Industrial Alliance Insurance and Financial Services Inc. - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Industrial Alliance Insurance and Financial Services Inc., also known as iA Financial Group, is concerned about maintaining its status as an exemplary corporate citizen and has therefore implemented various measures to reduce potentially negative effects on the environment. Since we give a fair amount of attention to environmental issues, we started a detailed calculation of our greenhouse gas emissions in 2008.

About iA Financial Group

iA Financial Group is a business name and trademark under which Industrial Alliance Insurance and Financial Services Inc. operates in Canada and the United States. This new trademark will also be used to refer to all companies under the Industrial Alliance banner, including Industrial Alliance Insurance and Financial Services Inc. and its subsidiaries.

Founded in 1892, iA Financial Group offers life and health insurance products, savings and retirement plans, RRSPs, mutual and segregated funds, securities, auto and home insurance, mortgages and car loans, and other products and services for both individuals and groups. It is among the four largest life and health insurance companies and one of the largest publicly traded companies in Canada. iA Financial Group stock is listed on the Toronto Stock Exchange under the ticker symbol IAG.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Canada

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset owner)
Insurance underwriting (Insurance company)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Risk Management, Governance and Ethics Committee of the Board is responsible for the iA Financial Group Sustainable Development Policy and examines the company's strategy in this area. Also, the company monitors environmental risks related to its investments through the Investment Committee of the Board. These investments would include the buildings which the company owns and which it uses for its own offices. To the extent that any policy or practice relating to the carbon emissions of those buildings is adopted, the Investment Committee would monitor those policies as it does with other policies relating to the company's investments. This issue is indirectly monitored through the Investment Committee of the Board. Moreover, in addition to operational activities, the Investment Committee considers climate-related issues in relation to the financial activities undertaken by iA Financial Group as an asset owner. Therefore, the company became a signatory of the United Nations Principles for Responsible Investment (PRI) in the first quarter of 2019. It also made a commitment to become carbon neutral as of 2020. Should a major issue related to Climate Change arise, it would at first be dealt with by the Board of Directors as a whole.
Other, please specify (Sustainability Steering Committee)	The steering committee establishes iA Financial Group's sustainable development strategy, objectives and targets and monitors their progress, as with the climate transition or the reduction of GHG emissions. It is composed of members of management from various business lines and departments within iA Financial Group, including the Chief Risk Officer (CRO), the Chief Investment Officer (CIO), the Chief Procurement Officer (CPO), etc.
Other, please specify (Sustainability Strategic Advisor Committee)	This committee, made up of a small multidisciplinary team, issues recommendations, supports teams and business units in implementing actions and conducts strategic monitoring of ESG factors in our industry, including climate transition risks and opportunities such as cleaner energy sectors that could impact our investment growth strategies, green procurement, etc. The committee also acts as ambassadors and experts for our sustainability approach and produces content for our internal and external stakeholders.
Other, please specify (Sustainability Extended Advisory Committee)	This committee is made up of over 60 employees representing all of our business units in Canada and the United States. Its mandate is to: — Help promote our achievements — Ensure the continuation and progress of iA Financial Group's sustainability achievements — Identify and implement new sustainable development projects (sectoral and institutional) — Act as ambassadors for our corporate approach
Other, please specify (Investor Relations and Public Affairs Department)	The Investor Relations and Public Affairs Department is responsible for the implementation of iA Financial Group's Sustainable Development Policy and for ensuring the continuity and advancement of our sustainability achievements. This policy sets out eight guidelines for iA Financial Group's strategy and actions to achieve its priority United Nations sustainable development goals. For example, one of these guidelines is: "Manage the risks inherent in the conduct of iA Financial Group's business in order to sustain our growth and preserve the long-term balance between risk taking and our risk appetite and tolerance." This includes risks and opportunities related to climate change. The Investor Relations and Public Affairs Department is also responsible for communicating our achievements through our annual Sustainability Report and other means.
Chief Executive Officer (CEO)	The CEO is informed of CSR-related issues including climate change-related matters via a number of management reporting channels. The CEO has oversight over climate change-related matters to ensure the company develops effective strategies to address risks and opportunities and assigns appropriate resources and capabilities within the company.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Overseeing major capital expenditures, acquisitions and divestitures	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate	At each meeting, the Risk Management, Governance and Ethics Committee addresses various aspects of CSR and the integration of sustainable development into operations. Climate change is one of the topics discussed and important updates are provided. The committee ensures follow-up and consistency between the implementation of sustainable development and organizational activities. Starting in 2021, risks and opportunities related to climate change will be on the agenda of every meeting.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Chief Investment Officer (CIO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities	Quarterly
Other committee, please specify (Governance and Ethics Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Other committee, please specify (Sustainability Steering Committee)	Other, please specify (Governance and Ethics Committee)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Other committee, please specify (Sustainability Strategic Advisor Committee)	Other, please specify (Sustainability Steering Committee)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Risk manager	Risk - CRO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Head of Investor Relations)	Finance - CFO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Sustainable Development Advisor)	Other, please specify (Head of Investor Relations)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Chief Financial Officer (CFO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

To ensure the proper integration of CSR/SD within the organization, iA Financial Group has established a structure made up of top-level management and employees on the one hand, and committees on the other.

Top-level management and employees:

The highest management-level positions with responsibility for climate-related issues are at the top level of the organization on the executive team of iA Financial Group. Four executives have oversight for climate-related issues: The Chief Executive Officer (CEO), the Chief Risk Officer (CRO), the Chief Investment Officer (CIO), and the Chief Financial Officer (CFO).

The Investor Relations and Public Affairs Department is responsible for the implementation of the Sustainable Development Policy within iA Financial Group and for ensuring the continuity and advancement of iA Financial Group's sustainability achievements. It is also responsible for communicating these achievements through the annual Sustainability Report and other means. In 2020, the company decided to create a sustainability advisor position responsible for the implementation of ESG factors in the organization and the consideration of climate change in the organizational strategy. This advisor reports to the Head of Investor Relations, who reports to the CFO. In this role, an important priority has been established on managing risks and opportunities related to climate change. This will involve integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Committees:

Risk Management, Governance and Ethics Committee:

This committee of the board of directors is responsible for the iA Financial Group Sustainable Development Policy and examines the company's strategy in this area. The Committee is composed entirely of independent directors. The Board believes that the members of the Governance and Ethics Committee possess the combined knowledge, experience and profiles necessary to fulfill the Committee's mandate.

Sustainability Steering Committee:

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

- Advisor - Investment COO
- Executive Vice-President, Client & Employee Experience
- Executive Vice-President, Dealer Services & Special Risks
- Vice-President, Finance, Financial Reporting
- Director, National Underwriting, Group Insurance
- Executive Vice-President, Wealth Management
- Head of Investor Relations
- Sustainable Development Advisor
- Vice-President and Chief Risk Officer
- Vice-President, Chief Compliance Officer and Chief of Financial Operations
- Senior Director, Procurement and Material Resources
- Vice-President, Infrastructure & Operations
- First Vice-President and Chief of General Funds Investment
- Senior Vice-President, Insurance Product Distribution and Development

Sustainability Strategic Advisor Committee:

This committee, made up of a small multidisciplinary team, issues recommendations, supports teams and business units in implementing actions, conducts strategic monitoring of ESG factors in our industry, acts as ambassadors and experts for our sustainability approach, and produces content for our internal and external stakeholders.

Sustainability Extended Advisory Committee:

This committee is made up of over 60 employees representing all of our business units in Canada and the United States. Its mandate is to:

— Help promote our achievements

— Ensure the continuation and progress of iA Financial Group's sustainability achievements

— Identify and implement new sustainable development projects (sectoral and institutional)

