Our purpose, Values and core belief

We believe that insurance is about people, not things. Our purpose is clear – to help people, businesses and society prosper in good times and be resilient in bad times.

Our purpose extends beyond simply getting customers back on track after a crisis. We combine our financial strength and deep industry expertise to help build a resilient society. 

Our strength is based on living our Values, caring for people, being open and honest, taking accountability, and driving change.
Our Values Guide Us
We won’t compromise on our Values because they matter as much as results.

Integrity
Being honest, open and fair, setting high standards, and standing up for what is right.

Respect
Being kind, seeing diversity as a strength, and being inclusive and collaborative.

Customer-driven
Listening to our customers, making it easy, finding solutions, and delivering second-to-none experiences.

Excellence
Acting with discipline, driving to outperform, embracing change, improving every day, and celebrating success, yet remaining humble.

Generosity
Helping others, protecting the environment, and making our communities more resilient.

We envision a future where we will continue to play an impactful role in helping customers and society to be more resilient.
About Intact Financial Corporation (IFC)

Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada and a leading provider of specialty insurance in North America, with over $12 billion in total annual premiums. The Company has over 16,000 employees who serve more than five million personal, business and public sector clients through offices in Canada and the U.S.

In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. Frank Cowan Company, a leading managing general agent, distributes public entity insurance programs including risk and claims management services in Canada.

In the U.S., Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, wholesalers and managing general agencies. Products are underwritten by the insurance company subsidiaries of Intact Insurance Group USA, LLC.

Reporting scope and boundary

Throughout this report, “Intact” and “we” refer to Intact Financial Corporation. All currency is in Canadian dollars unless otherwise noted. This report presents the impacts of our business activities during the fiscal year ending December 31, 2020.

About this Report

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Forward-looking statements

Certain of the statements included in this Report about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. These forward-looking statements include, among others, statements with respect to our beliefs and intentions, our vision, our strategic goals and priorities, including our actions related to climate change, child poverty, climate-related disclosure and diversity and inclusion. They also include statements regarding the impact of the COVID-19 pandemic and our response to it. We caution readers not to place undue reliance on these statements, as a number of factors could cause our results and intentions to differ materially from the expectations expressed or implied by the forward-looking statements. All of the forward-looking statements included in this report are qualified by these cautionary statements and those made under the Cautionary note regarding forward-looking statements and the Risk Management sections of our Management’s Discussion and Analysis for the year ended December 31, 2020.

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2020 Highlights

Provided **$530 million** in COVID-19 relief to more than 1.2 million customers

Gave **$4 million** to charities targeting the immediate needs of people most vulnerable to the effects of the pandemic

Donated over **$5 million** to United Way/Centraide organizations nationally

**$2.9 million** invested in 14 active climate adaptation partnerships

Committed nearly **$10 million** over 10 years to the Intact Centre on Climate Adaptation

Joined as a founding signatory to **The BlackNorth Initiative**

Reached out to **1.8 million** customers to have them share their feedback with us

53.7% of managerial positions are held by women¹

Named a **Best Employer in Canada** for the sixth consecutive year by Kincentric, and for the second consecutive year, Intact was named a **North American and U.S. Best Employer** by Kincentric

¹ Excludes Frank Cowan Company and On Side.
The past year has tested many aspects of society in an extraordinary way. The COVID-19 pandemic accelerated a number of underlying societal challenges, from poverty and racism to the care of our most vulnerable members. At Intact, we’re taking strides to adapt and move forward from the pandemic – businesses and their employees have an important role to play in leading the charge. As we continue to do our part, I’m pleased to share our progress with you.

Helping customers and society through the pandemic

We exist to help people, businesses and society prosper in good times and be resilient in bad times – and resiliency was a key theme in 2020. Our purpose and Values guide us in using our resources and expertise to help others and build communities that can withstand economic, social and environmental crises. The past year taught us that while we can’t eliminate complex, deep-rooted environmental and social problems overnight, we can apply a level of urgency in supporting solutions and take concrete actions to help.

We moved early to extend financial support to help our customers. In 2020, we provided $530 million in relief to over 1.2 million individual and business customers across the country, including premium reductions and payment flexibility. We continue to provide relief for our small business customers who have seen declines in revenues and sales. Towards the end of 2020, we launched the Intact Small Business Relief Program, providing an additional $50 million of relief funds to more than 100,000 vulnerable small business customers. We also continue to provide capacity to underwrite small business customers.

We also moved, within days of the first lockdown last March, to ensure that 98% of our employees were working from home. And, our people didn’t miss a beat in continuing to serve customers. The team also showed their generosity – by contributing 50% more to our community donation matching program in 2020. To recognize employee generosity, Intact doubled the donation match. I am exceptionally proud of the generosity of our people, and their drive to live our Value of being customer-driven in these challenging times.

While we supported employees’ efforts to donate, we also made an initial commitment of $2 million to help individuals and families most vulnerable to the social and economic effects of the pandemic. As the impact of the pandemic worsened, we doubled our financial commitment to $4 million. We prioritized food security and social support for the most affected, including the ill, elderly and the unemployed, to do our part to raise the bar on generosity and help society to be resilient during a challenging time.

Accelerating customer solutions

Our teams across North America continued to deliver for customers over the last year and advanced solutions to make it easy for customers to do business with us in a changing world.
We met increased customer demand for digital options through our market-leading insurance apps and telematics capabilities, and our user-friendly digital tools to file claims. Our mobile app more than doubled the number of monthly users. One out of three claims are now being reported digitally – twice the pre-crisis levels. And, we achieved a major milestone at belairdirect with 3 out of 4 customers now digitally engaged with us.

We also made product enhancements in personal lines to respond to the needs of our customers by accelerating our UBI program and increasing coverage and protection in personal property.

Strengthening distribution continues to be a focus. By simplifying our products and enhancing the claims process and digital experience, we will make it easier to buy online and engage with us. Value for money will be an increasingly important aspect coming out of the pandemic and we are well-positioned to meet the needs of our customers.

**Investing in a diverse and inclusive workforce**

Our people are at the heart of our strategy – it’s why being a best employer with a highly engaged team is a key strategic objective. We are committed to providing employees with the opportunity to shape the future, win as a team, and grow with us.

The importance of investing in our people has never been clearer. In moving our employee base to work from home, we invested quickly in the necessary IT infrastructure and tools to work virtually. And we doubled down on communication across the organization and enhanced mental health support. In addition, we invested in the rollout of digital collaboration tools and a new e-learning platform to help our employees adapt and succeed and as we prepare for the workplace of the future.

2020 highlighted many difficult societal challenges, including systemic racism and discrimination. Our approach to Diversity & Inclusion (D&I) is founded on our Values – including our Value of Integrity – which is focused on fairness and standing up for what is right, and our Value of Respect – which is founded on seeing diversity as a strength, being inclusive, and fostering collaboration. You can read more about our D&I strategy in this report.

To accelerate our strategy, we’ve established a new D&I Task Force which reports to our executive-level Diversity and Inclusion Council. We’re taking a data-driven approach, educating ourselves, and putting resources towards making Intact a more inclusive place for all. This includes the goal of ensuring that our employees and leaders are representative of the communities we serve. I’ve said before that this is a journey and not a sprint – we know that there is more work to do. We can do better, and we are committed to long-term action.

Despite the challenges, we’ve had record-high levels of engagement in 2020 and our people continued to deliver. They have been there every day for our customers, brokers and communities. I commend their can-do attitude, flexibility and empathy over the past year.

**Building a climate-resilient society**

At Intact, climate change is embedded in our business strategy to help us protect customers and our business. In addition to the ongoing effects of COVID-19, we must also consider the complex human and economic impacts of extreme weather on our communities. We are heavily invested in research, education and on increasing awareness of actions that customers and brokers can take to protect themselves.

Last year, we focused our attention on near-term adaptation measures to reduce the impact of severe weather. Preparation has always been critical to ensuring we can withstand systemic shocks, and we’ve continued to invest in building resilient communities. Our key partner in climate resilience – the Intact Centre on Climate Adaptation at the University of Waterloo – continues to move forward on their critical research with five new applied research studies completed and released to the public in 2020. This work includes the flood readiness of municipalities and provinces, and guidance to financial markets on factoring climate resilience into investment decisions. We’ve been proud to partner with Dr. Blair Feltmate and his team for the past five years – and we’ve renewed their mandate for another five years with an additional $5 million commitment.

