

ADAPTING TO CHANGE

2014

SUSTAINABLE DEVELOPMENT AND
SOCIETAL RESPONSIBILITY REPORT



2014

SUSTAINABLE DEVELOPMENT AND SOCIETAL RESPONSIBILITY REPORT

2014 was the second year in SSQ Financial Group's five-year Sustainable Development and Societal Responsibility (SDSR) plan. Numerous concrete actions were taken, with highly satisfactory results. Reflecting its ongoing concern about human, economic, social and environmental impacts, SSQ is moving in the right direction. Our task will be to update the plan so that SSQ can meet the challenges of tomorrow.



PARTNERSHIPS AND EMPLOYEE INVOLVEMENT



\$106,423

Money raised for Seinbiose, a research project of the Fondation du CHU de Québec, through the SSQ Quebec City Marathon fundraising event

Five-year renewal of a partnership agreement with Courir à Québec for the SSQ Quebec City Marathon

5 YEARS



40% more employees benefited from the employer's contribution to personal volunteer activities

+40%

10% increase in employee contributions to Centraide/United Way



**Centraide
United Way**

INNOVATION

Nearly 95% of group insurance groups use e-billing

95%

SSQauto launches a mobile app allowing insureds to submit auto and home claims, produce a joint report, make an inventory of property and track vehicle repairs via *Body Shop Direct*



ssq.ca

Launch of a brand new ssq.ca



Increase in number of online quotes at SSQauto



Launch of Compassion Insurance,
a world first in group insurance

COMPASSION



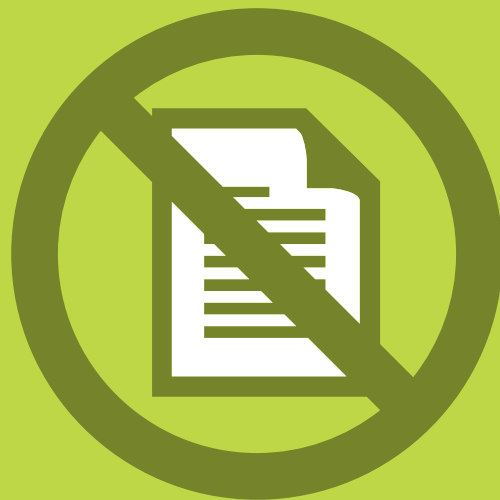
34% increase in group
insurance claims submitted
using the mobile application



Access to online claims offered to
100% of group insurance customers
from groups offering this service
to their members

100%

100% of home and auto insurance
claims are paperless



Nearly 60% more group
insurance members use
online claims

↑ 60%

AWARDS AND CERTIFICATIONS



“Prix Distinction” award in large company category at the “Coming together for company health and wellness” event

Certification of the HERE WE RECYCLE! program obtained for the Roland-Giroux building in Quebec City



REAL ESTATE

LEED® certification confirmed for St. Lawrence tower of the SSQ building in Quebec City



BOMA BEST® certification for the Roland-Giroux building and the St. Lawrence tower of the SSQ building in Quebec City



ENVIRONMENT

Distribution of the policy on responsible acquisition of goods and services to all company employees and providers/ suppliers, notifying them that the SDSR selection criteria would now be taken into consideration



Annual improvement of more than 6% of the SSQ automobile fleet's performance, with the addition of new environmental standards



Installation of nearly 2,000 square metres of carpet [made of recycled fishing nets] certified 100% carbon neutral at the Roland-Giroux building in Quebec City. SSQ received a certificate for this initiative



