

SUCCESSING NOW AND TOMORROW

2025 Climate Change
Performance Report



Table of contents

Caution regarding forward-looking statements	3
Additional statements	3
About iA Financial Group	4
Company profile	4
About this Report	4
1. Governance	5
1.1 Roles and responsibilities of the Board of Directors	5
1.2 Management's roles and responsibilities	5
1.2.1 Role of decision-making entities	5
1.2.2 Role of the Sustainability team	6
1.2.3 Role of the employees	6
1.2.4 Risk Management Framework	6
2. Strategy	8
2.1 Climate strategy	8
2.2 Integration into the corporate strategy	9
3. Integrated risk management	10
3.1 Identification	10
3.2 Qualitative assessment of climate change risks	13
3.3 Risk Mitigation	14
3.3.1 Guiding Principles	14
3.3.2 Some examples of climate risk management in our business segments (non-exhaustive list)	14
3.3.2.1 Life and health insurance	14
3.3.2.2 Property and casualty insurance (auto and home)	14
3.3.2.3 Asset management	15
3.4 Climate scenarios, stress testing and liquidity adequacy	15
3.5 Fair treatment of customers	16
4. Measures and objectives	16
4.1 Indicators	16
4.2 Targets and progress	17
4.3 Work completed	18

Caution regarding forward-looking statements

This *2025 Climate Change Performance Report* (the “**Report**”) may contain statements relating to strategies used by iA Financial Group or statements that are predictive or otherwise forward-looking in nature, that depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “could”, “should”, “would”, “suspect”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, and “continue” (or the negative thereof), as well as words such as “target”, “objective”, “goal”, “guidance” and “forecast”, or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this Report, forward-looking statements include, but are not limited to information concerning iA Financial Group’s strategies, initiatives and goals with regard to sustainability, governance, environmental matters and the fight against climate change, as well as its climate change mitigation and adaptation objectives, including strategies, initiatives and objectives for reducing greenhouse gases (GHGs), and assessing and adapting to climate change risks, integrating climate considerations into iA Financial Group’s investment process, updating its climate strategy, implementing sound climate change risk management, strengthening resilience to the physical impacts of climate change and establishing a climate risk governance framework. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change.

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

Material factors and risks, including those related to sustainability, which could cause actual results to differ materially from those projected (many of which are beyond the control of iA Financial Group and the effects of which may be difficult to predict) include the following: climate conditions and weather events; the need for active and constant stakeholder participation (including governmental and non-governmental organizations, other financial institutions, businesses and individuals); variable decarbonization efforts across economies; the absence of globally harmonized climate policies; the challenges of balancing climate objectives with an orderly and inclusive transition; geopolitical factors that influence global energy needs; the need for more and higher quality climate data and for standardization in climate measurement and verification methods; the ability to implement various initiatives across the business within the set time limits; the risk that initiatives will not be completed on time, will not be completed at all, or will be completed without the expected or anticipated results; compliance of third parties with our policies and procedures and their commitment to iA Financial Group; financial market conditions; the commercial activities, financial results and financial condition of iA Financial Group; the development and deployment of new technologies and methods; changes in consumer behaviour; the local, national or international legal and

regulatory framework; compliance and regulatory risks (which could lead to restrictions, penalties and fines); and strategic, reputational and competitive risks. Material assumptions and factors used in preparing the forward-looking statements contained in this Report in connection with iA Financial Group’s insurance and asset management business are also set out in the “Integrated risk management” section of this Report.

Additional information regarding certain other important factors that could cause actual results to differ materially from expectations and regarding material factors or assumptions underlying the forward-looking statements can be found in the “Risk Management” section of the *2025 Management’s Discussion and Analysis* and in the “Management of Financial Risks Associated with Financial Instruments and Insurance Contracts” note to the *Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024*, as well as in iA Financial Corporation’s other filings with the Canadian Securities Administrators available at sedarplus.ca or on the iA Financial Group website at ia.ca.

The forward-looking statements contained in this Report relate to future events or results and reflect iA Financial Group’s expectations as of the date of this Report. iA Financial Group does not undertake to update or review any forward-looking statements to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events, except as required by law.

Additional statements

This Report is intended to provide information from a different perspective and in more detail than is required to be included in documents filed under securities laws. In addition, the information contained in this Report should not necessarily be read as having the materiality level of the disclosure required in documents filed under securities laws.

This Report does not constitute financial, legal, tax, investment, professional or expert advice. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein.

This Report may contain website addresses or hyperlinks to websites that are not owned or controlled by the Corporation. Such addresses or hyperlinks are provided solely for the recipient’s convenience; the Corporation is not responsible for these websites or their content, or for any loss or damage that may arise from their use.

iA Financial Group does not incorporate by reference any information posted on ia.ca or any third-party website.

Unless otherwise indicated, the information contained in this Report has not been audited.

About iA Financial Group

Company profile

iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. Founded in 1892, it is an important Canadian public company and is listed on the Toronto Stock Exchange under the ticker symbol IAG (common shares). iA Financial Group offers life and health insurance products, savings and retirement plans, mutual and segregated funds, securities, auto and home insurance, multi-residential and commercial mortgage loans and car loans and other financial products and services for both individuals and groups.

iA Financial Group's sustainability approach is to contribute to the sustainable growth and wellbeing of its clients, employees, partners, investors and communities. We want to ensure our sustainability by supporting our communities and combining our financial success with a positive impact on the environment and society. In recent years, iA Financial Group has affirmed its commitment to advancing its sustainability agenda by supporting the United Nations Sustainable Development Goals, and by signing, through its subsidiary Industrial Alliance Investment Management Inc., the United Nations *Principles for Responsible Investment*.

In 2024, we began integrating the requirements set out in the *Climate Risk Management Guideline* (the "**Guideline**") issued by Quebec's Autorité des marchés financiers ("**AMF**"), which came into effect on July 4, 2024. As indicated in the Guideline, it takes into consideration the most recent recommendations issued by standards bodies on climate risk disclosure, in particular those of the now defunct *Task Force on Climate-related Financial Disclosures* (TCFD), based on whose recommendations the Corporation has reported its performance in the past.

About this Report

Our Report provides information on our climate change performance for the year 2025 and progress in developing our climate change strategy. Where available and relevant, data is also presented for the previous two years to provide additional context on our performance and results. Where data relates to targets, the base year against which progress is measured is also indicated.