To help speed up the adoption of resilience frameworks, we also committed $1.3 million to five new charitable partners last year through our Intact Adaptation Action Grant program. We now have an active portfolio of $2.9 million in climate projects across Canada. Our partners are exploring concrete solutions to help Canadians adapt to climate change and strengthen our communities, people and economy.

We have a proven track record of protecting our communities while building sustainable financial performance. You can read more about how we do this in this report and in the Task Force on Climate-related Financial Disclosure report.

**Becoming one of the most respected companies**

One of Intact’s goals is to be recognized as one of the most respected companies. We took a significant step in that direction last year by taking the number one spot in The Globe & Mail Board Games annual ranking. The ranking recognizes the strong governance and high ethical standards that are a critical component of our success.

Another aspect of being a most respected company is measuring all aspects of success – including our impact on society. We’re building a framework that will capture how we deliver value for customers, shareholders and society. We will enhance our social impact mandate to accelerate our leadership in climate change adaptation and create opportunities for children and families living in poverty. We intend to use our strengths to accomplish this and we’ll share more later this year.

Our customers and stakeholders trust us to do the right thing, be proactive and use our resources to live our purpose and help our communities. We’ve prioritized helping our customers and communities in the past year, and as we move forward, we will raise the bar on generosity to amplify our impact and continue to build a resilient economy and society.

Charles Brindamour
Chief Executive Officer
Social impact and our strategy

Our purpose – to help people, businesses and society prosper in good times and be resilient in bad times – drives our strategy and business objectives and gives meaning to our work.

People and society are at the heart of what we do.

Building resiliency is not only central to who we are and what we do, but it is core to our approach to helping society.
Our Evolved Strategic Roadmap: The Next Decade of Growth²

We have evolved our ten-year strategic roadmap in light of the proposed acquisition of RSA Insurance Group Plc³, to reflect the five big ideas indicated below.

As a purpose-driven business, ESG is naturally integrated into our strategic roadmap. Accountability for performance lies across our business operations. You will find examples of our performance in the pages listed below.

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² NOIPS is defined as net operating income per share. ROE is defined as return on equity. Our glossary of terms can be found here.
³ The RSA acquisition is expected to close during the second quarter of 2021. For more information on the transaction, please refer to our 2020 Annual Report.
Our approach to engaging stakeholders

Through our purpose, Values and strategy, we engage with a full range of stakeholders. We solicit feedback on our key ESG priorities and we commit to disclosing our continued performance. Key data points about our overall ESG performance can be found in the ESG data tables beginning on page 58.

Key stakeholders:

Customers
We are committed to going beyond expectations and delivering a second-to-none customer experience. We listen to our customers, understand their needs, make it easy to find solutions and deliver on our promises.

How we engage
• Customer surveys

Employees
We promise our people support, opportunities and performance-led financial rewards in a flexible work environment where they can:
• Shape the future – Help us lead an insurance transformation to better protect people, businesses and society
• Win as a team – Collaborate with inspiring people to do their best work every day and together, stand up for what is right
• Grow with us – Refresh and reinvent their skills, learn from our diverse teams, lift others up and grow

How we engage
• Annual engagement survey
• Employee networks
• Pulse surveys
• Discussions with senior management
• Employee webcasts
• Intranet

Shareholders
We create long-term value for our shareholders through our continued commitment to outperformance.

How we engage
• Direct engagement
• Meetings with the Chair and Directors of the Board
• Annual General Meeting
• ESG survey to institutional investors
• Quarterly earnings conference calls
• Investor Days

Society
We invest in making the communities where we live and work more resilient.

How we engage
• Supporting non-governmental organizations
• Through the Intact Foundation
• Employee Generosity – employee volunteering and donations
• Participation in multi-stakeholder initiatives
• Annual survey of charitable partners
Customers

Our core Value of being Customer-driven guides how we conduct our business and differentiates us in our industry. By building second-to-none customer experiences and helping our customers get back on track quickly, we gain their trust.

Supporting our customers through the COVID-19 pandemic

Being available for our customers in challenging times is our mission, and this did not waiver when the pandemic began. We remained responsive to our customers – nine out of ten customers calls were answered in less than three minutes in 2020.

Customers experiencing financial hardship were encouraged to reach out to their broker, or fill out a simple form online for Intact Insurance and belairdirect customers, or contact BrokerLink. Some of the types of relief we provided included waiving missed payment fees and offering payment deferrals.

As the pandemic continued, we noticed our customers’ habits changed – and we responded. We provided flexibility for those who used their cars and homes during the crisis for different purposes, such as making deliveries or running a business from home, and provided premium adjustments for changes in commercial and personal auto usage. Through our Usage-Based Insurance (UBI) program, customers could obtain a personalized auto insurance price based on their new driving habits, with savings of up to 25%.

Taking the new reality into account, we began offering a solution at the end of 2020 for customers who were working from home. Our offering gave these customers increased liability and home coverage, the option to add identity theft coverage and cyber protection at a discount, as well as free access to mental health and well-being programs for a limited time.

In 2020

Provided $530 million in COVID relief to more than 1.2 million customers

Over 4,000 employees worked across North America on over 339,000 claims
Working with Meals on Wheels to help our elderly customers

Between March and July, over 50 employees from our sales and claims teams across the country reached out to more than 14,000 elderly customers. They offered premium relief and, as part of our partnership with Meals on Wheels, provided free meals for those in need. This enabled us to make a personal connection during a difficult time, and more than 2,000 meals were delivered.

“I jumped at the chance to help with the Meals on Wheels program. I wanted to ensure that our communities have the resources they need to stay healthy and secure. When I did speak with people who needed support, I could hear the gratitude not only in their words but also in their voice.”

Nik Bolianatz, Expert Sales and Customer Service, Edmonton

“To have the opportunity to support customers and make a difference was invaluable and empowering to me. Most customers were very grateful and appreciated the help. For some, we were the first person to call and check in on them.”

Seann Le, Associate Sales and Customer Service, Ottawa

We encouraged impacted customers to reach out to access the following relief measures:

**General customer relief measures**
- Waiving of missed payment fees
- Flexible payment options, including payment deferrals
- Flexibility for those who were using their cars and homes during the crisis for different purposes like making deliveries and running a business from home

**Commercial lines relief**
- The Intact Small Business Relief Program: $50 million of immediate relief provided to approximately 100,000 small business customers
- Premium adjustments for change of use or storage of commercial vehicles

**Personal lines relief**
- Personal auto insurance premium reductions of: 15% on average for three months to reflect changes in driving habits
- Reductions of: 75% on average, per month, for as long as customers park and safely store their vehicles

In total, we provided $530 million in COVID relief to more than 1.2 million customers.
Helping small and medium-sized businesses

COVID-19 took a significant toll on small and medium-sized businesses. To help customers who lost revenue or had to close due to mandated shutdowns, we created the Intact Small Business Relief Program in the fall of 2020. The program provided $50 million in immediate relief to approximately 100,000 small business customers. Impacted customers were also able to take advantage of payment flexibility options and premium adjustments before their policies renewed. The Small Business Relief Program was in addition to the support we offered small and medium-sized business customers from the beginning of the pandemic.

In total, we provided $530 million in COVID relief to more than 1.2 million customers. In addition, we provided $4 million to charitable organizations to target the immediate needs of society and the individuals and families who are most vulnerable to the social, health and economic effects of the pandemic. More details can be found on pages 34-42.

Living our Value of Customer-driven

An integral part of being Customer-driven is listening to our customers, understanding their needs, and delivering on our promises. We are also fair and responsible when doing business with brokers, vendors and other stakeholders.

Our Customer-driven Policy guides all aspects of the customer experience and applies to all employees. It can be found in the ESG data table on page 59.

Creating a second-to-none customer experience

In today’s digital world, data and positive customer experiences are a competitive advantage. As part of our goal to provide an exceptional customer experience, we offer customers choices in how they interact with us. It is important that we’re there for them when they need us – and that includes engaging with them online.

We’ve developed a leading design practice, complete with user experience designers, behavioural scientists and customer journey specialists. Our human-centred design practice ensures a simple insurance experience. Canada’s top three rated apps in the insurance category – belairdirect, Intact Insurance and National Bank – are all designed in-house at the Intact Labs. Last year, more than one million consumers used our apps and the Intact app was also the most downloaded insurance app in Canada.

