financial Group's 125th anniversary activities, visit:

ia.ca/125

Key milestones in our history

iA Financial Group's history begins with two pioneering Canadian insurance companies: Alliance Nationale and Industrial Life.

- Alliance Nationale was created in Montreal in 1892 with assets of little more than \$10,000.
- The Industrial Life Insurance Company was founded in Quebec City in 1905.
- In 1987, Industrial Life and Alliance Nationale merged to form a new company named Industrial-Alliance Life Insurance Company, which would become better known simply as Industrial Alliance.

The company's development then continued, progressing notably in three specific areas:

- From a mutual to a public company traded on the stock exchange

In 2000, Industrial Alliance demutualized and became a publicly-traded company listed on the Toronto Stock Exchange under the symbol IAG.

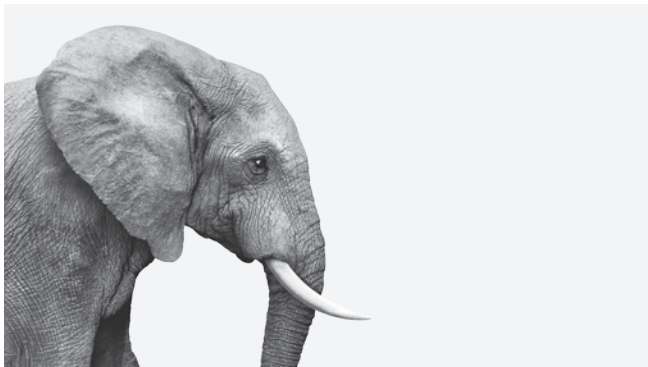
- From a Quebec company to one operating across Canada and in the United States

Until the early 1980s, Industrial Alliance's operations were mainly based in Quebec. The company then began to slowly expand outside the province's borders. Today, 60% of its business volume, measured in premiums and deposits, is generated outside Quebec.

- From an insurance company to a financial institution

Until the early 2000s, Industrial Alliance was mainly known as a life and health insurance company. Thanks to its continued growth and a number of targeted, strategic acquisitions, Industrial Alliance is now a central player in Canada's wealth management sector.

The company's new name, iA Financial Group, perfectly represents its position today as a major Canadian financial institution.



iA Financial Group does its part to respect and protect the environment.

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