— Act as ambassadors for our corporate approach

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
All employees	Monetary reward	Emissions reduction project	As an incentive, the cost of monthly passes for public transportation in Quebec City (L'Abonne Bus) was discounted 10% for employees and their families. What's more, in 2012 the company decided to cover 50% more of these monthly fees. Employees were able to sign up starting in 2013 and could take advantage of the lower rates as of April 1, 2013. The 50 % increased discount has helped to recruit new public transit users and increase the level of commitment among part-time users. Since the increased discount was introduced, the number of iA Financial Group and iA Auto and Home Insurance employees signed up for L'Abonne Bus has increased from 228 in 2012 to 479 in 2019. 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 this year. .
All employees	Monetary reward	Emissions reduction project	Alongside the 50 % increased discount program, iA Financial Group added an additional initiative, which is a return home policy in case of emergency. Under this policy, employees who commute using alternative transportation (bus or carpool) can be provided a taxi at the company's expense to leave work if an emergency situation arises. It therefore ensures employees access to transportation without worrying about schedule restraints, up to three times a year and for a total maximum amount of $100 CAD a year. In 2017, 46 taxi rides were taken through this return home policy. The total cost of these rides is $1,200.55.
All employees	Non-monetary reward	Emissions reduction project	Since 2009, in addition to L'abonne Bus, the company's head office has also offered employees a carpooling program in partnership with the Carpooling Network. 261 employees are registered for the carpooling program.
All employees	Non-monetary reward	Emissions reduction project	iA Financial Group's head office also offers locker rooms, showers and bike racks for employees that opt for active modes of transportation.
All employees	Non-monetary reward	Emissions reduction project	Again in 2020, 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. The challenge was maintained in 2020, despite the pandemic and lockdown measures, because it covers all activities involving travel by an individual during the period, whether for work or for other activities. During the seven day challenge, iA Financial Group participants calculated their public transit kilometres, active transportation kilometres and kilometres saved by telecommuting, which contributed to a reduction of approximately 961 kg of greenhouse gas emissions compared to travelling alone by car. iA Financial Group was awarded the provincial grand prize winner of this 2020 Défi Sans Auto Solo car-free challenge by Quebec Transit Management Centers Association (ACGDQ). We've taken part in this challenge for more than ten years and we count the number of participants and GHGs saved every year, as shown in our 2020 Sustainability Report (page 31).
All employees	Non-monetary reward	Efficiency project	We are currently developing a comprehensive program for a flexible work environment. This project, initiated before the covid-19 pandemic, has led us to revisit our current cultural, technological and physical environments. Our reflection on a flexible working environment covers various aspects, including: — A new teleworking model — A redesigned workplace environment — User support technologies The program to introduce a flexible work environment is an opportunity for employees and teams to create their own flexible environments based on an optimal employee experience tailored to their needs. This program will be rolled out gradually starting in 2021. It will have a significative impact on employee commuting.
All employees	Non-monetary reward	Emissions reduction project	Environmental employee recruiting initiatives During 2020, iA Financial Group adapted and revised its strategy to ensure a memorable, distinctive and reinvented experience for its existing staff, but also for new hires. As part of this new vision and our commitment to sustainability, our organization pledged, as of January 2021, to plant one tree per new employee, in addition to those planted as part of our carbon-offsetting activities. In addition, our Talent Acquisition team has committed to supporting and promoting local businesses from the different territories served by iA Financial Group, and to exposing their products by offering 100% local welcome gifts to our new employees. Because of the diversity of our suppliers, new employees will each be able to discover different companies throughout the year, depending on the partnership in place when they are hired. Lastly, note that our onboarding process, which used to include a large volume of paper documents, is now almost entirely digital.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No, but we plan to do so in the next two years	The investments of the pension plan are made through iA Investment Management which is, as of 2019, a signatory of the United Nations Principles for Responsible Investment (PRI). For that reason, ESG factors are starting to be integrated into the decision-making process of the different pension plan's investment managers. In the near future, the pension committee has a goal to develop and adopt a responsible investment policy to officially define the investment philosophy related to ESG factors for the pension plan.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	The definition of short-term will vary depending on the process, initiative or objective. With respect to the classification of current and emerging risks, we generally consider the short term to be 2-3 years.
Medium-term	3	10	The definition of medium-term will vary depending on the process, initiative or objective. Our strategy development function does not formally define time horizons; however, they generally consider the medium-term to be 3-10 years.
Long-term	10	40	The definition of long-term will vary depending on the process, initiative or objective. Our strategy development function does not formally define time horizons; however, they generally consider the long-term to be beyond 10 years.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

One of the eight guidelines of our Sustainable Development Policy is to "Manage the risks inherent in the conduct of iA Financial Group's business in order to sustain our growth and preserve the long-term balance between risk taking and our risk appetite and tolerance." 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.

1. Define risk appetite and tolerance
2. Identify risks
3. Assess and manage risks
4. Monitor risks
5. Revise strategic objectives

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.

Our next steps:

iA Financial Group considers climate-related risks and opportunities to be financially substantive if they have a negative impact on our financial position or our ability to operate. That is why we want to go further and establish a rigorous process for managing climate change. To do so, we will call upon specific coaching in 2021 with the objective of integrating the TCFD and evaluating our scenarios. The objective is to establish a concrete action plan for the years to come and to orient our activities towards low-carbon economies.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
One of the eight 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. 1 - Define risk appetite and tolerance 2 - Identify risks 3 - Assess and manage risks 4 - Monitor risks 5 - Revise strategic objectives 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.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Although actions have been done, data and documents concerning regulation risks are not disclosed to the public, but can be provided on demand.
Emerging regulation	Relevant, always included	Although actions have been done, data and documents concerning regulation risks are not disclosed to the public, but can be provided on demand.
Technology	Relevant, sometimes included	iA Financial Group's real estate investment team is aware of some risks associated with technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system; our real estate investment team is more likely to consider technological improvements or innovations as opportunities, as shown by energy-efficiency systems implemented in buildings owned by iA over the previous years.
Legal	Not relevant, explanation provided	As we operate primarily in Canada, our exposure to climate-related litigation is very low.
Market	Relevant, always included	iA Financial Group is aware of possible shifts in supply and demand for certain commodities, products, and services that may occur in the future. Although actions have been done, data and documents concerning market risks are not disclosed to the public, but can be provided on demand.
Reputation	Relevant, always included	When a meteorological (or other) event affects the company's facilities or a large portion of its customers, or when a new regulation is introduced, the company is required to inform and reassure the public and its shareholders that it is capable of handling the situation effectively.
Acute physical	Relevant, always included	iA Financial Group is aware that extreme meteorological events will be increasingly numerous and intense in the coming years. For example, the buildings it owns in Quebec and Ontario are not safe from potential flooding. These natural events will have repercussions not only on the company but also on its customers. As iA's customers are dispersed all over the country, it must be expected that they will face different and varying events whose nature, intensity and frequency are hard to predict.
Chronic physical	Relevant, always included	iA Financial Group is aware that longer-term shifts in climate patterns such as an increase average temperatures will provoke more chronic heat waves in cities like Montreal and Toronto, which are already experiencing these phenomena. These natural events will have repercussions not only on the company but also on its customers. As iA's customers are dispersed all over the country, it must be expected that they will face different and varying events whose nature, intensity and frequency are hard to predict. The company crisis management structure covers all potential risks it may face, including risks related to natural disasters. iA Financial Group determined that all its components could be impacted by risks associated with climate change, but at varying likelihoods. For example, the Vancouver buildings are more likely to be affected by sea level rise. The company has also set up an extensive continuity plan and introduced plans in its offices to minimize waiting periods before the resumption of service and the resulting costs. Relocations are expected for Quebec City, Montreal, Toronto and Vancouver business centres. Then, a catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. Regarding its general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Yes, but still a work in progress. We invest in companies/projects that are favourably exposed to structural climate change themes (i.e. renewable energy, public transportation, waste management, electric vehicles). We are trying to avoid industries that could be disrupted on a climate-related basis (i.e. coal, pipelines). In the near future, we want to gain access to greenhouse gas (GHG) data to assess our portfolio's GHG exposure. Our goal is to fix a specific target that portfolio managers will have to respect in order to invest only in companies that respect this emission target. We always consider environmental footprint when we assess an investment risk. Our planet comprises a delicate balance and we wish to contribute positively through our investments.
Insurance underwriting (Insurance company)	Yes	This applies more specifically to our general insurance operations, which are relatively minor compared to our life insurance operations. Our auto and home insurance subsidiary (iA Auto and Home) represents around 3% of the Group's sales as at December 31,2020. Regarding our general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk. Climate change could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. 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. A catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.
Other products and services, please specify	Not applicable	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	All of the portfolio	Qualitative and quantitative	We invest in companies/projects that are favourably exposed to structural climate change themes (i.e. renewable energy, public transportation, waste management, electric vehicles). We are trying to avoid industries that could be disrupted on a climate-related basis (i.e. coal, pipelines). In the near future, we want to gain access to greenhouse gas (GHG) data to assess our portfolio's GHG exposure. Our goal is to fix a specific target that portfolio managers will have to respect in order to invest only in companies that respect this emission target. We always consider environmental footprint when we assess an investment risk. Our planet comprises a delicate balance and we wish to contribute positively through our investments. What we did in 2020 — We developed an internal tool to provide our investment managers with an overview of the ESG rating of their portfolios as well as benchmark index based comparisons. — We formed a team of representatives for every asset class that was mandated to conduct a detailed ESG analysis regarding the energy sector. The goal was to increase our knowledge of the sector's main ESG issues, determine our position with regard to these issues and share the information internally as a basis for training. — We drafted a Responsible Investment Policy covering every asset class at iA Financial Group. This policy addresses our investment philosophy and values and lays out guidelines to be followed for each investment. It is currently only available internally, but our goal is to share this policy publicly during 2021. — We participated in a test disclosure of our ESG strategy with the PRI. This confidential exercise allows new signatories to become familiar with the assessment methodology before future assessment cycles that will be public. During this exercise, we were able to confirm the positive elements of our strategy and identify certain points for improvement. This has allowed us to adapt our disclosure strategy in line with best practices. — We added an ESG section to our analysis reports for the following asset classes: public equity, corporate credit, private debt and private equity. All of our asset classes now include ESG criteria in the investment process. What we will do in 2021 — We will engage in dialogue with companies whose shares are held in our portfolios. The goal is to deepen our knowledge of their exposure to various ESG risks and promote the adoption of best practices. — We will make public our Responsible Investment Policy. — We will report on our activities to the PRI. — The environment is a key concern for us and we recognize that climate change represents a potential risk for the value of our future investments. We will develop a rigorous strategy to integrate climate change into our investment processes.
Insurance underwriting (Insurance company)	Minority of the portfolio	Qualitative and quantitative	This applies more specifically to our general insurance operations, which are relatively minor compared to our life insurance operations. Our auto and home insurance subsidiary (iA Auto and Home) represents around 3% of the Group's sales as at December 31, 2020. Regarding our general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk. Climate change could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. 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. A catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio’s exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	All of the portfolio	We will consider flooding risk when we assess an investment opportunity. Also, we will avoid companies that have historically polluted water or are at risk of future pollution. Regarding our real estate investments, since 2020, iA Financial Group has collected comprehensive water consumption data annually for the commercial properties that we own and manage. The total floor area of these buildings represents 49.74% of the floor area of our entire property portfolio. iA Financial Group will provide water withdrawal data for its commercial buildings in its upcoming 2021 Sustainability Report. Data will be disclosed according to SASB IF-RE-140a.1 (Water withdrawal data coverage), as used in the 2020 Sustainability Report, p.78. Please note 2020 data are extremely low due to COVID-19 lockdowns.
Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	This applies more specifically to our general insurance operations, which are relatively minor compared to our life insurance operations. Our auto and home insurance subsidiary (iA Auto and Home) represents around 3% of the Group’s sales as at December 31, 2020. Regarding our general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk. Climate change could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. 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. A catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit. This treaty is renewed annually. The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio’s exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	All of the portfolio	We take into account wildfire risk in our investment assessment because we consider that it poses a considerable risk for our forests.
Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	This applies more specifically to our general insurance operations, which are relatively minor compared to our life insurance operations. Our auto and home insurance subsidiary (iA Auto and Home) represents around 3% of the Group’s sales as at December 31, 2020. Regarding our general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk. Climate change could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. 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. A catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	The board of directors and senior management strongly promote interaction with shareholders and believe it is important to maintain direct, regular and constructive engagement with them to allow and encourage open dialogue and the exchange of ideas. The board recognizes that engagement with shareholders is a practice that is continually evolving, and will review its actions in this regard. Senior management Despite the COVID-19 pandemic, iA Financial Group's senior management has continued to engage with shareholders by communicating with them and other stakeholders in various ways, including: Public documents — The Annual Report and quarterly reports — News releases on quarterly results and other topics of interest — Annual information circular for the solicitation of proxies — Annual Information Form — Annual Sustainability Report Conferences and presentations — Annual Meeting — Quarterly conference calls with financial analysts, which are accessible to all shareholders — Periodic investor events — 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 or telephone meetings on request — The ia.ca website, particularly under About iA, in the Investor Relations section. In 2020, senior management met with investors at the following events: — March 4, 2020 – BMO 7th Wealth Management Forum Toronto — March 26, 2020 – NBF 18th Annual Financial Services Conference (virtual) — March 30, 2020 – Fireside chat organized by TD Securities Inc. (virtual) — June 10–11, 2020 – One-on-one meetings organized by BMO Capital Markets (virtual) — June 16, 2020 – NBF 10th annual conference in the province of Quebec (virtual) — September 10, 2020 – Scotiabank Financials Summit 2020 (virtual) — November 13, 2020 – Roadshow organized by Scotiabank (virtual) — 2020 – 16 conference calls at the request of institutional investors (virtual) Investor Relations Our Investor Relations department provides shareholders with a wealth of information, including financial results, information about dividends and credit ratings, as well as conferences and presentations. The department also publishes a newsletter for investors that provides the latest financial information. This information can be found online at ia.ca under About iA, in the Investor Relations section. Also, listening to sharehoders led us to incorporate an ESG criteria into executive compensation. iA Financial Group's approach to executive compensation has always been aligned with performance and competitive imperatives. It's also important that the compensation be competitive, weighted and fair, while continuing to serve the interests of the shareholders. At our 2019 Annual Meeting, our shareholders—including the Mouvement d'éducation et de défense des actionnaires (MÉDAC)—asked us to consider incorporating environmental, social and governance (ESG) criteria into executive compensation. After carrying out a detailed analysis of these practices in our reference market, we decided to act on this request. We are pleased to confirm that an ESG component came into effect this year in the variable compensation of senior executives, that is, in the calculation of their annual bonus. This ESG component is the Net Promoter Score (NPS), a unit of measurement that takes into account client satisfaction and is perfectly aligned with the company's core values. iA Financial Group has been regularly measuring the NPS in each of its business lines for a few years already, and has therefore developed rigorous mechanisms for researching, calculating and analyzing the NPS, which has become a key part of its extensive Client Experience program. On January 1, 2021, the NPS was added to the executive bonus calculation formula. As a multiplier in the annual bonus plan, the NPS metric can increase or decrease the amount of the bonus. This approach enables us to further tie executive compensation to the importance of client satisfaction.
Insurance underwriting (Insurance company)	Yes	We integrate ESG aspects in our underwriting process and our communications with clients. Environmental issues Regarding our general insurance company, iA Auto and Home (iAAH), catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk. Climate change could translate into an increase in claims. Analyses of the trends for each type of claim are done annually and, if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. In addition, product development is adapted to new trends generated by climate change. A catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased for our general insurance company in recent years and is expected to increase again in the future. Social issues In terms of social issues, our general insurance company follows best practices in its ratemaking and underwriting processes. • Our client culture is reflected in our purpose: "To offer general insurance as a growth engine for iA Financial Group's core lines of business, distribution networks and partners, all while placing clients and their financial wellbeing at the centre of our concerns" • Our adherence to the corporate CX program • Our client commitment to provide exceptional service at every turn is demonstrated by offering and distributing products and services that take into account the interests and needs of clients throughout their business relationship with us. • Communications with prospects and clients are simple, clear, accurate and non-misleading. Information is provided in a timely manner to allow for informed decision-making and is in compliance with applicable laws and regulations, including codes of conduct. • Processes related to client requests, including claims and complaints, are simple, accessible through a variety of channels, time efficient and ensure confidentiality of information. Support for clients in these processes is continuous and ensures fair analysis. • Underwriting based on the client's real situation and in compliance with applicable laws and regulations, particularly in terms of human rights • Offering of premiums that reflect the actual risk • Creation of a client experience working committee • Monitoring of indicators related to client satisfaction Governance issues Our general insurance company holds internal audits on underwriting. • iAAH conducts quarterly tests of controls to validate their design, application and effectiveness. These tests include controls related to underwriting (monitoring report, risk validation process based on agent profile) and ratemaking (flex committee meeting and flex verification program). These tests are performed or validated by the risk management team and reported on to the heads of monitoring functions and to the President. These same controls are tested by external auditors as part of the annual audit of financial statements. • Monitoring mandates are performed by the second line of defense, the most recent of which dealt with the commercial practices of Prysm, a white-label general insurance product. • Internal audits are also carried out on a regular basis by iA Financial Group's internal audit team. Fair treatment of clients is an important element of the audit plan developed for this purpose. In recent years, mandates have covered such areas as premium underwriting, claims management and sound business practices. • In addition to the policy on fair treatment of clients, we also have policies related to underwriting, ratemaking and claims management. We also have policies and procedures for the protection of personal information (we adhere to our corporate policies in this regard). Also, through our Advice Zone, available on our ia.ca corporate website, we inform clients about ESG risks and opportunities related to their vehicle (https://ia.ca/advice-zone/vehicle) or their house (https://ia.ca/advice-zone/house).
Other products and services, please specify	Not applicable	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
Please select