Leveraging innovation and data for better customer experience

We aim to be recognized as the best insurance artificial intelligence (AI) shop in the world. As customers increasingly turn to digital tools, our ability to proactively leverage our data and digital advantages will allow us to continue providing helpful and personalized information. Digital tools also help employees and brokers focus more on face-to-face time with customers.

Our labs are active across our brands to enhance our digital offering and improve the customer experience. Our commitment in terms of digital and AI investments keeps growing – our team of AI experts has grown to over 200 employees.

This year, we improved our customer experience by:

• Developing value-added features for our mobile apps, including crash assist and weather alerts
• Supporting the new belairdirect virtual assistant, which helps reduce call wait times and directs clients to self-serve tools
• Making adjustments to Usage-Based Insurance (UBI) to help clients pay according to their car usage

Launching Crash Assist

Available through our belairdirect mobile app, Crash Assist detects severe accidents in real time and give customers quick access to assistance: emergency and towing services, personalized advice to help manage the situation (accident report, crash scene guide, share my location) and the ability to file their auto claim. Intact is the first insurer in North America to offer this feature, leveraging our UBI program. The feature adds value and increases active digital engagement with our customers.

This innovative technology was piloted with 60,000 belairdirect customers on iOS and Android devices in the summer and fall of 2020. Nearly 600 accident alerts were sent following a crash detection and almost as many push notifications to start an online claim.

Customer feedback received will help improve the experience before we expand it to more personal line customers in 2021.
Meet the belairdirect virtual assistant

belairdirect introduced new chatbot features to help increase customer satisfaction and improve operational efficiency. Customers can start a live chat session with us or connect with an agent, depending on their needs. The chatbot reduces call wait times, directs clients to self-service tools and allows our agents to devote more time to more complex requests, analyzing client needs and advising them of the best coverage.

Revamping Client Centre

Our digital enhancements save time for both customers and brokers, enabling brokers to focus on providing valued professional advice to customers.

Our online services provide customers with easy, secure, on-demand access to their Intact Insurance or belairdirect policy documents, billing statements and claims information. In the one-stop Client Centre, for example, customers can submit or track the status of a claim and send claim documents, such as photos, receipts or police reports.

The pandemic accelerated society’s use of digital channels and increased the importance of such channels and experiences for our customers.

56% of customers are registered with Client Centre.

Over 500,000 customers viewed their digital auto proof of insurance.

In November, we launched Client Centre for all provinces covered by belairdirect and National Bank. Not only does Client Centre – available on smartphones and desktop browsers – offer a revamped visual experience, it also features redesigned ergonomics and easier navigation. The new Client Centre provides a one-stop experience to access insurance documents, renewals, policy changes, payment reminders, claim tools and much more. Iconographies, clear text and concrete examples help our customers to better understand their coverage. Client Centre lets customers carry out some transactions themselves, fostering active use and engagement.

In 2020, the creation of new online accounts increased fourfold. With over 1.2 million Client Centre accounts, we are accelerating the progress of our digital adoption and providing customers with the services they need, when they need them.

Hong Kong lab

Establishing a lab in Hong Kong was attractive for many reasons, including access to top talent and proximity to world-class research in mainland China. Hong Kong has four of the top 100 universities globally and is home to many top AI companies. Our team grew to 20 AI experts, who are data scientists and AI software developers solving real-world insurance problems for our customers in North America. We believe the region’s rich diversity and proximity to world-class AI expertise and top universities will help us grow our team of experts, discover new ways of thinking and strengthen our competitive advantages.
Alerting our customers of severe weather

With severe weather events such as strong winds, freezing rain and heavy snow and rain becoming more frequent, we added weather alerts to our mobile app. This new app feature informs customers in advance of severe weather affecting both the location of their insured property, and within a three-kilometre radius of their current location.

Weather alerts also give customers preventive tips to protect their homes and avoid potential automobile accidents caused by bad weather conditions.

In September we launched weather alerts for hail in Alberta.

Over 360,000 notifications have been sent to customers, most for heavy rain.

More than 2 million visits to the Assistance tab of the mobile app were recorded, as customers accessed various functions, such as Accident Report, Crash Scene Guide, Share My Location or Find a Tow Truck.

Usage-Based Insurance (UBI)

Our UBI offering gives customers more control over their auto insurance premium, reflecting their own driving behaviour. This was especially relevant during the pandemic, when driving habits changed. Intact Insurance’s my Drive® and belairdirect automerit® offer customers personalized feedback and tips to promote safe driving, and the opportunity to earn up to 25% off their auto insurance premium. Customers value the adaptability of the UBI product – the number of monthly logged-in users increased by 65% in 2020.

“Now more than ever, it is essential that we offer customers digital tools that reflect their personal driving habits, promote safe driving and provide them with an opportunity for savings.”

Louis Gagnon, President, Canadian Operations, Intact Financial Corporation

BrokerLink introduces Briana and product features

With over 150 branches and 2,000 employees, we’re proud to say that our BrokerLink network has become one of Canada’s largest property and casualty insurance brokerages.

BrokerLink’s insurance experts offer local service and connect with customers by phone, online or in person. In the fall of 2020, BrokerLink introduced “Briana,” a new chatbot feature on BrokerLink’s website. Customers can ask Briana about policy changes, quotes, insurance questions, payments and claims. Briana can handle simple requests from customers, such as updating an address, changing banking details or adding a driver to a policy. These features help customers find answers to their questions quickly and easily.

BrokerLink also revamped its tenant and condo insurance quote feature so that customers can get a quote for this coverage in a matter of minutes.

Intact Insurance Specialty Solutions

Intact’s specialty business offers tailored products, services and expertise to specific industry segments and unique customer groups. In the fall of 2020, we officially brought together our Canadian and U.S. specialty capabilities under a single brand: Intact Insurance Specialty Solutions. Our U.S. businesses had previously operated under the OneBeacon Insurance Group and The Guarantee Company of North America brands. Unifying our speciality operations under one brand allows us to better serve customers, making it easier for our customers and brokers to interact with us.

OneBeacon BondClick brings self-service to surety

With OneBeacon BondClick, Intact’s surety brokers can secure a commercial surety bond online with minimal data entry. We simplify and accelerate processing time through electronic indemnity execution, data storage and customized interfaces that eliminate the need for duplicative data entry. Launched in the U.S. in 2020, this offering will be expanded to Canada.

Investing in partners to support our customers

Our U.S. Risk Control Services continually seeks innovative partners to enhance our customer experience. In 2020, the group invested in third-party risk management partnerships to offer solutions to customers at a discounted rate. Such services provide insights, technology and tools to better position our customers should something go wrong. For example, our partnership with CargoNet helps customers combat the rising issue of cargo theft by providing customers access to a database and tools on cargo theft.
2020 Claims highlights

- Number of Claims employees: **over 4,000**
- Received over **339,900 claims in 2020**
- Hours spent on property claims: **7.3M**
- Percentage of claims filed digitally by Intact Insurance and belairdirect customers nearly doubled since March 2020
- Since March 40% of Intact Insurance’s and belairdirect’s auto physical damage claims were appraised digitally
- 65% of digitally submitted claims are from a mobile device
- 35% of digitally submitted claims involve customers providing photos to expedite the claims experience

Helping our customers get back on track: enhancing the claims experience

Our claims service is at the heart of our commitment to customers. Every claim is important to us. When a customer experiences the unexpected, our Claims organization is available 24/7. We provide immediate service to start the process of getting the customer back on track. Our ability to deal with each customer and settle claims in a prompt, professional, courteous and fair manner plays an important part in maintaining customer loyalty and enhancing brand recognition.

In 2020, more than 4,000 employees worked across North America on over 339,000 claims from our customers.

Our claims service is backed by the Intact Promise, which states that, outside of a catastrophic event, if a customer does not talk to a representative within 30 minutes of their first call, we will reimburse the customer’s yearly premium up to a maximum of $1,000. In 2020, we wrote cheques to four customers.

Expanding digital offerings and enhancing customer experience in claims

Our digital solutions save time and improve our ability to respond to claims. Customers can report a claim online, upload related files such as photos or receipts, and follow the status of their claim in real time. Customers see a 15% faster claims process when submitting a claim digitally, as their information is pre-filled.