- Industrial Alliance Insurance and Financial Services Inc. ("**iA Insurance**"), Industrial Alliance Pacific General Insurance Corporation ("**iAPG**"), Industrial Alliance Auto and Home and Insurance Inc. ("**iAAH**¹") and Prysm General Insurance Inc. (collectively the "**Reporting Subsidiaries**") are subject to the Guideline. This Report is intended to be a consolidated report on the disclosures required to, in particular, meet the expectations set out in the Guideline. However, certain data presented in this Report includes consolidated data from iA Financial Corporation Inc., including its subsidiaries. Any limitations to the data are explicitly noted where relevant and where the information is available. Data specific to the Reporting Subsidiaries is presented where possible.
- Financial data is expressed in Canadian dollars, unless otherwise indicated.
- To simplify the text, the data in some tables has been rounded off, which may affect the total results in some cases.
- The terms "we", "us", "our" and "iA Financial Group" refer to iA Financial Corporation Inc. and its subsidiaries, whereas the term "Corporation" refers to iA Financial Corporation Inc. and its Reporting Subsidiaries only.
- This Report contains forward-looking statements about which you will find more information in the section "Caution regarding forward-looking statements".

¹ Unless otherwise indicated, the use of the term "**iAAH**" in this Report implicitly includes its subsidiary Prysm General Insurance Inc.

1. Governance

iA Financial Group's *Sustainability Policy* provides a framework for our practices and governance with regard to sustainability, including climate change. More specifically, it specifies the roles and responsibilities of the various internal entities within our organization. In addition, the *Climate Risk Management Corporate Policy* sets out the principles underpinning climate risk management at iA Financial Group.

1.1 Roles and responsibilities of the Board of Directors

The Corporation's Board of Directors is supported in the performance of its duties by the Risk, Governance and Ethics Committee ("**RGEC**"), notably in the oversight of sustainability, including climate change considerations, and the oversight of climate risk management. In addition to receiving quarterly reports from the Vice-Presidency, Investor Relations, Sustainability and Public Affairs ("**VPIRSPA**"), the RGEC receives an update on iA Financial Group's climate strategy from the latter. It also receives quarterly reports on risks and their evolution and management, including climate risks.

The RGEC is therefore responsible for reviewing these reports and reporting to the Board of Directors. It also makes certain recommendations for approval by the Board of Directors, as appropriate. The RGEC also approves iA Financial Group's major strategic orientations with regard to sustainability.

The Corporation's Board of Directors is also supported by the Investment Committee, whose mandate includes ensuring that sustainability factors likely to have a significant impact on investment performance are considered in the context of investment decisions.

The *Climate Risk Management Corporate Policy* is part of iA Financial Group's sustainability reference framework, which notably includes climate risks, since sound risk management is an integral part of corporate governance. The policy takes into account the size, nature and complexity of iA Financial Group's operations, as well as the specific nature of climate risks, the impacts of which can be felt over short-, medium- and long-term horizons.

In order to maintain a high level of awareness of climate-related issues, in 2025, directors completed a training course entitled "Climate Change Update" covering, among other things, transition plans, climate legislation and related trends. In addition, climate change priorities are reviewed at least once a year by management and the respective Boards of Directors of iA Financial Corporation and its Reporting Subsidiaries, as they approve this report in particular.

1.2 Management's roles and responsibilities

iA Financial Group has established an internal structure to integrate climate-related risks and opportunities into its strategy, decision-making and business processes, and fight climate change.

Furthermore, in accordance with the Guideline, iA Insurance is currently reviewing its compensation programs for senior management and other key positions with regard to climate risk management in its total compensation strategy.

In this regard, a portion of iAAH senior management's variable compensation, approved by its board of directors, is tied to iAAH's profitability, which is heavily influenced by claims resulting from weather events. This portion of the compensation therefore requires sound management of the physical risks related to climate change.

1.2.1 Role of decision-making entities

The Sustainability Executive Committee is the central forum for overseeing the integration of sustainability within the group. This Committee, which meets every quarter, comprises members of senior management and reports on its activities to the RGEC on a quarterly basis through the VPRISPA. The Sustainability Executive Committee is responsible for overseeing the development of the process for identifying climate change opportunities, its implementation and, ultimately, established performance indicators. It is also responsible for reporting, again through the VPRISPA, to the RGEC on the progress of the work and the indicators, when established, at a set frequency.

This same committee is supported by the Sustainability Steering Committee, which is responsible for establishing iA Financial Group's sustainability strategy, objectives and targets. It also monitors their progress, particularly with regard to the climate transition and the reduction of GHG emissions. The Sustainability Steering Committee is made up of key iA Financial Group representatives, who meet at least quarterly.

The governance of integrated risk management revolves around the Executive Risk Management Committee, which is made up of members of iA Financial Corporation's Executive Committee and meets five times a year. Its responsibilities include overseeing iA Financial Group's integrated risk management, taking a holistic and proactive view of risk. It monitors key risk indicators and reports to the RGEC, including emerging risks and significant events. In addition, in collaboration with Group Risk Management and Compliance ("**GRMC**") and representatives of the Reporting Subsidiaries, this committee is involved in defining risk appetite and tolerance, including climate risks, considered to be cross-cutting risks that can amplify other risk categories.

Furthermore, several members of the Sustainability and Risk Management Executive Committees sit on both committees, ensuring efficient coordination between the various initiatives within the organization, as well as greater collaboration among members.

The management of iAAH's physical risks linked to climate change (which can be likened to insurance risk management), is overseen by the insurance governance function of these entities. As such, iAAH's Executive Committee is ultimately responsible for insurance risk management, and is supported by iAAH's Risk Management Committee, itself supported by various operational working groups with a focus on pricing, underwriting, reinsurance and claims practices. The risk appetite and tolerance specific to its business are analyzed and recommended to the RGEC by iAAH's Risk Management Committee and its Executive Committee.

In parallel, reporting on the progress of GRMC initiatives related to climate risk, such as the implementation of a climate risk management framework, is also done to the Sustainability Executive Committee. The Reporting Subsidiaries are included in these initiatives.

1.2.2 Role of the Sustainability team

The Sustainability team (the "**Team**"), under VPIRSPA, is responsible for sustainability, of which one of its primary priorities is climate change. In collaboration with the GRMC, representatives of the Reporting Subsidiaries and the Sustainable investing team of iAGAM², iA Financial Group's primary portfolio and asset manager, the Team works, for example, on identifying, assessing and managing climate-related risks and opportunities, as well as improving climate change disclosure.