Company-specific description
iA Financial Group is aware that extreme meteorological events will be increasingly numerous and intense in the coming years. The average increase in temperatures will provoke more frequent and severe heat waves in cities like Montreal and Toronto, which are already experiencing these phenomena. The company also expects that air conditioning costs will be higher, particularly in its business centres and branches in cities where heat islands are more plentiful and poorly managed. These natural events will have repercussions not only on the company but also on its customers. As iA's customers are dispersed all over the country, it must be expected that they will face different and varying events whose nature, intensity and frequency are hard to predict. As an asset owner, iA Financial Group is aware that this climate-related risk could have an impact on its investment portfolio, in accordance to United Nations PRI.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Not yet calculated. The potential financial implications vary with the line of business. iA Financial Group's general insurance subsidiary is likely to be more directly affected by such changes. They could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report.

Cost of response to risk

Description of response and explanation of cost calculation
The company crisis management structure covers all potential risks it may face, including risks related to natural disasters. iA Financial Group determined that all its components could be impacted by risks associated with climate change, but at varying likelihoods. For example, the Vancouver buildings are more likely to be affected by sea level rise, whereas Quebec facilities are more susceptible to snowstorms. The company has also set up an extensive continuity plan and introduced plans in its offices to minimize waiting periods before the resumption of service and the resulting costs. Relocations are expected for Quebec City, Montreal, Toronto and Vancouver business centres. Also, a catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. Regarding its general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk.

Comment
The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification
Please select

Company-specific description
iA Financial Group is aware that extreme meteorological events will be increasingly numerous and intense in the coming years. As our clients are dispersed all over the country, it must be expected that they will face different and varying events whose nature, intensity and frequency are hard to predict. For example, its buildings in Quebec and Ontario are not safe from potential flooding. These natural events will have repercussions not only on the company but also mainly on customers, such as our general insurance subsidiary clients. It could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. As an asset owner, iA Financial Group is aware that this climate-related risk could have an impact on its investment portfolio, in accordance to United Nations PRI.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Not yet calculated. The potential financial implications vary with the line of business. iA Financial Group's general insurance subsidiary is likely to be more directly affected by such changes. They could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report.

Cost of response to risk

Description of response and explanation of cost calculation
The company crisis management structure covers all potential risks it may face, including risks related to natural disasters. iA Financial Group determined that all its components could be impacted by risks associated with climate change, but at varying likelihoods. For example, the Vancouver buildings are more likely to be affected by sea level rise, whereas Quebec facilities are more susceptible to snowstorms. The company has also set up an extensive continuity plan and introduced plans in its offices to minimize waiting periods before the resumption of service and the resulting costs. Relocations are expected for Quebec City, Montreal, Toronto and Vancouver business centres. Also, a catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. Regarding its general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk.

Comment
The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising sea levels

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
Please select

Company-specific description
iA Financial Group is aware that extreme meteorological events will be increasingly numerous and intense in the coming years. It expects that its buildings in Vancouver will sustain damage connected with the rising sea level, as well as its local suppliers' facilities. As an asset owner, iA Financial Group is aware that this climate-related risk could have an impact on its investment portfolio, in accordance to United Nations PRI.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Not yet calculated. The potential financial implications vary with the line of business. iA Financial Group's general insurance subsidiary is likely to be more directly affected by such changes. They could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report.