We expanded our digital offerings over the course of the pandemic. The types of claims that can be reported digitally increased and, using photos and videos provided by customers, we were able to confirm coverage and develop estimates without employees or customers leaving home. After March, 40% of Intact Insurance’s and belairdirect’s auto physical damage claims were appraised digitally, saving customers a visit to a repair shop.

In 2020, we launched Contact 360 in Claims, unifying the customer experience across all our channels, which enables more opportunities for our employees to digitally engage with customers through the claims process. Customers can interact with us through SMS/texts and live chat, and we launched pulse surveys so customers can let us know how we are doing throughout the claims process. This feedback identifies opportunities for our teams to better meet customer expectations.

We will continue to enhance the claims process, making it easier and faster for customers through digital solutions and synergies with our restoration business, On Side Restoration.
On Side Restoration

In December 2020, Intact obtained 100% ownership of On Side Restoration (On Side). Since our initial ownership stake in October of 2019, we have been strengthening our repair and restoration services for personal and commercial property claims customers across Canada. On Side employees and Intact adjusters work together to quickly confirm coverage, use technology effectively and deliver a consistent customer experience. For example, On Side may use exterior drone imaging, dry-in-place options, 3D room scans, thermal imaging and remote monitoring. We are also fast-tracking decisions on customers’ belongings to expedite settlements. With the On Side acquisition, we help customers get back on their feet faster by providing unparalleled restoration service.

Ventures and university partnerships

New venture investments

Our venture arm, Intact Ventures, is focused on investing in and partnering with companies that are redefining the property and casualty insurance landscape with innovative business models and new technology. We want to remain a leader in a fast-paced industry. Our goal is to connect with companies that are defining:

• The future of transportation and supply chains
• The use of big data and artificial intelligence
• How consumers and businesses will purchase financial products in the future
• The sharing of risks, assets and expertise

As of December 2020, Intact Ventures had 18 direct investments and had invested in four venture funds. Building relationships with innovative companies enables us to accelerate our learning, design smarter products and leverage unique technology. In return, we support the growth of these companies by providing capital and access to our expertise and talent.

Investments in 2020 included:

• Gatik: Develops autonomous vehicle technology to serve the middle-mile logistics industry
• Flinks: Financial aggregation platform connecting consumers, financial institutions and developers through Application Programming Interfaces (APIs)
• Bond: Provides last-mile delivery and urban nano distribution centre technology for e-commerce companies
• Resilience Insurance: Provides comprehensive insurance coverage and patented cybersecurity tools to protect mid-market companies
• Better Tomorrow Ventures: Early-stage venture capital fund focusing on the future of fintech

University partnerships

By working with key researchers at academic and research institutions, we build our knowledge, help solve complex problems, develop our talent pool and position Intact as a leader in innovation. Our partnerships are integral to help improve our product offering and increase our understanding of risks, including climate risk, and to better serve our customers. We have developed partnerships with Montreal’s IVADO, Laval University in Quebec City and the Vector Institute in Toronto.
Academic partnership – Laval University

The Intact Lab in Montreal partnered with Laval University, where a student developed a machine-learning model that looked at better understanding road behaviour, helping improve client risk assessment in auto insurance. This project is one example of how our university partnerships allow Intact to further innovate in the space of artificial intelligence.

PICTURED ABOVE: Partnership launch event with Laval University, one of Canada’s leading research universities, to advance research in the fields of artificial intelligence and actuarial science.

Protecting our data and customer information

Protecting our data and customer information is a priority as well as an integral part of our Values. We are committed to leading security and data protection practices. We have dedicated teams to execute our cybersecurity and business continuity plans. Our Information Technology Security Committee, consisting of senior leaders, oversees information security initiatives. At the Board level, the Risk Committee establishes our cybersecurity strategy and monitors the progress of our action plans.

More details on how we manage cybersecurity risks can be found in our Annual Report.

Data governance principles

At Intact, we believe that insurance is about people, not things, which is why it is so important that we hold ourselves to a very high standard in managing data. Our industry-leading data science expertise and experience help us responsibly and reliably provide best-in-class products and services. We have developed a balanced and responsible approach to the use and oversight of data and algorithmic models (including AI) that protects digital privacy. In 2020, we established a set of five principles, in the following areas:

- **Security**
  We use leading security measures to protect the personal data of our customers.

- **Helping society**
  We use our data skills to create solutions that contribute to society’s well-being.

- **Data quality**
  We use high-quality data to create solutions that are right for our customers.

- **Scientific excellence**
  We uphold high scientific standards of excellence in order to ensure our solutions are accurate and effective.

- **Accountability**:
  We consider the impact that our products and services have on our customers and promote responsible solutions, processes and models.

These five principles are the basis for the company-wide Data & Model Governance Framework. The principles and framework ensure our Values are applied to every phase of data management at Intact.

Customer data privacy

Our Values of Integrity, Excellence and being Customer-driven guide the ways we protect and handle our customers’ data. We notify customers, regulators, third-party vendors and law enforcement of data breaches as required by regulation and privacy laws. To learn more about our customer data privacy approach, please see the ESG data table on page 61.
Our cybersecurity approach

Our approach to cybersecurity and how we protect and handle our customers’ data is based on our Values. Protecting our data and customer information is a priority as digital adoption increases. Below is a description of our approach:

Our cybersecurity approach has four key aspects:

1. **We make it hard to get in**
   Only authorized people have access to systems. Employees have to pass through two factor authentication and can only access data via IFC certified computers and mobile devices.

2. **It’s hard to get out**
   We prevent data leakage. Malicious websites, external USB devices, webmail and major public cloud storage access are blocked, and malware and viruses are detected and removed.

3. **Employees only have access to the data they need**
   Employees who do not serve customers directly have no access to customer data.

4. **All data at Intact leaves a signature**
   We log and keep a trace of activities. Every second, over 31,000 events are collected.

With most of our employees working from home in 2020, we put even greater attention on cybersecurity. We have built a robust cybersecurity framework based on the National Institute of Standards and Technology (NIST)⁴, an internationally recognized risk-based approach to managing cybersecurity risk. Our system is best-in-class, outperforming our North American insurance peers in 14 of 15 security domains based on an independent 2020 review of our cyber security posture. This ranks Intact in the 1st quartile of financial industry peers. All employees complete annual data and security training. More information can be found in the ESG data table on page 61.

Our process for managing cybersecurity risk, which is based on the NIST Framework, includes the following steps:

1. **Identify**
   Determine the systems, people, assets, data and capabilities to manage risks

2. **Protect**
   Develop and implement safeguards to protect the organization from a potential cybersecurity event

3. **Detect**
   Enable the timely discovery of cybersecurity threats

4. **Respond**
   Take action on a detected incident and contain the potential impact

5. **Recover**
   Restore services that may have been interrupted and maintain plans for resiliency

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⁴ NIST – Framework for Improving Critical Infrastructure Cybersecurity
Employees

We have built a purpose-driven company that values people as its biggest strength.

We strive to create an inspiring workplace where people have the opportunity to realize the best of their abilities and flourish.

2020 Highlights

53.7% of managerial positions were held by women\(^5\)

73.6% of team leader, manager and director positions were filled internally\(^6\)

7.2% of our promotions were individual contributors moving to managerial roles\(^7\)

25.5% of employees were promoted, moved to new roles or participated in internal secondments\(^8\)

17.8% of our workforce identified as a member of a visible minority group\(^9\)

Our longest serving employee has been with Intact for over 49 years\(^8\)

Average age of our Canadian workforce is 42 years old\(^10\)

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\(^5\) Excludes Frank Cowan Company and On Side.
\(^6\) Excludes Frank Cowan Company, Intact Specialty Solutions (U.S.) and On Side.
\(^7\) Excludes Frank Cowan Company, Intact Specialty Solutions (U.S.) and On Side.
\(^8\) A BrokerLink employee.
\(^9\) Excludes Frank Cowan Company, Intact Specialty Solutions (U.S.) and On Side.
\(^10\) Excludes BrokerLink and On Side.
\(^11\) Excludes Intact Specialty Solutions (U.S.) and On Side.
Engaging our employees

Employee engagement
Investing in people continues to be one of our strategic objectives and top priorities. Our 2020 employee engagement score, despite a challenging environment due to the pandemic, reached an all-time high score of 81%.

We outperformed both the Canadian and U.S. Insurance sector by 12% and 19%, respectively.