Reduction of the office supply list generated savings of more than 25%

25%

FSC® certification of the Copy Centre renewed for five years



The mark of responsible forestry

HUMAN COMMITMENT



Action 1 – Offer an accessible and high-quality customer experience

Gestures	Indicators	2014 Report
1. Conduct the necessary surveys to measure member and customer satisfaction rates with our products and services	<ul style="list-style-type: none"> Surveys measuring the satisfaction of our insured members, customers and partners 	<ul style="list-style-type: none"> 92% group insurance satisfaction rate Claim processing times in group insurance reduced by 35% 92% of insureds are satisfied or completely satisfied with the overall claim experience at SSQauto In development in the individual insurance sector
	<ul style="list-style-type: none"> Goals of excellence by business sector 	<ul style="list-style-type: none"> In development
2. Develop and maintain specific training programs for employees who work for different customer service departments at SSQ	<ul style="list-style-type: none"> Training new employees within six months 	<ul style="list-style-type: none"> 100% of new employees trained within the specific time frame
3. Expand our mobile and online services	<ul style="list-style-type: none"> Feasibility study detailing the online needs to add to the overall offering 	<ul style="list-style-type: none"> In development
	<ul style="list-style-type: none"> Surveys to determine additional needs for online services 	<ul style="list-style-type: none"> Available on ssq.ca
	<ul style="list-style-type: none"> Services with low environmental impact 	<ul style="list-style-type: none"> Complete group insurance booklet available electronically Electronic invoicing used by nearly 95% of our group insurance groups, up by 15% 10% increase in direct deposits by our intermediaries 100% of home and auto insurance claims are paperless SSQauto receives invoices electronically

Action 1 – Offer an accessible and high-quality customer experience (cont'd)

Gestures	Indicators	2014 Report
<p>3. Expand our mobile and online services (cont'd)</p>	<ul style="list-style-type: none"> New mobile and online services offered 	<ul style="list-style-type: none"> The brand new ssq.ca launched in May. Revamped site now adapted to all platforms and needs of users with an updated look and browsing capabilities Online claims are being added to Group Insurance's mobile app (in progress) SSQauto launches a mobile app allowing insureds to submit auto and home claims, produce a joint report, make an inventory of property and track vehicle repairs via <i>Body Shop Direct</i>
<p>4. Promote the use of our online services among our insured members</p>	<ul style="list-style-type: none"> Usage of online services 	<ul style="list-style-type: none"> The use of our online services is constantly growing Access to online claims offered to 100% of group insurance customers from groups offering this service to their members Nearly 60% increase in group insurance members who use online claims Nearly 30% of members use direct deposit for their claim reimbursements
	<ul style="list-style-type: none"> Identification of the objectives of online services by business sector 	<ul style="list-style-type: none"> Objectives to develop in Group Insurance, Investment and Retirement and SSQ Insurance Objectives defined by SSQauto Increase in number of online quotes at SSQauto
<p>5. Promote the efficiency and speed of SSQ Mobile Services for submitting claims</p>	<ul style="list-style-type: none"> Increased usage of SSQ Mobile Services 	<ul style="list-style-type: none"> 34% increase in group insurance claims submitted using the mobile application

Action 2 – Encourage employees to become agents of change in sustainable development

Gestures	Indicators	2014 Report
1. Make employees aware of sustainable development principles	<ul style="list-style-type: none"> Activities to make employees aware of the SDSR principles 	<ul style="list-style-type: none"> Regular employee updates from the 27 employees responsible for SDSR plan in the various sectors Conference on energy efficiency and water presented by the young members of the Sustainable Development Caravan as part of the training program of the Quebec network of CFERs (business and recycling training centres) SSQ's SDSR plan presented to all new employees
2. Build a shared company vision through a communications platform dedicated to attracting and retaining employees	<ul style="list-style-type: none"> Internal SDSR communications plan and employee mobilization activities 	<ul style="list-style-type: none"> Development of internal communication plan to mobilize and encourage employees to be key players in achieving the company's SDSR objectives Dissemination of annual results to all SSQ Financial Group employees

Action 3 – Maintain a high level of employee expertise

Gestures	Indicators	2014 Report
1. Encourage employees to develop skills that help them reach their potential and meet the needs of our customers	<ul style="list-style-type: none"> Budget percentage allocated to employee training 	<ul style="list-style-type: none"> Percentage maintained at nearly 2.5% of SSQ Financial Group's payroll
2. Set up a leadership training and professional development program for managers	<ul style="list-style-type: none"> Training and professional development programs 	<ul style="list-style-type: none"> Group leadership training followed by four groups of new managers through the LEAD program— a program for management staff development Budget for individual employee training maintained
3. Develop an internal communications policy that encourages dialogue between management and employees	<ul style="list-style-type: none"> Internal communications policy 	<ul style="list-style-type: none"> Policy implemented and communicated to all new employees
4. Coach employees in change management	<ul style="list-style-type: none"> Provide support with change management 	<ul style="list-style-type: none"> Services offered by the change management expertise centre to key stakeholders involved in change at SSQ