Cost of response to risk

Description of response and explanation of cost calculation

The company crisis management structure covers all potential risks it may face, including risks related to natural disasters. iA Financial Group determined that all its components could be impacted by risks associated with climate change, but at varying likelihoods. For example, the Vancouver buildings are more likely to be affected by sea level rise, whereas Quebec facilities are more susceptible to snowstorms. The company has also set up an extensive continuity plan and introduced plans in its offices to minimize waiting periods before the resumption of service and the resulting costs. Relocations are expected for Quebec City, Montreal, Toronto and Vancouver business centres. Also, a catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. Regarding its general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk.

Comment

The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Please select

Company-specific description

iA Financial Group is aware that extreme meteorological events will be increasingly numerous and intense in the coming years. It expects that its buildings could sustain damage connected with tropical cyclones and floods. These natural events will have repercussions not only on the company but also mainly on customers, such as our general insurance subsidiary clients. It could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. As an asset owner, iA Financial Group is aware that this climate-related risk could have an impact on its investment portfolio, in accordance to United Nations PRI.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Not yet calculated. The potential financial implications vary with the line of business. iA Financial Group's general insurance subsidiary is likely to be more directly affected by such changes. They could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report.

Cost of response to risk

Description of response and explanation of cost calculation

The company crisis management structure covers all potential risks it may face, including risks related to natural disasters. iA Financial Group determined that all its components could be impacted by risks associated with climate change, but at varying likelihoods. For example, the Vancouver buildings are more likely to be affected by sea level rise, whereas Quebec facilities are more susceptible to snowstorms. The company has also set up an extensive continuity plan and introduced plans in its offices to minimize waiting periods before the resumption of service and the resulting costs. Relocations are expected for Quebec City, Montreal, Toronto and Vancouver business centres. Also, a catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. Regarding its general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk.

Comment

The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

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). The VCIM team uses an integrated approach, combining financial analysis with environmental, social and governance (ESG) analysis to screen for quality companies. In their ESG screen, they identify potential candidates by reviewing company performance in seven key areas: — Corporate governance — Environmental commitments — Employee relations — Diversity — Community relations — Human rights — Sustainable products 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 VCIM also does not invest in securities issued by companies whose primary line of business includes tobacco, nuclear power, military weapons, adult entertainment, or gambling. Moreover, VCIM has a 4-part Climate Risk Strategy. The process is: Divestment: Eliminate companies whose primary line of business is the extraction, production and distribution of fossil fuels Decarbonization: Avoid companies with above average emissions, energy use, or production costs Re-investment: Seek opportunities in sectors with lower-carbon intensity such as alternative energy, transportation technology, and green infrastructure Engagement: Encourage disclosure of climate risk and dialogue on fossil fuel related risks where VCIM has identified areas that may impact company stakeholders

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Comment

Cost to realize opportunity available upon request.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Please select

Opportunity type

Markets

Primary climate-related opportunity driver

The development of new revenue streams from new/emerging environmental markets and products

Primary potential financial impact

Please select

Company-specific description

Ourinvestments in renewable energy at the heart of the energy transition: The environment is playing an increasingly central role in our societies. In 2020, we have seen an acceleration of this trend. Governments such as those of the European Union and the United Kingdom have announced ambitious "green" plans to make their economies carbon neutral by 2050. Energy transition projects in the United States are also likely to experience favourable tailwinds during the next few years. In addition, millions of citizens have been taking part in demonstrations in support of the environment. Renewable energy is at the heart of this transition. iA Financial Group has contributed to development in this sector for over 25 years. To date, we have invested a total of $1.8 billion in renewable energy, including $80.5 million over the last year. In the future, we aim not only to continue to invest in this sector, but also to contribute to the development of infrastructures to make these new technologies accessible.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Available upon request

Comment
Cost to realize opportunity available upon request.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Please select

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased value of fixed assets

Company-specific description
In order to be more attractive for tenants looking for green office spaces, iA Financial Group has upgraded its real estate portfolio in the past few years. Moreover, as a major property owner, iA measures environmental performance based on the stringent BOMA BEST and LEED criteria. LEED® certified buildings LEED® certification provides independent, third-party verification that a building, home or community was designed and built using strategies aimed at achieving high performance in key areas of human and environmental health: — Location and transportation — Sustainable site development — Water savings — Energy efficiency — Materials selection — Indoor environmental quality iA Financial Group has obtained LEED® certification for 8 buildings from its real estate portfolio: Notably, the company obtained LEED (Leadership in Energy and Environmental Design) Gold certification for its new 988 West Broadway building, where the company is the main tenant. This building has brought iA Vancouver staff together all in the same attractive workplace. BOMA BEST certified buildings BOMA BEST certification recognizes excellence in environmental practices. Since 2005, the BOMA BEST national certification program has sought to improve upon conventional North American building standards by recognizing excellence in environmental practices and encouraging: — Energy efficiency — Water savings — Multi-material recycling — Sound construction waste and hazardous materials management — Use of safe and recycled products — Indoor air quality Up to now, 25 of our buildings (more than a half of all our real estate portfolio's properties) have obtained this certification.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Available upon request.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Available upon request.

Comment
Cost to realize opportunity available upon request.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, but we intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Internal qualitative analysis)	A qualitative analysis is conducted annually through workshops and meetings with the various sectors of iA Financial Group. The majority of the sectors invited have concluded that there was no climate-related impact, but the iAAH subsidiary does take climate risks into account when adapting its pricing.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	iA Financial Group has had to adapt to changing consumer behaviour. As clients are becoming more concerned about environmental issues, companies' environmental measures can play a determining role in consumers' decisions. Some clients could opt for a company that focuses more on the environment than another. This could translate into short-term and long-term business opportunities for companies, including iA Financial Group. 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). The VCIM team uses an integrated approach, combining financial analysis with environmental, social and governance (ESG) analysis to screen for quality companies. In their ESG screen, they identify potential candidates by reviewing company performance in seven key areas: — Corporate governance — Environmental commitments — Employee relations — Diversity — Community relations — Human rights — Sustainable products 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 VCIM also does not invest in securities issued by companies whose primary line of business includes tobacco, nuclear power, military weapons, adult entertainment, or gambling. Moreover, VCIM has a 4-part Climate Risk Strategy. The process is: Divestment: Eliminate companies whose primary line of business is the extraction, production and distribution of fossil fuels Decarbonization: Avoid companies with above average emissions, energy use, or production costs Re-investment: Seek opportunities in sectors with lower-carbon intensity such as alternative energy, transportation technology, and green infrastructure Engagement: Encourage disclosure of climate risk and dialogue on fossil fuel related risks where VCIM has identified areas that may impact company stakeholders
Supply chain and/or value chain	Evaluation in progress	During 2021, we will conduct a quantitative analysis and determine how climate-related risks and opportunities have influenced our strategy. It will be necessary to determine whether climate-related risks and opportunities are integrated with our suppliers and service providers.
Investment in R&D	No	Given the nature of our business as a financial services and insurance company, we do not typically invest in research and development, as such. We conduct research (business intelligence activities) on various emerging trends and their impacts on health and life insurance, including climate change, changing demographics and market conditions, but we do not specifically target any strategic investment in R&D related to our products and services.
Operations	Yes	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. The company could also be exposed to physical risks through its auto and home insurance subsidiary, but this risk is also not significant as the segment represents around 3% of the Group's sales as at December 31, 2020, and its pricing is adjustable annually. To assess the impact of financial and insurance risks, iA Financial Group conducts annual exercises such as financial condition testing and the own risk and solvency assessment as part of its enterprise risk management and confirms its financial strength in the face of adverse events. For the company as a whole, we have an objective to minimize our negative impact on the environment within our operations. As soon as we announced our commitment to become a carbon neutral company, we adopted a comprehensive approach including not only the calculation of our greenhouse gas (GHG) emissions, but also, once they are calculated, a commitment to reduce these emissions as much as possible. On March 30, we announced our further commitment to reduce our GHG emissions by 20% per employee by 2025, with 2019 as our baseline. During 2020, we also took an important step in our sustainability strategy by selecting a framework to guide our ESG disclosure. The framework we have selected is the Sustainability Accounting Standards Board (SASB) framework. SASB standards address sustainability issues by industry type. Adopting this robust, recognized framework will enable us to identify, measure, manage and better communicate to our various stakeholders relevant sustainability information. In addition, over the next year, we will assess our existing climate change risk disclosures and then develop a plan to implement the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Assets	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. With respect to our direct costs, while climate change events have little impact on our operating costs at this time, we are considering energy costs, waste management and our carbon footprint in our financial planning process. We continue to make increasing investments to reduce our GHG emissions. The goal is to improve our energy efficiency in our real estate investments, including building equipment upgrades, data centre optimization and green buildings, to achieve a 20% reduction in GHGs per employee by 2025. By the end of 2020, 84% of portfolio by floor area had green certifications (BOMA BEST® and/or LEED®).