Intact is once again certified as a Kincentric 2020 Best Employer in Canada, U.S. and North America. This is the sixth consecutive year Intact has been recognized as a Best Employer in Canada, and the second time for U.S. and North America. Kincentric’s Best Employer awards recognize employers based on four indices linked to a committed workforce that delivers stronger business results related to:
• Employee engagement
• Agility
• Engaging leadership
• Talent focus

Recognized as a best employer

We want to remain a destination for top talent and experts. We make it a priority to create an environment where people enjoy coming to work every day, have an equal opportunity for development and career advancement, and feel valued, respected and heard.

Our Employee Promise
Our people are our biggest strength to help others and enable us to achieve our purpose. People are at the heart of everything we do and our Values are foundational to our success. Employees make a difference every day when they live our Values, do their best work, are open to change and invest in themselves.

In return, we promise our people support, opportunities and performance-led financial rewards in a flexible work environment where they can:
• Shape the future – help us lead an insurance transformation to better protect people, businesses and society
• Win as a team – collaborate with inspiring people to do their best work every day and together, stand up for what is right
• Grow with us – refresh and reinvent their skills, learn from our diverse teams, lift others up and grow

Our Employee Promise is in action every day across our organization through initiatives such as our ongoing technology investments to simplify processes, recognition of employees for the great work they do, opportunities for career growth and development, options tailored to pension and benefit needs, and flexible work arrangements.
Engagement with management

In a typical year, our senior leaders are visible, approachable and available. This was even more important in 2020, as a majority of our workforce shifted to working from home. In the first few months of the pandemic, senior leaders communicated with employees daily about our business and how we were helping customers, employees and our communities navigate the pandemic. Senior leaders adapted their communication channels and continued to engage in various ways.

- Early in the pandemic, employees received daily messages from senior executives, shifting over time to weekly messages focused on business operations, employee engagement, customer relief, diversity and inclusion initiatives and efforts to help build more resilient communities. In total, executives shared more than 100 messages.
- Quarterly manager webcasts with rotating hosts of executive panels discussing corporate performance, strategy and employee engagement.
- Members of the Executive Committee, including our CEO, held over 100 discussions to meet with groups of 20 to 25 employees for two-way dialogue. Employees and leaders discussed the company’s position and other topics, such as leading in times of crisis, career and talent development advice, financial impacts of the COVID-19 pandemic, customer relief, market outlook, innovation and technology and managing a brokerage during a crisis.

IFC employee engagement 2010-2020

Our engagement score outperformed both the Canadian and U.S. insurance sector

69% Canada insurance sector engagement score
62% U.S. insurance sector engagement score

Breakdown of IFC’s 2020 employee engagement results

93% of employees feel we have a work environment accepting of diverse backgrounds and ways of thinking
88% feel the organization is actively looking after the well-being of its employees
Supporting Canadian military members, veterans and their families

We support Canada Company’s Reservists Ready Campaign. Canada Company is an organization committed to recognizing and supporting Canadian military members, veterans and their families. We’re part of a coalition of businesses who pledged to make their Reservist employees available for full-time service during the COVID-19 crisis. In Canada and the U.S., our Military Leave Policy allows permanent employees paid leave for emergency active duty.

Gender pay equity

Annually, we review our compensation structure to make sure we stay competitive but also to validate that we abide by pay equity legislation. We verify that performance ratings distribution and average salary positioning by job level are comparable between men and women.

Learning and development

We invest in our employees so they’ll have an opportunity to realize the best of their abilities and flourish. We offer a range of programs and initiatives focused on personal and professional development:
• Employees can access more than 4,000 training courses through CAMPUS, our national learning management system. We offer more than 650 courses focused on leadership development.
• Our Respect in the Workplace e-learning program helps ensure all employees understand and know how to apply our Respect in the Workplace policy.
• Future Ready – Intact Leadership Journey is a suite of development programs for all levels of leadership.
• We developed new webinars to help employees adapt to remote work, including training on leading and working virtually.
• Intact pays the annual membership fees for all accredited professional associations related to an employee’s position and for which they meet all membership requirements. Intact also covers registration and licensing fees.
• Intact supports our employees’ continuing education efforts though our Education Assistance Policy, as well as a Professional Development Bonus program when an employee completes eligible programs.

Recognizing our team

We value and respect the contribution of employees who go the extra mile for their customers and colleagues. Through Intact’s Bravo program, employees and management can express their appreciation for a colleague or team that has gone above and beyond to make a difference. The Bravo program has four levels, starting with an eCard to thank colleagues to awards that allow employees to accumulate points that can be used to redeem gifts. Intact’s top recognition award – Bravissimo – is presented annually by our CEO to teams and people who exemplified our Values through a project that had a significant and lasting impact on the organization. Thirty-two projects and over 400 employees were nominated for this prestigious award in 2020 and we held the first-ever Virtual Bravissimo celebration. There were five winning teams with a total of 82 members.

73.6% of team leader, manager and director positions were filled internally
7.2% of our promotions were individual contributors moving to managerial roles

Developing the future talent of our industry

Our summer student, co-op and internship opportunities are designed to truly engage talent with the work that we do and help them develop the skills they need to succeed. As valued members of our team, they learn and grow through meaningful projects and hands-on work experience alongside supportive colleagues and leaders.

Our Underwriter Development Program for new graduates is a fast-tracked, two-year rotational learning experience supported by coaching, formal training, challenging project work and a lot of fun along the way. Successful graduates of the program become intermediate-level underwriters with their own book of business to manage.

This year, we expanded our internship programs across several lines of business and welcomed 300 students to our teams. We honoured every job offer made to a student prior to the pandemic.

We hosted or participated in 35 national student virtual events and worked diligently to strengthen partnerships with key universities across Canada, which included the expansion of our Campus Influencer program. The program gives student interns the opportunity to share their experience and knowledge of Intact with other students to help them understand who we are, what we do and how they could make a difference if they joined our team.
Diversity and inclusion

Our Value of Respect is founded on seeing diversity as a strength, being inclusive and fostering collaboration. We also strive to live by our Value of Integrity, which encourages us to stand up for what is right. We are committed to having a fair, inclusive and accessible workplace where everyone feels valued, respected and heard.

2020 was a year unlike any other: a pandemic that exacerbated societal challenges, and tragic events in the U.S. and Canada that put a spotlight on changes required for a just and inclusive society. We paused to listen, learn and reflect, and acknowledged that action is needed. We asked ourselves whether fair is fair enough, and whether right is right enough. Our response was to proactively and visibly commit to actions that support underrepresented communities and to identify and address gaps within our organization.

In early 2021, we adopted new diversity targets for the Board of Directors and Executive Committee12. Our goal is to have 10% of the members of the Executive Committee and at least one Director identify as a member of a visible minority group, Indigenous Peoples, persons with disabilities and/or LGBTQ+ by 2025. We also adopted a target of 30% representation of women on the Executive Committee, which we currently exceed with 34.5% women. More information can be found in our 2021 Management Proxy Circular.

Diversity & Inclusion Council

Intact’s Diversity & Inclusion (D&I) Council, established in 2006, is made up of 15 senior leaders from across the company. The council is committed to reinforcing the strength of diversity and the importance of inclusion in everything we do, tying back to our Values of Respect and Integrity.

The council monitors Intact’s progress when it comes to diversity representation and inclusive competencies, provides thought leadership to align D&I priorities with business imperatives and champions D&I initiatives and role models inclusive leadership in our business units.

