



2019 REPORT

# SUSTAINABILITY

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## About us

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

### Our purpose

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

### Our ambition

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

### Geographic presence

(Premiums, premium equivalents and deposits by region – 2019)



## Our values

### Teamwork

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

### High-performance environment

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

### Continuous improvement

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

### Respect for individuals and distributors

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

### Service oriented

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

## iA Financial Group in numbers

(As at December 31, 2019)

Over 4,000,000 clients  
Over 7,000 employees  
Over 25,000 representatives  
Over 20 subsidiaries

Solvency ratio

**133%**

Premiums, premium equivalents  
and deposits

**\$11.4B**

Assets under management  
and administration

**\$189.5B**

Net income attributed to common  
shareholders

**\$687.4M**

### Economic impact

Salaries and employee benefits

**\$678.1M**

Claims paid

**\$5.9B**

or \$113.5M per week

Taxes paid

Municipal: \$44.7M

Provincial: \$206.4M

Federal: \$135.2M

Total taxes paid

**\$386.3M**



## Taking positive, united action



I am proud to present iA Financial Group's 2019 *Sustainability Report*.

As an organization, our role is to serve the interests of all our stakeholders—our clients, our employees, our communities and our shareholders. In providing balanced support for each of these actors, we create long-term value.

This balance can sometimes be precarious, however. Our current situation with the ongoing pandemic requires the use of exceptional collective measures, such as social distancing and teleworking, in order to reduce and ultimately eliminate the risk of contagion.

And although we already had an effective structure in place to continue operating and providing service to our clients and partners, we have also needed to actively support our employees and the community.

It is in these difficult times that we recognize companies that know how to strike a balance between stakeholders so that, in the long term, our society and economy remain healthy for everyone. This search for balance fully reflects our values and our long-term vision of sustainable development here at iA Financial Group.

In this report, I invite you to discover the means we have put in place and are measuring to ensure that we live in the most favourable context possible, now and for generations to come. These actions are aimed at respecting the environment, like through our commitment to becoming carbon neutral, but also at addressing social and governance issues. Depending on the context, we can, and sometimes must, all do our part.

We are proud of what we have accomplished and of what we are already planning for the coming years, because, more than ever, we must all acknowledge our responsibilities and take action in a positive, united way.

A handwritten signature in black ink, appearing to read 'Denis Ricard'.

**Denis Ricard**

President and Chief Executive Officer  
iA Financial Group

# Awards and distinctions



## Company honours

### **Association for Financial Professionals – Vancouver**

Giving Hearts Award in the Outstanding Corporation category in recognition of the company's charitable and social impact in British Columbia

### **BrandSpark Most Trusted Awards (BMTA)**

BrandSpark Award in the service category for the most trusted life insurance provider in Quebec

### **United Way-Centraide Canada**

- Thanks a Million award for raising over \$1 million in our 2018 campaigns across the country
- Thanks a Million award for raising over \$1 million in our 2019 campaigns across the country

### **United Way-Centraide Québec and Chaudière-Appalaches\***

- MAESTRIA 4-Star Award received by iA Financial Group for the 2018 fundraising campaign
- Distinction Award, Insurance and Financial Services category – over 1,000 employees, awarded to the best campaigns in each sector, meaning those with the highest participation rate combined with the highest average donation
- Visionary Partner Award, awarded for campaigns raising \$1 million or more
- Social Leader distinction, recognizing our social responsibility

\* All participating iA Financial Group entities, including iA Financial Group, iA Auto and Home and Investia Financial Services Inc., were recognized with these honours.

### **Financial Communications Society**

Bronze medal, Digital Media category – Apps & tools, for the iA Mobile app, given as part of the Financial Communications Society (FCS) Portfolio Awards

### **Fondaction**

*Prix Créateurs d'emplois* [Job Creators Award], Champion category, Quebec City region, for a second consecutive year. This award highlights the outstanding performance of a company in the region based on the number of jobs created or retained.

### **Novae**

Novae award, for the top 20 best initiatives of the year, for our rooftop urban garden project

### **Réseau Action TI**

OCTAS award in the major corporation category (20 employees or less on a project) for the iA Virtual Assistant

### **Leukemia & Lymphoma Society of Canada**

Winner of the Light the Night Corporate Cup for the third year in a row. This is awarded annually by the Leukemia & Lymphoma Society of Canada for the BC/Yukon Region to the top donor.

## Individual honours

### **Finance et Investissement**

- Denis Ricard, President and CEO of iA Financial Group, was one of five people selected in the insurers category of the 2019 Top 25 in the financial industry.
- Frédéric Paquette, Executive Vice-President, National Business and Sales, iA Securities, was one of five people selected in the full-service brokers category of the 2019 Top 25 in the financial industry.

### **Canadian General Counsel Awards (CGCA)**

Yasmin Visram, Senior Managing Counsel, was recognized with the Litigation Management award.

# Our strategic framework for sustainable development

## Vision

Our vision for sustainable development is to actively contribute to the wellbeing of our clients, employees, partners, investors and communities.

## Policy

At iA Financial Group, sustainability is a commitment taken seriously by our board of directors, our management and our employees.

Our *Sustainable Development Policy* adopted by the board of directors sets out seven major guidelines for our actions in this area:

- Ensure the financial wellbeing of our clients
- Effectively manage risks
- Follow high standards of governance
- Actively contribute to our communities
- Manage environmental impact
- Create a rewarding work environment
- Practice responsible sourcing

In April 2019, we also took a major step forward by becoming a signatory of the United Nations-supported Principles for Responsible Investment (PRI). This commitment to choosing responsible investments fits perfectly with our seven major guidelines.

## Organizational structure

Our sustainable development management structure is simple and adaptive. It is supported by the following components:

### Governance and Ethics Committee

This committee of the board of directors is responsible for the iA Financial Group *Sustainable Development Policy* and examines the company's strategy in this area.

### Steering Committee

This committee establishes and monitors iA Financial Group's sustainability strategy, objectives and targets. It is composed of members of management from the company's various business lines and corporate sectors.

### Extended Advisory Committee

The extended advisory committee is made up of over 60 members representing all of our business units in Canada and the United States.

Its role is to:

- Help promote our achievements through the annual *Sustainability Report*
- Ensure the continuation and progress of the sustainable development achievements made in past years
- Identify and implement new sustainable development projects (sectoral and institutional)

## Priorities

In recent years, we have made major strides in sustainable development of which we are very proud, such as signing on to the United Nations-supported Principles for Responsible Investment (PRI) and making a commitment to become carbon neutral as of 2020.

The time has now come for us to determine specific elements of our strategic framework for sustainable development for which we will establish targets and measurement and evaluation criteria starting in 2020. Beginning next year, we will disclose our results annually in our *Sustainability Report*.



## iA Financial Group becomes carbon neutral

On December 13, 2019, iA Financial Group announced its commitment to offsetting its greenhouse gas (GHG) emissions through the purchase of carbon credits and therefore becoming carbon neutral as of 2020.

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

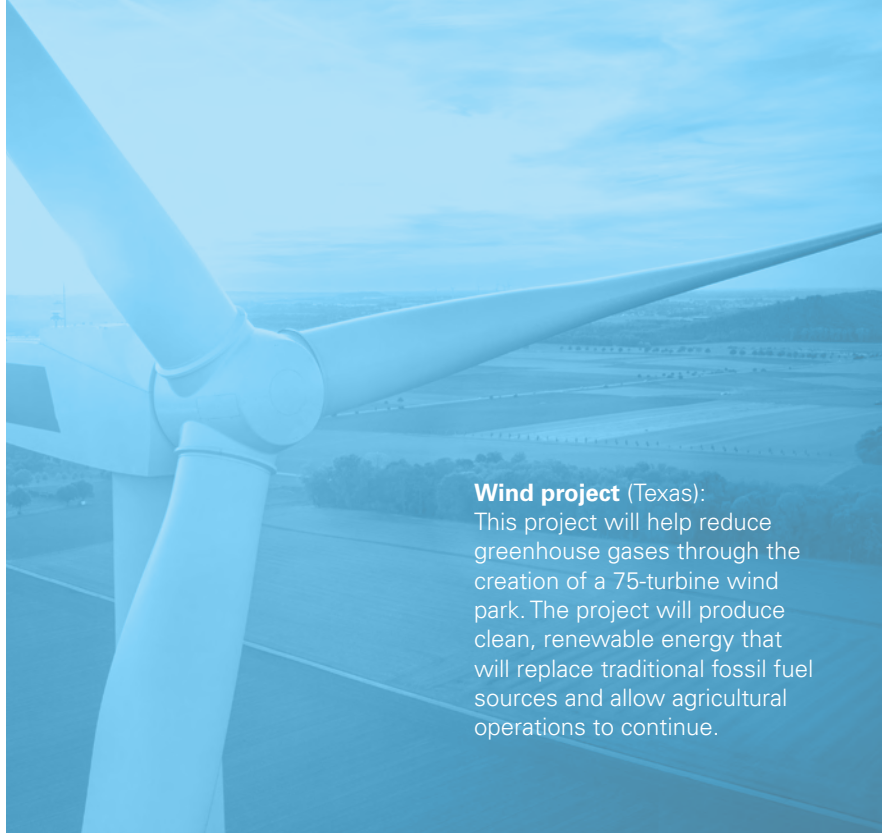
Offsetting is not a justification for polluting and does not seek to make GHG emissions more acceptable. We continue our efforts to further reduce our GHG emissions. Offsetting is a mechanism that allows us to take concrete action with respect to GHG emissions that cannot be eliminated by voluntarily investing in climate projects that reduce GHGs in the atmosphere.

## Three major projects in Canada and the United States

By purchasing carbon credits, we will invest in three projects in Canada and the United States chosen in conjunction with our partner, Planetair, a leader in the fight against climate change:

### **Reforestation project** (Quebec):

This project will help reduce the volume of greenhouse gases by planting ten species of trees. These species will be planted primarily in the Laurentides, Lanaudière, Montérégie and Outaouais regions. With iA Financial Group's investment, nearly 29,000 trees will be planted.



### **Wind project** (Texas):

This project will help reduce greenhouse gases through the creation of a 75-turbine wind park. The project will produce clean, renewable energy that will replace traditional fossil fuel sources and allow agricultural operations to continue.



### **Conservation project**

(British Columbia): This project will help reduce the volume of greenhouse gases in the atmosphere through the preservation of 7,900 hectares of inland rainforest that would otherwise be depleted. This space is home to 40 endangered species, including the following: the grizzly bear, the wolverine, the peregrine falcon, the mountain caribou and the whitebark pine tree.



To support our carbon neutrality efforts, Planetair will pair the carbon credits related to these projects with Gold Standard certified carbon credits in its international projects portfolio.



## An ongoing commitment

Our commitment to becoming a carbon-neutral company is part of an ongoing approach aimed at reducing our environmental footprint and fighting climate change.