Action 4 – Take sustainable development principles into account when managing human capital and offer an engaging work environment

Gestures	Indicators	2014 Report
<p>1. Examine the results of the different organizational surveys and sustainable development principles in programs related to human resources to offer an engaging work environment and become an employer of choice that consistently promotes equality and employee diversity</p>	<ul style="list-style-type: none"> Integration of SDSR principles with company business practices 	<ul style="list-style-type: none"> Massive 90% of all employees participated in the mobilization survey conducted in September, with an overall mobilization score of 75%, corresponding to the organization's performance results Important expression of recognition among colleagues via the Recognition Place portal used to email more than 1,800 recognition cards More than 2,000 consultations of the My Career Path portal recorded. The portal provides employees with tools and support for their professional career, their employability and wellness at work
<p>2. Promote health and support employees</p>	<ul style="list-style-type: none"> Health promotion and employee support activities 	<ul style="list-style-type: none"> SSQ Financial Group was awarded the "Prix Distinction" in the large company category at the "Coming together for company health and wellness" event put on by the Healthy Enterprises Group last April Maintenance of diversified health programs and initiatives: HealthWise, MobilizAction, Employee Assistance Program (EAP), Recognition Time! (workplace recognition program), My Career Path My Career Path program implemented at SSQauto and SSQ Insurance

SOCIAL COMMITMENT



Action 5 – Offer products and services that promote responsible behaviours

Gestures	Indicators	2014 Report
<p>1. Promote online claims to insureds</p>	<ul style="list-style-type: none"> User rates of online services 	<ul style="list-style-type: none"> Access to online claims is available to individual insurance customers and group insurance groups offering this service to their insured members Nearly 60% more group insurance members use online claims Nearly 30% of insured members receive their benefit claim reimbursement by direct deposit Online claim service was launched by SSQauto in September 2014
<p>2. Incite and encourage consumers to adopt environmentally friendly behaviours</p>	<ul style="list-style-type: none"> Adherence to environmentally responsible products 	<ul style="list-style-type: none"> Promotion of the Kilo Program and green discounts via marketing on the ssqauto.com and ssq.ca websites Customer service agents promote the importance of accurately estimating mileage for the sake of savings and reducing the environmental footprint
<p>3. Increase the quantity of environmentally responsible products we offer</p>	<ul style="list-style-type: none"> Development of new environmentally responsible products 	<ul style="list-style-type: none"> In April, group insurance launched Compassion Insurance, a product that allows insured members to take time off work temporarily to care for gravely ill loved ones and receive benefits to offset the loss of income due to their absence from work—a world first Development of SSQ SMEs, a new, eco-friendly and 100% paperless group insurance product aimed at small and medium-sized businesses offered online At SSQauto: Kilo program, green discounts and <i>Body Shop Direct</i>

Action 6 – Integrate environmentally responsible criteria into policies for donations and institutional sponsorships

Gestures	Indicators	2014 Report
1. Build on policies for donations and institutional sponsorships that take the sustainable development efforts of applicants into account	<ul style="list-style-type: none"> Integration of SDSR criteria in the policies for donations and sponsorships 	<ul style="list-style-type: none"> Sustainable development criteria are being integrated into policies since 2013
	<ul style="list-style-type: none"> Promotion of our commitments in the community 	<ul style="list-style-type: none"> Five-year renewal of partnership agreement between SSQ Financial Group and Courir à Québec for the SSQ Quebec City Marathon Important fundraising event that is part of the SSQ Quebec City Marathon raised \$106,423 for the Seinbiose research project operated by the Quebec City CHU Foundation (FCHUQ) for the development of custom external breast prostheses for women who have undergone a mastectomy Good media coverage has helped highlight initiatives of SSQ Financial Group and its employees
2. Encourage employees to volunteer in order to help communities flourish	<ul style="list-style-type: none"> Measures to encourage employee volunteer work 	<ul style="list-style-type: none"> Very strong employee participation in the SSQ Quebec City Marathon and the activities surrounding the Seinbiose research project fundraiser Continuation of activities supporting the partnership between SSQauto and Fondation des pompiers du Québec pour les grands brûlés 40% more employees benefited from the employer's contribution to personal volunteer activities 10% increase in employee contributions to Centraide/United Way
	<ul style="list-style-type: none"> Promotion of the institutional donations policy and the directive on supporting the volunteer work done by employees 	<ul style="list-style-type: none"> Presentation to all new employees of institutional donations policy and directive on charitable donations to match volunteer work
3. Invest a portion of our net income in donations	<ul style="list-style-type: none"> Percentage of net gains is invested in donations 	<ul style="list-style-type: none"> 1% of net gains given in donations to organizations such as the Fondation de la Maison Michel-Sarrazin, the Fondation du CHU Sainte-Justine, the Monique-Fitz-Back Foundation, SickKids Foundation of Toronto, Centraide/United Way, and the Mouvement RAIZE to name just a few

