Annual Sustainability Bond Use of Proceeds Report

July 2026

iA Financial Group

Table of contents

Introduction

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, RRSPs, 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, 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 agenda by supporting the United Nations Sustainable Development Goals, signing, through its subsidiary Industrial Alliance Investment Management Inc., the United Nations Principles for Responsible Investment and gradually implementing climate change disclosure requirements.

In 2022, iA Financial Corporation issued its inaugural Sustainability Bond, a $300 million aggregate principal amount of 3.187% fixed/floating subordinated debentures (the "**3.187% Debentures**"). As of the date of this *2025 Annual Sustainability Bond Use of Proceeds Report* (the "**Report**"), there is complete allocation of an amount equal to the net proceeds from the 3.187% Debentures to a combination of assets that meet the Eligibility Criteria within each of the Green Eligible Categories and Social Eligible Categories.

This Report summarizes the use of proceeds of the 3.187% Debentures for the year 2025. It also provides a brief description of the projects assigned to the Sustainability Bond, as well as their expected impacts. Finally, it provides an overview of the *Sustainability Bond Framework* published by iA Financial Group in February 2022 (the "**Framework** "). Our decision to develop the Framework is part of our commitment to sustainable finance.

All capitalized terms used and not defined herein have the meanings given to them in the *Sustainability Bond Framework*, which is available on our website at ia.ca. The terms "us", "we", "our" and "iA Financial Group" all refer to iA Financial Corporation Inc. and its subsidiaries, while the term "Corporation" refers to iA Financial Corporation Inc. only. All data is presented as of December 31, 2025, and is in Canadian dollars unless otherwise noted.

Summary of the Sustainability Bond Framework

The Framework addresses the four core components of the International Capital Market Association ("**ICMA**") *Sustainability Bond Guidelines*.

Use of Proceeds

Under the Framework, the Corporation intends to allocate an amount equal to the net proceeds of each Sustainability Bond to finance or refinance, in part or in full, expenditures or investments that meet the Eligibility Criteria within each of the Green Eligible Categories and Social Eligible Categories. Where the Eligible Asset is a loan or investment in a business, the business must derive 90% or more of its revenues from activities that meet the Eligibility Criteria[1].

For each category, the Corporation has drawn up a list of criteria to determine the eligibility of a product or project, as set out in its Framework. Each of these assets is aligned with at least one of the United Nations Sustainable Development Goals. The table below summarizes the Eligible Categories and the UNSDG alignment.

Project Selection and Evaluation Process

The Corporation has established a Sustainability Bond Committee ("**SBC**") to supervise the process for project evaluation and selection. The SBC oversees the governance of the Framework and ensures that projects financed by a Sustainability Bond are aligned with the Green Bond Principles and the Social Bond Principles. The SBC comprises key members, including the Executive Vice-President, Chief Finance Officer and Chief Actuary; the Executive Vice President and Chief Investment Officer; the Executive Vice President and Chief Risk Officer; and the Vice-President, Investor Relations, Sustainability and Public Affairs of iA Financial Corporation Inc.; and the Vice-President, Head of Strategy and Transformation, iAGAM[2]. The SBC informs iA Financial Group's Sustainability Executive Committee of changes related to the governance of the Framework. The SBC reviews potential projects within the Green Eligible Categories and Social Eligible Categories against the eligibility criteria defined in the Framework and evaluates their qualification.

1 The 90% revenue threshold does not apply to Eligible Categories which are based on ownership composition (i.e., "Majority women-owned businesses" and "Indigenous communities and businesses").
2 "iAGAM" is a trademark under which Industrial Alliance Investment Management Inc. and iA Global Asset Management Inc. operate.

Green Eligible Categories	United Nations Sustainable Development Goals Alignment
Clean energy	7 AFFORDABLE AND CLEAN ENERGY
Energy efficiency	7 AFFORDABLE AND CLEAN ENERGY
Clean transportation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Green buildings	11 SUSTAINABLE CITIES AND COMMUNITIES
Sustainable water and waste management	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Pollution prevention and control	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Environmentally sustainable management of living natural resources and land use	14 LIFE BELOW WATER; 15 LIFE ON LAND
Access to essential services and infrastructure	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION
Affordable housing and basic infrastructure	10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
Majority women-owned businesses	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES
Indigenous communities and businesses	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES

Management of Proceeds

The Sustainability Bond Register is maintained to enable the SBC to track Eligible Assets for investment. The Eligible Asset portfolio is reviewed quarterly by the SBC and contains relevant information, including Eligibility Categories and allocation amounts. The Eligible Asset portfolio is monitored by the SBC to ensure assets continue to meet the Eligibility Criteria and are greater than or equal to the aggregate amount of the outstanding Sustainability Bond issuances.