For 20 years, we have focused and continue to focus on initiatives aimed at reducing our greenhouse gas (GHG) emissions as much as possible. We are now at the step of offsetting our GHG emissions through positive initiatives to fight climate change.

For many years, iA Financial Group has been committed to supporting the fight against climate change by proactively reducing our carbon footprint. We have participated in the Carbon Disclosure Project (CDP) on greenhouse gas emissions since 2007.

We also carry out projects and initiatives aimed at reducing our GHG emissions at the source, including:

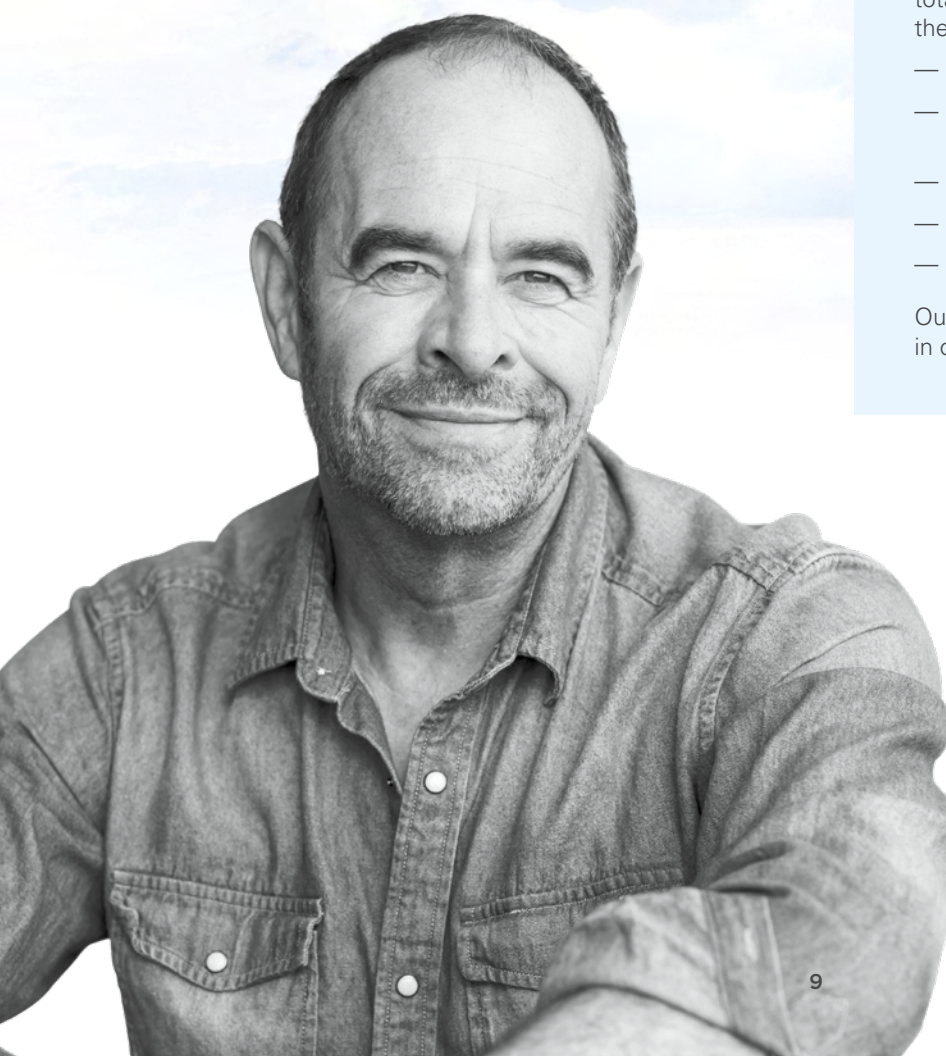
- Investments in our real estate portfolio to continuously reduce air emissions. This portfolio includes over 20 BOMA BEST certified buildings and two LEED Gold certified buildings.
- Tight waste management. Currently, for our head office located at 1080 Grande Allée West in Quebec City, over 80% of the company's waste is recovered (paper, plastic, glass, metal and organic waste).
- The use of business travel reduction technologies (remote collaborative work platforms, videoconferences, telephone conferences, etc.).
- Employee incentives for using public transit and active transportation.

## Monitoring and disclosure

In 2018, iA Financial Group's GHG emissions totalled 12,700 tons, grouped primarily into the five following categories:

- Employee commuting
- Energy consumption in company-owned buildings
- Business travel
- Waste management
- Company-organized events

Our 2019 GHG emissions data will be released in our 2020 *Sustainability Report*.



# Renewable energy investments

In recent years, we have seen an unprecedented wave in migration toward “green” sources of energy production, such as wind, solar and hydroelectric. This migration is chipping away at the use of other sources known to cause higher levels of pollution, such as oil and coal. Many countries and businesses have set an objective of generating 100% of their energy supplies through renewable sources by 2050.

New technologies (like electric modes of transportation), decreases in renewable energy production costs, favourable government policies and corporate awareness about decarbonization are all factors supporting the growth of this sector. As a result, the renewable energy market has the potential to reach \$12.3 trillion in 2050, representing 64% of the total energy capacity generated.













iA Financial Group has contributed to renewable energy projects by investing in this sector for over 25 years. Currently, we have invested a total of **\$1.7 billion** in this area, including **\$72 million** over the last year in the following projects:

Project name:	Project name:	Project name:
<b>Wocaswon</b>	<b>Musselshell</b>	<b>Madison Energy</b>
Wind	Wind	Solar
20 Megawatts	20 Megawatts	75 Megawatts
Canada	United States	

# Our property management

As a major property owner, iA Financial Group measures environmental performance based on the stringent BOMA BEST and LEED criteria.

## BOMA BEST certified buildings

		Current level
Quebec City	801 Grande Allée West Surface area: 128,230 ft <sup>2</sup>	
	925 Grande Allée West Surface area: 211,897 ft <sup>2</sup>	
	1150 Grande Allée West Surface area: 147,852 ft <sup>2</sup>	
	1080 Grande Allée West Surface area: 256,351 ft <sup>2</sup>	
	3800 Marly Surface area: 904,926 ft <sup>2</sup>	
Montreal	1981 McGill College Surface area: 639,767 ft <sup>2</sup>	
	2000 McGill College Surface area: 339,029 ft <sup>2</sup>	
	2200 McGill College Surface area: 126,612 ft <sup>2</sup>	
	2020 Robert-Bourassa Surface area: 509,471 ft <sup>2</sup>	
Toronto	522 University Avenue Surface area: 209,853 ft <sup>2</sup>	
Winnipeg	311 Portage Avenue Surface area: 102,845 ft <sup>2</sup>	
Vancouver	2207-2225 W. 41st Avenue and 5685-5687 Yew Street Surface area: 27,234 ft <sup>2</sup>	

We also have other properties currently in the process of obtaining certification.



### Methodology

Each BOMA BEST certified property must meet BEST Practices based on a questionnaire determining the level of certification granted. A percentage score is given based on the following questionnaire criteria:

Criteria	Number of points evaluated, depending on the building
Energy	347–450
Water	68 – 74
Air quality	112 – 147
Comfort	22 – 38
Health and wellness	55 – 78
Procurement	19 – 26
Maintenance	45 – 53
Waste	120 – 150
Site	66 – 87
Stakeholder commitment	102 – 114



#### Certified

Score of up to 19% on the questionnaire



#### Silver

Score of 50% – 79% on the questionnaire



#### Gold

Score of 80% – 89% on the questionnaire

## LEED® certified buildings

iA Financial Group has obtained LEED® (Leadership in Energy and Environmental Design) certification for 10 properties.

		Certification
Quebec City	📍 1080 Grande Allée West Surface area: 256,351 ft <sup>2</sup>	<b>LEED (EBOM)</b> <b>LEED V4</b>
	📍 1150 Grande Allée West Surface area: 147,852 ft <sup>2</sup>	<b>LEED (CI)</b>
	📍 1200 Route de l'Église Surface area: 232,983 ft <sup>2</sup>	<b>LEED (CS)</b>
	📍 3800 Marly Surface area: 904,926 ft <sup>2</sup>	<b>LEED (EBOM)</b> <b>LEED V4</b>
Montreal	📍 1981 McGill College Surface area: 639,767 ft <sup>2</sup>	<b>LEED (EBOM)</b> <b>LEED V4</b> <b>LEED GOLD</b>
	📍 2000 McGill College Surface area: 339,029 ft <sup>2</sup>	<b>LEED (EBOM)</b> <b>LEED V4</b> <b>LEED GOLD</b>
	📍 2200 McGill College Surface area: 126,612 ft <sup>2</sup>	<b>LEED (EBOM)</b> <b>LEED V4</b> <b>LEED GOLD</b>
Winnipeg	📍 311 Portage Avenue Surface area: 102,845 ft <sup>2</sup>	<b>LEED (CS)</b> <b>LEED GOLD</b>
Vancouver	📍 Surrey Gateway (13479 108 Ave.) Surface area: 94,507 ft <sup>2</sup>	<b>LEED (NC)</b> <b>LEED GOLD</b>
	📍 988 West Broadway Surface area: 100,264 ft <sup>2</sup>	<b>LEED (CS)(CI)</b> <b>LEED GOLD</b>

We also have other properties currently in the process of obtaining certification.

### Methodology

By fulfilling credits, LEED projects earn points that determine their certification level: Gold level is 60–79 points.

#### LEED (NC)

for new construction and major renovations

#### LEED (EBOM)

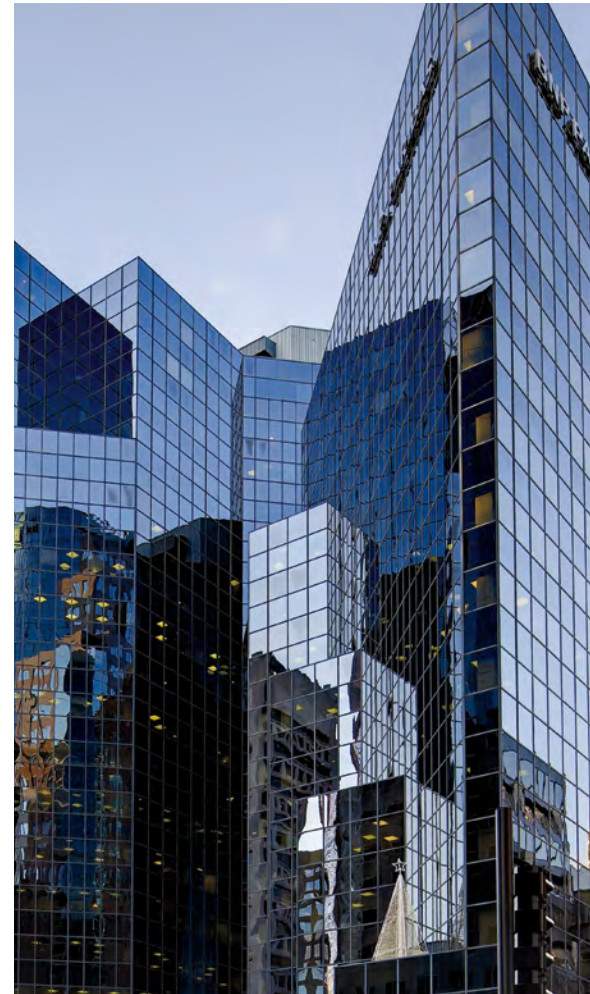
for existing buildings: operations and maintenance

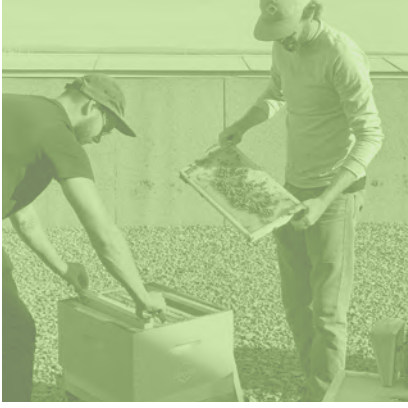
#### LEED (CI)

for commercial interiors

#### LEED (CS)

for core and shell





We have given meaningful social and environmental vocations to many of our properties through a variety of projects.