1.2.3 Role of the employees

The *Sustainability Policy* prioritizes three action levers: 1) physical, mental and financial health 2) education and learning 3) a sustainable future. iA Financial Group aims to contribute to the fight against climate change by tracking its environmental performance, reducing its carbon footprint and integrating climate risks into its operations. These initiatives cannot be achieved without everyone playing their part. Consequently, iA Financial Group wishes to motivate and sensitize its employees to act accordingly. The *Code of Business Conduct* therefore encourages employees to be aware of the Corporation's commitments when it comes to fighting climate change, and to act in accordance with these ambitions. In 2025, training and awareness-raising activities, in which employees could participate on a voluntary basis, were developed to more effectively integrate climate change into iA Financial Group's operations and make a positive impact on the environment. More specifically, a webinar on the impact of the use of artificial intelligence on the environment was offered to employees. An online training course, available to all employees and accessible at any time, was also developed on climate change and its impact on insurance activities.

1.2.4 Risk Management Framework

iA Financial Group applies a risk management model based on the three lines of defence defined in its *Integrated Risk Management Corporate Policy* and its *Climate Risk Management Corporate Policy*. This model divides responsibility between risk-taking and control, risk monitoring, and independent assessment, thereby ensuring robust governance that complies with regulatory requirements.

First line of defence: This involves the day-to-day management of risks, including climate risks, in the application of established policies and frameworks. It aims to align business strategies with risk appetite and tolerance and implements the necessary controls and corrective measures.

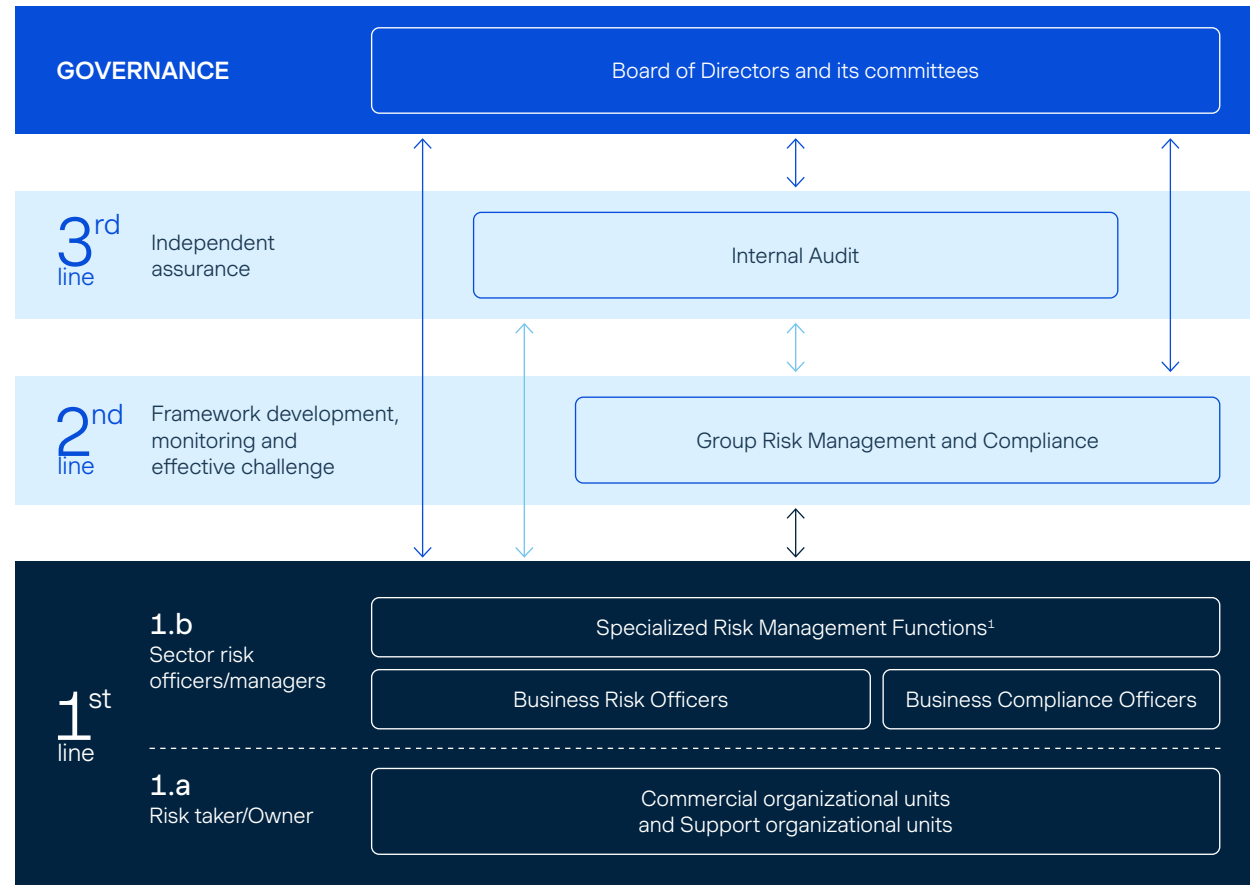
Second line of defence: This involves independent monitoring and analysis of risks and controls implemented by the first line. Those responsible for this line develop and maintain the frameworks, policies and methodologies necessary for identifying and monitoring risks, including climate risks, and report to management and the board of directors in accordance with regulatory requirements.

Those responsible for the first and second lines of defence work together to ensure prudent risk management and protect the company's reputation and long-term viability. These individuals regularly report to senior management and the board of directors on key risks and the measures implemented to mitigate them.

Third line of defence: Internal Audit provides independent assurance and advice to management and the board of directors on the effectiveness of governance, risk management and internal control processes.

² "iA Global Asset Management" and "iAGAM" are trademarks of and other names under which Industrial Alliance Investment Management Inc. and iA Global Asset Management Inc. operate.

The graph on the right presents our overall risk management structure based on the lines of defence described on the previous page.



¹ Specialized Risk Management Functions include the Vice-President and Chief Information Security Officer (CISO), the Senior Vice-President, Information Technology (CIO) and the Chief Data Officer (CDO), Investment Risk, and Finance and Actuarial teams.