Reporting

The Corporation intends to publish an annual Sustainability Bond allocation and impact report on its website at ia.ca until full allocation of the proceeds. In the case of any material changes in the interim, the Corporation will publish an updated report in a timely manner.

Impact reporting: The Corporation will report on the environmental and social impacts of financed or refinanced assets where feasible and will disclose measurement methodologies for quantitative indicators.

Second Party Opinion and Assurances

In 2022, Sustainalytics, a global leader in providing ESG research, ratings and data, reviewed the Framework and issued a Second Party Opinion confirming its alignment with the ICMA Sustainability Bond Guidelines 2021, the Green Bond Principles 2021 and the Social Bond Principles 2021.

As required by the Framework, an external review of the allocation of proceeds must be performed annually by iA Financial Group's external auditor or another external reviewer until full allocation of proceeds. For the 2022 annual report, Deloitte LLP prepared a limited assurance report on the use of Sustainability Bond proceeds. For this Report, as the allocation of the proceeds has been completed and has not undergone any material change, such a limited assurance report is not required.

Inaugural Sustainability Bond Issuance

On February 25, 2022, iA Financial Group issued its inaugural Sustainability Bond, the 3.187% Debentures.

Issuance Details

Key Issuance Metrics	
Issuer	iA Financial Corporation Inc.
Debentures	3.187% fixed/floating subordinated debentures due February 25, 2032
Principal Amount	$300,000,000
Net Proceeds	$297,950,000
Coupon	For the period from February 25, 2022 to February 25, 2027, the debentures bear a fixed annual interest rate of 3.187%, payable semi-annually commencing August 25, 2022. For the period from February 25, 2027 to February 25, 2032, they bear a variable interest rate equal to the Compounded Overnight Repo Rate Average (CORRA) plus 0.91%, payable quarterly commencing May 25, 2027. The initial interest payment on August 25, 2022 amounted to $15.935 per $1,000 principal amount of debentures.
Tenor	10 years
ISIN / CUSIP	CA45075EAC80 / 45075EAC8

Use of Proceeds

As of December 31, 2022, the net proceeds of the 3.187% Debentures had been fully allocated to finance or refinance, in part or in full, Eligible Assets. The Corporation has disbursed $300,000,000[3] in respect of the 3.187% Debentures.

The following table shows the allocation profile as of December 31, 2025.

Funding Allocation by Type

Type	December 31, 2025	
	Amount	Allocation
Lookback	$228,529,684	56.9%
New	$172,869,628	43.1%
	$401,399,312	**100%**
Environmental	$265,618,141	66.2%
Social	$135,781,170	33.8%
	$401,399,312	**100%**
Access to Essential Services & Infrastructure	$34,768,319	8.7%
Affordable Housing and Basic Infrastructure	$101,012,852	25.2%
Clean Energy	$175,594,361	43.7%
Clean Transportation	$39,000,000	9.7%
Green Buildings	$51,023,780	12.7%
	$401,399,312	**100%**
Financing	$304,404,230	75.8%
Refinancing	$96,995,082	24.2%
	$401,399,312	**100%**

3 The allocated amount includes an additional buffer of ~20% over-allocation of the issuance size to compensate for principal amortization over the life of the Sustainability Bond. A quarterly check of the allocation amount is performed. If the allocation amount falls below the principal amount of the Sustainability Bond, iA Financial Group will identify additional investments to maintain the allocation minimum.