## Our properties, integral parts of our communities

While our properties are recognized for offering premium quality office and retail space, they are much more than just concrete, glass and innovative technology: they are an integral part of the urban backdrop where our employees and tenants and, in a broader sense, their communities, live and grow.

### Urban farming

For a second consecutive year, local business *Du toit à la table* farmed vegetables on the rooftop of our building at 3800 Marly in Quebec City and sold them in weekly baskets to employees. In addition, all of the roof rental proceeds were again donated to United Way-Centraide Québec and Chaudière-Appalaches. In 2019, the initiative was expanded to the rooftop of our head office, as well, to the greater delight of our employees.

### Bourgeoning beehives

We now have beehives on the roofs of several of our buildings in Quebec City, Montreal and Toronto. In Quebec, this initiative is supported by urban beekeeping company *Alvéole*. The delicious local honey produced by our iA bees is sold to employees, and all profits go to United Way-Centraide.

### Reharvested tulip bulbs

Every year, when our tulips have finished blooming, we harvest thousands of bulbs with stems and sell them to employees, who can then give them a second life using the expert advice of our horticultural team. All proceeds from this popular initiative are donated to United Way-Centraide Québec and Chaudière-Appalaches.

### Composting of ornamental plants and flowers

A large quantity of plants and flowers are regularly removed from the grounds of our eleven buildings in Quebec City so that we can replant with other chosen varieties, based on the season. All of the plants and flowers removed are then composted by a partner in the region, and the compost is used in our gardens the following summer.

### 21-storey rappelling fundraiser

For several years, we have lent out the beautiful glass facade of our building at 1981 McGill College Avenue for a rappelling activity to raise funds for disabled children through Easter Seals Quebec and Fondation Papillon. Several Olympians and even Spiderman have been known to take the challenge for this cause.

### Underground 5K

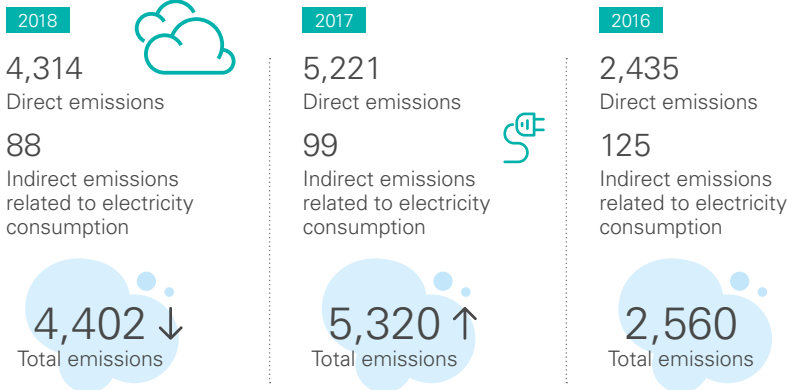
On February 2, 2019, we lent the underground space of Carrefour iA Groupe financier for the reception area and start line of the third edition of BougeBouge 5KM Montreal Underground. BougeBouge is a community organization that develops and supports active lifestyles for teens, young families and retirees in Quebec and Ontario.

# Our achievements

## 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.

### Air emissions in CO<sub>2</sub>e tons



The significant decrease in 2018 is mainly the result of two factors:

- 680 Sherbrooke West is no longer a part of our real estate portfolio. GHG emissions for this property totalled 451.17 CO<sub>2</sub>e metric tons in 2017.
- Warmer winter temperatures compared to previous years reduced the use of heating in our buildings.

CO<sub>2</sub> equivalent: Universal measure for converting the assessment of different forms of greenhouse gas (GHG) emissions to the same unit of measure.

\* 2019 GHG emissions data will be calculated subsequent to the publication of this report.

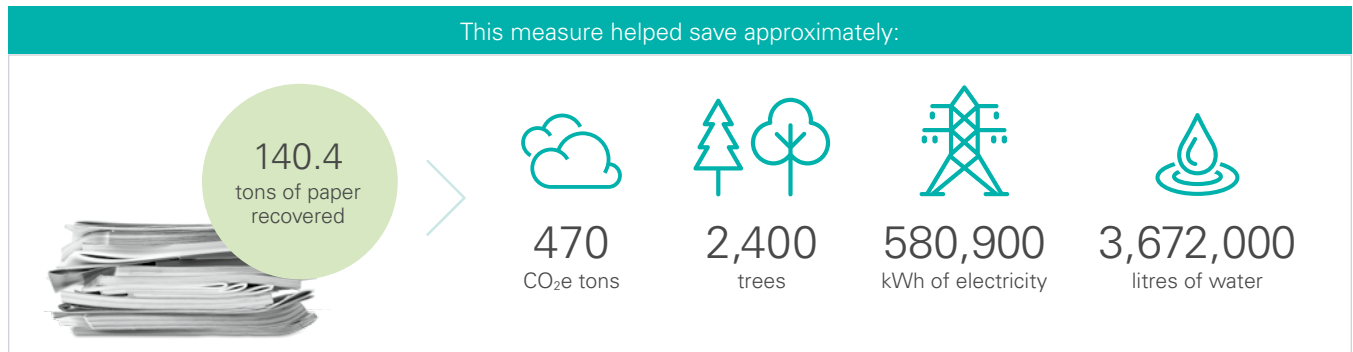
## Waste management

In Quebec, iA Financial Group commissions an external firm to perform a characterization study measuring its waste material recovery rate in order to meet the certification criteria of the Recyc-Québec *ICI ON RECYCLE!* program. A recovered material is one that "continues its useful life" and thereby avoids ending up in landfill.

		Certification obtained	Recovery rate
Quebec City	📍 1080 Grande Allée West iA Financial Group	<b>Level 3 – Performance, Silver Seal</b>	83.1%
	📍 925 Grande Allée West iA Auto and Home	<b>Level 2 – Implementation</b>	Not required

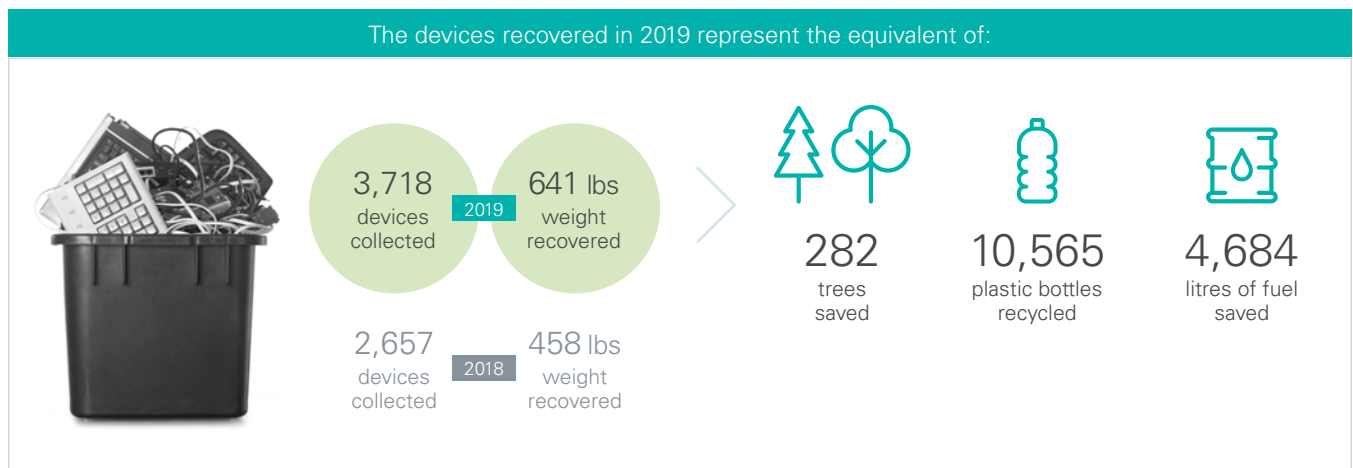
### Paper

In our Quebec City offices, 140.4 tons of paper were recovered for recycling in 2019.



### Electronic devices

Since 2015, iA Financial Group has installed Electrobac recovery containers where employees at the head office and workers at the 3800 Marly building in Quebec City can recycle their small electronic devices. Items deposited are collected and sent to a certified processing centre. Any data stored in the devices is completely destroyed and the devices are then recycled or refurbished.



## Transportation

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

The decrease in emissions is explained by a significant reduction in long-distance travel (452 CO<sub>2</sub>e metric tons in 2018 versus 603 CO<sub>2</sub>e metric tons in 2017, a decrease of 25.04%).

Short-distance travel (180 CO<sub>2</sub>e metric tons in 2018 versus 170 CO<sub>2</sub>e metric tons in 2017, an increase of 5.92%) and medium-distance travel (357 CO<sub>2</sub>e metric tons in 2018 versus 281 CO<sub>2</sub>e metric tons in 2017, an increase of 27.04%) did not offset the reduction from long-distance travel. Videoconferencing played a major role in the decrease in long-distance travel.

The 11.52% decrease in GHG emissions compared to 2017 is explained by the use of more precise tools for calculating the number of automobile users among iA Financial Group employees. The number of employees using automobiles is calculated based on the number of available parking spaces. Thanks to various initiatives, including a valet service and tighter control over access to our parking lots, we can now provide more precise data on employees commuting by automobile.