Action 7 – Give back to the community through the SSQ Foundation

Gestures	Indicators	2014 Report
1. Maintain support for the SSQ Foundation	<ul style="list-style-type: none"> Percentage of the capitalization of the SSQ Foundation 	<ul style="list-style-type: none"> Capitalization of more than \$1.5 million to ensure the longevity of the SSQ Foundation

Action 8 – Invest in the next generation

Gestures	Indicators	2014 Report
1. Support the establishment of a youth co-op with the children of employees	<ul style="list-style-type: none"> Establishment of a youth co-op every year 	<ul style="list-style-type: none"> In the summer of 2014, a group of 14 young cooperators aged 11 to 14 made up the 12th edition of the SSQ youth co-op (CJSSQ). Two leaders, both university students, were hired to accompany the youngsters in their educational and entrepreneurial venture
2. Consolidate succession planning to ensure the lasting success of operations	<ul style="list-style-type: none"> Succession planning 	<ul style="list-style-type: none"> Launch of student succession initiative for all SSQ Financial Group subsidiaries to support student employees in their efforts to find their first job in their field Presentation of SSQ Succession Plan to all senior executives, senior directors and a number of managers SSQ Financial Group participated as panelist at the annual succession forum presented by the Conseil québécois de la coopération et de la mutualité
3. Promote the SSQ employer brand as employer of choice	<ul style="list-style-type: none"> Promote the SSQ employer brand 	<ul style="list-style-type: none"> SSQ Financial Group participated in the symposium on employability in sustainable development at Laval University SSQ Financial Group chosen by Laval University students as a research project to assess our health and wellness <i>HealthWise</i> program Organized networking activities in 75% of colleges and CEGEPS offering property and casualty insurance programs SSQ was featured on <i>Mode d'emploi</i> presented on the MAtv channel as part of program on insurance industry SSQ participated in the international human resources congress (Congrès international francophone des ressources humaines) as part of a conference entitled SSQ Financial Group – When leadership development becomes an objective [translation] Continuation of SSQauto programs for student clerks and agents

ENVIRONMENTAL COMMITMENT



Action 9 – Apply social and environmental considerations when acquiring goods and services

Gestures	Indicators	2014 Report
<p>1. Apply a policy on responsible goods and services acquisition and a directive on calls for tenders and responsible contracting</p>	<ul style="list-style-type: none"> Policy for responsible acquisition of goods and services 	<ul style="list-style-type: none"> Distribution of policy on responsible acquisition of goods and services to all company employees and providers/suppliers, notifying them that the SDSR selection criteria would now be taken into consideration Continued inclusion of policy criteria in the call for tender process, such as compatibility of business philosophies, cost-reduction mechanisms and compliance with ISO standards Identification of responsible providers/suppliers and standardization of practises for all SSQ enterprises Policy for responsible acquisition of goods and services applied to calls for tender for office supplies and ink cartridges New decision-making tool that takes a number of criteria into consideration including certificates and ISO standards obtained by providers/suppliers
<p>2. Efficiently dispose of residual materials according to 3R-D that make up first principle of the Quebec Residual Materials Management Policy: Reduction, Reuse, Recycling and Disposal</p>	<ul style="list-style-type: none"> The 3R-D internal management plan for residual materials 	<ul style="list-style-type: none"> Reduction of office supply list generated savings of more than 25% Installation of nearly 2,000 square metres of carpet certified 100% carbon neutral at the Roland-Giroux building in Quebec City and obtaining a certificate for this initiative Old carpet was recycled, diverting some 2,000 kilos of carpet away from landfills; certificate awarded to SSQ for this initiative Certification of HERE WE RECYCLE! program obtained for the Roland-Giroux building in Quebec City 100% of paper waste is shredded and recycled Computer equipment such as monitors, keyboards or laptops are given to OPEQ, a non-profit organization that distributes used computer equipment to schools in Quebec