2. Strategy

2.1 Climate strategy

iA Financial Group recognizes that climate change could have an impact on its various business segments, its stakeholders, including clients, employees, partners and investors and the communities in which it operates.

iA Financial Group has therefore adopted a global approach to integrating climate considerations into its operations and decisions, notably by establishing a climate strategy. This strategy articulates iA Financial Group’s ambition and aims at anchoring its climate change objectives in its corporate strategy. It is implemented through the establishment of a rigorous governance structure, as well as various statements and policies, such as the *Climate Change Position Statement and the Climate Risk Management Corporate Policy*. More specifically, in 2020, iA Financial Group defined its climate strategy, which consists of five objectives that focus on climate-related risks and opportunities that may impact its long-term value and that it believes may be material to its key stakeholders, namely:

Long-term goals	Actions taken and specific measures to achieve these goals
<p>1. Reduce greenhouse gas emissions in our operations and investment portfolio</p>	<p>iA Financial Group has two targets for reducing GHG emissions. We are therefore working to achieve the following objectives:</p> <ol style="list-style-type: none"> 1. Reduce the GHG emission intensity of our Canadian real estate holdings by 60% by 2035, using 2022 as the baseline. 2. Reduce the carbon intensity of our public corporate bond portfolio by 40% by 2035 (using 2022 as the baseline). <p>Please refer to the “Asset management” section for more information on the measures implemented to achieve GHG emission reduction targets in our operations and investment portfolio.</p>
<p>2. Integrate climate considerations into our processes and decisions, including our investments</p>	<p>The Corporation’s roadmap includes integrating climate considerations into its strategy, decision-making and reporting processes and its risk taxonomy.</p> <p>In 2024, we began analyzing and mapping the exposure of our investments for certain sectors to develop an action plan. The <i>Risk Appetite and Tolerance Statement</i> was revised in 2025 to incorporate our decarbonization objectives and ensure alignment with our climate transition commitments. In parallel, reflection on the development of a formal process aimed at better identifying climate change-related opportunities is underway and we have remained on track with respect to the development of a transition plan aimed in particular at strengthening the foundations underpinning our climate strategy.</p>
<p>3. Implement sound climate change risk management and build resilience to the physical impacts of climate change across our operations</p>	<p>In 2024, we began working on implementing a climate risk management framework as part of our initial roadmap and participated in the Standardized Climate Scenario Exercise developed by the AMF and the Office of the Superintendent of Financial Institutions (“OSFI”). Following publication of the Guideline in July 2024, the Corporation reviewed the scope of certain deliverables, accelerating their implementation or reprioritizing them.</p> <p>In 2025, this initiative continued in accordance with the revised roadmap, which now incorporates expectations regarding opportunities, fair treatment of customers and related disclosures.</p>
<p>4. Strengthen climate-related disclosure and facilitate disclosure by investment portfolio companies</p>	<p>iA Financial Group remains committed to transparency with its stakeholders and accordingly discloses its progress, performance and challenges with regard to climate, which are based on established frameworks; these are also available on our website at ia.ca/sustainability.</p> <p>In addition, we are monitoring the development of climate change standards and regulatory frameworks, such as IFRS S1/S2 and CSDS 1/CSDS 2.</p>

Long-term goals	Actions taken and specific measures to achieve these goals
<p>5. Contribute to advancing the understanding of the impacts of climate change on the insurance industry</p>	<p>iA Financial Group is part of a sustainability community of practice, where members can share common concerns, consolidate expertise and develop new knowledge related to sustainability initiatives. We participated in various roundtable discussions related to these same concerns throughout the year. All members of the Corporation's Board of Directors also completed the <i>Climate Change Update</i> training this year. Workshops and climate risk management awareness sessions were held for key stakeholders and sector teams, focused on identifying, assessing and integrating climate risks and opportunities into our operational processes. These sessions included practical exercises and document sharing to enhance participants' understanding of climate risks within the organization.</p> <p>In parallel, executives and employees of iA Financial Group also engage with organizations concerned with sustainability and climate change.</p>

iA Financial Group continued on its path toward developing a transition plan, notably to strengthen the established foundations of its climate strategy. Several components are currently being implemented, such as the reduction of GHG emissions and adaptation to climate change through iA Financial Group's risk management program.

2.2 Integration into the corporate strategy

The strategic planning cycle is a business process that ensures that risks are taken into account in our corporate strategy, at both the global and sectoral levels. When drafting the corporate strategy and updating the related plan on a cyclical basis, an exhaustive review of emerging trends is done with the aim of positioning the organization in relation to the trends that will have the greatest impact in the future and developing cross-functional strategies. Our current positioning on sustainability and our strategic climate-related initiatives are therefore part of our corporate strategy in certain respects.

At the sectoral level, each organizational unit analyzes the risks and opportunities that have the greatest impact on their area of business when updating their respective strategic plan. For example, iAAH factors climate change into its financial planning in line with its strategy, estimating projected costs associated with catastrophic events for the coming year, identifying and assessing its reinsurance needs and reviewing its product pricing and underwriting strategies. In addition, the investments required to support the successful implementation of climate change initiatives are included in the review of iAAH's overall portfolio of initiatives.

In parallel, iA Financial Group aims to gradually integrate climate change risks into its operations, in particular by taking them into account in the processes associated with the development of its corporate strategy. Adverse scenario exercises and the underwriting, pricing and reinsurance processes are all examples of processes that enable it to adjust its strategy

as required, notably through risk transfer. Once the climate risk management framework has been completed, it will be possible to include a specific process for managing climate-related risks and opportunities in the development of the corporate strategy.

In 2025, iA Financial Group began developing a specific process aimed at identifying climate-related risks and opportunities in the development of its corporate strategy. Work will continue in 2026 to make it fully operational and integrate it into overall governance in the coming years.

In 2025, training workshops were organized for key employees of the Reporting Subsidiaries to raise their awareness of climate issues and the opportunities they may present. Additionally, iA Financial Group plans to develop performance indicators to monitor the progress of identified opportunities and strengthen the consideration of climate risks in its strategic decisions.

3. Integrated risk management

iA Financial Group’s risk management is an iterative and ongoing process whereby it ensures that risks are adequately managed and that they respect iA Financial Group’s risk appetite and tolerance. As part of this process, climate risks are considered to be transversal risk factors that can impact several risk categories, and are therefore integrated into the overall risk management process, the steps of which are shown below:



Note: The detailed steps of the process are described in the *Integrated Risk Management Corporate Policy*.