### Public transit

#### Measures

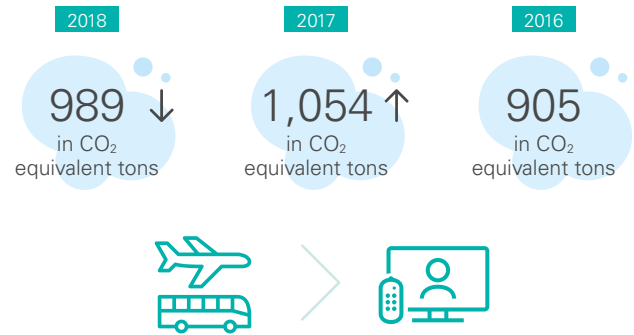
In Quebec City, an additional incentive of 50% of the Quebec City and Lévis bus pass is paid by iA Financial Group for employees. For Quebec City employees of iA Auto and Home Insurance (iAAH), the entire cost of the pass is paid by the employer. Also, through its Transit Support Program launched in February 2018, iA Financial Group provides financial support to its Montreal, Toronto and Vancouver employees who use public transit as their primary mode of transportation to the office. These employees are reimbursed \$50 per month, provided they meet the eligibility criteria. This program had a major impact for our employees. For example, in Montreal, the number of public transportation users rose from 170 to 300 during the year.

#### Carpooling

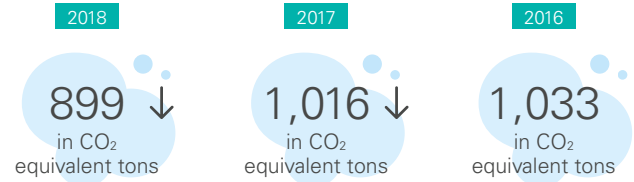
Since 2009, iA Financial Group has offered employees in Quebec City and Montreal a carpooling program in partnership with ridesharing.com.

In addition, 30 parking spaces are reserved for employees who carpool to work, 24 in Quebec City and 6 in Vancouver.

### Business travel



### Employee commutes in Quebec City



### Public transit subscription

Quebec City	479 users
Montreal	421 users
Toronto	425 users
Vancouver	116 users

261

employees are registered for the carpooling program



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

**Electric vehicle charging stations**

Over 20 electric vehicle charging stations are available to employees and tenants on 12 of iA Financial Group's properties.

**Active transportation**

Quebec City:

- Over 200 bike racks on our various properties, most of them in secure indoor locations
- Locking bike racks
- Showers and change rooms

**Participation in public and active transportation events**

Again in 2018, iA Financial Group was a major participant in the *Défi Sans Auto Solo* car-free challenge organized as part of public and active transportation week. At least 328 employees took part. The participants from iA Financial Group travelled more than 28,522 km by bus, carpool or active transportation (walking, biking, rollerblading, etc.), helping to reduce greenhouse gas emissions by approximately 3,561 kg. In 2018, for the third time, iA Financial Group was registered in the Supra-regional category of the challenge. Given that the challenge was spread over seven days in 2018, our total GHG savings was up significantly from the previous year, when the challenge was for one day only.

Again in 2019, employees in Vancouver participated in Bike to Work weeks or Bike to Work month.



**Défi Sans Auto Solo car-free challenge**

Quebec City and Montreal

2018	2017	2016
328 participants	296 participants	121 participants
3,561 GHG savings (kg)	856 GHG savings (kg)	571 GHG savings (kg)

**Bike to Work**

Vancouver

2019	2018	2017
355 total km	1,763 total km	1,178 total km
7 riders	14 riders	7 riders
55 trips logged	192 trips logged	147 trips logged
10,061 calories burned	52,897 calories burned	35,324 calories burned

**Guaranteed ride home policy**

iA Financial Group offers an emergency guaranteed ride home (GRH) policy for employees in Quebec City and Montreal who use public and active transportation.

Under this policy, employees who commute by alternative modes of transportation (bus or carpool) can take a taxi at the company's expense to leave work in case of an emergency. This policy therefore guarantees employees transportation without worrying about schedules, up to a maximum of three times and one hundred Canadian dollars per year.

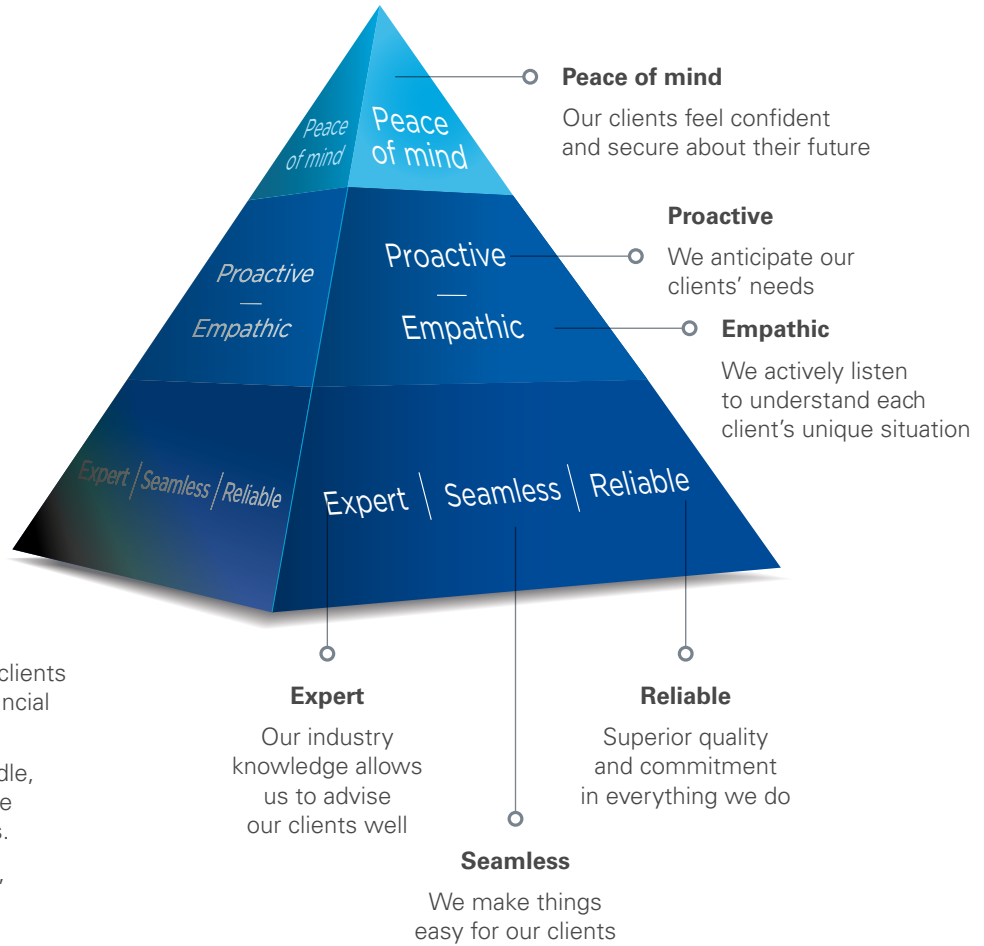


# Our client experience

## Our vision

For a unified vision of what doing business with iA Financial Group means for our clients, advisors or partners, we use six attributes, in the form of a pyramid.

Our ultimate goal: Offer our clients peace of mind.



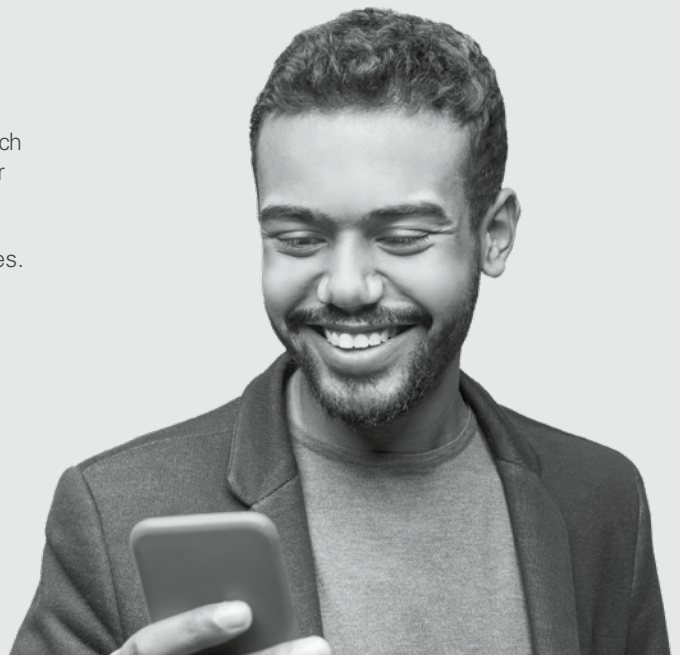
Our basic attributes are what our clients expect from an insurance and financial services company like ours.

Our support attributes, in the middle, are qualities we must demonstrate to stand out from our competitors.

Our dominant attribute, at the top, is what clients will ultimately feel and say about us.

## How we achieve our vision

At the heart of our new model are our client contact centres, which strive to better serve and communicate with clients, gather better client data and make better use of this data. In 2019, we selected the best call centre technology and developed staffing tools and performance indicators to harmonize quality across our call centres. Deployment of our new call centres began in November 2019. Our Group Savings and Retirement sector was the first to use the new infrastructure.



## Support for our clients during the pandemic

In the initial weeks of the COVID-19 pandemic, we put in place relief measures in our various lines of business to support clients experiencing financial difficulties directly attributable to the pandemic:

- Life insurance, critical illness insurance, disability insurance, accident insurance, individual savings and retirement
- Residential mortgages
- Auto loans
- Group insurance

Group insurance clients on short-term disability following a positive COVID-19 diagnosis will receive immediate coverage with no waiting period. Also in group insurance, a 60% discount on dental insurance premiums has been offered.

On April 9, our iA Auto and Home subsidiary began offering clients a 20% discount on their monthly auto insurance premium. All clients will benefit from this discount without having to apply. The discount took effect retroactively to April 1 for an initial period of two months. After that, we will reassess based on how measures announced by the government and public health authorities evolve.



# Our employee experience

At iA Financial Group, we believe that our employees are the driving force of our success and that qualified, high-performing collaborators will be highly sought after.

As a result, we must adopt a human resources management philosophy focused on flexibility and openness so that we can offer a unique employee experience that is in line with both the company's and the individual's values.

## Our principles

### 1. Flexibility, at the heart of our vision

To promote employee efficiency and happiness on a daily basis, we want to have a physical environment, technological tools and a culture that provides the latitude our employees need to make good choices that will help them optimize the balance between their personal and professional lives.

To make work meaningful, we encourage teamwork as well as independence in problem-solving in order to achieve our fundamental goal: the satisfaction of our clients. We also promote a culture of diversity and sustainable development, two issues that are increasingly important to employees.

### 2. Professional development based on talents and interests

We strive to establish good employee-manager relationships so that we can get to know our employees and make the most of their talents and interests. For this purpose, we have mentorship and coaching programs for our leaders. We have also established a culture of feedback at all levels of the company. Finally, we actively encourage internal mobility and career advancement, which present excellent opportunities to learn and grow.

### 3. Fair recognition for contributions

Whether it's monetary, in the form of time accommodations, related to soft skills or related to hard skills, we want our employees to receive fair recognition of their contributions to the company's success. This recognition should reflect the flexibility and openness to which we are committed, while taking into account our business needs.