Addressing anti-Black and systemic racism

Throughout the year we adapted and enhanced our D&I plan at the strategic and tactical levels to address systemic racism, provide educational opportunities and build empathy. Our activities included the following:

- Established a 10-member Visible Minority & People of Colour Task Force to provide recommendations on our D&I strategy
- Enhanced our Board Diversity Policy to incorporate more inclusive and explicit language relating to dimensions of diversity and the policy review cadence. The policy was also updated in 2019 (see 2020 and 2021 Management Proxy Circular for more information).
- Hosted 42 Inclusion Circles with employees. More information can be found on page 24 – “You share, We listen” Employee Consultations
- Developed a Managers’ Conversation Guide in partnership with members from the WoMIN & Allies steering committee, an employee network designed for, and led by, visible minority women, to help managers facilitate open and constructive conversations about systemic racism and anti-Black incidents with their team members. We provided a training session to help managers leverage the guide and build awareness in their teams
- Developed and hosted a D&I Spotlight webinar with over 375 employees. This event focused on building an understanding of the multiple dimensions of diversity, concepts of inclusion and emotional tax and actions individuals can take to address systemic racism
- Created a “Speaking up and speaking out against racism” series of eight employee testimonials, who shared their lived experiences as persons from marginalized communities, to underscore the importance of being open to perspectives of others
- Became a founding signatory of the BlackNorth Initiative

Founding signatory of the BlackNorth Initiative

As a founding signatory of the BlackNorth Initiative, we reinforced our commitment to addressing anti-Black racism through the following actions:

- Provide a safe space to have sometimes-difficult conversations about anti-Black racism
- Provide education against unconscious bias and racism
- Increase Black representation at board and senior management levels
- Collect representation data on race and ethnicity to identify gaps and progress
- Enhance our diversity strategies and share both successes and challenges
- Advance our strategic action plan, with accountability around diversity and inclusion
- Hire at least 5% students from the Black community
- Invest at least 3% of corporate donations to promote economic opportunities in the Black community

12 Executive Committee refers to the most senior management committee of the company, comprised of the Senior Executives of the Company.
Advancing our strategy with a data-driven approach

We focused on enhancing our diversity data reporting capabilities and governance to build a data-driven strategy and better support the advancement of a diverse workforce.

To achieve this, we held our inaugural Count Me In! campaign to promote inclusive workplace practices and drive completion rates of our self-identification diversity questionnaire. During the campaign, we launched our Inclusion Video, a collage of employee testimonials sharing what it means to be valued, respected and heard, as well as what makes them feel included in the workplace.

Over 63% of employees voluntarily shared their personal information. By understanding the diversity of our people, we will be better equipped to support our employees.

Focus on inclusion

In 2020, our Diversity & Inclusion Strategy evolved from building awareness about diversity to driving inclusive behavioural change through education. Through the development of articles, resources and formal training programs, we focused on equipping employees and managers with a better understanding of their role to build a more inclusive workplace and enhance accountability for their actions, behaviours and language.

Understanding that all employees play a role in creating an inclusive work environment, we developed two inclusive behaviour curriculums, customized for managers and employees.

Inclusive Leaders Program

We know that managers’ inclusive behaviour accounts for 45% of an employee’s experiences of inclusion. As a result, we launched our mandatory Inclusive Leaders Program. The objective of the program is to highlight the importance of ownership and being accountable for one’s own behaviours. The training equips managers with an inclusive behaviour model and enables them to:

• Understand key concepts of diversity, inclusion, bias and stereotypes
• Personally understand the impact of bias
• Understand Leadership Success Factors and leading inclusively
• Take ownership and be accountable for their behaviours, and be a catalyst for change on their teams

We will roll out a mandatory Living our Values Inclusively program for employees in 2021. The objective of this online program is to highlight the importance of ownership and accountability for one’s own behaviours.

“You share, We listen” Employee Consultations

In 2020, we practiced active listening by hosting 42 Inclusion Circles with employees. In June, we held 14 Inclusion Circles with employees who identify as a member of a visible minority group, followed by 28 Circles in October with employees who identify as women, men, non-binary, Visible Minorities or People of Colour, persons with disabilities, Indigenous Peoples and/or LGBT+. The collected feedback and insights were integrated into our D&I strategic priorities and represent the first step toward assessing the effectiveness and perception of fairness in programs and processes such as recruitment, retention and advancement practices.

Diversity & Inclusion Week

Every year, we provide an opportunity for all employees to learn about each other and celebrate, honour and promote our mosaic of genders, cultural backgrounds, languages, abilities, generations and diversity of thought.

This year, the one-day program was extended to one week and held virtually. Diversity & Inclusion Week (D&I Week) incorporated educational and celebratory activities curated by the D&I team and team members across North America. The objective was to create a sense of connection and inclusion for all Intact employees through an engaging, accessible and educational week-long event, culminating in over 16,500 employee interactions.

Indigenous Peoples

We recognize Indigenous communities’ diverse and rich cultures. In 2020, we provided educational opportunities for employees that built understanding and empathy relating to the systemic challenges facing Indigenous Peoples through the following:

• Co-developed and hosted two national Reframing History events in partnership with Indigenous elders that provided insights and historical context on current challenges facing the Indigenous community. These events helped employees better understand the impact of colonialism, residential schools and systemic racism. We received overwhelmingly positive feedback from the over 650 employees who participated
• Developed a Land Acknowledgments resource providing employees with an overview of their purpose, how to acknowledge respectfully and their importance in reconciliation
• Developed an Indigenous Community Inclusive Language Resource intended to equip employees with best practices and appropriate terminologies to promote respectful language and break down stereotypes of Indigenous Peoples

PICTURED ABOVE: Members of the Quebec Region LGBT & Allies Network hosted a session during Diversity & Inclusion Week.

• Committed $500,000 to support anti-racism efforts by supporting Pathways to Education in Canada and Northside Achievement Zone in the U.S. These organizations work with families and youth to close the achievement gap and end generational poverty – both of which disproportionately affect Black and racialized communities

13 Catalyst “Getting Real About Inclusive Leadership” report.
Every day during D&I Week, we learned about a different dimension of ethnicity and race, sexual orientation, Indigenous Peoples, people with disabilities and gender. There were over 100 local activities with employees across all Intact offices in Canada.

We also shared resources to help employees create an environment where everyone feels valued, including our:

- Trans Inclusion Guide that contains resources for transitioning employees and information for colleagues on how employees can best support a team member who is transitioning
- Mental Health Inclusive Language Resource to reduce stigma, discrimination and break down stereotypes of people living with mental illness

**Employee Resource Groups (Employee Networks)**

We value our employees for who they are and encourage them to reach their full potential. As part of our Employee Promise, we are committed to supporting Employee Networks that align with our diversity and inclusion vision and further our business objectives.

In 2020, our networks moved their activities online and engaged employees in numerous activities.

**WoMEN & Allies – an employee network designed for, and led by, visible minority women and allies with the goal of creating an equal and inclusive environment.**

- Marked Black History Month 2020 with 16 events, organized by 14 volunteers and the D&I team. Weekly articles spotlighted Black leaders company-wide who shared insights into their careers, role models and building an inclusive workplace
- Hosted a fireside chat with Rohan Thompson, OPP Chief Superintendent, who shared insights about his career and the importance of being an inclusive leader
- Hosted “Dimensions Between Us” conversations between members and the D&I team to discuss their workplace experiences and potential career barriers

**LGBT & Allies – an employee network that acts as a resource for lesbian, gay, bisexual and transgender (LGBT) employees and their allies in creating a sense of community and inclusiveness. The network is a catalyst in the creation of an LGBTQ+ inclusive workplace.**

- Hosted over a dozen virtual panels and workshops throughout the year with more than 400 participants across North America
- Participated for the first time in Calgary’s Virtual Pride as a Platinum sponsor
- Launched a quarterly newsletter with updates on network activities and LGBTQ+-related news
- Expanded the network to Winnipeg
- Participated in the development of Intact’s Inclusive Language Guide
IFConnections – an employee network focused on connecting employees across the organization by expanding their professional network and facilitating the opportunity to learn about various departments and initiatives at Intact.