In the specific context of climate risk assessment, iA Financial Group relies on relevant data with methodologies established and recognized by the industry, when available, and on expert risk judgments. This assessment is also complemented by scenario analyses or stress tests to validate qualitative assessments, identify vulnerabilities and ensure that a sufficient level of liquidity and capital is maintained, where appropriate.

In the context of our climate change risk assessment work, we drew our inspiration from:

- Existing or pending climate-related regulations and guidelines (e.g., Canadian Securities Administrators Staff Notices, federal climate-related regulation in Canada and the United States, and the OSFI and AMF guidelines).
- Climate-related guidance and industry initiatives (e.g., *Climate Engagement Canada*, *Climate Action 100+*, *Net-Zero Asset Owner Alliance*, *PRI*).
- Climate change frameworks and standards (e.g., SASB standards, SASB Climate Risk Technical Bulletins).
- Peers’ disclosure on climate change.

The potential impacts of climate risks on iA Financial Group and its operations, as well as the negative repercussions on its various stakeholders, must be assessed over several time horizons since they may manifest themselves differently or may even intensify over longer-term horizons (10 years or more).

When a risk exceeds the tolerance defined for its category in the *Risk Appetite and Tolerance Statement*, the escalation procedure is initiated. In line with our sustainability strategy, climate risk appetite and tolerance were reviewed in 2025. The climate risk management approach provides, where relevant, for the integration of limits specific to risk categories into corporate risk management policies, the *Risk Appetite and Tolerance Statement* or related frameworks as and when they are revised to ensure consistency with our climate strategy and regulatory obligations.

Regular risk and risk management reporting is provided to the Executive Risk Management Committee and the RGEC in the Chief Risk Officer’s report. Where relevant, this reporting may include information on emerging risks and significant events that have occurred to reflect the evolution of climate risks and climate risk management initiatives.

3.1 Identification

The literature generally distinguishes between two broad climate change risk categories that structure the analysis and management of organizations’ climate exposures: transition risks and physical risks. These two risk categories are defined as follows:

- **Transition risks:** The risks of transitioning to a low-carbon economy may involve many of the changes needed to mitigate and adapt to climate change. These changes can occur at the policy, legal, technological and market levels. The magnitude of the financial and non-financial impacts, including reputational impacts, depends on the nature and speed of these changes, among other things.
- **Physical risks:** Physical risks, the other broad climate risk category, can result from climate events—such as increasingly severe flooding (higher physical risks)—or longer-term climate changes—such as prolonged higher temperatures (chronic physical risks). The financial implications of these types of risks include direct damage to the organization’s assets and a financial performance that is affected by changes throughout its entire value chain (e.g., extreme temperature fluctuations affecting the organization’s operations or procurement).

Additionally, climate risks are considered transversal risks that can amplify the various risk categories to which iA Financial Group is exposed. Table 1 below illustrates how climate change factors could affect the insurance and asset management businesses of our Reporting Subsidiaries.

Table 1 – Simplified mapping of climate change risks³

Climate risk factor	Risk categories potentially affected	Examples of potential risk events (non-exhaustive list)	Potentially affected sectors				
			Property and casualty insurance (auto and home)	Life and health insurance and savings (individual)	Life and health insurance and savings (group)	IAPG Dealer services	Asset management ⁴
Transition risks	Insurance risk	<ul style="list-style-type: none"> • Incorrect pricing related to new insurable technologies • Inadequate product offering due to changing customer preferences 	X	X	X	X	
	Credit risk	<ul style="list-style-type: none"> • Decline in profitability or value of borrowers in high-carbon sectors 					X
	Market risk	<ul style="list-style-type: none"> • Increased volatility or decline in the value of portfolio investments in high-carbon sectors • Depreciation of abandoned assets linked to less efficient or obsolete technologies 					X
	Liquidity risk	<ul style="list-style-type: none"> • Access to capital (or cost) influenced by the opinion of institutional investors, rating agencies and other financial market participants on the organization’s positioning in relation to climate change or the composition of its portfolio 					X
	Strategic risk	<ul style="list-style-type: none"> • Poor strategic choices related to “green” technologies or withdrawal from high-carbon sectors • Potential inability to provide insurance in high-risk geographic regions or to certain types of industries severely affected by climate change • Poor positioning in relation to climate risks monitored by institutional investors, rating agencies and other financial market players 	X		X	X	X
	Operational risk	<ul style="list-style-type: none"> • Exposure to litigation initiated on the grounds of inadequate management of climate change risks or insufficient disclosure of material risks • Difficulties in modelling and pricing risk coverage due to the heterogeneity of policies in various geographic regions 	X		X		
	Legal and regulatory risk	<ul style="list-style-type: none"> • Increased regulatory requirements and rising compliance costs • Strengthened capital and liquidity requirements 	X	X	X	X	X
	Reputational risk	<ul style="list-style-type: none"> • Exposure to high-carbon sectors and companies through investments • Growing investor expectations for information on climate-related risks and opportunities, and on short-, medium- and long-term climate change strategies 				X	X

³ The corporate segment (general support functions) is now included in the assessment of our businesses.

⁴ For the purposes of this mapping, the category “Asset Management” refers here to all investments and financing of the Reporting Subsidiaries.

Climate risk factor	Risk categories potentially affected	Examples of potential risk events (non-exhaustive list)	Potentially affected sectors				
			Property and casualty insurance (auto and home)	Life and health insurance and savings (individual)	Life and health insurance and savings (group)	IAPG Dealer services	Asset management ⁴
Physical risks	Insurance risk	<ul style="list-style-type: none"> Frequency and impact of extreme weather events (insured losses, morbidity and mortality rates) 	X	X	X	X	
	Credit risk	<ul style="list-style-type: none"> Decrease in the value of collateral backing loans 					X
	Market risk	<ul style="list-style-type: none"> Extreme weather events (increased operating costs and/or loss of revenue, impacting the return on affected assets) Depreciation of assets or reduction in the useful life of long-term assets (real estate and infrastructure) 					X
	Strategic risk	<ul style="list-style-type: none"> Extreme weather events that could monopolize the organization's resources and thus hinder the implementation of its business plan or strategically important initiatives 	X	X	X	X	
	Operational risk	<ul style="list-style-type: none"> Extreme weather events causing property damage or disruption to critical operations 	X	X	X	X	
	Legal and regulatory risk	<ul style="list-style-type: none"> Legal disputes over auto and home insurance policy coverage due to the increased frequency and severity of extreme weather events 	X			X	
	Reputational risk	<ul style="list-style-type: none"> Insurance coverage perceived as unaffordable due to the increase in extreme weather events and the resulting rise in premiums 	X	X	X	X	

This simplified mapping, initially carried out in 2023, was reviewed in 2025 and confirmed the sectors and risk categories that could be affected by climate change factors for the Reporting Subsidiaries. This exercise was supplemented by a qualitative assessment of the impact of climate change risks, the results of which are presented in the following section.