## Our employees, a wealth to be protected

The competency of human resources is an essential factor in implementing business and operational risk management strategies. In this regard, we follow best practices and have a code of business conduct in addition to well-defined policies and procedures with respect to compensation, recruitment, training, employment equity and occupational health and safety.

These policies are continually kept up to date and designed to attract and retain the best candidates at every level of the company. We show our concern for our employees' quality of life by offering programs that promote a healthy lifestyle and adopting various measures designed to improve the work environment. These programs and policies are outlined in the following pages.

Finally, as the COVID-19 situation is rapidly evolving, we have taken necessary measures to protect the health and safety of our employees, limit the spread of the virus and continue our activities.

The primary measures we have taken at this time are:

- Cancellation of all business travel until further notice.
- Cancellation of all work-related events until further notice.
- Self-isolation (14 days) for employees who have travelled outside the country or transited through an airport since March 5.
- Remote work: Even before it was mandated by the government, we asked our employees to work from home in order to reduce the number of people in our buildings to a strict minimum, thereby reducing the risk of infection.

## iA Health

Our health and wellness program, iA Health, covers many aspects of global employee health, from awareness to the implementation of concrete daily actions to maximize personal and professional wellbeing. We offer a wide array of tools and resources to encourage employees across the company to develop healthy lifestyle habits (such as regular physical activity and balanced nutrition), reliable safety skills and an enjoyable work-life balance.

### Services offered by iA Health

- Employee and Family Assistance Program (EFAP), including: health coaching, tobacco cessation program, addiction support, nutrition consultations, legal assistance, etc.
- Dialogue telemedicine platform
- iA Health Portal
- Ergonomics services
- Workplace infirmaries and first-aid programs
- Workplace health and safety initiatives
- Flu vaccination clinics
- Wellness conferences and activities
- Group courses at work
- Fitness centres and programs at certain offices
- Corporate discounts
- Preventive health checks
- Work-life balance services in certain cities



### Caregiver support groups

Taking care of a loved one while working full-time is an unfortunate reality for many of our employees who are caregivers for people close to them. We have set up meetings to provide support for our employees in these often difficult situations.

The objective of these meetings is to allow participants to share their experience as caregivers and obtain helpful advice and information. Employees are invited to talk about concerns, experiences and difficulties they have encountered. Discussion topics are varied, including access to services, resolution of specific issues, managing emotions, work-care balance, stress, etc.

Groups are held during lunch hour on our premises at 1080 Grande Allée West in Quebec City and at 2200 McGill College Avenue in Montreal. They take place every three weeks throughout the year. This service is offered free of charge for employees in need.



### My Health Inspiration 2019

At the beginning of 2019, we launched a contest inviting our employees to share with us health initiatives that they were ready to take on. The contest was very popular, garnering 50 proposals. We donated \$1,500 to two winning projects to help them reach their goals.

Throughout the year, the employees involved in these two projects posted 20 articles on the iA Health Portal recounting their experience. They talked about their sacrifices, disappointments, injuries and comparisons, but also about their routines, motivations, dedication and successes. They also shared their training techniques and explained how to set small, short-term goals to meet a larger challenge.

Their inspiring testimonials encouraged many to push their limits and adopt healthy lifestyles.



## Our position on diversity and inclusion

Diversity and growth are inseparable. iA Financial Group has always promoted diversity and recognized its contribution to innovation and growth. We have taken this vision one step further by integrating it into our practices regarding employee and client experience.

Here is iA Financial Group's newly adopted statement of principle on diversity and inclusion. This statement is part of our commitment to attracting and retaining the best talent and better meeting the needs of our increasingly diverse clientele.

Our diversity and inclusion statement is among other things a guideline for our recruiting activities, helping ensure that we adhere to best industry practices in this area. Diversity and inclusion are values that support high performance and innovation, and that will help the entire organization grow.

Diversity and inclusion statement:

iA Financial Group is committed to offering a positive company-wide employee experience and a workplace that promotes diversity and inclusion, regardless of ethnic origin, nationality, language, religious beliefs, gender, sexual orientation, age, marital status, family situation or physical or mental disability.

Diversity and inclusion are core values that influence decision-making throughout iA Financial Group in an evolving way. From team composition to investment

considerations, we understand that our focus on these priorities is not just the right thing to do, they are critical to the long-term success of our organization.

At iA Financial Group, we are actively building a team that is as diverse as the people and communities we serve. By offering an inclusive environment that values teamwork, respect for individuals, and service quality, we strive to ensure that our employees can be authentic, supported, and able to realize their full potential.

On February 14, 2019, the board of directors of iA Financial Group adopted a diversity policy, with special attention paid to the pursuit of equal gender representation on the board. We believe that this initiative favours a plurality of ideas and opinions, reduces the risks associated with group mentality, and results in a greater range of knowledge, background, and skills.

In addition, we are close to achieving gender parity on the board and in middle management positions. This will allow us to pursue gender parity at the vice-president level in the midterm. We believe that our efforts in this regard will enable us to achieve gender diversity on our senior management team.

# Our philanthropic mission

## Our donation and community involvement policy

### Vision

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

### Strategy

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

### Preferred sectors

#### Healthcare

- A well-being vector, this sector is closest to our operations and company mission
- Target: Charities that provide or want to provide or improve care, encourage recovery or provide end-of-life support

#### Social/community

- Driving force to help the vulnerable become social actors who can pay it forward
- Target: Charities whose mission is to help, support and reintegrate people in a given community

#### Education

- Base for intellectual, social and economic development
- Target: Charities whose mission is the training and academic development of individuals

#### Environment

Objective: Be an influencer for charities whose mission is to guide individuals in applying best environmental practices, which will in turn protect future generations.

## Additional assistance to combat the COVID-19 crisis

Since March 2020, iA Financial Group has committed itself to the fight against COVID-19 and its unprecedented effects on our communities through its philanthropic program. Because commitment to the community is so deeply rooted in our values, we felt it was essential to quickly mobilize and help those most vulnerable in the areas of health and the community, specifically targeting organizations that have urgent needs because of the current situation.

### Health

We have donated over \$750,000\* in emergency COVID-19 funding to several teaching hospital foundations and health research centres, specifically earmarked for research, across the country.

### Social/community

We have also donated close to \$1,000,000\* in emergency funding to various social/community organizations across Canada. We provided \$450,000 in emergency funding to United Way-Centraide to help fight food insecurity, senior isolation and homelessness. We have also provided support to organizations that deal with other critical issues affected by this crisis, including violence against women and children, mental health, suicide and children with special needs.

Finally, we provided direct assistance to food banks across the country. Because food banks are having a hard time keeping up to the demand during this time of crisis, we wanted to act quickly to help them carry out their vital mission.

In total, nearly \$2,000,000\* has been donated to combat the COVID-19 crisis.

Moreover, in addition to our financial commitment, we have also publicly shown our solidarity. Denis Ricard, our President and CEO, also recently spoke to the importance of generosity during this challenging time:

*“Although this is a difficult time for all of us, our contribution to the community has never been more important than it is now. The financial support we’re providing today to help people in very precarious situations and to contribute to health research will help us all to better get through this unprecedented situation. By acting now, we can promote a better outcome to this crisis. Together, let’s pull together and show our courage.”*

\* Amounts as at April 30, 2020.



## Canada-wide philanthropic contest

“How would you use \$125,000 to provide more respite for those in need?” That’s the question we put to Canadian charities for the third edition of our Canada-wide philanthropic contest.

Based on this theme, we received hundreds of excellent project submissions from organizations that offer respite to people, families and loved ones in need. Some came from as far as Nunavut! Ten finalists were then selected from among all submissions received. Lastly, at our invitation, close to 15,000 Canadians voted for their choice of the two most deserving projects.

The 2019 grand prize winner was Le Phare Enfants et Familles. With our donation, the organization will extend its reach outside the current geographic coverage of the services offered by Le Phare and its partners.

### Winners’ testimonial

*“Le Phare’s in-home respite program serves children with life-threatening illnesses and their families. For 20 years, well trained and equipped volunteers have been going each week to the homes of families in Greater Montreal to provide them with a few hours to relax and recharge while their children enjoy fun activities adapted to their needs.*

*This program helps break isolation and provides peace of mind for parents and fun, friendly support for children. The generous support and solidarity of iA Financial Group will allow Le Phare to extend its program and expertise to more remote regions of Quebec. Families in Outaouais, Estrie and Mauricie will have the support of local in-home volunteers to help their children play and have fun until their final days. Many thanks to iA Financial Group.”*

### Four big winners instead of three

We decided to donate an additional \$50,000 prize to this year’s fourth place winner, the Jennifer Ashleigh Children’s Charity, because its project received almost as many votes as the third place winner.

### iA employee favourite

Our employees also voted for their favourite project among the ten finalists. This led to an additional donation of \$25,000 to Le Phare Enfants et Familles.



**Full contest results**

1	Le Phare Enfants et Familles	Montreal, QC	<b>\$125,000</b> grand prize
2	Association pour l'intégration sociale (Quebec City region)	Quebec City, QC	<b>\$50,000</b> prize
3	Centre d'aide aux proches aidants des Basques	Trois-Pistoles, QC	<b>\$50,000</b> prize
4	Jennifer Ashleigh Children's Charity	Uxbridge, ON	<b>\$50,000</b> prize

**5th–10th place**

Alberta AdaptAbilities Association	Edmonton, AB	<b>\$10,000</b> prize each
Battlefords Boys & Girls Club	North Battleford, SK	
Massey Centre	Toronto, ON	
Prince Edward Island Association for Community Living	Charlottetown, PE	
Ronald McDonald House Charities (Toronto)	Toronto, ON	
VGH & UBC Hospital Foundation	Vancouver, BC	

**Employee favourite**

Le Phare Enfants et Familles	Montreal, QC	<b>\$25,000</b> prize
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**Big winners across Canada since 2017**

In 2018, it was the Canadian Mental Health Association – Swift Current Branch in Saskatchewan that won the grand prize donation of \$125,000. In 2017, the first year of the contest, three charities each received \$125,000: Le Diplôme avant la Médaille (Quebec City, Quebec), Bullying Ends Here (Calgary, Alberta) and Look Good Feel Better (Toronto, Ontario). Our donations helped all of these charities succeed with their projects.



Our President and CEO Denis Ricard was present to award Le Phare Enfants et Familles the grand prize donation of \$125,000 as well as the employee favourite donation of \$25,000.

## A website dedicated to our and our employees' community involvement

In July 2019, we launched the [communityinvolvement.ia.ca](http://communityinvolvement.ia.ca) website to support employees of iA Financial Group and its subsidiaries as well as representatives in the Career Network who wish to get involved and make a difference in their communities.

This website proposes various ways to get involved. It also has a News section highlighting the activities of employees who have gotten involved and want to showcase their initiatives.