Assets Allocated to iA Financial Group's Sustainability Bond

Type	Category	Asset	Sector	Country	Start Date	End Date	Financing/ Refinancing	Allocation reported December 31, 2025
Environmental	**Clean Energy**	1	Wind	Canada	December 1, 2015	November 24, 2034	Financing	$27,730,695
		2	Wind	Canada	December 1, 2015	November 24, 2034	Financing	$70,360,670
		3	Wind	USA	May 16, 2019	March 15, 2036	Financing	$25,302,567
		4	Wind	Canada	May 19, 2020	December 15, 2045	Financing	$19,343,654
		5	Solar and Wind	USA	December 13, 2022	December 31, 2047	Refinancing	$32,856,776
	Clean Transportation	6	Rapid Transit System	Canada	November 17, 2022	November 30, 2046	Financing	$10,000,000
		7	Rapid Transit System	Canada	November 17, 2022	November 30, 2060	Financing	$29,000,000
	Green Buildings	8	Real Estate	Canada	October 17, 2019	January 1, 2100	Financing	$51,023,780
Social	**Access to Essential Services & Infrastructures**	9	Care Centers	Canada	June 27, 2019	March 31, 2041	Financing	$34,768,319
	Affordable Housing and Basic Infrastructure	10	Social Housing	UK	August 27, 2025	August 27, 2032	Refinancing	$64,138,306
		11	Social Housing	UK	July 13, 2022	July 13, 2057	Financing	$18,437,273
		12	Social Housing	UK	September 29, 2022	September 29, 2050	Financing	$18,437,273
								$401,399,312

Expected Impacts

The following table provides a brief description of the projects assigned to the Sustainable Bond and their expected impacts.

Project Description and Expected Impacts

Type	Category	Asset	Sector	Country	Description	Expected impact
Environmental	**Clean Energy**	1 and 2	Wind	Canada	Wind farm in the province of Quebec	Production of clean energy from natural resources
		3	Wind	USA	Construction and operation of a wind farm	Production of clean energy from natural resources
		4	Wind	Canada	Construction and operation of a wind farm in British Columbia	Production of clean energy from natural resources
		5	Solar and Wind	USA	Portfolio of operating renewable projects across the US	Production of clean energy from natural resources
	Clean Transportation	6 and 7	Rapid Transit System	Canada	New subway construction in Ontario	Increasing use of electric public transportation. The train has a maximum capacity of 30,000 passengers per hour.
	Green Buildings	8	Real Estate	Canada	Office building in Ontario	LEED Gold Certified
Social	**Access to Essential Services and Infrastructure**	9	Care Centers	Canada	Centre de soins de longue durée dans la province de Québec	Construction of a long-term care facility
	Affordable Housing and Basic Infrastructure	10	Social Housing	UK	Non-profit social housing association operating across England and Scotland (245,000 affordable housing units at a 20–50% discount to market rents)	Financing the construction and maintenance of affordable housing
		11	Social Housing	UK	Non-profit social housing association in the west of England with 6,500 affordable units	Financing the construction and maintenance of affordable housing
		12	Social Housing	UK	Non-profit social housing association in Northern Ireland with 5,600 affordable units	Financing the construction and maintenance of affordable housing

Management Confirmation

The SBC confirms that, as of December 31, 2022, the net proceeds of $297,950,000 from the sale of the 3.187% Debentures had been allocated to finance or refinance Eligible Assets. The Corporation is responsible for the completeness, accuracy and validity of this management assertion. The SBC also confirms that as of December 31, 2025, the allocation of proceeds has not undergone any material change and meets the parameters established for our Sustainable Bond.

For purposes of this confirmation, Eligible Assets relate to expenditures or investments for which iA Financial Group disbursed funds up to seven years prior to the issuance of the 3.187% Debentures related to the financing or refinancing of the above Eligible Assets.

Disclaimer

This Report is provided for informational purposes only and is subject to change without notice. No liability whatsoever is or will be accepted by iA Financial Group nor any of its affiliates nor any of their respective directors, officers, employees or agents for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this Report.

This Report does not, and is not intended to, constitute or form part of, and should not be construed as, an offer or invitation for the sale or purchase of, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities, businesses or assets of any entity, nor shall it or any part of it be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever. This Report and the information contained within it are unaudited.

Get
ahead

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 *Annual Sustainability Bond Use of Proceeds Report*. An electronic version of this document is available at ia.ca.

iA Financial Group

F82-148A (26-07) ACC