

2023

Annual Report on Forced Labour
and Child Labour in Supply Chains



Table of Contents

1. Introduction	3
2. Steps taken during the Reporting Period to prevent and reduce the risks of forced labour and child labour	4
3. Structure, activities and supply chains	5
3.1. About us	5
3.2. Our supply chains	5
4. Policies and due diligence processes	6
4.1. Our policies	6
4.2. Our due diligence processes	8
5. Assessing and managing our risk	9
6. Remediation measures	9
7. Training	10
8. Assessing the effectiveness of our actions	10
9. Scope of the Report and application of the Act	10
Appendix 1	12
List of directly and indirectly held major operating subsidiaries of iA Financial Corporation Inc.	12

1. Introduction

This *Annual Report on Forced Labour and Child Labour in Supply Chains* (the “Report”) is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “Act”) and sets out the steps taken by us during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods that we imported into Canada.

Pursuant to section 11(2)(b) of the Act, this Report is made for the financial year ending December 31, 2023 (the “Reporting Period”) and is made jointly by:

- iA Financial Corporation Inc. (“**iA Financial Corporation**”); and
- Industrial Alliance Insurance and Financial Services Inc. (“**iA Insurance**”);

(together with their controlled subsidiaries, “**us**”; “**we**”; “**our**”; the “**Corporation**” and “**iA Financial Group**”, as applicable.)

The terms “forced labour” and “child labour” are used herein but these concepts can also be referred to as “modern slavery” in this Report.

2. Steps taken during the Reporting Period to prevent and reduce the risks of forced labour and child labour

In general terms, iA Financial Group took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- identified its key suppliers of goods;
- identified activities related to the manufacture, sale, distribution and import of merchandise;
- started an initial mapping of its supply chains to identify risks involving modern slavery by sending comprehensive questionnaires to a number of key suppliers of iA Financial Corporation and its main reporting entity, iA Insurance, as well as to a number of key suppliers of select subsidiaries, including WGI Manufacturing Inc. ("**WGI**") and National Warranties NRW Limited ("**NW**"), controlled entities of iA Financial Group;
- started analyzing iA Financial Group's current situation and the results obtained through the questionnaires in order to assess the potential risk of forced labour or child labour being used in its activities or in its supply chain;
- identified potential mitigation measures in the event that such a risk is identified in its activities or in its supply chain;
- reviewed and updated its policies, statements and codes to reinforce those that may have a direct impact on the fight against modern slavery within the activities of iA Financial Group;
- provided training on the Act to iA Financial Corporation and iA Insurance's Boards of Directors and started providing training to key employees of iA Financial Group in the following corporate departments: procurement; legal; risk and compliance; and sustainability; and
- provided training on the Act to one key employee from each of WGI and NW.

Details of the above actions are set out in this Report.

3. Structure, activities and supply chains

3.1. About us

Founded in 1892, iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. It has over 5 million clients and 9,400 employees across Canada and the United States.

iA Financial Corporation Inc. is incorporated under the *Business Corporations Act* (Quebec) and listed on the Toronto Stock Exchange under the ticker symbol "IAG". iA Financial Corporation has over 20 operating subsidiaries throughout Canada and the United States.

Industrial Alliance Insurance and Financial Services Inc. is a life and health insurance and financial services corporation and offers products and services in personal insurance, individual wealth management, group insurance, group savings and retirement and auto and home insurance. It is governed by the *Insurers Act* (Quebec) and its sole common shareholder is iA Financial Corporation.

iA Insurance is also listed on the TSX where its issued and outstanding preferred shares are traded under the ticker symbol "IAF".

In addition to the two reporting entities, iA Financial Corporation and iA Assurance, described above, we identified two subsidiaries of iA Financial Group, although not subject to the Act, that manufacture, sell, distribute and import goods into Canada.

WGI, a wholly owned company of iA Financial Corporation, is a manufacturer and a distributor of automobile protection products such as sanitization and chemical products across Canada and it is the only manufacturer of goods within iA Financial Group, representing a very small percentage of the business of the group. NW, a wholly owned company of iA Insurance, is an automotive warranty provider in the province of Quebec, Canada, also representing a very small percentage of the business of the group.

For more information on iA Financial Corporation's directly and indirectly held major operating subsidiaries, please refer to the list provided in Appendix 1. Except for iA Insurance, none of these subsidiaries have reporting obligations under the Act.