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

N/A

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Investment policy/strategy	All of the portfolio	The policy covers 100% of assets at iAIM including fixed income, corporate bonds, equities, private debt, private equity, infrastructure and commercial mortgages. Our investment policy is based on ESG factors as a risk management tool. We acknowledge that climate change poses a significant risk for the future value of our investments. With our assets under management, we believe that we can make a difference for the future of the planet by making climate-friendly investments. As a result, we ask our portfolio managers to consider how climate change could impact the value of their investments. We strongly recommend minimizing exposure to assets that face potential regulation penalties (coal, pipelines) and we encourage them to invest in themes that could help the future of the planet (electric vehicles, green energies). The environment is playing an increasingly central role in our societies. In 2020, we have seen an acceleration of this trend. Governments such as those of the European Union and the United Kingdom have announced ambitious “green” plans to make their economies carbon neutral by 2050. Energy transition projects in the United States are also likely to experience favourable tailwinds during the next few years. In addition, millions of citizens have been taking part in demonstrations in support of the environment. Renewable energy is at the heart of this transition. iA Financial Group has contributed to development in this sector for over 25 years. To date, we have invested a total of $1.8 billion in renewable energy, including $80.5 million over the last year. In the future, we aim not only to continue to invest in this sector, but also to contribute to the development of infrastructures to make these new technologies accessible.
Insurance underwriting (Insurance company)	Risk policy	Minority of the portfolio	This applies more specifically to our general insurance operations, which are relatively minor compared to our life insurance operations. Our auto and home insurance subsidiary (iA Auto and Home) represents around 3% of the Group’s sales as at December 31, 2020. Regarding our general insurance company, catastrophe models are used to calculate the maximum probable loss from natural disaster so that the company buys enough coverage to be adequately protected from this risk. Climate change could translate into an increase in claims. Analysis of the trends for each type of claim are done annually and if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. 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. A catastrophe reinsurance treaty is used to protect against the possibility that an event will give rise to losses in excess of a predetermined limit (losses in excess of $50 million, up to a maximum of $150 million, which is equivalent to coverage where the maximum claim could be up to $100 million). This treaty is renewed annually. In the normal course of business, the company uses reinsurance agreements to limit its risk on every life insured. It also has reinsurance agreements covering financial losses due to catastrophic events affecting several lives insured. The cost of management and the cost of the catastrophe reinsurance treaty vary according to the line of business and the subsidiary. For example, with climate change, the cost of the catastrophe reinsurance treaty has increased in recent years for our general insurance company, iA Auto and Home, and is expected to increase again in the future.
Other products and services, please specify	Other, please specify (Sustainable Development Policy; Proxy Voting Policy)	All of the portfolio	Our Sustainable Development Policy clearly expresses iA Financial Group’s commitment to creating economic and social value and our desire to share our sustainable development objectives and guidelines with our various stakeholders. When it was adopted in 2018, the Policy set out seven guidelines for iA’s reflection, strategy and actions regarding sustainable development. As a signatory of the United Nations-supported Principles for Responsible Investment (PRI), we added an eighth guideline to our Policy in 2020. This new guideline states our commitment to take into account risks and opportunities related to environmental, social and governance (ESG) factors in our investment decisions in order to make increasingly responsible investments. The PRI were developed by investors under the leadership of the United Nations. iA Financial Group is proud to be part of this group of signatories ready to act so that long-term value creation may be achieved through a sustainable and efficient global financial system that benefits the environment and society as a whole. Here are our eight sustainable development guidelines: 1. Ensure the financial wellbeing of our clients 2. Effectively manage risks 3. Follow high standards of governance 4. Actively contribute to our communities 5. Manage environmental impact 6. Create a rewarding work environment centred around diversity and inclusion 7. Practice responsible sourcing 8. Incorporate ESG factors in our investment processes

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for all assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Assessment of asset manager's climate-related performance (e.g. active ownership, proxy voting records, under-weighting in high impact activities)	The vast majority of our external asset managers are PRI signatories. We assess their PRI score in our due diligence and selection process. As you know, PRI is increasingly focusing on climate change and managers have to report how they integrate climate change issues in their investment strategy and portfolio management. We don’t necessarily exclude external asset managers based solely on their PRI score, but we do favour those with good ratings. We send a form to all external asset managers to assess their ESG investment approach. We don’t ask specifically about climate-related issues.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	Q1 2021	As soon as we announced our commitment to becoming a carbon neutral company, we adopted a comprehensive approach including not only the calculation of our greenhouse gas (GHG) emissions, but also, once they are calculated, a commitment to reduce these emissions as much as possible. On March 30, 2021, we announced our commitment to reduce our GHG emissions by 20% per employee by 2025, with 2019 as our baseline. To reach this target, goals have been set and additional reduction initiatives planned in each business line affecting the following activities: — Property management (energy consumption and waste management) — Employee commuting — Business commuting and travel — Event organization (participant travel) From year to year, we will calculate the progress of our reduction efforts to ensure that we meet or exceed our target.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	39	
Implementation commenced*	12	
Implemented*	22	
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

53000

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Conversion to natural gas - shelter heating 1080 Grande Allée Ouest, Quebec, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
520000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Repair of the electrical entries, substation phase A 1080 Grande Allée Ouest, Quebec, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
124000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Facade inspection 1122-1126-1134 (RBQ) 1122-1126-1134 Grande Allée Ouest, Quebec, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
2410000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Hallway and lobby repairs (3rd to 5th and 14th to 20th) 1981 Avenue McGill College, Montreal, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
2394000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Restroom renovations (3rd-5th, 14th-20th) 1981 Avenue McGill College, Montreal, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Modernization of exterior signage)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Please select

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
55000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Modernization of exterior signage 1981 Avenue McGill College, Montreal, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
150000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
T8 to LED conversion 2000 Avenue McGill College (iA Tower), Montreal, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
1360000

Payback period
Please select

Estimated lifetime of the initiative

Please select

Comment

Replacement of the auxiliary cooler 2000 Avenue McGill College (iA Tower), Montreal, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

250000

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Replacement of lighting control system 2000 Avenue McGill College (iA Tower), Montreal, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

400000

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Modification of ventilation systems 2200 Avenue McGill College, Montreal, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

1211950

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Roof repair 2200 Avenue McGill College, Montreal, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
75000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Study of HVAC equipment improvement 522 University, Montreal, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
150000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Replacement of iA signs 522 University, Montreal, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
36000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Inspections of facades 930 Ch. Ste-Foy, Quebec, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
76500

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Inspections of facades 880 Ch. Ste-Foy, Quebec, Canada

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
55300

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Inspections of facades 900 Boulevard René-Lévesque Est, Quebec, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
60000

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Envelope sealing work 900 Boulevard René-Lévesque Est, Quebec, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Food court redevelopment)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
4926210

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Food court redevelopment - Lot 1 977 rue Sainte-Catherine Ouest, Montreal, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Commercial revitalization)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
1967970

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Commercial revitalization - Lot 2 977 rue Sainte-Catherine Ouest, Montreal, Canada

---

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
99300

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Replacement of RTUs (4 units) Western Canada (Douglasdale Business)

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
43270

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment

Replacement of RTUs (3 units) Western Canada (Western Village)

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	iA Financial Group has adopted different steps to reduce emissions from its heating, ventilation and air conditioning (HVAC) systems. Also, during non-peak hours, it optimizes the use of electrical consumption systems
Employee engagement	As an incentive, the cost of monthly passes for public transportation in Quebec City (L'Abonne Bus) was discounted 10% for employees and their families. What's more, in 2012 the company decided to cover 50% more of these monthly fees. Employees were able to sign up starting in 2013. The 50 % increased discount has helped to recruit new public transit users and increase the level of commitment among part-time users. Since the increased discount was introduced, the number of iA Financial Group and iA Auto and Home Insurance employees signed up for L'abonne Bus has increased from 228 in 2012 to 524 in 2018. 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. Alongside the 50 % increased discount program, iA Financial Group added an additional initiative, which is a return home policy in case of emergency. Under this policy, employees who commute using alternative transportation (bus or carpool) can be provided a taxi at the company's expense to leave work if an emergency situation arises. It therefore ensures employees access to transportation without worrying about schedule restraints, up to three times a year and for a total maximum amount of $100 a year. Since 2009, in addition to L'abonne Bus, the company's head office has also offered employees a carpooling program in partnership with the Carpooling Network. Again in 2020, 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. iA Financial Group was awarded the provincial grand prize winner of this 2020 Défi Sans Auto Solo car-free challenge by Quebec Transit Management Centers Association (ACGDQ). We've taken part in this challenge for more than ten years and we count the number of participants and GHGs saved every year, as shown on our 2020 Sustainability Report (page 31). Our offices also offer locker rooms, showers and bike racks for employees.
Internal price on carbon	In 2020, we became a carbon neutral organization. We have a dedicated budget to meet this commitment by purchasing carbon offsets for all reported scope 1, 2, and 3 emissions. To achieve this, we have a mandate with Planetair, our external partner for our greenhouse gas (GHG) calculations and our carbon neutrality program. Our cost per offset is our effective internal price on carbon.
Dedicated budget for other emissions reduction activities	Due to the health crisis, we implemented telework for all of our employees (Canada and the United States), whether the government recommended it or not. This has had a significant impact, as our operations have continued to run remotely from employees' homes. GHG emissions from transportation and business travel have decreased significantly. In addition, as a result of this year of telecommuting, iA has taken all the necessary initiatives to continue to reduce its emissions by creating the "Work From Anywhere (WFA)" program which will ensure that employees have the option to work from the office or from home. Measures will also be maintained; for example, salespeople have found they can sell equally as much working from home, so the goal will be to continue to minimize their travel.
Dedicated budget for energy efficiency	Each year, iA ensures that a budget is set aside specifically for improving the energy efficiency of our real estate investment portfolio. This budget must allow the implementation of initiatives such as GHG reduction, environmental impact improvement, return on investment, etc.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
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). The VCIM team uses an integrated approach, combining financial analysis with environmental, social and governance (ESG) analysis to screen for quality companies. In their ESG screen, they identify potential candidates by reviewing company performance in seven key areas: — Corporate governance — Environmental commitments — Employee relations — Diversity — Community relations — Human rights — Sustainable products 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 VCIM also does not invest in securities issued by companies whose primary line of business includes tobacco, nuclear power, military weapons, adult entertainment, or gambling. Moreover, VCIM has a 4-part Climate Risk Strategy. The process is: Divestment: Eliminate companies whose primary line of business is the extraction, production and distribution of fossil fuels Decarbonization: Avoid companies with above average emissions, energy use, or production costs Re-investment: Seek opportunities in sectors with lower-carbon intensity such as alternative energy, transportation technology, and green infrastructure Engagement: Encourage disclosure of climate risk and dialogue on fossil fuel related risks where VCIM has identified areas that may impact company stakeholders