## iA Day of Caring

Every year since our 125th anniversary in 2017, the iA Day of Caring has been held the first Friday of May, the Friday closest to the 125th day of the year. During the third edition on May 3, 2019, over 1,200 employees took part in close to 40 group initiatives in Canada and the United States.

Our employees organized a variety of activities for the occasion:

- Food, clothing and toy drives
- Volunteer work with charities
- Company and support for people in need
- Meal services
- Etc.

## Support for employee community involvement

iA Financial Group encourages and supports employees who volunteer with charities through donations and other means. Our analysis criteria takes into account the employee's level of involvement as well as the organization's outreach. This year, we are setting up a shared platform where employees can promote their community involvement, solicit donations and invite their colleagues to sign up for various activities.

## Skills volunteering

We encourage skills volunteering by giving a half-day leave to employees who wish to share their professional knowledge and expertise to lend a helping hand. These efforts are organized by Bénévoles d'Expertise Capitale-Nationale et Chaudière-Appalaches, whose mission is to help provide community organizations with management and governance support.

## Food recovery program

In 2019, iA Financial Group became a national partner of the La Tablée de Chefs food recovery program. This partnership will help the program's Feed component develop its social impact in Quebec and elsewhere in Canada. In addition to donating, iA Financial Group has implemented this program in its head office cafeteria. Its surplus food is redistributed to people served by the Maison Revivre shelter and kitchen. iA is working to implement this program in all of its cafeterias across Canada.

## Support for the Université Laval Research Chair on Leadership in Community Support Education

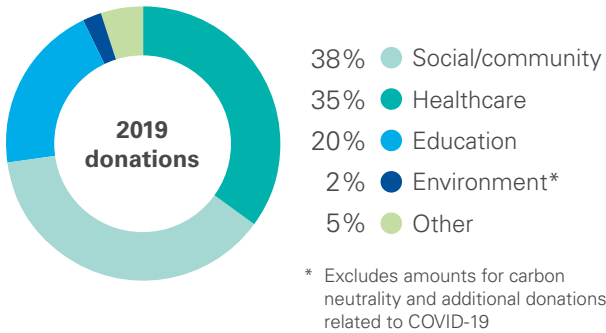
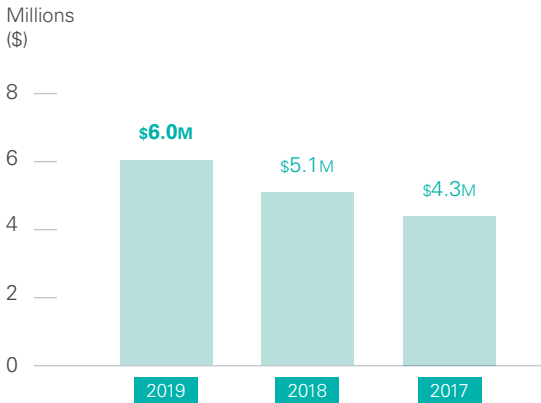
Thanks to our financial support, which began in 2017, the Community Organization Management and Philanthropic Leadership program of the Université Laval Research Chair on Leadership in Community Support Education has been building ties with the community organization ecosystem in the region. As many as 32 managers from community organizations are involved in the second edition of this program. After each edition, participants continue to collaborate with each other to pursue their professional development.



# Our achievements

In 2019, iA Financial Group donated \$6.0 million, or the equivalent of \$800 per employee, to close to 500 different organizations. These figures exclude subsidiary donations.

## 2019 donations



## Donation program for employees involved with charitable organizations

2019	2018	2017
\$200,000	\$50,000	\$40,000
total donated	total donated	total donated
45	30	36
organizations	organizations	organizations
275	250	250
participants*	participants*	participants*

\* Company employees, retirees or representatives serving as volunteers or benefit attendees

## United Way-Centraide campaigns

Altogether, our 2019 campaigns allowed us to give a total of \$1,699,108 to community organizations supported by United Way-Centraide.

**\$1,699,108**

This is once again a new record for the company!

## iA Financial Group Foundation for Learning a Second Language

In 2019, 53 grants were awarded to college-level students for language immersion trips. Since its creation in 2010, over \$1 million has been given out under this initiative.



## Disaster relief

In 2019, iA Financial Group donated \$50,000 to the Canadian Red Cross in support of victims of spring flooding in eastern Canada.

**\$50,000**

## Our governance approach

One of the seven guidelines of our *Sustainable Development Policy* is to follow high standards of governance.

At iA Financial Group, we believe it is essential to follow best governance practices in order to foster our growth, increase shareholder value and maintain the confidence of our various stakeholders. These practices promote the pursuit of our core values and are reflected in the behaviour of our directors, officers and employees.

To follow high standards of governance, we base our practices on a solid culture of integrity and ethics, as well as sound risk management. In following these guidelines, we apply a number of policies and a code of business conduct to ensure these governance practices.

### Board Independence Policy

We are committed to preserving the independence of our board of directors and its ability to effectively monitor the company's operations. For this reason, we have a *Board Independence Policy* to regularly assess the independence of the board's members and committees.

This policy has three main objectives to support the board's mission:

- 1 Clarify the situations in which a director cannot be considered independent
- 2 Ensure that the company's board and its committees have the independence required to perform their decision-making and oversight duties effectively
- 3 Establish an ongoing monitoring process to assess and ensure the independence of directors

## Board evaluation and training

### Evaluation

We believe it is essential to foster continuous improvement among the board of directors and its committees. For this reason, our Governance and Ethics Committee has put in place a periodic evaluation process to measure the performance of the board, its members and its committees. Based on factors such as the quality of information and input, the leadership of the chair of the board and the support provided by management, evaluation results are gathered and recommendations are made for board improvements.

### Training

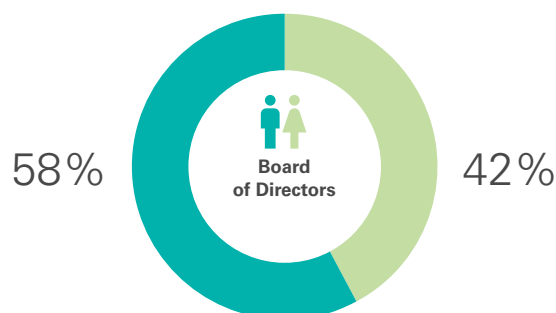
To ensure the effective fulfilment of the board's basic, decision-making and monitoring duties, our *Directors' On-boarding and Training Policy* encourages board members to participate in continuous training programs. Information sessions are held to keep them informed of the company's operations, business strategies and risk management activities. Specialized continuous training activities are also offered in conjunction with the Institute of Corporate Directors.

### Board Diversity Policy

In early 2019, our board members adopted a *Board Diversity Policy*. We strive to promote practices that embody inclusiveness and our commitment to diversity.

The notion of diversity includes not only gender diversity, but also diversity regarding ethnic and geographic origin, cultural identity, sexual orientation and age. This policy confirms our will to encourage diversity and provides details on the director selection process.

We have been monitoring our progress over the past few years and aspire to achieve gender parity on the board of directors in the near future.

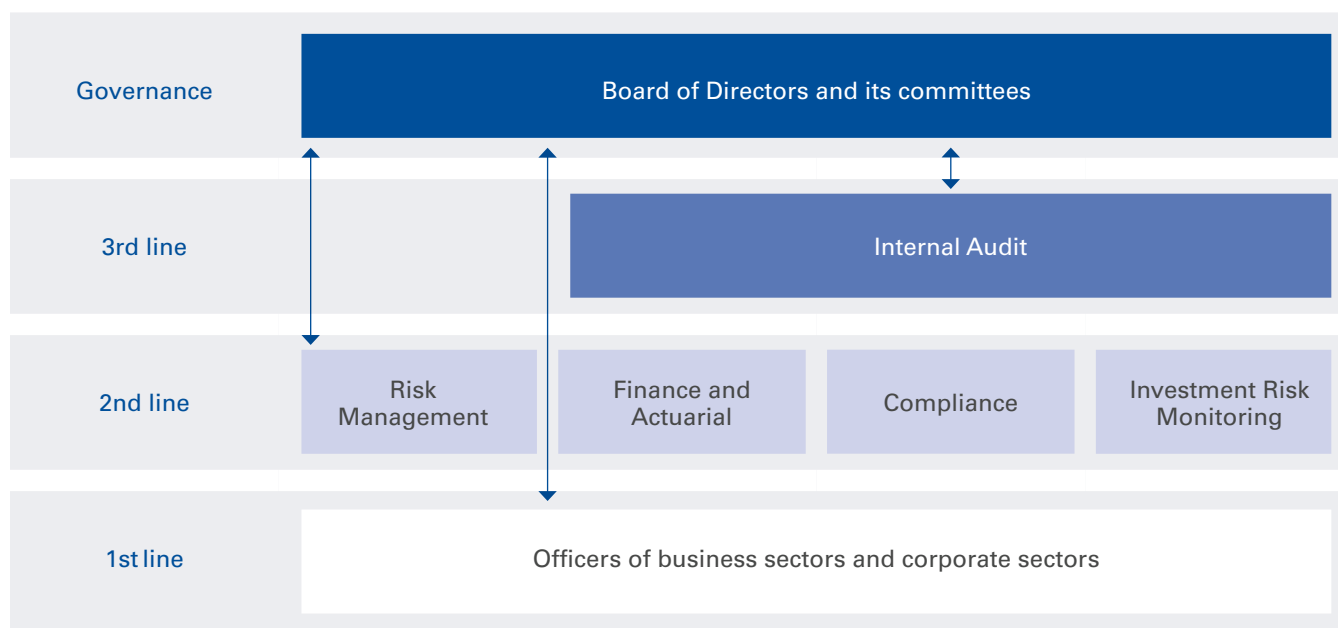


## Code of Business Conduct

Acting ethically, honestly and with integrity are standards of behaviour that are expected and required of all our employees, managers and directors. To reinforce these principles, they are required to read and agree to abide by our *Code of Business Conduct* on an annual basis. This code is periodically revised and updated. The last review was done in fall 2019.

## Risk management

At iA Financial Group, we have an enterprise risk management framework that provides the board with all required elements to ensure effective risk management. The board relies on a governance model implemented within the organization to obtain a full view of our position. It is thereby able to periodically review the significant and emerging risks likely to affect the company's risk profile and the control mechanisms in place to mitigate these risks.



## Engagement with shareholders

It is fundamental to maintain shareholder confidence through direct, regular and constructive engagement with them. We have set up channels that encourage interaction, dialogue and an exchange of ideas. It is our responsibility to provide shareholders with information about financial results, guide their understanding and clarify their concerns.

### **Our primary means for engaging with shareholders are:**

- Annual meeting
- Quarterly conference calls with financial analysts, which are accessible to all shareholders
- Investor Day
- 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 meetings, telephone calls and email correspondence
- Annual information circular
- Annual sustainability report
- The ia.ca website, particularly the *Investor Relations* section

One of the seven guidelines of our *Sustainable Development Policy* is to manage risks effectively.