- Hosted a workshop on the topic of loss prevention
- Held a panel on the impact of the COVID-19 pandemic on Intact’s Claims Operations and some of the challenges, processes and trends that emerged in 2020

Building a diverse workforce in an equitable and inclusive workplace

We are committed to attracting a workforce that is representative of the communities we live and work in. We are focused on enhancing practices to minimize unconscious bias and ensure that all candidates receive a fair and inclusive recruitment experience. We do this by:

- Leveraging technology to minimize unconscious bias and ensure that all candidates receive a fair and inclusive recruitment experience. Specifically, we use assessment tools that look for natural behaviours rather than skills and experience
- Ensuring a rigorous interview process with multiple raters, standard interview guides and scorecards
- Minimizing bias in recruitment strategy, including a Claims pilot to measure the diversity dimensions of candidates throughout the hiring funnel
- Delivering inclusive leadership and implicit bias training for Managers and the Talent Acquisition Team
- Attending events that promote diverse talent and have partnerships with educational institutions, non-profits and government organizations that promote opportunities for youth, women and visible minorities
- Participating in an initiative of the Toronto Financial International to recruit students that identify as Black, Indigenous or People of Colour – this includes a partnership with the Aspire BIPOC program to help us increase brand awareness and promote job opportunities for visible minorities in insurance
- Ensuring our employer brand and language is inclusive and reflects society

Workforce demographics

An overview of our workforce demographics can be found below. More detailed workforce data is available in the ESG data tables on pages 60–61.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>38.7%</td>
<td>38.1%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Women</td>
<td>61.3%</td>
<td>61.9%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>17.8%</td>
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<td></td>
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<tr>
<td><strong>VPs &amp; Above</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>62.8%</td>
<td>63.9%</td>
<td>62.8%</td>
</tr>
<tr>
<td>Women</td>
<td>37.2%</td>
<td>36.1%</td>
<td>37.2%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>46.3%</td>
<td>45.9%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Women</td>
<td>53.7%</td>
<td>54.1%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>15.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>37.5%</td>
<td>36.8%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Women</td>
<td>62.5%</td>
<td>63.2%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>18.5%</td>
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</tbody>
</table>

Orange Shirt Day

Orange shirt day symbolizes that Every Child Matters, and is a day to honour Indigenous children who were taken away to residential schools in Canada where they experienced cruelty and abuse. Children were removed from their families and forced to speak English or French instead of their ancestral languages, disconnecting them from their own traditions and forcing them to adapt to Canadian society.

To show support for Indigenous communities, employees across the company wore orange shirts on September 30 and posted pictures on social media.
Together at Intact: Remaining grounded

As part of Together at Intact, an initiative to share best practices, resources and tools to support employees’ personal and professional well-being, employees shared tips on how they take care of their mental health and alleviate stress.

Being there for our employees

As soon as the pandemic was declared, we took measures to ensure the safety and well-being of our employees. Our operations transitioned to a work-from-home environment, with 98% of our employees working from home across North America within the initial few days of the pandemic. Enhanced safety and disinfectant measures enabled a small number of individuals to remain in our offices to issue claim payments and policy renewals, as well as at our auto service centres to assist customers who had been in an accident.

Our people showed tremendous dedication and flexibility during this challenging time. Employees mobilized quickly and were committed to serving our customers and communities.

We adapted to a new work model. Beyond keeping people safe and maintaining our operations, we focused on supporting our employees’ health and well-being. We promoted the existing Employee and Family Assistance Program (EFAP) and introduced new resources:

- **Together at Intact** is a program with best practices, resources and tools to support employees’ personal and professional well-being and help them adjust to the new working environment.
- **LifeSpeak**, an online learning platform, provides 24/7 access to expert-led mental health, stress management and resilience videos and support. In the first six months, employees consulted more than 4,650 videos and accessed over 400 hours of training and support.
- **Virtual fitness** is available through our EFAP. Employees can access virtual fitness programs on their mobile devices, including live chat with fitness coaches.
- **Virtual health care** is available to help employees and their families in an efficient and confidential way. Canadian employees have confidential, 24/7 access to doctors and other health care professionals.
- Other support included an **ergonomics practical guide** that offers ergonomic fixes at home; **parenting resources** to help keep kids busy while schools were closed; and **training** to help our employees work virtually.

Our COVID-19 response – Measures and initiatives adopted to support our employees

<table>
<thead>
<tr>
<th>Safety measures in our offices</th>
<th>Well-being tools and resources</th>
<th>Working tools and resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Closure of building reception areas and cafeterias</td>
<td>✔ Flexible working arrangements</td>
<td>✔ Enhanced video conferencing tools</td>
</tr>
<tr>
<td>✔ Maximum of 30% (25% in Quebec) employee capacity in our offices</td>
<td>✔ Launch of a $2 million relief fund for cancellation costs incurred by employees from changing their travel plans due to the COVID-19 pandemic outbreak in early 2020</td>
<td>✔ Enhanced IT tools</td>
</tr>
<tr>
<td>✔ Mandatory masking policy</td>
<td>✔ New “Together at Intact” program</td>
<td>✔ Provision of office equipment to employees</td>
</tr>
<tr>
<td>✔ Provision of mask supplied to employees</td>
<td>✔ Promotion of our existing resources available via our Employee and Family Assistance Program</td>
<td>✔ Discounts offered to employees to purchase additional equipment for their home offices</td>
</tr>
<tr>
<td>✔ Enhanced cleaning protocols</td>
<td>✔ Introduction of LifeSpeak</td>
<td>✔ Ergonomics Practical Guide available to employees, providing quick ergonomic fixes at home</td>
</tr>
<tr>
<td>✔ Implementation of a Back to Office Guide providing instructions on the safety measures in the office</td>
<td>✔ Training on mental health and resilience offered to managers and employees</td>
<td></td>
</tr>
<tr>
<td>✔ Launch of our TOGETHER IFC app, used by employees to confirm whether they can come into the office</td>
<td>✔ Enhanced the scope of eligible spending for employee Wellness Accounts</td>
<td></td>
</tr>
</tbody>
</table>
The number of natural disasters globally has tripled in the last 30 years. 2020 was the fifth-costliest year for the global insurance industry since 1970\(^\text{19}\). In Canada, severe weather caused $2.4 billion in insured damage in 2020\(^\text{20}\), and floods now account for 40% of all property claims.

Ten years ago, we created a purpose-driven business focused on helping people, businesses and society prosper in good times and be resilient in bad times. As risk managers, we believe that insurers have a duty to help build a climate-resilient society that can adapt to changing extreme weather patterns. This is why we have invested significantly in climate adaptation and reducing our own impacts.

**Building our customers’ resiliency**

To help our customers adapt to the impacts of climate change, we invest in resiliency efforts. This includes our loss prevention team, which is the largest in Canada, with 70 members nationally who collectively speak more than 19 languages. The team has diverse backgrounds and expertise, including engineers, road specialists, risk analysts, fire protection experts, sprinkler designers, brokers, claims adjusters, underwriters and more. Our prevention consultants routinely review pre-emergency plans for our insured clients and provide related business continuity planning assessments. This is done in consideration of the potential for higher frequency of hurricanes, floods and other natural disasters.
We are also reinforcing our capabilities, and increasing education, awareness and adaptation efforts with distribution partners and customers.

This includes:

- **Providing tip sheets** developed by the Intact Centre on Climate Adaptation on our website to help customers protect themselves
- **Launching an initiative in the spring of 2020 in regions with high probability of flood**, in which we called customers to provide tips in case of flooding
- **Establishing a pilot initiative in Western Canada with our Intact Ventures investment Climacell to communicate weather alerts** to personal lines customers for hail damage prevention/mitigation. This pilot has been expanded and weather alerts are now included in all our apps
- **Providing a snow removal program** intended to prevent roof collapse on certain types of buildings: we pay up to $1,000 for snow removal per targeted building in specific areas

We also help our customers build back better. We offer personal line customers:

- **$1,000 in Western Canada, Ontario and the Atlantic for personal line customers for Sewer Back-up Coverage for loss mitigation devices** after a covered sewer back-up loss to help protect customers from future water damage losses
- **In Alberta, we provide customers up to $2,500 to replace products with weather-resistant material** following a covered loss

For Commercial and Speciality lines, as part of our standard property insurance, our package extension includes coverage for environmental green upgrade to help cover additional costs to repair property to accepted environmental standards (i.e. LEED) after a loss.

Our environmental initiatives

We are working to reduce our own impact through a number of initiatives across our organization. In 2021, we will announce our carbon neutrality ambitions. Details on our 2020 carbon emissions can be found in the ESG data table on page 58.

We diverted 13,425 kilograms of electronic waste from landfills in 2020 via our partner, TechReset, including:

- 1,730 pieces of equipment were repurposed or recovered, including notebooks, laptops, desktops, servers and peripherals. 93% of items were repurposed back into the circular economy. 59% of recovered items went to reBOOT Canada programs, which help provide technology to communities in need, including:
  - reLAY – provides free 24/7 Wi-Fi access in various locations throughout Toronto
  - reSTART – provides refurbished workstations to eligible applicants, subsidized in part by TechReset and corporate donations
  - Youth Tool Kit – provides laptops to low-income youth and teaches students basic IT skills

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Through Interface’s ReEntry Flooring Reclamation Programs, we diverted 15,023 kilograms of carpet from landfills, which is equivalent to the weight of three full garbage trucks or 141 refrigerators. We bought 4,788 square metres of carbon-neutral flooring, retiring 50 metric tonnes of carbon dioxide, the equivalent of emissions from a car travelling around 200,000 kilometres.