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types
Please select

Comment

Level of aggregation
Product

Description of product/Group of products
Real estate green infrastructures : In order to be more attractive for tenants looking for green office spaces, iA Financial Group has upgraded its real estate portfolio in the past few years. Moreover, as a major property owner, iA measures environmental performance based on the stringent BOMA BEST and LEED criteria. The company obtained LEED (Leadership in Energy and Environmental Design) Gold certification for its new 988 West Broadway building, where the company is the main tenant. This building has brought iA Vancouver staff together all in the same attractive workplace. Also, on October 26, 2018, iA acquired and holds 100% of a LEED Gold certified office building in Winnipeg. Centrepoint is a 5-storey office building located at 311 Portage Avenue in downtown Winnipeg. iA Financial Group also owns more than 20 BOMA BEST certified buildings throughout Canada.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types
Please select

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
4199

Comment
For the data on diesel consumption (for mechanical equipment such as generators) and natural gas, on the recommendation of Planetair, our external partner for our greenhouse gas (GHG) calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the GHG Protocol, Emission Factors from Cross-Sector Tools, dating from March 2017. To calculate R22 and R134a refrigerant leaks, whereas the LEED standard estimates at 2% the total refrigerant load over the lifetime of the equipment and given that the typical lifespan of the equipment is 15 years, we used the following formula: refrigerant load × 0.02/15 years. The emission factors retained to multiply our gross data for each of these gases are those of the Greenhouse Gas Protocol Fifth Assessment Report (AR5). Finally, for buildings held in co-ownership, the data have been adjusted according to the percentage that we hold in each property. For example, for 1981 McGill College, in Montreal, for which we are 50% owners, the gross consumption data have been multiplied by 0.5, and the GHG emitted calculated from this adjusted data.

Scope 2 (location-based)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
2219

Comment
2019 and 2020 are significantly higher compared to previous years' data due to a change of methodology (new emissions factors). For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located. For more details, please refer to the 2020 Sustainability Report, pages 80 and 85.

Scope 2 (market-based)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Other, please specify (National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

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

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

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

For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located.

For more details, please refer to the 2020 Sustainability Report, pages 80 and 85.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
4199

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment
2019 and 2020 are significantly higher compared to previous years' data due to a change of methodology (new emissions factors). For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located. For more details, please refer to the 2020 Sustainability Report, pages 80 and 85: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
2219

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
2019 and 2020 are significantly higher compared to previous years' data due to a change of methodology (new emissions factors). For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located. For more details, please refer to the 2020 Sustainability Report, pages 80 and 85.: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
All iA Financial Group fuel and energy related activities are included in Scope 1 and 2.

Upstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

235

Emissions calculation methodology

As iA Financial Group was the first company in the insurance and financial services industry to receive the ICI ON RECYCLE! certification in Quebec in 2004, the calculation of GHG emissions related to our waste management is quite relevant to the company's operations. In addition, as iA Financial Group now has over 8,000 employees and we wish to involve them in our organizational GHG reduction efforts as well, we have implemented internal mobilization efforts to encourage them to play an active role in our fight against GHGs. By encouraging employees to use our recycling and composting installations, in place since 1995 and progressively improved over the years, we have significantly improved our waste recovery rate. In 2015, a study from an an outside firm determined that iA Financial Group was producing 281.4 tons of material per year, of which 234.6 tons were recycled or composted. The GHG emissions were then calculated respectively: - For material not recovered (landfilled materials), using the waste disposal-municipal landfill emission factor of the Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0 - For recovered materials destined for recycling, by using the municipal waste closed loop emission factor of the Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0 -For recovered materials destined for composting, by using the municipal waste composting emission factor of the Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0 To extrapolate the data for all buildings owned by iA Financial Group, we applied the GHG results obtained for 1080 Grande Allée West based on its area in square feet over the total area of our real estate holdings Due to the lockdown measures implemented on March 14, 2020 in all our offices, we had to subsequently apply a COVID-19 adjustment, according to the following method. Considering that the materials generated during the first 12 weeks of the year followed a normal course, we first calculated GHG for these first 12 weeks, namely: 927,775/52 x 12 = 214,102 kg CO2e , then for the remaining 40 weeks of 2020: 927,775/52 x 40 x 0.03 (considering that an average of 3% of employees returned to the buildings for essential needs) = 21,410 kg CO2e . We then added these two results, which gives 235,512 kg CO2e .

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

In 2015, iA Financial Group mandated an outside firm (Chamard Stratégies environnementales inc.) to conduct a characterization study of the waste materials produced at its head office. The study determined that iA Financial Group was producing 281.4 tons of material per year, of which 234.6 tons were recycled or composted, which provides a recovery rate of 83.1%. The GHG emissions were then calculated from these data.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

466

Emissions calculation methodology

As iA Financial Group has had major offices in Quebec City, Montreal, Toronto and Vancouver since 1988, and its expansion in the United States has accelerated over the past 10 years, the calculation of GHG emissions related to business travel is quite relevant to the company's operations. In addition, as iA Financial Group now has over 8,000 employees and we wish to involve them in our organizational GHG reduction efforts as well, we have implemented internal mobilization efforts to encourage them to play an active role in our fight against GHGs. By encouraging employees to use our videoconferencing systems, in place since 2002 and progressively improved over the years, we have significantly reduced our business travel. Business travel (air and train) The gross data on trips by airplane and by train have been provided by Direct Travel, our partner for employee business trips by airplane and by train. These data have been divided into short haul, medium haul, long haul. - Short haul = Less than 480 km - Medium haul = Between 480 and 1,120 km - Long haul = More than 1,120 km We then multiplied the total kilometrage of each category by the emission factors of the Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0, namely: - Short haul: 0.15573 kg CO2e/passenger.km - Medium haul: 0.14981 kg CO2e/passenger.km - Long haul: 0.1384453 kg CO2e/passenger.km The emission factors are different for the long, medium and short haul categories; the short haul emission factor is higher. In the last fifteen years, an increase in videoconference meetings has contributed to a reduction in business travel. Business travel (personal vehicles) For business trips made with employees' personal vehicles, we added the expense report statements for the 4 quarters of 2020, on which the kilometrage of each trip appears and, on the recommendation of Planetair, our external business partner for our GHG calculations and our carbon neutrality program, we multiplied it by the Passenger vehicles- Average car petrol emission factor of the Defra complete 2019 greenhouse gas conversion factors for company reporting v 2.0.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

32

Please explain

The percentage corresponds to the data provided by Direct Travel, our partner for employee business trips by airplane and by train. The remaining 68% corresponds to business trips made with employees' personal vehicle, from which data came from our internal corporate accounting services.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
526

Emissions calculation methodology
As iA Financial Group has had major offices in Quebec City, Montreal, Toronto and Vancouver since 1988, and its employees sometimes living in the suburbs travel daily between home and the office, the calculation of GHG emissions related to employee commuting is quite relevant to the company's operations. In addition, as iA Financial Group now has over 8,000 employees and we wish to involve them in our organizational GHG reduction efforts as well, we have implemented internal mobilization efforts to encourage them to play an active role in our fight against GHGs. By encouraging a growing number of our employees to telecommute since 2010, we have significantly reduced the GHG emissions associated with commuting. We must state that our gross data for the moment are only available for the city of Quebec. For each mode of transport, using the data collected in the travel management plan (TMP) for which we mandated an outside firm and given 4 categories of distance (< 5 km, 5 km to <15 km, 15 km to <25 km, 25 km +), the following formula was used: Number of employees in the distance category × median distance of the category × average number of days worked/year The number of employees who use a car is calculated according to the number of available parking spaces. Thanks to various initiatives, including a valet service and better control of access to our parking areas, we can provide more accurate data on our employees' car use. The GHG emissions were then calculated respectively for: - 1,129,968 km travelled by city bus - 3,625,888 km travelled by car. For all iA Financial Group employees, which totalled 7,794 as at December 31, 2020 when the calculation was made, we extrapolated based on the number of Quebec employees., which provides 7,794 × 731,758/2,734 = 2,074,028 kg CO2e. Due to the lockdown measures implemented on March 14, 2020 in all our offices, we had to subsequently apply a COVID-19 adjustment: Considering that home-work travel in the first 12 weeks of the year followed a normal course, we first calculated the GHG for these first 12 weeks, namely: 2,074,028/52 x 12 = 478,621 kg CO2e, and for the remaining 40 weeks of 2020, 2,074,028/52 x 40 x 0.03 (considering that an average of 3% returned to the buildings for essential needs) = 47,862 kg CO2e. We then added these two values, which provides 526,483 kg CO2e.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
For each mode of transport, we used the data collected in the travel management plan (TMP) for which we mandated an outside firm (the Mobili-T travel manager).