3.2. Our supply chains

In 2023, iA Financial Group started mapping its supply chains to identify any risk of forced labour or child labour. We began by identifying tier one suppliers of the material goods that we procure. The primary products included, but were not limited to, information technology, telecommunications and office furniture. As of the date of this Report, the assessment of these suppliers indicates that we procure our goods within Canada and the United States only. We have not yet completed this mapping exercise, nor have we begun mapping our services suppliers or suppliers beyond the first tier.

4. Policies and due diligence processes

4.1. Our policies

Sustainability Policy

Our *Sustainability Policy* applies to all iA Financial Group activities and expresses our commitment to create economic and societal value within our markets and to ensure transparency by sharing our sustainability objectives and guidelines with our stakeholders.

During the Reporting Period, an in-depth review of the policy was carried out to ensure it remains current with this ever-evolving landscape, specifically incorporating the obligations of iA Financial Group regarding modern slavery. Pursuant to the review and as part of our accountability measures, it was established in this policy that the Board of Directors of iA Financial Corporation will be approving this Report annually on the recommendation of its Risk, Governance and Ethics Committee (“**RGEC**”).

Code of Business Conduct

The main objective of our *Code of Business Conduct* is to underscore the high standards of behaviour expected and required of any person whose work falls under the authority of iA Financial Group including any directors, employees or consultants and the importance of acting ethically, honestly and with integrity at all times.

Our *Code of Business Conduct* reflects our organization’s commitment to ethical conduct and compliance with the laws and regulations that govern our activities wherever we operate, including the *Quebec Charter of Human Rights and Freedoms* and the Act. Moreover, all employees, managers and members of the Board of Directors must annually certify their compliance with the code, be familiar with its provisions and act in accordance with their spirit and letter.

During the Reporting Period, we added a section about modern slavery to our *Code of Business Conduct*. Any person whose work falls under the authority of iA Financial Group can report, in good faith and without fear of reprisal, any questionable behaviour that appears illegal or unethical including in relation to modern slavery, under the denunciation process existing under the code. Such report may be made confidentially and anonymously via an Integrity Hotline.

Supplier Code of Conduct

The *Supplier Code of Conduct* establishes iA Financial Group's principles and expectations with respect to the way in which the suppliers of goods and services and their representatives and employees must do business and deal with the Corporation. The code addresses various topics, including ethics and governance, collusion and corruption, diversity and inclusion, human rights, labour law and working conditions. At iA Financial Group, we believe that our relationships should be grounded in transparency and integrity and we ask that our suppliers act ethically in the conduct of their business.

The *Supplier Code of Conduct* aims to ensure compliance with the laws and standards applicable wherever an entity operates. Suppliers must, among other obligations, respect workers' rights and human rights and comply with local laws regarding minimum working age. In addition, they must not engage in the practices of child labour, forced labour or any other form of modern slavery and must have a zero-tolerance policy in this regard for all their establishments, business activities and supply chain.

During the Reporting Period, we began the process of reviewing our *Supplier Code of Conduct* to specifically address modern slavery-related concerns and to adopt strict standards in this regard covering our suppliers' establishments, business activities and their own supply chains. This code also facilitates reporting by suppliers, in good faith and without fear of reprisal, of any questionable behaviour that appears illegal, or unethical under the code. Such report may be made confidentially and anonymously via an Integrity Hotline. Subsequent to the Reporting Period, we published the revised code on our website in March 2024.

Human Rights Statement

In 2021, iA Financial Group published its *Human Rights Statement*, outlining its commitment to respect and promote internationally recognized human rights. iA Financial Group is committed to upholding the *Universal Declaration of Human Rights*, the *International Covenant on Civil and Political Rights* and the *International Covenant on Economic, Social and Cultural Rights*, as well as the International Labour Organization *Declaration on Fundamental Principles and Rights at Work*.

During the Reporting Period, we specifically incorporated issues related to modern slavery into the statement. This new iteration was published on iA Financial Group's website at the beginning of 2024, subsequent to the Reporting Period. Reporting of any contravention of the statement may be made confidentially and anonymously via an Integrity Hotline.

Anti-Discrimination Statement

During the Reporting Period, iA Financial Group issued an *Anti-discrimination Statement* that advocates for respect and fair and equitable treatment between individuals. The statement covers the tools we use to ensure a non-discriminatory work environment. The statement has been adapted to include issues related to modern slavery and was published on our website at the beginning of 2024, subsequent to the Reporting Period. iA Financial Group recognizes that efforts to eliminate discrimination must also include measures to protect vulnerable people from modern slavery, as they are often victims of discrimination themselves.