3.2 Qualitative assessment of climate change risks

The year 2025 was marked by the review of the qualitative climate risk mapping of the Reporting Subsidiaries, including management of their assets. For physical and transition risks, the main risk factors were identified and subjected to an inherent risk analysis to determine the potential impact on our operations. The analysis, based on the specific characteristics of each business segment, is the result of assessments conducted by experts in each segment, as well as risk management experts.

Table 2: Qualitative assessment of the potential impact of climate change risks⁵

Legend Low Moderate High Very high

Activity	Sector	Physical risk factors					Transition risk factors		
		Increase in the frequency and severity of heat waves - drought Increase in average temperatures	Increase in the frequency and severity of floods Changes/variability in precipitation patterns	Increase in the frequency and severity of storms (wind, hail)	Increase in the frequency and severity of storms (snow, ice)	Increase in the frequency and severity of forest fires	Policy and regulations	Technological advancements	Customer behaviour
Property and casualty insurance	Auto	Low	Low	Low	Moderate	Low	Moderate	Moderate	Low
	Home	Low	Very high	High	Very high	Moderate	Moderate	Moderate	Low
Life and health insurance and savings	Individual	Moderate	Low	Low	Low	Low	Moderate	Low	Moderate
	Group	Low	Low	Low	Low	Low	Moderate	Low	Low
Dealer services		Low	Low	Low	Low	Low	High	Low	Low
Asset management		Moderate	Moderate	Moderate	Moderate	Moderate	High	High	High

As anticipated, property and casualty insurance appears to be more exposed to physical risk factors, particularly in the home insurance sector, while asset management is likely to be more sensitive to transition factors that could lead to a decline in the profitability or value of certain asset classes, particularly in sectors with high carbon emissions.

This qualitative assessment does not take into account the transition and mitigation measures that iA Financial Group is implementing to strengthen its resilience to climate change risks. Examples of mitigation measures are presented in section 3.3 entitled "Risk Mitigation".

⁵ This table presents all Reporting Subsidiaries in order to provide an overview. However, it should not be interpreted as allowing a direct comparison between sectors, as the nature of the risks and the assessment methods specific to each sector differ.

3.3 Risk Mitigation

3.3.1 Guiding Principles

The following guiding principles describe, among other aspects, some of iA Financial Group's mitigation measures with regard to climate risk management:

- **Culture, engagement and accountability:** Sound risk management requires a shared commitment to iA Financial Group culture, whereby each individual adopts the right behaviours and assumes their share of responsibility in the face of these risks.
- **Strong governance:** Climate risk management is underpinned by a robust governance structure in which the roles and responsibilities of stakeholders are clearly defined, allowing for effective monitoring and management of these risks.
- **Integration into iA Financial Group frameworks and operations:** The goal is to fully integrate climate risk management into the risk management framework, the various policies, each of the taxonomy's risk categories and the various decision-making and accountability processes of iA Financial Group.
- **Recognized importance:** iA Financial Group recognizes that climate change is a source of physical and transition risks, including liability risk. In line with its sustainable growth strategy, it aims to manage its risks and seize opportunities that promote energy transition and adaptation to climate impacts.
- **Compliance with regulatory requirements:** The implementation of a climate risk management framework applicable to iA Financial Group will enable it to more effectively fulfill its regulatory obligations to manage and report on the risks associated with climate change. Transparency contributes to financial stability as it enables investors, regulators and other stakeholders to better understand iA Financial Group's risk exposure and climate risk management practices.
- **A transition plan:** The aim is that the transition plan will enable iA Financial Group to mitigate the various risks involved in transitioning to a low-carbon economy (including political, technological, market and reputational risks) by preparing it for regulatory changes, adjusting strategy in the face of market volatility and communicating transparently with its stakeholders about its decarbonization initiatives.

3.3.2 Some examples of climate risk management in our business segments (non-exhaustive list)

3.3.2.1 Life and health insurance

iA Insurance has established guidelines pertaining to underwriting and claims adjudication risks that specify its retention limits. These retention limits vary according to the type of coverage and the characteristics of the insureds and are revised when needed according to iA Insurance's capacity to manage and absorb the financial impact associated with an unfavourable experience regarding each risk. Once the retention limits have been reached, iA Insurance turns to reinsurance to cover the excess risk.

3.3.2.2 Property and casualty insurance (auto and home)

Regarding the Property and casualty insurance sector, climate risks are integrated into iAAH's financial planning. Catastrophe models are used to calculate the probable maximum loss (PMLs) from natural disasters so that iAAH subscribes enough coverage to be adequately protected from this risk. iAAH also uses modelling for certain types of natural disasters, which are incorporated into probable scenarios. It then analyzes the impact on capital to guarantee capital adequacy in a context of sound risk management. It assesses the impact of natural disasters⁶ on its financial performance annually and forecasts the impact of catastrophic losses in its operational plan and multi-year financial plan. The net impact of reinsurance for catastrophic losses in recent years and over the horizon of its financial plan is less than 4% of insurance income for each of those years.

Estimated losses arising from tropical storm Debby, which occurred in the summer of 2024, has changed little compared to the estimate made at the end of 2024. To mitigate the risks associated with potential natural disasters, iAAH has revised its underwriting rules with respect to eligibility and insurance limits for water damage endorsements.

iAAH continues to purchase reinsurance to hedge against the financial impact of natural disasters so devastating that they occur once every 500 years.

Climate risks are integrated into the individual property and casualty insurance contract pricing process. iAAH can adjust pricing, underwriting and products annually based on evolving circumstances and market conditions. For instance, in the case of home and auto insurance risks, the jurisdiction in which an insured resides is factored into the pricing, as climate risks differ from one jurisdiction to the next. This information can be found in the history of losses per jurisdiction used for setting adequate premiums for insureds.

⁶ Catastrophic losses are defined as the net impact after reinsurance from claims and reinstatement premiums originating from catastrophic events. Only events whose impact exceeds the smallest of half the retention of the reinsurance program or \$3.5M per event are considered.