Upstream leased assets

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Downstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Processing of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

End of life treatment of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Downstream leased assets

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Franchises

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Other (upstream)

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

Other (downstream)

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
iA Financial Group is aware that the business it conducts has an impact in terms of greenhouse gas emissions, but is unable to provide a quantitative report on these due to a lack of accurate data or insufficient time or resources to properly process the data.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.36

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
6418

Metric denominator
unit total revenue

Metric denominator: Unit total
17739

Scope 2 figure used
Location-based

% change from previous year
5

Direction of change
Decreased

Reason for change
2020 Scope 2 data are significantly higher compared to previous years' data due to a change of methodology (new emissions factors). For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located. For more details, please refer to the 2020 Sustainability Report, pages 80 and 85. Also, please note that we also changed the methodology to retrieve the unit total revenue. This is now taken from our Consolidated Financial Statements as at December 31, 2020, page 6 . Revenues are now calculated from our investment income, and not from premiums as in the previous years. In order to have a metric denominator comparable to the metric numerator, the unit total revenue is provided in millions of dollars (CAD). The slight 5% decrease has not been analyzed as our data retrieving methodologies have changed compared to 2019. If a significant increase or decrease would have occured, it would have been analyzed.

Intensity figure
0.82

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
6418

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
7794

Scope 2 figure used
Location-based

% change from previous year
28

Direction of change
Increased

Reason for change
2020 Scope 2 data are significantly higher compared to previous years' data due to a change of methodology (new emissions factors). For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located. For more details, please refer to the 2020 Sustainability Report, pages 80 and 85: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	404	Decreased	5.9	This decrease is mainly due to the pandemic lockdown. Our energy consumption decreased as our buildings were not occupied for most of 2020. As mentioned previously in this 2021 questionnaire, please note Scope 2 data for FY 2020 are significantly higher compared to previous years' data as disclosed in the CDP 2020 Questionnaire. This is due to a change of methodology (new emissions factors). For GHG emissions linked to electricity consumption, on the recommendation of Planetair, our external partner for our GHG calculations and our carbon neutrality program, we multiplied our consumption data by the emission factors of the National Inventory Report 1990–2019: greenhouse gas sources and sinks in Canada, for each province where our various buildings are located. Compared to previous years' data as disclosed in the CDP 2020 Questionnaire, this would have led to a 3163% increase for Scope 2 only. However, to have comparable data year over year, 2019 data have been adjusted for comparison purposes based on our 2020 calculation methodology. The adjusted 2019 gross global emissions figure is 6822 CO2e tons, compared to 6418 CO2e tons emitted in 2020. This represents a decrease of 404 CO2e tons year over year. For more details, please refer to our 2020 Sustainability Report, page 15, as well as the COVID-19 adjustment paragraphs in our methodologies section on pages 80 to 84.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		21594	21594
Consumption of purchased or acquired electricity	<Not Applicable>	104699		
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	104699	21594	21594

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Third party verification/assurance underway

Attach the statement
CDP2021 QuestionC10.1a.pdf

Page/ section reference
2020 Sustainability Report, pages14-15: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

Relevant standard
Other, please specify (Planetair, our external partner for our GHG calculations, checked and approved all our 2020 operations data and calculations. At the end of this process, Planetair gave us a 2020 carbon neutral certified business certification.)

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Third party verification/assurance underway

Attach the statement

Page/ section reference
2020 Sustainability Report, pages14-15: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

Relevant standard
Other, please specify (Planetair, our external partner for our GHG calculations, checked and approved all our 2020 operations data and calculations. At the end of this process, Planetair gave us a 2020 carbon neutral certified business certification.)

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Waste generated in operations

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Third party verification/ assurance underway

Attach the statement
CDP 2021 Question 10.1c Waste.pdf

Page/section reference
2020 Sustainability Report, page 81: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

Relevant standard
Other, please specify (Planetair, our external partner for our GHG calculations, checked and approved all our 2020 operations data and calculations. At the end of this process, Planetair gave us a 2020 carbon neutral certified business certification.)

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Third party verification/ assurance underway

Attach the statement
CDP2021 Question C.10.1c Business Travel.pdf

Page/section reference
2020 Sustainability Report, page 82: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

Relevant standard
Other, please specify (Planetair, our external partner for our GHG calculations, checked and approved all our 2020 operations data and calculations. At the end of this process, Planetair gave us a 2020 carbon neutral certified business certification.)

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Third party verification/ assurance underway

Attach the statement
CDP 2021 Question 10.1c EmployeeCommuting.pdf

Page/section reference
2020 Sustainability Report, page 83: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf.

Relevant standard
Other, please specify (Planetair, our external partner for our GHG calculations, checked and approved all our 2020 operations data and calculations. At the end of this process, Planetair gave us a 2020 carbon neutral certified business certification.)

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
Capricorn Ridge Wind project (Texas): This project helps reduce the emission of greenhouse gases into the atmosphere by replacing traditional fossil fuels with clean, renewable wind energy. In addition, the 75-turbine wind park has been designed in such a way that farming activities can continue on the ground below.

Verified to which standard
Gold Standard

Number of credits (metric tonnes CO2e)
2540

Number of credits (metric tonnes CO2e): Risk adjusted volume

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Darkwoods Conservation project (British Columbia): This project will help preserve an area of 7,900 hectares of inland rainforest in British Columbia that would otherwise be depleted by logging. It will reduce carbon in the atmosphere and protect critical habitat for nearly 40 species at risk, including grizzly bears, wolverines, peregrine falcons, mountain caribou and whitebark pine.

Verified to which standard
Gold Standard

Number of credits (metric tonnes CO2e)
2648

Number of credits (metric tonnes CO2e): Risk adjusted volume

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Reforestation projects (Quebec): Restoring forest cover by planting a variety of tree species helps remove carbon from the atmosphere, enhance biodiversity and strengthen natural ecosystems. Under this project, trees will be planted in various regions of Quebec. With iA Financial Group's investment, nearly 16,000 trees will be planted. Linked initiative: Environmental employee recruiting initiatives During 2020, iA Financial Group adapted and revised its strategy to ensure a memorable, distinctive and reinvented experience for its existing staff, but also for new hires. As part of this new vision and our commitment to sustainability, our organization pledged, as of January 2021, to plant one tree per new employee, in addition to those planted as part of our carbon-offsetting activities. In addition, our Talent Acquisition team has committed to supporting and promoting local businesses from the different territories served by iA Financial Group, and to exposing their products by offering 100% local welcome gifts to our new employees. Because of the diversity of our suppliers, new employees will each be able to discover different companies throughout the year, depending on the partnership in place when they are hired. Lastly, note that our onboarding process, which used to include a large volume of paper documents, is now almost entirely digital.

Verified to which standard
Gold Standard

Number of credits (metric tonnes CO2e)
2648

Number of credits (metric tonnes CO2e): Risk adjusted volume

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency

GHG Scope

Scope 1
Scope 2
Scope 3

Application

Actual price(s) used (Currency /metric ton)

Variance of price(s) used

Uniform pricing. We use a single price that is applied throughout the company independent of geography, business unit, or type of decision. iA Financial Group became carbon neutral in 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. We retired from the market 7,836 high quality (Gold Standard) carbon credits (each representing 1 tonne of CO2e) through Planetair, our external partner for our greenhouse gas (GHG) calculations and our carbon neutrality program. We also contributed to additional climate mitigation projects. When considering all the projects we invested in to offset our GHG emissions in 2020, the average price paid per tonne of CO2e was CA $ 18,85. This amount serves as our internal price. It will be revised yearly to reflect the actual cost per tonne of our offsetting measures. It will be used to assess new projects that could reduce our carbon footprint.

Type of internal carbon price

Shadow price

Impact & implication

iA Financial Group became carbon neutral in 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. We retired from the market 7,836 high quality (Gold Standard) carbon credits (each representing 1 tonne of CO2e) through Planetair, our external partner for our greenhouse gas (GHG) calculations and our carbon neutrality program. We also contributed to additional climate mitigation projects. When considering all the projects we invested in to offset our GHG emissions in 2020, the average price paid per tonne of CO2e was CA $ 18,85. This amount serves as our internal price. It will be revised yearly to reflect the actual cost per tonne of our offsetting measures. It will be used to assess new projects that could reduce our carbon footprint.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, our investee companies

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Climate change is integrated into supplier evaluation processes

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
The iA Financial Group Supplier Code of Conduct (the “Code”), available at https://ia.ca/-/media/Files/IA/APropos/dev-durable/Supplier-Code-of-Conduct-ACC.pdf, sets forth the principles and expectations of iA Financial Group and its affiliates (designated collectively as the “Company”) as to how suppliers of goods and services, their representatives and employees (designated as “employees of the Supplier”) are to conduct business and deal with the Company. Suppliers that wish to establish a business relationship with the Company must agree to respect the principles and standards applicable to the Code and must ensure that they act ethically, honestly and with integrity with respect to this relationship. More specifically, section 5. Environment of the Code of Conduct states that: "Suppliers must comply with all applicable environmental laws, regulations and standards, and with the Company’s policies. The Company considers it essential that its suppliers be aware of environmental protection and sustainable development in the course of its business operations. It is the responsibility of each supplier to reduce its environmental footprint to a minimum by implementing best environmental practices and improving upon them."