4.2. Our due diligence processes

Governance Framework

Our *Governance Framework* links our culture of integrity to the Corporation's purpose, governance structure and key governance policies and practices. We adhere to governance best practices to preserve the independence of the Board and its ability to effectively oversee the Corporation's activities. These practices are based on a solid culture of integrity and ethics, and on a sound and prudent approach to risk management.

Code of Business Conduct

Each person whose work falls under the authority of iA Financial Group such as any director, employee or consultant is required to read and agree to abide by our *Code of Business Conduct* before starting to work with us, and must confirm in writing, on an annual basis, that they have reviewed the code and complied with it during the previous year. Management reports annually to the RGEC on compliance with the code. A paragraph on modern slavery was specifically incorporated into the code in 2023 prior to the code's annual signature campaign.

Integrity Hotline

In a continued effort to adhere to ethics and governance best practices, a reporting mechanism known as the "**Integrity Hotline**" has been put in place by the Corporation. The Integrity Hotline allows iA Financial Group's employees, consultants and suppliers, among others, to report confidentially and anonymously on questionable behaviour that may seem illegal, fraudulent or contrary to our business ethics, as well as any breach of iA Financial Group's policies and codes of conduct. Reporting is done through an independent third party. On a periodical basis, the RGEC and the Audit Committee receive and examine reports regarding the information received through the Integrity Hotline (the RGEC receives a report summarizing all cases on a semi-annual basis, with the exception of fraud cases which are reported to the Audit Committee on a quarterly basis).

Supplier Due Diligence

During the Reporting Period, we began sending out comprehensive questionnaires on modern slavery-related risks to certain suppliers in order to better identify and understand such risks across our supply chains. The recipients of these initial questionnaires were suppliers that were deemed material in terms of volume of business with iA Financial Group. This effort is ongoing and, together with our targeted practices, helps us detect risks of modern slavery in our supply chain and allows us adequate response to such risks.

5. Assessing and managing our risk

In the first quarter of 2024, on the basis of activities and procurement during the Reporting Period, iA Financial Group conducted a preliminary risk assessment of the risks of forced labour or child labour in our direct operations, in the entities that we control and in our supply chain. This assessment was completed as a test on a small sample size of activities and suppliers with the intention of then applying the methodology on a larger scale.

iA Financial Group believes that the risk of modern slavery relating to its own workforce and direct operations, as well as the workforce and direct operations of its subsidiaries, is low, given the nature of our business and the jurisdictions in which we operate. We operate in the insurance and wealth management business mainly in Canada and the United States, and within highly regulated labour markets. In terms of modern slavery, these business sectors are not considered key risk sectors, nor are the countries we operate in.

We are currently assessing the risk of modern slavery in our supply chains and we intend to continue such assessment in 2024.

6. Remediation measures

As described above, the Integrity Hotline allows iA Financial Group's employees, consultants, and suppliers, among others, to report confidentially and anonymously on questionable behaviour that may seem illegal, fraudulent or contrary to our business ethics, as well as any breach of iA Financial Group's policies and codes of conduct. Considering that modern slavery-related issues were also integrated into our Integrity Hotline mechanism during the Reporting Period and that we are promoting awareness of these reporting channels through our codes, policies and internal communications, we are able to monitor any concerns or complaints raised through these channels and to investigate and take actions on them.

As of the date of this Report, iA Financial Group's assessment did not identify specific risks of forced labour or child labour. As we have not identified any forced labour or child labour in our business or supply chains, we have not had to take any measures to remediate any forced labour or child labour or to remediate any resulting loss of income to vulnerable families.

7. Training

In June 2023, we provided training to iA Financial Corporation's and iA Insurance's boards of directors on the Act prior to its coming into force and on the directors' responsibilities under the new Act. We also provided training to a dozen of key employees of iA Financial Group in the following corporate departments: procurement; legal; risk and compliance; and sustainability as well as one key employee from each of our WGI and NW subsidiaries, both of which have activities involving manufacturing, distribution and importing of goods. The training was mandatory for our directors and the employees identified above, some of whom are part of management. This 30-minute training was prepared internally by our legal department, and covered issues of forced labour as well as child labour.

8. Assessing the effectiveness of our actions

During the Reporting Period, iA Financial Group began assessing the risks that forced labour or child labour is used in our activities and supply chains and began to set in place a number of measures to prevent and reduce such risks. However, we have not yet begun to assess the effectiveness of these measures.