We manage a variety of risks inherent to our operations on a daily basis.

**Our enterprise risk management:**

Allows us to maintain a long-term balance between risk-taking and our appetite and tolerance for risk.

Guarantees the sustainable growth of our operations and the development of our business while ensuring our company's solvency and long-term viability as well as our clients' and shareholders' peace of mind.

Enables us to meet our financial commitments and comply with regulatory requirements.



**What we do:**

We implement an enterprise risk management framework that is consistently applied and taken into account in developing our business strategies and in all of our operations.



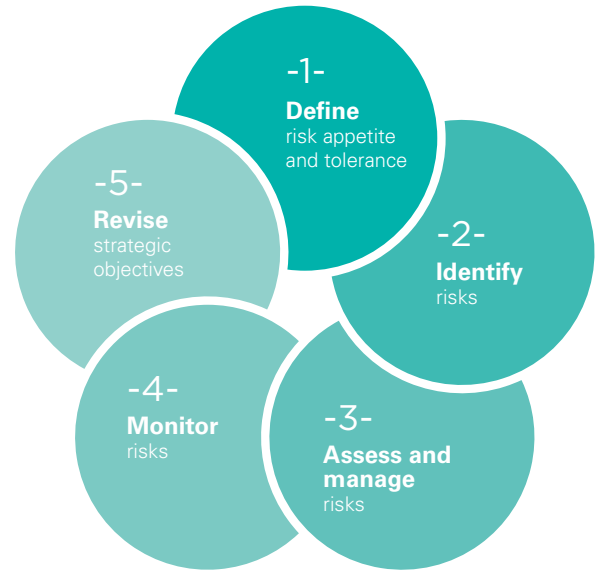
**The goal of our enterprise risk management framework is to:**

Identify, assess, manage and monitor the risks to which we are exposed.

Ensure that pertinent information regarding risks is communicated and shared on a regular and timely basis between the various people involved.

Provide the board of directors with reasonable assurance that sufficient resources and appropriate procedures are in place to ensure sound risk management.

Our framework incorporates a disciplined approach that targets long-term balance between risk and reward in the management practices of every corporate department and business line.



As a financial group, we assume a variety of risks inherent in the development and diversification of our business. Our risk management is therefore aligned with our expansion strategy.

Our primary risk management objective is to generate maximum sustainable value for our clients, shareholders and employees, and for our communities where we remain actively present.

Our risk management is supported by a strong code of conduct and culture along with an effective framework. We maintain an overall vision and demonstrate prudence in implementing our strategies and business decisions in order to protect our reputation, our value and our clients' peace of mind.

## Protection of personal information

As stipulated in our *Privacy Policy*, we are committed to doing everything we can to protect the privacy of our clients, employees and advisors, and to guarantee the confidentiality of the personal information entrusted to us in the course of our and our subsidiaries' operations.

iA Financial Group has a comprehensive cybersecurity program, which is applied to all of the company's lines of business, subsidiaries and distribution networks.

This program includes the deployment of advanced privacy systems and broad awareness and training activities. It is composed of several facets, including information security management, asset protection, and identity and access management.

Moreover, every year, iA Financial Group makes major investments in its information technologies.

### What we do to protect the security of personal information

#### We protect our systems

We use the necessary means to safeguard our IT infrastructures. Access to our clients' personal information is continually protected by a team of professionals as well as the latest in equipment and monitoring tools.

#### We handle information with care

Our employees and advisors are trained to handle personal data with great care and respect, in accordance with best practices. We require the same diligence on the part of our suppliers.

#### We secure our properties

Access to most of our buildings, computer equipment and digital infrastructures is limited to authorized persons only. They also remain under continuous surveillance.

#### We verify identities

Whether online, by telephone or in person with an advisor, we always first confirm the identity of the people involved.

You can find our *Privacy Policy* at [ia.ca](http://ia.ca) by clicking on Privacy at the bottom of the page.

## Our Integrity Hotline celebrates its fifth anniversary

Since its launch in 2014, the purpose of the Integrity Hotline is to reinforce our ethics culture by making it easier for our employees and suppliers to report ethics violations. It is a quick, effective, anonymous and secure way to report:

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

Complaints are received by an external company, thus guaranteeing the confidentiality of calls and the impartiality of measures taken in response thereto. Employees and suppliers who call the Integrity Hotline are also assured that they will not face any retaliation from iA or its members.



## Socially responsible and fossil free funds

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

As of October 2019, all IA Clarington Inhance SRI funds are fossil fuel free. This means the funds do not invest in:

- Oil, gas and coal producers
- Pipeline companies
- Natural gas distribution utilities
- Liquefied natural gas operations

Vancity also does not invest in companies whose primary line of business includes the following: tobacco, nuclear power, military weapons and adult entertainment.

### Performance of our socially responsible investment funds

(As at December 31, 2019)

	1-Year	3-Year	5-Year	10-Year	Since PSD <sup>1</sup>
IA Clarington Inhance Bond SRI Fund Series B	5.4%	2.1%	–	–	2.1%
IA Clarington Inhance Bond SRI Fund Series F	6.0%	2.7%	–	–	2.7%
IA Clarington Inhance Monthly Income SRI Fund Series T6	15.0%	4.4%	4.4%	6.3%	6.4%
IA Clarington Inhance Monthly Income SRI Fund Series F6	16.4%	5.7%	5.7%	7.5%	7.7%
IA Clarington Inhance Canadian Equity SRI Class Series A	18.2%	4.9 %	4.4%	5.6%	5.7%
IA Clarington Inhance Canadian Equity SRI Class Series F	19.7%	6.2 %	5.7%	6.9%	7.0%
IA Clarington Inhance Global Equity SRI Class Series A	24.8%	12.4%	9.1%	9.1%	9.0%
IA Clarington Inhance Global Equity SRI Class Series F	26.3%	13.7%	10.4%	10.4%	10.3%
IA Clarington Inhance Conservative SRI Portfolio Series T6	10.8%	4.0%	3.3%	4.3%	4.3%
IA Clarington Inhance Conservative SRI Portfolio Series F6	12.0%	5.2%	–	–	4.3%
IA Clarington Inhance Balanced SRI Portfolio Series A	13.6%	5.3%	4.3%	5.2%	5.2%
IA Clarington Inhance Balanced SRI Portfolio Series F	14.8%	6.4%	–	–	5.2%
IA Clarington Inhance Growth SRI Portfolio Series A	15.8%	6.3%	5.0%	5.8%	5.8%
IA Clarington Inhance Growth SRI Portfolio Series F	17.2%	7.5%	6.2%	7.1%	7.1%

Disclaimer:

<sup>1</sup> Performance Start Date (PSD). Returns are calculated from December 30, 2016 for IA Clarington Inhance Bond SRI Fund. Returns for IA Clarington Inhance Conservative SRI Portfolio Series F6 and IA Clarington Inhance Balanced SRI Portfolio Series F are calculated from June 29, 2015. Returns for all other funds are calculated from December 4, 2009, the date of a material fund merger. The information provided herein does not constitute financial, tax or legal advice. Always consult with a qualified advisor prior to making any investment decision. Statements by the portfolio manager or sub-advisor responsible for the management of the Fund's investment portfolio, as specified in the applicable Fund's prospectus ("portfolio manager") represent their professional opinion, do not necessarily reflect the views of iA Clarington, and should not be relied upon for any other purpose. Statements that pertain to the future represent the portfolio manager's current view regarding future events. Actual future events may differ. iA Clarington does not undertake any obligation to update the information provided herein. The information presented herein may not encompass all risks associated with mutual funds. Please read the prospectus for a more detailed discussion on specific risks of investing in mutual funds.

Indicated mutual fund rates of return include changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Returns for time periods of more than one year are historical annual compounded total returns while returns for time periods of one year or less are cumulative figures and are not annualized.

Commissions, trailing commissions, brokerage fees and management fees and expenses all may be associated with mutual fund investments, including investments in exchange-traded series of mutual funds. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Trademarks displayed herein that are not owned by Industrial Alliance Insurance and Financial Services Inc. are the property of and trademarked by the corresponding company and are used for illustrative purposes only.

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## United Nations-supported Principles for Responsible Investment (PRI)

This page presents our progress in integrating ESG factors in our investment processes.

In 2019, iA Financial Group became a signatory of the United Nations-supported Principles for Responsible Investment (PRI) through the iA Investment Management subsidiary.

In accordance with the PRI, we are committed to:

1. Incorporating ESG factors in our investment processes.
2. Being active owners by voting in accordance with our ESG values.
3. Encouraging the companies in which we invest to operate responsibly and appropriately disclose their ESG initiatives.
4. Promoting adoption of the PRI.
5. Working with industry members to improve ESG practices.
6. Reporting on our ESG activities and progress in implementing the PRI.

### Our strategy

Our strategy is focused on the integration of ESG factors as a tool for managing our investment risk. Along with evaluating an investment based on its traditional risk-return profile, we will also incorporate a third dimension including economic, social and governance factors so we can analyze their impact on the company's fundamentals.

This strategy will be dynamic and will change over time, and it will be updated annually. It has been submitted to and approved by the steering committee in charge of supervising our ESG activities.

### What we did in 2019

To help us make a good start, we joined forces with a consulting firm specializing in incorporating ESG factors in the investment decision-making process.

We also formed an ESG integration committee made up of nine finance professionals covering all of the asset classes invested in by iAIM. The primary mandate of the ESG integration committee is to oversee the planning, monitoring and coordination of iA Financial Group's ESG initiatives. The committee worked on developing a strategy for incorporating ESG factors as well as a training program and communication plan, all while staying abreast of current trends. This committee reports directly to a committee of directors and vice-presidents from the company's various investment department teams.

We are also working with an ESG data provider to help us with our integration. Consequently, all of our portfolio managers and financial analysts will now have access to a range of ESG data on the companies in their investment universe. This data is an integral part of our financial analysis of these companies and will serve to enhance our portfolio risk management.

We completed the year with training for our managers on using ESG data and incorporating it in the financial analysis process.

### What we will do in 2020

Develop internal tools to provide our managers with an overview of the ESG rating of their portfolios and a more specific idea of the main ESG risks to which they are exposed.

Become more familiar with the different ESG risks in the energy sector. The goal is to increase our knowledge and determine our position with respect to this sector.

Get training to fuel our processes and hone our expertise.

Participate in events and presentations to promote responsible investment and share iAIM's growing ESG expertise with our peers.

Adopt a responsible investment policy to officially define our values and investment philosophy.

Lastly, we will have the opportunity to report on our ESG activities to the PRI and receive a private rating for 2020. We will seize this opportunity to find out what rating our current strategy allows us to obtain and learn about initiatives that could positively contribute to the iAIM rating. We will then be able to adjust our approach based on these results.

## Position on climate change

### A proactive, sustained commitment

For many years, we have been committed to supporting the fight against climate change by proactively reducing our carbon footprint.