3.3.2.3 Asset management

iA Financial Group recognizes that considering risks and identifying climate change opportunities are integral to sound asset management. Through iAGAM, these factors are integrated into our investment analyses to strengthen portfolio resilience and seize opportunities for sustainable value creation. Moreover, iAGAM's *Sustainable Investment Policy* provides a framework and guidelines for the consistent and comprehensive implementation of sustainable investment at iAGAM. It also sets out iAGAM's beliefs, commitments and approach to sustainable investing. This policy specifically guides its approach to climate change.

Transition risk and physical risk management

To mitigate transition risk, iA Financial Group first assessed its exposure to carbon-intensive emitters, then worked on a transition strategy aimed at reducing the carbon intensity of its portfolio in the targeted classes. In 2025, efforts undertaken were continued with the development of tools and reports that enable the group to track its progress towards achieving its decarbonization target.

With regard to physical risks, extreme weather events could affect all of iA Financial Group's assets, particularly its infrastructure and operating costs. In 2025, the group conducted scenario analyses to assess the potential impact of climate events on the value of assets in the targeted portfolios.

Decarbonization targets

iA Financial Group's decarbonization strategy supports the management of climate risks and opportunities in our investment process.

Regarding its target of reducing the carbon intensity of its public corporate bond portfolio by 40 %⁷ by 2035, iA Financial Group first evaluated its exposure to high-emission sectors using various metrics, including financed emissions. This exercise is based on the internal taxonomy and mapping discussed above. As mentioned above, in 2025, iAGAM continued the efforts initiated by developing tools and reports that also enable portfolio managers to focus their decarbonization strategy on achieving the targets.

Regarding the target of reducing the GHG emission intensity of the Canadian real estate holdings by 60% by 2035⁷, iAGAM conducted a portfolio analysis, followed by feasibility studies for several buildings to define a decarbonization trajectory. These studies will enable the development of an action plan for implementing the decarbonization strategy for Canadian buildings and ensure its follow-up using indicators.

⁷ Using 2022 as a baseline.

Engagement and collaboration

In parallel, throughout 2025, iAGAM pursued its engagement initiatives with its various stakeholders to promote sustainable and transparent practices, particularly through our engagement initiatives with companies in which it invests to improve data accessibility and strengthen their climate practices. Additionally, iAGAM remains committed to two collaborative initiatives, *Climate Action 100+* and *Climate Engagement Canada*, which aim to support the largest corporate emitters in their energy transition. iAGAM also collaborates with its industry peers on advancing various sustainable finance issues, in addition to supporting academic initiatives through a strategic partnership with the HEC Montreal Foundation. This partnership aims to support the development of the Chair in Sustainable Finance.

3.4 Climate scenarios, stress testing and liquidity adequacy

The risk management process relies on relevant data and methodologies established and recognized by the industry (where accessible), as well as expert risk judgments for all risk categories in the taxonomy. This assessment should also be complemented by scenario analyses or stress tests to validate qualitative assessments, identify vulnerabilities and ensure that a sufficient level of liquidity and capital is maintained, where appropriate.

With regard to climate risks, building upon the works carried out in 2024, a Standardized Climate Scenario Exercise (SCSE), developed by the AMF and the OSFI, was completed in 2025.

In addition to this regulatory exercise, in 2025, iA Financial Group included an initial consolidated analysis of climate risks in its Own Risk and Solvency Assessment ("ORSA") report. The scenarios studied—including a delayed transition scenario and extreme climate event scenarios—lead us to conclude that the capital ratios remain within our risk appetite and tolerance targets.

For its part, iAAH also conducted its own internal analysis of climate risk scenarios covering property and casualty insurance activities. The results of this quantitative analysis demonstrate, as with iA Financial Group, a limited impact on iAAH's capital ratio.

iA Financial Group will continue to develop its climate modelling capabilities in line with regulatory expectations and in a context where knowledge is evolving rapidly and continuously.

3.5 Fair treatment of customers

With the goal of embedding high standards for the fair treatment of customers, the Reporting Subsidiaries have adopted the *Fair Treatment of Customers Corporate Policy* and framework to establish the principles and standards to be adopted by the business segments to ensure that customers are treated fairly, offered products that meet their needs and served in an efficient, fair and respectful manner. Indicators have also been developed to track and measure their performance with respect to fair treatment of customers. These indicators provide a detailed overview of fair treatment practices as they relate to customers and allow us to identify gaps in applying the principles and take action to address them. These indicators also allow for adequate reporting to the Reporting Subsidiaries' governance bodies.

Climate change could pose risks in terms of how customers may be treated and the product and service offerings tailored to their needs. In order to maintain high standards regarding the fair treatment of customers, these risks will be taken into account in the implementation of the *Fair Treatment of Customers Corporate Policy*, and related initiatives within the business segments will be adapted where necessary. These adjustments may include:

- product design and marketing processes, including underwriting.
- communication of fair and clear information to customers about the risks that climate change may pose.
- performance indicators for the fair treatment of customers.

4. Measures and objectives⁸

4.1 Indicators

In order to continuously improve its understanding of climate change and to fight it, iA Financial Group has set itself targets and is taking steps to achieve them. Measuring iA Financial Group's carbon footprint helps to determine the emission sources that can be reduced, and to devise a climate strategy that includes a transition plan. The carbon footprint metric also serves as a performance indicator that allows for the oversight and tracking of decarbonization targets. To this end, an indicator linked to GHG emissions has been created. This data is illustrated and detailed in Table 3. As a means of tracking the performance of this indicator, the data is reported annually to the Sustainability Steering Committee, the Sustainability Executive Committee and the RGEC. This report is relevant, as it enables them to gauge progress, identify areas of concern and make recommendations where necessary.

This report is directly linked to the two GHG reduction targets described in greater detail below, which are also essential indicators for iA Financial Group in its management of climate risks. Reduction targets data (Table 3 below) is also reported annually to the Sustainability Steering Committee, the Sustainability Executive Committee and the RGEC, which also enables them to gauge progress, identify areas of concern and make recommendations where necessary.

Table 3 below presents the GHG emissions data for the 2025 reporting period. The total Scope 1 and Scope 2 GHG emissions amount to 8,856 tons of CO₂ equivalent. In accordance with the financial control consolidation approach, these emissions are quantified for iA Financial Group assets, more specifically its real estate holdings (33 buildings in Canada, 2 in the United States) and its fleet of 46 vehicles.