9. Scope of the Report and application of the Act

iA financial Group is monitoring on a continuous basis the application of the Act (and all ancillary guidelines and guidance) to its activities, operations and subsidiaries and as a result the format and scope of this Report may evolve in the future.

The Boards of Directors of iA Financial Corporation Inc. and Industrial Alliance Insurance and Financial Services Inc. approved this joint report on May 9, 2024, which covers the financial year ending December 31, 2023, unless otherwise stated, the whole pursuant to section 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects, for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of the Boards of iA Financial Corporation Inc. and of Industrial Alliance Insurance and Financial Services Inc. for and on behalf of the Boards of Directors.

Denis Ricard

Director and President and Chief Executive Officer

iA Financial Corporation Inc. and Industrial Alliance Insurance and Financial Services Inc.

Date: May 27, 2024

A handwritten signature in black ink, appearing to read "Denis Ricard". The signature is fluid and cursive, with a large loop at the end of the last name.

I have the authority to bind "iA Financial Corporation Inc." and "Industrial Alliance Insurance and Financial Services Inc."

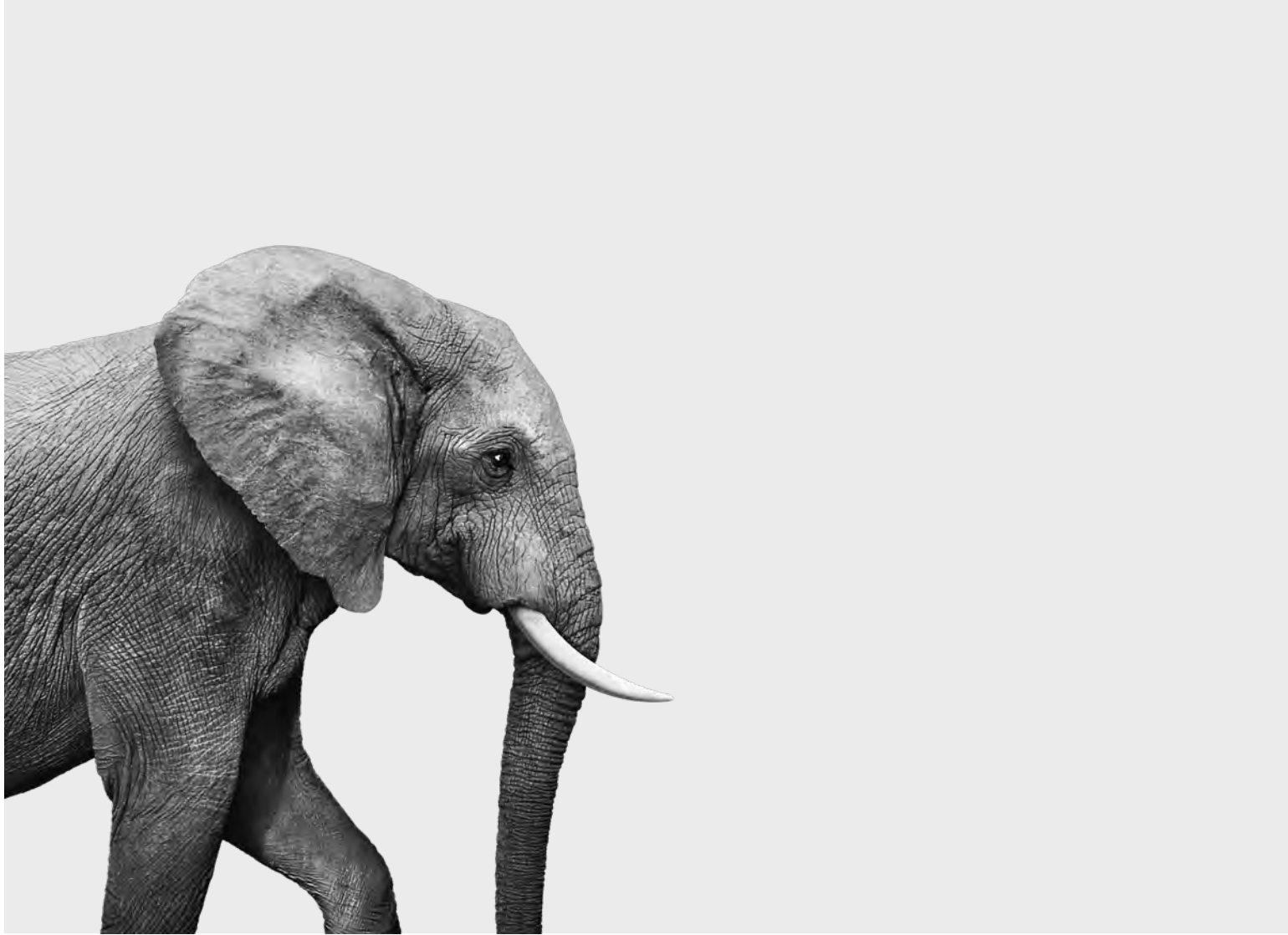
Appendix 1

List of directly and indirectly held major operating subsidiaries of iA Financial Corporation Inc.

As at December 31, 2023	Ownership (%)	Address	Description
Industrial Alliance Insurance and Financial Services Inc. ¹	100	Quebec City, Canada	Life and health insurance company that distributes life and health insurance products, savings and retirement plans, loans and other financial products and services
Michel Rhéaume et associés Itée	100	Montreal, Canada	Life insurance broker
PPI Management Inc. ¹	100	Toronto, Canada	Insurance broker
IA Clarington Investments Inc. ¹	100	Toronto, Canada	Fund management firm that markets investment products, including mutual funds and segregated funds
Investia Financial Services Inc.	100	Quebec City, Canada	Mutual fund broker
iA Private Wealth Inc. ¹	100	Montreal, Canada	Securities broker
iA Private Wealth (USA) Inc.	100	Toronto, Canada	Cross border securities broker
Industrial Alliance Investment Management Inc. ¹	100	Quebec City, Canada	Investment advisor that oversees the management of the Company's general fund, segregated fund and mutual fund portfolios
Industrial Alliance Trust Inc.	100	Quebec City, Canada	Trust services
Industrial Alliance Auto and Home Insurance Inc.	100	Quebec City, Canada	Property and casualty insurance company
Prysm General Insurance Inc.	100	Quebec City, Canada	Property and casualty insurance company
Industrial Alliance Pacific General Insurance Corporation	100	Quebec City, Canada	Property and casualty insurance, and other ancillary products company
SAL Marketing Inc.	100	Vancouver, Canada	Extended warranty and other ancillary products company
National Warranties MRWV Limited	100	Laval, Canada	Extended warranty and other ancillary products company
iA Auto Finance Inc. ¹	100	Oakville, Canada	Auto finance company
IA American Life Insurance Company	100	Waco, Texas, United States	Life and health insurance company that offers life insurance, health and annuity products in the United States
Pioneer Security Life Insurance Company	100	Waco, Texas, United States	Life and health insurance company that offers life insurance, health and annuity products in the United States
American-Amicable Life Insurance Company of Texas	100	Waco, Texas, United States	Life and health insurance company that offers life insurance, health and annuity products in the United States

As at December 31, 2023	Ownership (%)	Address	Description
Pioneer American Insurance Company	100	Waco, Texas, United States	Life and health insurance company that offers life insurance, health and annuity products in the United States
Occidental Life Insurance Company of North Carolina	100	Waco, Texas, United States	Life and health insurance company that offers life insurance, health and annuity products in the United States
Dealers Alliance Corporation ¹	100	Addison, Texas, United States	Extended warranty/service contracts and other ancillary products company
Dealers Assurance Company	100	Addison, Texas, United States	Property and casualty insurer providing liability insurance coverage to companies offering extended warranty/service contracts and other ancillary products
iA American Warranty Corp.	100	Albuquerque, New Mexico, United States	Administrator of extended warranty/service contracts and other ancillary products
Ecoblock, Inc.	100	Albuquerque, New Mexico, United States	Provider of ancillary automotive products
First Automotive Service Corporation	100	Albuquerque, New Mexico, United States	Extended warranty/service contracts and other ancillary products company
Lubrico Warranty Inc.	100	London, Canada	Automobile warranty company
WGI Service Plan Division Inc.	100	Vancouver, Canada	Automobile warranty and ancillary products company
WGI Manufacturing Inc.	100	Scarborough, Canada	Manufacturer and distributor of automobile protection products
IAS Parent Holdings, Inc. ¹	100	Austin, Texas, United States	Vehicle warranty and related software and services company
Surexdirect.com Ltd	70	Magrath, Canada	Digital property and casualty insurance distribution company

¹ These subsidiaries hold directly or indirectly other subsidiaries with essentially a 100% ownership.



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