Action 10 – Reduce our greenhouse gas emissions

Gestures	Indicators	2014 Report
1. Create an inventory of greenhouse gases (GHGs) produced every year	<ul style="list-style-type: none"> Inventory and definition of the greenhouse gas (GHG) reduction objectives 	<ul style="list-style-type: none"> In development
2. Promote alternative means of transportation to driving alone	<ul style="list-style-type: none"> Promote public transportation and carpooling 	<ul style="list-style-type: none"> 50% of cost of public transportation passes paid by employer: more than 300 employees enrolled in the public transportation program (L'abonne BUS)
	<ul style="list-style-type: none"> New initiatives for alternative ways of working 	<ul style="list-style-type: none"> Possibility of working from home for certain groups of employees In development
3. Include a wider selection of environmentally friendly vehicles in SSQ's automobile fleet	<ul style="list-style-type: none"> Environmental performance of the automobile fleet 	<ul style="list-style-type: none"> Annual improvement of more than 6% of the automobile fleet's performance, with addition of new environmental standards
4. Hold carbon-neutral annual meetings	<ul style="list-style-type: none"> Carbon footprint of the annual meeting 	<ul style="list-style-type: none"> Planting 200 trees on behalf of SSQ Financial Group in Peru and in Quebec to offset greenhouse gas emissions related to our annual meeting, support reforestation efforts and fight climate change

Action 11 – Reduce our paper consumption

Gestures	Indicators	2014 Report
1. Encourage group insurance intermediaries to register for online services	<ul style="list-style-type: none"> Intermediary registration rates for direct deposit 	<ul style="list-style-type: none"> More than 50% of intermediaries registered for direct deposit, an increase of almost 10%
	<ul style="list-style-type: none"> Usage rate of e-billing 	<ul style="list-style-type: none"> Nearly 95% of group insurance groups use e-billing
2. Implement a new employee awareness program to reduce the use of photocopies	<ul style="list-style-type: none"> Measure the reduction in photocopy and printer use 	<ul style="list-style-type: none"> Support for initiatives to reduce paper in various areas of the company Management tools developed to generate statistics and policies for printing to increase employee awareness in different sectors
3. Replace the <i>My insurance at a glance</i> brochure distributed to group insurance members with an abridged version and an online version	<ul style="list-style-type: none"> Production and distribution of an abridged and online version 	<ul style="list-style-type: none"> Summary of booklet given to insured members, reducing paper use by 90% since the beginning of 2014, i.e., the equivalent of 1.2 million sheets of paper

Action 11 – Reduce our paper consumption (cont'd)

Gestures	Indicators	2014 Report
4. Promote printing on both sides as a standard for all documents	<ul style="list-style-type: none"> Percentage of printers capable of printing on both sides 	<ul style="list-style-type: none"> Printing on both sides programmed by default on 100% of all printers
5. Ensure our Copy Centre maintains its certification	<ul style="list-style-type: none"> Certification of the Copy Centre and a policy on paper supply 	<ul style="list-style-type: none"> Purchase of FSC® Mixed Sources paper, consisting of a mixture of recycled FSC® certified materials from controlled sources FSC® certification of the Copy Centre renewed for five years