Impact of engagement, including measures of success

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)
All of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
We integrate ESG aspects in our underwriting process and we engage with clients on ESG related risks and opportunities in many ways. Environmental issues Regarding our general insurance company, climate change could translate into an increase in claims. Analyses of the trends for each type of claim are done annually and, if needed, modifications to coverage, underwriting rules or ratemaking are implemented. This is considered yearly in the Financial Condition Testing Report and the Enterprise Risk Management Report. As an example, changes in coverage and ratemaking were implemented for water damage protection. Our clients have been advised about these changes. Social issues In terms of social issues, our general insurance company follows best practices in its ratemaking and underwriting processes. • Communications with prospects and clients are simple, clear, accurate and non-misleading. Information is provided in a timely manner to allow for informed decision-making and is in compliance with applicable laws and regulations, including codes of conduct. • Underwriting is based on the client’s real situation and in compliance with applicable laws and regulations, particularly in terms of human rights. • Offering of premiums that reflect the actual risk • Monitoring of indicators related to client satisfaction Governance issues Our general insurance company holds internal audits on underwriting. • Our general insurance company conducts quarterly tests of controls to validate their design, application and effectiveness. • In addition to the policy on fair treatment of clients, we also have policies related to underwriting, ratemaking and claims management, and the protection of personal information (we adhere to our corporate policies in this regard). Also, through our Advice Zone, available on our ia.ca corporate website, we inform clients about ESG risks and opportunities related to their vehicle (https://ia.ca/advice-zone/vehicle) or their house (https://ia.ca/advice-zone/house). We encourage them to take proper care of their belongings in order to avoid breakage or accidents and therefore: - Avoid rate increases due to favourable claims experience. - Extend the life cycle of their belongings. These lasting longer results in a reduction at the source in the frequency of purchasing new equipment, which globally protects the environment.

Impact of engagement, including measures of success

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement
Information collection (Understanding investee behavior)

Details of engagement
Included climate change in investee selection / management mechanism

% of investees by number

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

Portfolio coverage
Minority of the portfolio

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Funding research organizations
Other

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Government relations

Active participation in policy work in cooperation with the government, the public and other economic agents in the community has a considerable impact on the sustainable and responsible development of industry practices. Whether we take part directly or through the Canadian Life and Health Insurance Association (CLHIA), we feel that it's important to contribute to the public debate so we can represent not only our own concerns, but also those of our clients. To ensure that these discussions take place in accordance with the laws and our company values, our Code of Business Conduct sets out certain obligations in this regard.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Government relations

Active participation in policy work in cooperation with the government, the public and other economic agents in the community has a considerable impact on the sustainable and responsible development of industry practices. Whether we take part directly or through the Canadian Life and Health Insurance Association (CLHIA), we feel that it's important to contribute to the public debate so we can represent not only our own concerns, but also those of our clients. To ensure that these discussions take place in accordance with the laws and our company values, our Code of Business Conduct sets out certain obligations in this regard.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Our 2020 Sustainability Report pdf file is over 30 MB; impossible to upload into the ORS. You can find it at: https://ia.ca/-/media/Files/IA/APropos/dev-durable/82-108A_SustainabilityReport-2020-V3.pdf

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI)	In 2019, iA Financial Group became a signatory of the United Nations Principles for Responsible Investment (PRI) through the iA Investment Management subsidiary. What we did in 2020 — We developed an internal tool to provide our investment managers with an overview of the ESG rating of their portfolios as well as benchmark index based comparisons. — We formed a team of representatives for every asset class that was mandated to conduct a detailed ESG analysis regarding the energy sector. The goal was to increase our knowledge of the sector's main ESG issues, determine our position with regard to these issues and share the information internally as a basis for training. — We drafted a Responsible Investment Policy covering every asset class at iA Financial Group. This policy addresses our investment philosophy and values and lays out guidelines to be followed for each investment. It is currently only available internally, but our goal is to share this policy publicly during 2021. — We participated in a test disclosure of our ESG strategy with the PRI. This confidential exercise allows new signatories to become familiar with the assessment methodology before future assessment cycles that will be public. During this exercise, we were able to confirm the positive elements of our strategy and identify certain points for improvement. This has allowed us to adapt our disclosure strategy in line with best practices. — We added an ESG section to our analysis reports for the following asset classes: public equity, corporate credit, private debt and private equity. All of our asset classes now include ESG criteria in the investment process. What we will do in 2021 — We will engage in dialogue with companies whose shares are held in our portfolios. The goal is to deepen our knowledge of their exposure to various ESG risks and promote the adoption of best practices. — We will make public our Responsible Investment Policy. — We will report on our activities to the PRI. — The environment is a key concern for us and we recognize that climate change represents a potential risk for the value of our future investments. We will develop a rigorous strategy to integrate climate change into our investment processes.
Industry initiative	Principles for Responsible Investment (PRI)	In 2019, iA Financial Group became a signatory of the United Nations Principles for Responsible Investment (PRI) through the iA Investment Management subsidiary. What we did in 2020 — We developed an internal tool to provide our investment managers with an overview of the ESG rating of their portfolios as well as benchmark index based comparisons. — We formed a team of representatives for every asset class that was mandated to conduct a detailed ESG analysis regarding the energy sector. The goal was to increase our knowledge of the sector's main ESG issues, determine our position with regard to these issues and share the information internally as a basis for training. — We drafted a Responsible Investment Policy covering every asset class at iA Financial Group. This policy addresses our investment philosophy and values and lays out guidelines to be followed for each investment. It is currently only available internally, but our goal is to share this policy publicly during 2021. — We participated in a test disclosure of our ESG strategy with the PRI. This confidential exercise allows new signatories to become familiar with the assessment methodology before future assessment cycles that will be public. During this exercise, we were able to confirm the positive elements of our strategy and identify certain points for improvement. This has allowed us to adapt our disclosure strategy in line with best practices. — We added an ESG section to our analysis reports for the following asset classes: public equity, corporate credit, private debt and private equity. All of our asset classes now include ESG criteria in the investment process. What we will do in 2021 — We will engage in dialogue with companies whose shares are held in our portfolios. The goal is to deepen our knowledge of their exposure to various ESG risks and promote the adoption of best practices. — We will make public our Responsible Investment Policy. — We will report on our activities to the PRI. — The environment is a key concern for us and we recognize that climate change represents a potential risk for the value of our future investments. We will develop a rigorous strategy to integrate climate change into our investment processes.
Commitment	Other, please specify (The Responsible Investment Association (RIA))	iA Financial Group is a member of the Responsible Investment Association (RIA) through IA Clarington Investments Inc. and iA Wealth. RIA is Canada's membership association for responsible investment (RI). Members include asset managers, asset owners, service providers, investment advisors, and others who practice and support RI. Vision The RIA aims to drive the growth and development of RI in Canada's retail and institutional markets, with a vision to align capital with sustainable and inclusive development as codified in the Paris Agreement and the UN Sustainable Development Goals. Strategic Priorities The RIA's strategic priorities are summarized as follows: 1. Educate: We promote education for the industry and the broader market. 2. Catalyze: We play a leadership role in catalyzing market development and promoting RI market integrity in Canada. 3. Advocate: We advance a policy/regulatory environment that is conducive to RI. 4. Build: We continue to build our brand and reputation as the hub and leading voice for RI in Canada. 5. Grow: We aim to grow our financial & human capital resources to strengthen our capacity to deliver on these priorities.

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	In the near future, we want to gain access to greenhouse gas (GHG) data to assess our portfolio's GHG exposure. Our goal is to fix a specific target that portfolio managers will have to respect in order to invest only in companies that respect this emission target. What we did in 2020 — We developed an internal tool to provide our investment managers with an overview of the ESG rating of their portfolios as well as benchmark index based comparisons. — We formed a team of representatives for every asset class that was mandated to conduct a detailed ESG analysis regarding the energy sector. The goal was to increase our knowledge of the sector's main ESG issues, determine our position with regard to these issues and share the information internally as a basis for training. — We drafted a Responsible Investment Policy covering every asset class at iA Financial Group. This policy addresses our investment philosophy and values and lays out guidelines to be followed for each investment. It is currently only available internally, but our goal is to share this policy publicly during 2021. — We participated in a test disclosure of our ESG strategy with the PRI. This confidential exercise allows new signatories to become familiar with the assessment methodology before future assessment cycles that will be public. During this exercise, we were able to confirm the positive elements of our strategy and identify certain points for improvement. This has allowed us to adapt our disclosure strategy in line with best practices. — We added an ESG section to our analysis reports for the following asset classes: public equity, corporate credit, private debt and private equity. All of our asset classes now include ESG criteria in the investment process. What we will do in 2021 — We will engage in dialogue with companies whose shares are held in our portfolios. The goal is to deepen our knowledge of their exposure to various ESG risks and promote the adoption of best practices. — We will make public our Responsible Investment Policy. — We will report on our activities to the PRI. — The environment is a key concern for us and we recognize that climate change represents a potential risk for the value of our future investments. We will develop a rigorous strategy to integrate climate change into our investment processes.
Insurance underwriting (Insurance company)	No	<Not Applicable>	
Other products and services, please specify	Please select	<Not Applicable>	

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

It is still a work in progress. In the near future, we want to gain access to greenhouse gas (GHG) data to assess our portfolio's GHG exposure. Our goal is to fix a specific target that portfolio managers will have to respect in order to invest only in companies that respect this emission target. We always consider environmental footprint when we assess an investment risk. Our planet comprises a delicate balance and we wish to contribute positively through our investments.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	As 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. In addition, over the next year, the company will assess its existing climate change risk disclosures and then develop a plan to implement the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).
Insurance underwriting (Insurance company)	No	
Other products and services, please specify	Not applicable	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes, for all	Please refer to points 3 and 4 of the PRI below. As a signatory of the United Nations supported Principles for Responsible Investment (PRI) through our iA Investment Management subsidiary, 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.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes, for all	Please refer to points 3 and 4 of the PRI below. As a signatory of the United Nations supported Principles for Responsible Investment (PRI) through our iA Investment Management subsidiary, 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.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Head of Investor Relations and Public Affairs	Public affairs manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms