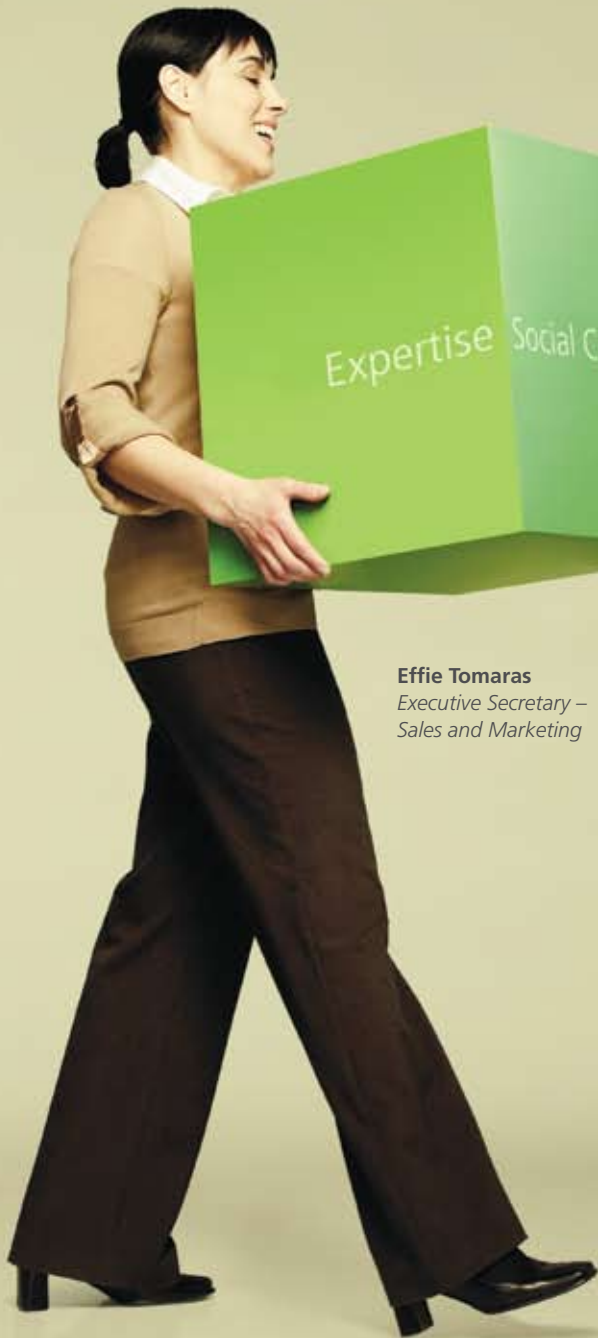


SOLID VALUES... WE CAN BUILD ON



Effie Tomaras
*Executive Secretary –
Sales and Marketing*



SOUND CORPORATE GOVERNANCE

To ensure the ongoing diversification and growth of our business at SSQ, we aim to achieve a level of profitability that is in keeping with our values and our market position. This approach allows us to remain competitive and strengthens the trust and loyalty of our clients and partners.

Our deep commitment to sound corporate governance is demonstrated through our organizational structure which is in compliance with the highest standards and in harmony with our values as a mutual company. It is this commitment and the desire to excel that allows us to guarantee quality service for our clients and an exceptional work environment for our employees.

THE BOARD OF DIRECTORS — The Board of Directors of SSQ is made up of 15 directors. Composed principally of members elected by delegates at the annual general meeting of the SSQ, Mutual Management Corporation, the Board contributes to a corporate culture that values democracy, equality, fairness and solidarity.

FOUR STANDING COMMITTEES OVERSEE THE COMPETENT AND EFFECTIVE MANAGEMENT OF OUR OPERATIONS:

- > The Executive Committee ensures the proper functioning of the administrative policies, programs and budgets that are established by the Board of Directors.
- > The Audit Committee backs the Board in its role of monitoring our financial management practices. Its independence is assured, among other things, by the fact that it is entirely composed of external directors.
- > The Investment Committee, composed of an equal number of external directors and senior officers, ensures that the general funds and the segregated funds of the Company are managed in accordance with the investment policies adopted by the Board.
- > The Ethics Committee, composed exclusively of external directors, adopts rules of business conduct for SSQ and ensures that they are communicated, updated when necessary, and fully adhered to. Because SSQ is a mutual company, a high level of transparency in all activities must be maintained to avoid any possible conflict of interest, or appearance of conflict of interest, that could be harmful to its clients.

Aware of the importance of open and transparent communications, the Board is regularly informed of the work carried out by its various committees. The Board receives all of the information needed to remain up to date on developments related to the Company's strategic planning in a timely manner. A period for private discussion amongst directors, independent of senior company officers, is an integral part of every Board and committee meeting.

The Board of Directors of SSQ has adopted a Code of Ethics establishing stringent rules for ethical behaviour to which all directors and senior officers must adhere. Aware of the importance of clearly demonstrating their respect for the principles set out in this code, every year all directors and senior officers must renew in writing their commitment to abide by SSQ's Code of Ethics.

Right from the start, separate Chair and CEO positions have ensured the Board's independence in relation to Management. This independence is further strengthened by having a majority of external directors on the Board, whose principal interest is the Company. Also, the fact that directors are not compensated based on financial results further contributes to decision-making that is in the best interest of clients, shareholders and employees.

All new members are invited to a private meeting with the Chairman of the Board, during which they are informed of business practices related to corporate governance, as well as the work of the Board and its various committees. The Chairman also gives new members a copy of the Manual for Board Directors, which provides an overview of documentation pertinent to their new role. This manual contains, among other things, important information about the nature of SSQ's operations as well as its legal and regulatory framework.

Board meetings provide directors with ample occasion to hear the opinions of senior management staff on various subjects related to insurance or the other activities of SSQ and its subsidiary companies. In addition, directors benefit from workshops and seminars designed to expand their knowledge and understanding of SSQ and its business lines as well as the insurance industry in general.

SOCIAL RESPONSIBILITY REPORT

SSQ: Committed to promoting good health

COMMITTED TO THE GOOD HEALTH OF OUR CLIENTS

— At SSQ, we believe that the protection and promotion of good health are key when it comes to effectively managing group insurance plans. That is why we offer our clients solid expertise and health solutions through our employee health and wellness program *Health InSight*. Each time we assist a group in adopting a health-based approach and each time we reach an individual through our healthy life/work balance initiatives, we believe we have made a difference and are contributing to positive change and improvement. The groups we work with tell us how much they appreciate the health-related activities we help them set up in their companies.

COMMITTED TO THE GOOD HEALTH OF OUR EMPLOYEES

— SSQ recognizes the importance of good health for the groups we insure and for our employees. That is why in 2006 we launched *HealthWise* at SSQ, an employee program that encourages positive work attendance through the protection and promotion a healthy lifestyle. Just a few of the initiatives introduced to encourage employees to take charge of their own health include an Intranet site, vaccination programs, ergonomic services, annual health check-ups, conferences and physical activity programs offered in the workplace. Along the same line, we actively promote the *Quit to Win! Challenge* to support our employees who want to quit smoking and the *5/30 Health Challenge* to promote physical exercise and healthy eating. A survey conducted by the *HealthWise* Committee indicates that over 70% of employees have adopted new lifestyle habits to improve their health because of the program. These results confirm the effectiveness of this health promotion initiative.

Employees are our most valuable asset

COMPETENT AND LOYAL EMPLOYEES — With an excellent reputation, steady growth, solid values and interesting job possibilities, SSQ is an employer of choice for anyone seeking a career in the insurance industry. In 2008, SSQ Financial Group created more than 126 permanent jobs. In addition, close to 120 other trainees, student employees and temporary employees gained valuable work experience in their employment category and thereby improved their employability. By offering competitive working conditions, a harmonious workplace environment and ongoing career skill development through training programs, SSQ maintains an employee turnover rate that is consistently among the lowest in the industry.

AT SSQ, TRAINING AND SKILLS DEVELOPMENT MEANS:

- > More than 3.5% of the company's payroll is allocated to training
- > Free access to LOMA courses specialized in insurance and training programs offered by the Autorité des marchés financiers
- > Courses in communications, change management, employee recognition and team work
- > Conferences on cooperation and mutualism
- > Bursaries for work-related educational programs
- > English conversation workshops, computer courses, first-aid training, and workshops on how to run meeting as well as time and priority management
- > Program to enhance our welcoming and integration process for new employees
- > Training program for new managers and implementation of management tools
- > Internet portal devoted to performance management
- > Skills identification tool based on individual job profiles
- > E-training capsules for employees who like to learn at their own pace

EMPLOYEES WITH BIG HEARTS — Responding to community needs, many SSQ employees volunteer their time to more than 120 charitable organizations and activities including the Magasin Partage, Noël des enfants, the Cure Foundation, the Monique-Fitz-Back Foundation, the Quebec Breast Cancer Foundation, Sun Youth, L'Écluse – a Montérégie youth centre, Portage, the Fondation des maladies de l'œil and many others. In total, close to 200 employees do volunteer work representing nearly 10,000 hours per year.

PREPARING FOR THE FUTURE — In addition to participating in industry-related activities such as business internships, SSQ also puts considerable effort into recruiting and training quality employees for the future. Thanks to our recruitment program, each year many students receive valuable insurance-related training and gain valuable hands-on experience in the workplace while being able to continue to study.

SSQ is a firm believer in the principles of mutualism and cooperation and actively promotes these ideals to today's youth. That is why a youth co-op has been organized at our head office every summer since 2003 – it is the only program of its kind in the Quebec City area. This year, 12 participants aged 13 to 15 took part in the program putting their creativity and imagination to good use. This initiative has been well received and supported by SSQ employees from the outset.

Giving back to the community

At SSQ, we haven't forgotten our modest beginnings in a disadvantaged neighbourhood. We started out with a mission to render health care services accessible to even the very poorest in the community. Today, we want to share the financial growth and success we have achieved and continue to carry out our mission, and in so doing contribute to strengthening the economic, cultural and social life of communities through sponsorships and donations, some of which are described in the following pages.

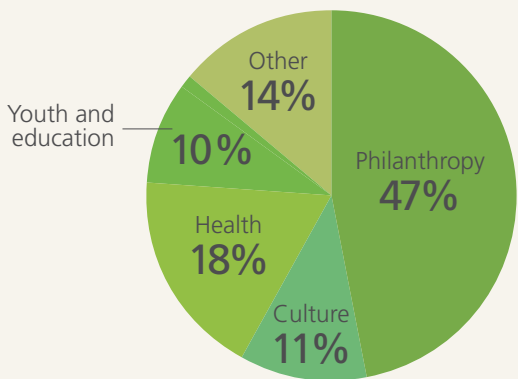
THE SSQ FOUNDATION — In 2008, SSQ enterprises injected \$50,000 into the SSQ Foundation which, after a 12-year investment period, increased its capitalization to over \$1 million. Attaining this level of capitalization allowed the SSQ Foundation to begin its charitable activities, focusing primarily on providing assistance to youth.

In 2008, the SSQ Foundation became a proud partner of the Réseau québécois des CFER, pledging financial support of \$25,000 per year over a three-year period. CFERs are "school enterprises" that offer high school

drop-outs aged 15 to 18 an alternative educational option. Students receive schooling both inside and outside the classroom as well as in student-run enterprises where they gain valuable work skills. The SSQ Foundation is also committed to providing \$10,000 per year over three years to the Centre Le Grand Chemin. This organization offers services to young people aged 12 to 17 who have become addicted to drugs, alcohol, prescription drugs or gambling.

Further, the SSQ Foundation has picked up where SSQ Financial Group left off by continuing to financially support the Fonds d'emprunt économique communautaire (Québec), an organization that gives access to credit to individuals unable to obtain it through traditional financial networks. SSQ has pledged financial support of \$15,000 per year over a three-year period.

DONATION PROGRAM — While pursuing the capitalization of the SSQ Foundation, SSQ donated close to \$270,000 in contributions to community service organizations. Our contributions and donations can be broken down as follows:



United Way

The generosity of our employees ensured that our goal to raise \$130,000 for the United Way in 2008 was surpassed. Individual donations by employees and retirees combined with SSQ's corporate donation totalled \$134,281. As in the past, our employees gave generously with close to 60% making donations, and 83 of those earning Major Donor distinction. It is also worth noting that employee donations increased by 13% over 2007. Finally, for a fourth consecutive year, our company earned the Platinum level for giving, a special recognition granted when more than 45% of employees participate and the average donation is over \$75.

Fondation du Centre hospitalier universitaire de Québec (CHUQ)

The CHUQ hospital foundation also benefited from the financial support of SSQ. With a \$100,000 financial commitment over five years, SSQ actively participates in the foundation's development fund, which enables the CHUQ to keep pace with the most advanced technological innovations.

The Heart and Stroke Foundation of Ontario

SSQ continued its five-year partnership with the Heart and Stroke Foundation of Ontario for a very special project aimed at setting up an Automatic External Defibrillator (AED) program in public buildings across Toronto. The program gives designated responders the authorization, training, equipment and instructions needed to administer the AED efficiently and safely in the event that an individual goes into cardiac arrest inside or close to the buildings. This is another example of SSQ's genuine concern for people's health!

Educaid

In 2008, we made a new five-year financial commitment of \$30,000 to Educaid, an educational assistance fund whose mission is to provide young people from underprivileged backgrounds with the financial support they need to complete high school and go on to post-secondary education.

211 line

Through a collective effort with other insurance companies in 2008, SSQ agreed to provide financial support to set up a 211 line designed to meet the needs of community organizations. This help line providing information and directing callers to appropriate community support services has been very well received. The centre received an average 2,000 calls per month in the first nine months of 2008.

Other contributions

SSQ continues to lend support to community-based organizations involved in the health sector including the Pignon Bleu, a community-based resource centre; the Centre Jacques-Cartier; the Centre communautaire Entre-Nous located in Gatineau's Aylmer neighbourhood; L'Arche; the Maison Michel-Sarrazin; and Portage. The Enfant-Jésus – Saint-Sacrement hospital foundation once again benefited from our support, with \$25,000 going toward improving the quality of health care services, research and teaching.

SSQ believes in the importance of arts and culture and encourages promising young musical talent by providing financial support to a provincial music contest held each year in Sillery, Quebec, and a musical camp located in the Saguenay-Lac-Saint-Jean region. We are also continuing our association with Les Violons du Roy and the Montreal Imperial Theatre.

SSQ is proud to promote perseverance and the pursuit of excellence through financial support to several sports teams. An example is our association with the University of Montreal's Carabins football team and the University of Laval's Rouge et Or volleyball team. For several years, we have been lending our support to the Jeunes entreprises du Québec métropolitain, an organization that introduces young people to the entrepreneurial world and encourages them to pursue their studies.

SPONSORSHIPS AND PARTNERSHIPS — SSQ is a responsible corporate citizen and as such is concerned with the welfare of all citizens. One of the ways we show our commitment to the wider community is through partnerships. In addition to our donation program, we are proud to support community organizations through our sponsorship program. Each year, we accept over 250 sponsorship requests. Following are just a few of the organizations SSQ sponsored in 2008.

Quebec City's 400th anniversary

SSQ is proud to have been an associate partner in Quebec City's 400th anniversary celebrations and one of the main partners in the Grenier de l'histoire SSQ. This theatrical project presented two events: The Greats of Yesterday and Today and the Founders' Duel. Stories of courageous men and women who through hard work and dedication, helped to develop and shape our history were presented. We owe a great deal to their commitment, energy and visionary spirit.

The SSQ Quebec City Marathon

Since 2006, SSQ Financial Group has been the title sponsor of the SSQ Quebec City Marathon and presenter of the Health 5K run. In 2008, the SSQ Quebec City Marathon won the Festival and Tourist Events category of a Quebec tourist awards program. In addition to contributing to the development of the local tourist industry, the Marathon and Health 5K run promote physical fitness and healthy living, while each year helping a health organization to carry out its mission. Over 450 participants from SSQ took part in a marathon event this year. The distinctive green shirts of SSQ employees couldn't be missed as they crossed the finish line! Together, the employees and management of SSQ raised \$35,000 this year for the Monique-Fitz-Back Foundation. This organization promotes sustainable development education and enables youngsters and adults to gain a better understanding of the relationship between the environment and health to be able to take positive, preventive action.

TOHU

For the sixth consecutive year, SSQ Financial Group is proud to be the principal partner of TOHU, Montreal's renowned circus arts centre. TOHU has a unique corporate mission combining the promotion of circus arts, environmental protection and community development. While aiming to become an international capital for circus arts, TOHU actively participates in the rehabilitation of one of the biggest landfill sites in urban North America and contributes to the revitalization of the surrounding neighbourhood.

SOCODEVI

SOCODEVI is a cooperative promoting international development. For the past 23 years, it has received the steadfast support of SSQ Financial Group – one of its founding members. In addition to financial support, we contribute the experience and expertise of our employees to advance projects SOCODEVI undertakes. In recent years, several of our employees have taken part in field missions to help set up a mutual health care centre in the Sikasso region of Mali, Africa. Our commitment to SOCODEVI is another way we take an active role in promoting cooperative and mutualist thinking around the world.

Concrete action for the environment and sustainable development

RECYCLING — Environmental protection is a principle we believe in strongly at SSQ. We mandate the recycling of our office paper to Recyclage Vanier and entrust our used computer material to companies specialized in this field. Our printing centre uses environmentally-friendly practices prescribing the use of non-toxic and non-polluting materials. The paper used in our printers and photocopiers and the 2.5 million envelopes used every year meet the standards of the Forest Stewardship Council (FSC), a non-profit organization devoted to ensuring that the world's forests are managed in an environmentally responsible, socially acceptable and economically viable manner.

Our employees participate enthusiastically in the recovery of refundable bottles and the recycling of plastics, glass and old batteries by using the recycling bins provided by SSQ.

GREEN INITIATIVES — Working with the company DUEL, SSQ General Insurance has designed a range of products made entirely of recycled banners from advertising campaigns and recycled safety belts. These products were offered as promotional items to employees, partners and clients.

REUSABLE COFFEE MUGS — Hurrah! Fair trade coffee and no more disposable styrofoam cups at SSQ! Employees are doing their part to go green by using the practical coffee mugs distributed to them by SSQ's Mutual Life Promotion Committee. The committee also ensures that every new employee gets a coffee mug. Since its introduction in 2007, over 85% of employees have indicated that they are either satisfied or very satisfied with this initiative. Fair trade coffee is available in most coffee machines at SSQ for same price as regular coffee. In the same vein, we support the efforts of Équiterre, an organization that develops projects that empower citizens to make environmentally and socially responsible choices.

SSQ ENCOURAGES PUBLIC TRANSPORTATION — SSQ financed the construction of a heated bus shelter outside our head office. In addition, an agreement with the local public bus transportation network means our employees obtain reduced rates for monthly bus passes. We are proud to report that a quarter of our employees use public transportation, whether it be for commuting to work or for their personal needs.

ECOLOGICAL FOOD BASKETS — SSQ's *HealthWise* Committee and Mutual Life Promotion Committee joined forces with a local food producer to enable our employees to receive organically grown fruit and vegetables. The green produce is delivered directly to the workplace over a 14-week period during the growing season. This initiative demonstrates how SSQ is encouraging healthy eating while supporting local sustainable agriculture.

SOCIALLY RESPONSIBLE INVESTING — True to our values, SSQ adopted a policy governing socially responsible investment clearly stating that we invest only in socially responsible companies that do not practise unethical behaviour such as discrimination, exploitation of child labour, human rights abuses or non-compliance with environmental standards. Moreover, SSQ Financial Group is the first insurer to become a signatory of the Principles for Responsible Investment (PRI).

Solid values for a sustainable future

Sustainable growth is achieved by everyone pulling together. Individual efforts come together to ensure collective success. We are proud to present this report highlighting what our approximately 1,500 employees have achieved by working together this year. At SSQ, everyone is committed to strengthening the community and that is why we are able to give back in such a significant way. Our values guide us and compel us to conduct our business with integrity and a human touch and they also inspire SSQ Financial Group to make a positive, sustainable contribution to society.



Pierre Genest
Chairman of the Board



René Hamel
Chief Executive Officer