⁸ All greenhouse gas (GHG) emissions data for iA Financial Group are unaudited and provided to the best of our knowledge. We occasionally use estimated data, but our aim is to collect real data and replace estimates with actual data in the coming years. In addition, all data and calculations related to the properties in this Report include properties acquired or sold during 2025, regardless of the time of year.

Table 3: Total annual GHG emissions as at December 31, 2025

Emission sources		Annual emissions (in tCO ₂ e) ⁹
1	Stationary combustion	5,761
	Mobile combustion	165
	Halocarbon leaks	278
Total Scope 1 emissions		6,204
2	Electricity	2,652
	Heating and steam	175
Total Scope 2 emissions ¹⁰		2,652
3	Waste	962
	Business travel	6,075
	Employee commuting	3,366
	Leased assets	2,411
	Financed emissions	992,725
Total Scope 3 emissions		1,005,539
GHG emissions		1,014,395

The carbon footprint calculation, its methodology, and explanations of increases and decreases in GHG emissions between previous years and 2025 are in our annual Sustainability Report, which is available on our website.

We are working to establish and fine-tune relevant climate risk indicators for the future. To this end, initiatives involving quantitative data are currently being followed up with the various internal sustainability and risk management committees, to ensure proper implementation, oversight and alignment of these indicators.

⁹ Results are rounded off.

¹⁰ In accordance with GHG Protocol guidelines, direct CO₂ emissions resulting from the combustion of biogenic materials - including biomass, biofuels and biogas - are excluded from Scope 1 and 2 calculations and therefore documented in this Report. For this reason, "heating and steam" are not included in Scope 1 and 2 emissions totals, as they relate to the combustion of biogenic materials.

¹¹ Using 2022 as the baseline.

¹² Past results have been adjusted to reflect changes in methodology, acquisitions and divestments of real estate holdings, updated emission factors and error corrections.

4.2 Targets and progress

In 2025, iA Financial Group continued to work on reducing its emissions and implementing the elements needed to achieve its targets¹¹, namely:

- a 60% reduction in the GHG emission intensity of our Canadian real estate holdings;
- a 40% reduction in the carbon intensity of our public corporate bond portfolio.

Table 4 below presents the GHG categories covered by the decarbonization target for our Canadian real estate portfolio for scopes 1 and 2. These are the emissions from the 33 Canadian buildings owned by iA Financial Group, totalling 6,819,251 sq. ft. Data is expressed in absolute emissions in tons of CO₂ equivalent. Since 2022, the absolute GHG reduction amounts to 630 tons of CO₂ equivalent.

Table 4: Reduction targets as at December 31

Emission sources		Annual emissions (in tCO ₂ e) ⁹	
		2022 ¹²	2025
Scope 1	Stationary combustion	6,444	6,119
	Halocarbon leaks	474	224
Scope 2	Electricity	2,330	2,275
Scope 1 and 2 emissions subject to the decarbonization target		9,248	8,618
Reduction in absolute emissions (in tCO₂e) since 2022		630	

Table 5 presents the progress we have made and our current status with regard to these intensity targets. In the coming years, iA Financial Group will review its climate-related metrics and targets to ensure that they continue to reflect its own businesses and circumstances.

Table 5: Targets and metrics as at December 31

Targets	Metrics	Data as at December 31 ¹³		Targets	
		2022 ¹⁴	2025	Target	Progress
Related to operational activities					
Reduce the GHG emissions intensity of our Canadian real estate holdings by 60% by 2035 ¹⁵	tCO ₂ e	9,248	8,618	N/A	N/A
	Carbon intensity in tCO ₂ e/sq.ft.	0.00138	0.00129	60%	-6.58%
Related to financing activities					
Reduce carbon intensity of public corporate bond portfolio by 40% by 2035	Weighted Average Carbon intensity (WACI) in tCO ₂ e/\$M revenues	401	303	40%	-28%

¹³ Results are rounded off.

¹⁴ Past results have been adjusted to reflect changes in methodology, acquisitions and divestments of real estate holdings, updated emission factors and error corrections.

¹⁵ iA Financial Group's Canadian real estate portfolio comprises 33 buildings, primarily located in Quebec, British Columbia and Ontario. Some buildings are not fully owned by iA Financial Group (ownership less than 100%). Under the financial control consolidation approach, only emissions attributable to stationary combustion, halocarbon leaks and electricity purchases from the share held by iA Financial Group are considered. In other words, building activity data is multiplied by the percentage of ownership. All data relating to iA Financial Group's GHG emissions are unverified and to the best of its knowledge.

4.3 Work completed

Each year, climate objectives are reviewed and adjusted as needed to ensure that iA Financial Group is implementing recognized industry practices and equipping itself with a robust framework that adapts to the ever-changing environment of climate-related risk and opportunity management.

In 2025, the following measures were taken to support the implementation of the climate strategy:

1. Clarification of the decarbonization trajectory for Canadian real estate holdings.
2. Mapping the exposure of all our equity and corporate bond investments and initiating the low-carbon transition to achieve the 2035 target described above.
3. Participation in various consultations with provincial, federal and international bodies regarding climate risk management, which allowed iA Financial Group to share its position on subjects that could ultimately influence its risk management practices, and to gain a better understanding of that of our peers and the industry as a whole.
4. Implementation of a structured climate risk management program, including the identification of relevant key risk indicators (KRIs) and the review of risk appetite and tolerance. This program is based on a roadmap approved by the Risk Management Executive Committee and includes work in progress, such as validation of the approach, climate stress testing and capital position impact analysis. The goal is to integrate climate risks into ORSA and FCT reports and enhance compliance with regulatory requirements.
5. Participation in the first phase of the AMF-OSFI Standardized Climate Scenario Exercise, in particular to enable the Reporting Subsidiaries to better assess and understand their potential exposure to climate risks.
6. Communication of a roadmap within the organization that will enable us to:
 - determine the impact of climate change on the Reporting Subsidiaries' operations and products;
 - identify and assess the risks and opportunities associated with climate change;
 - strengthen the control environment;
 - report on climate risk developments and how effectively they are managed using key risk monitoring indicators.

Succeeding Now and Tomorrow

This report, our *Sustainability Policy* and various other documents related to sustainability are available on our website at ia.ca, in the "Sustainability" section.

To reduce our production of printed materials at the source, iA Financial Group has decided not to print this *Climate Report*. An electronic version of this document is available at ia.ca