Action 12 – Reduce our water and energy consumption

Gestures	Indicators	2014 Report
1. Obtain BOMA BEST® certification for all SSQ-owned buildings to improve their performance and their environmental management	<ul style="list-style-type: none"> BOMA BEST® certification 	<ul style="list-style-type: none"> Obtain BOMA BEST® certification for the Roland-Giroux building and the St. Lawrence tower of the SSQ building in Quebec City
	<ul style="list-style-type: none"> Set a goal for water and energy reduction 	<ul style="list-style-type: none"> Savings in the time the lights are on, heating and cooling of approximately 25% at company headquarters and the Roland-Giroux building through changes in work schedule of housekeeping staff
2. Obtain LEED® certification for all construction projects built by SSQ Realty	<ul style="list-style-type: none"> LEED® certification 	<ul style="list-style-type: none"> LEED® certification confirmed for St. Lawrence tower of the SSQ building in Quebec City Aiming for LEED® certification for SSQ Tower in Longueuil and all new buildings
3. The Cité Verte project is raising awareness about the prescribed building methods and leading-edge products used in energy and environmental management: sustainable architecture, waste materials management and storm water and wastewater management	<ul style="list-style-type: none"> Promotion of Cité Verte's environmental friendliness 	<ul style="list-style-type: none"> Quebec City was handed the keys for infrastructures including the ponds, streets, sidewalks and terminal for residual waste collection Excellence and innovation of Cité Verte recognized again as it received Quebec City's special jury prize for architecture, two Cecobois awards, as well as coming in as finalist at the 2014 Gala Habitation The Office municipal d'habitation de Québec begins the construction of a 4-storey building that will include 40 social housing units of the AccèsLogis program Using an innovative waste collection process that uses an underground transportation network eliminating use and transport of waste containers on Cité Verte site has led to reduction of over 80% in greenhouse gas emissions

Action 12 – Reduce our water and energy consumption (cont’d)

Gestures	Indicators	2014 Report
<p>3. The Cité Verte project is raising awareness about the prescribed building methods and leading-edge products used in energy and environmental management: sustainable architecture, waste materials management and storm water and wastewater management (cont’d)</p>	<ul style="list-style-type: none"> Promotion of Cité Verte’s environmental friendliness (cont’d) 	<ul style="list-style-type: none"> Installation of charging stations for electric cars in the commercial parking lot Major landscaping that included the planting of 4,874 shrubs and plants Production of a corporate video used to present the unique nature of the project in competitions, special events and to potential buyers Major TV, print media and Web ad campaign in the fall promoting Cité Verte as a smart option to potential buyers

ECONOMIC COMMITMENT



Action 13 – Integrate our sustainable development policy into our business practices

Gestures	Indicators	2014 Report
<p>1. Integrate sustainable development indicators into the policy’s progress chart</p>	<ul style="list-style-type: none"> Progress chart 	<ul style="list-style-type: none"> Production and sharing of progress chart as a collaborative tool
<p>2. Present an annual report that integrates the SDSR report</p>	<ul style="list-style-type: none"> SDSR section integrated in the annual report 	<ul style="list-style-type: none"> Since 2013 SDSR section has been part of SSQ Financial Group’s annual report

Action 14 – Build on the sustainable and responsible profile of our investments

Gestures	Indicators	2014 Report
1. Promote the policy governing socially responsible investments adopted in 2006 and improved in 2008, by endorsing the PRI (Principles for Responsible Investment) initiative	<ul style="list-style-type: none"> Distribution of the policy on socially responsible investments and training of employees involved 	<ul style="list-style-type: none"> The policy governing socially responsible investments was revised and a new agreement was signed with our external auditor for responsible investments SSQ Financial Group participated in events related to financial markets and socially responsible investments such as the international <i>PRI in Person</i> event, sponsored by SSQ, a PRI and fixed income webinar and conference on climate bonds
2. Establish targets for change in response to the six PRI principles	<ul style="list-style-type: none"> Target the changes in response to the six PRI principles 	<ul style="list-style-type: none"> SSQ Financial Group participated in meetings of the PRI Québec network and took part in the first issue of “green” bonds in Canada
3. Continue with external audits of the Canadian company investment portfolio, with a focus on the responsible aspect of these investments	<ul style="list-style-type: none"> External audits and communications to the investment committee 	<ul style="list-style-type: none"> External audit of our investments in Canadian companies, with a focus on the responsibility aspect performed in January and July of 2014

Action 15 – Ensure the lasting success of the company through sustained growth and reasonable profits

Gestures	Indicators	2014 Report
1. Determine reasonable and responsible targets for overall company performance	<ul style="list-style-type: none"> Financial indicators 	<ul style="list-style-type: none"> General Insurance sales up by 4.3 % Insurance premiums in force up by 4.7 % Assets up by 2.9 % Improved expense ratio Successful withdrawal from the group product offering with management of members Improved financial strength