- We have participated in the Carbon Disclosure Project (CDP) on greenhouse gas (GHG) emissions since 2007.
- In 2019, iA Financial Group became a signatory of the United Nations-supported Principles for Responsible Investment (PRI) through our iA Investment Management (iAIM) subsidiary. iAIM will therefore implement a risk assessment tool related to environmental, social and governance (ESG) factors to support security selection, thereby strengthening its analysis of risks associated with climate change in the management of its portfolios. Our first report on our responsible investment activities will be published in the first quarter of 2021, based on our activities carried out in 2020.
- For 20 years, we have focused and continue to focus on initiatives aimed at reducing our GHG emissions as much as possible.
- In December 2019, we announced our commitment to offsetting our residual GHG emissions through the purchase of carbon credits, thereby becoming carbon neutral as of 2020. We will report data on our 2019 GHG emissions and our carbon offsetting in our 2020 *Sustainability Report*.
- During 2020, we will define measurable sustainable development objectives, including environmental objectives to help us further our contribution to the fight against climate change.

Risks related to climate change are taken into consideration during the company's annual assessment of strategic and emerging risks. The analyses conducted are integrated into our overall and business line strategic planning process and allow us to identify and reduce the impacts of climate change on our operations over the long term.

### General insurance

Risks and possibilities associated with climate change are also assessed specifically with respect to general insurance.

In this sector, strategic planning, assessments of financial health, enterprise risk management and stress testing, and purchases of reinsurance coverage are all carried out with climate change risks and possibilities in mind.

In addition, product development is adapted to new trends generated by climate change.

### Life and health insurance

Currently, there are few studies that document the impact that climate change could have on mortality rates. The analyses available look at potential increases and decreases in mortality rates based on geography. Potential increases in mortality rates are likely to occur in geographic regions where iA Financial Group has very little or no activity.

Contrary to assessments for companies with major operations in general insurance or with life and health insurance operations in countries with greater exposure, climate change risk is evaluated as relatively low for iA Financial Group.

### Continued vigilance

In this context, we believe that the company's resilience is in no way threatened by risks related to climate change.

Through our strategic planning process, we remain aware of the impacts climate change could have on our operations in the long term and have mechanisms for identifying and promptly and adequately reacting to these impacts.

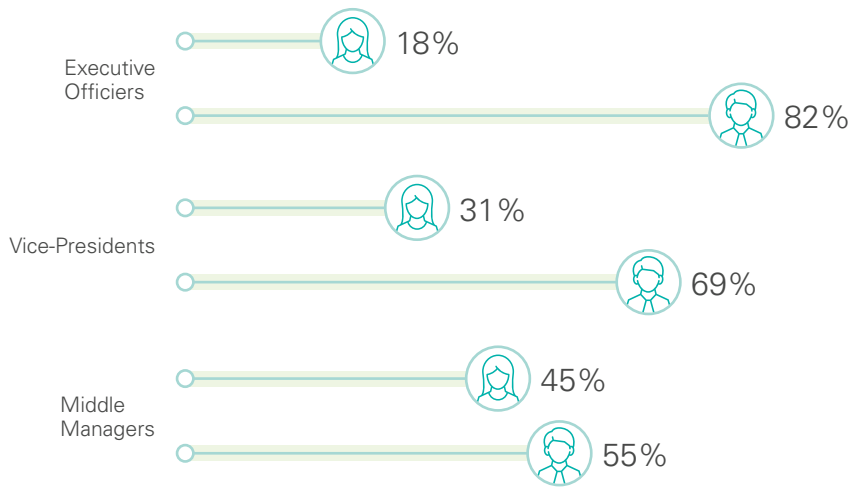
# Our achievements

## Board diversity

At the beginning of 2019, our board of directors adopted an official *Board Diversity Policy*. The notion of diversity includes not only gender diversity, but also diversity regarding ethnic and geographic origin, cultural identity, sexual orientation and age.

## Gender distribution at various hierarchical levels

We are very close to achieving gender parity in our company's middle management positions. In terms of female representation in upper management, we believe the efforts we continue to make will eventually enable us to achieve greater gender parity.



## Ranked 7th in the *Globe and Mail's* 2019 Annual Corporate Governance Rankings

### Top 10 in Canada

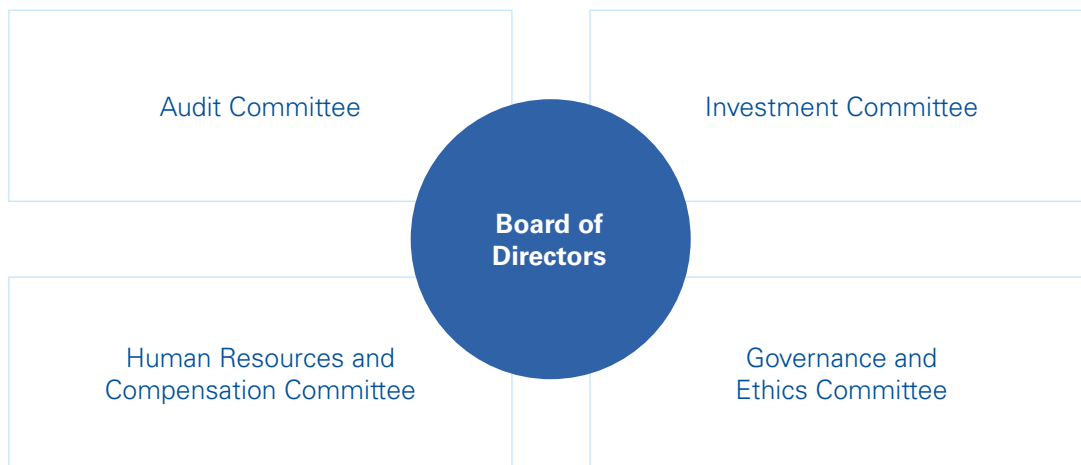
Our governance is founded on industry best practices. iA Financial Group ranked seventh out of 224 Canadian public companies in the *Globe and Mail's* 2019 Annual Corporate Governance Rankings.



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

We are committed to integrating ESG factors in our investment processes as of 2020. This commitment will have a significant impact on the way we evaluate companies we invest in, favouring those that follow best practices in the area of sustainable development.





In addition to its regular activities, the board and its committees contributed to improving governance through various actions in 2019 and early 2020, including:

**Audit Committee:**

- Monitoring of cybersecurity program and other IT risks
- Recommendation and improvement concerning the corporate *Information Security Policy*
- Recommendation and improvement concerning the *External Auditor Independence Policy*

**Investment Committee:**

- Recommendations and improvement concerning the new *Investment Policy*

**Human Resources and Compensation Committee:**

- Analysis of trends for environmental, social and governance (ESG) criteria in executive compensation
- Review of succession plan and resource development plan for management positions

**Governance and Ethics Committee:**

- Recommendations and improvement concerning the *Board Independence Policy*
- Recommendations and improvements concerning the *Board Diversity Policy*
- Recommendation of new *Board Competency and Expertise Checklist*

# Our community involvement in pictures



We make donations of all kinds! Throughout the year, during various blood drives across the country, many employees, including many new donors, took time to pay it forward and help those in need.

Our fundraising campaign for the Light the Night Walk in Quebec City, held May 4 at Bois-de-Coulonge Park, was a great success. iA Financial Group's involvement in the event, including that of nearly a hundred dedicated employees, enabled a donation of \$62,350 to be made to the Leukemia & Lymphoma Society of Canada.



On May 28, a group of our employees lent a hand at La Baratte, an organization supported by United Way-Centraide Québec and Chaudière-Appalaches. They helped get the garden ready to grow plenty of good fresh vegetables during the summer.

As July's heat became stifling, employees at iA Auto and Home gave lemonade to passers-by walking along the Grande Allée at lunchtime.

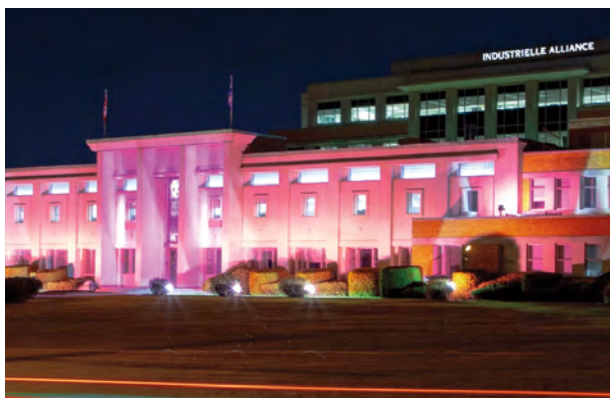


On August 24, we took part in the SickKids Foundation's 25th annual Endless Summer Heatwave at Ashbridge's Bay Park to raise money for childhood cancer research.



In the final leg of their 2019 Termino à vélo / Terminology Bicyclass course, translation students from the University of Ottawa and their professor got tips from our translation team in Quebec City.

Again this year, we participated in the Centraide Cup at Saputo Stadium. Our employees from Quebec City and Montreal made up two teams, one competitive and one recreational, in order to raise money to help keep students from dropping out of school.



Since the initiative was launched in 2011, we have lit our head office in pink throughout the month of October as part of *Québec ville en rose*, highlighting the exceptional work of the Fondation du CHU de Québec's breast disease centre.

## Our community involvement in pictures



Our iA company band, made up of our President and CEO, Denis Ricard, along with a dozen or so employees, presented a benefit show to raise money for United Way-Centraide Québec and Chaudière-Appalaches. This second edition was again sold out, raising \$21,700 for the cause.

iA Financial Group's annual Toy Parade took place on November 9–10. Our mascot Angus and Santa were both there bringing smiles to young and old!



We raised a new record total of \$1,699,108 during our United Way-Centraide campaigns for the year. In Toronto and elsewhere, our employees took part in numerous events to add visibility and unity to the cause.



In October, our Vancouver sales team enthusiastically participated in that city's Light the Night Walk in support of the Leukemia & Lymphoma Society of Canada. The event was held at Vancouver's Stanley Park and helped raise money for advanced research and to assist patients and families affected by these illnesses.



Two of our employees contributed to the success of *Cocktail La Cellule*, held in Quebec City in January 2020, as members of the organizing committee. The money raised by this benefit event will be used to purchase a PINPOINT imaging system for the colorectal surgery unit at Saint-François d'Assise hospital.

**La Cellule**  
pour un CHU en santé

Thanks to our \$76,000 donation, the SickKids Foundation, which neighbours our Toronto offices, will be able to purchase an updated, hospital-wide security system that includes cutting-edge physiological monitors at every patient's bedside.



# SUSTAINABILITY

## Find us on our website

This report, our sustainable development policy and various other documents related to sustainable development are available on our website at [ia.ca](http://ia.ca), under *About iA*, in the *Sustainable development* section.

Feel free to consult these documents anytime you like.

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

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](http://ia.ca).

## INVESTED IN YOU.

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