- **Working with POI Business Interiors, we were able to recycle, resell or donate our office furniture, diverting 38 metric tonnes of waste from the landfill, equivalent to greenhouse gas emissions emitted by around 23 passenger cars for one year.** Furniture donated went to Toronto Furniture Bank, JRCC Furniture Depot and Habitat for Humanity.
- **We recycled over 81,700 kilograms of paper in Ontario, Western Canada and the U.S., equivalent to preserving over 1,600 trees and saving over 10 million litres of water.**
- **62% of our office supplies in the U.S. are “eco-products.”**
- **Customers can opt to receive their policy documents digitally through the Intact Insurance and belairdirect apps and Client Centre, removing paper waste from the policy process. belairdirect reached the important milestone of 3 out of 4 customers being paperless (78%). Approximately 29% of Intact Insurance customers are paperless.**

### Our 2020 Carbon Emissions

**In 2020, our total emissions were 14,358 tonnes of CO₂ equivalent, 8.9% less than in 2019.**

Details on our emissions can be found in the ESG data table on page 58.
Reducing Flood Risk in Canada, the Intact Centre compiled national information to help protect people from the risk of floods. The report highlights opportunities to protect more residential areas and businesses, including waterway management, sustainable flood management, emergency response operations, flood forecasting and emergency warning systems. The report brings attention to the opportunity to implement more comprehensive risk-reduction strategies.

In 2020, the Intact Centre furthered the understanding of flood risk in Canada and risk reduction options. According to its report, Climate Change and the Preparedness of Canadian Provinces and Territories to Limit Flood Risk, provincial and territorial governments have made slow but steady progress over the past five years to address flood risk. Governments are doing well on a number of fronts, including waterway management, sustainable flood management, emergency response operations, flood forecasting and emergency warning systems. The report highlights opportunities to protect more people from the risk of floods.

In the report Under One Umbrella: Practical Approaches for Reducing Flood Risk in Canada, the Intact Centre compiled national standards, guidelines and proven ways to mitigate flood risks. These solutions range from simple to the more complex, including:

- **Homeowners and tenants** can clean out eavestroughs and catch basins; install plastic covers over basement window wells; test sump pumps to ensure they are working; and make emergency plans and kits.
- **Governments at all levels** can provide up-to-date flood-risk maps and property-level flood risk information; ensure that flood-forecasting and warning systems are in place; include flood-resilience expenditures in long-term financial plans; and update building codes to reflect flood-resilience measures.
- **Owners and managers of commercial buildings** can create flood response plans and procedures for each building; equip buildings with portable barriers, sandbags, backup generators, emergency lighting and other supplies; protect critical equipment; and incorporate the cost of such actions into asset management and long-term financial planning.

**The Intact Centre on Climate Adaptation**

As part of our commitment to helping society adapt to changing and extreme weather, we renewed our investment in the Intact Centre on Climate Adaptation, an applied research centre at the University of Waterloo. The Intact Centre is an incubator that establishes practical, cost-effective best practices to help residents, communities, governments and businesses implement timely solutions that limit the impacts of climate change-related events such as floods, wildfires and extreme heat. We have committed nearly $10 million over 10 years to this important initiative.

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- **Professionals involved in buying, selling or insuring property** including insurance brokers, mortgage brokers, real estate agents and home inspectors, can boost their skills with training about household flood protection through their professional associations. Mortgage lenders can offer incentives for retrofits that make homes more resilient to flooding.
- **Regional conservation agencies and environmental non-governmental organizations (ENGOs)** can publicize existing data about flood risks and assess and communicate the economic benefits provided by natural infrastructure (such as ponds, wetlands and vegetated areas).

In addition, institutional investors can identify the physical risks that climate change poses for companies in different industry sectors. In 2019 and 2020, the Intact Centre surveyed 13 institutional investors on how portfolio managers integrate physical climate risks into their investment processes. The results of the survey, detailed in the report Institutional Investors Find Alpha in Climate Risk Matrices: Global Survey Finds, found more than half of survey respondents viewed physical climate risks as a “very high” or “somewhat high” material issue. However, the survey found a general lack of formal training relating to climate risk.

The vast majority of respondents, 85%, said climate risk matrices – a practical framework for disclosing and evaluating physical climate risks – would be useful in providing portfolio managers with actionable insights into industry-specific physical climate risks.

The Intact Centre’s Factoring Climate Risk into Financial Valuation report provides portfolio managers with a tool to incorporate physical climate risk into investment decision-making. Climate risk matrices were created for two industries: Electricity Transmission and Distribution and Commercial Real Estate. These matrices identify primary physical risks for each industry and suggest questions and metrics to help assess an organization’s ability to mitigate those risks.

The Electricity Transmission and Distribution matrix identified two primary physical risks:
- **Fire**: Burning vegetation or trees that contact transmission lines can cause arcing, fires and outages
- **Ice and snow loading**: Transmission and distribution lines and structures can collapse under heavy ice loading

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The Intact Centre continued to educate and encourage thousands of Canadians to act to adapt to climate change by:

- **Promoting home flood risk-reduction training** to 52,000 professionals, including insurance brokers, mortgage professionals, home inspectors and municipal staff.
- **Working with municipalities in Nova Scotia** to include home flood protection infographic with property tax mailings to 25,000 residents.
- **Engaging more than 1,000 people** with the online Home Flood Protection Check-Up tool and providing tailored recommendations to minimize their flood risk.

![Pictured above: The Intact Centre speaks at a Forests Ontario event.](image-url)
The Commercial Real Estate matrix identified three primary physical risks:
• Flood: Property damage and business continuity disruptions increase if critical equipment is damaged or rendered unworkable due to a flood
• Windstorm: High winds can loosen roof flashing, causing the roof to peel off
• Ice and snow loading: Snow and ice can accumulate on flat roofs, increasing the risk of roof collapses

Intact Adaptation Action Grants
As part of our ongoing efforts to help Canadians build more resilient communities, we invested $2.9 million in 14 projects through our Intact Adaptation Action Grants in 2020. Since 2017, we have invested more than $3.6 million in 21 charitable partners that are exploring concrete solutions to help Canadians adapt to climate change and strengthen our communities, our people and our economy.

New Intact Adaptation Action Grant partners
This year, we committed $1.3 million in climate adaptation action grants to five new partners.

Coastal Action
To protect Mahone Bay, NS, from coastal erosion, floods and contaminated runoff, Coastal Action will use nature-based infrastructure – such as living shorelines, tidal wetlands and artificial headlands. Coastal Action will also work with St. Mary’s University to test and analyze the effectiveness of the natural infrastructure in buffering climate change impacts under variable weather conditions.

Credit Valley Conservation (CVC)
To reduce flooding and urban heat and promote rainwater reuse, CVC will test a smart blue roof system on its office headquarters in Mississauga, ON. CVC will evaluate the system’s performance to understand how to scale this technology across Canada.

Evergreen
As part of its new national Climate-Ready Schools program, Evergreen will create design guidelines for school grounds that prioritize natural infrastructure. Evergreen will use the guidelines to transform schools in 14 school districts into climate-resilient learning solutions.

Fondation en environnement et en développement durable (led by CRE-Capitale Nationale)
To reduce floods and urban heat in Quebec City, Fondation en environnement et en développement durable will use rain gardens, vegetated ditches and green parking lots.

Gathering Voices Society
To protect the land and the people who live off it, Gathering Voices Society will pilot a proactive fire management program with two First Nations communities in British Columbia, reactivating the art of “fire keeping”. The program involves surveying and monitoring forests, as well as prescribed burning and mechanical thinning to reduce wildfires. The work will be documented in a toolkit and video to help build a national network of community fire practitioners.

You can watch this video to learn more about the work of our climate adaptation action grant partners.

Getting back to the land’s roots
Le Conseil régional de l’environnement – région de la capitale-nationale (CRE – Capital-Nationale) wants to turn Quebec City into a sponge city. It will create rain gardens, vegetated ditches and green parking lots to reduce floods and extreme heat, while also providing green public spaces that improve residents’ quality of life.

CRE – Capital-Nationale launched a pilot project this summer with Quebec City’s community housing authority, l’Office municipal d’habitation de Québec. They planted a rain garden next to an apartment complex parking lot to redirect water runoff. The team also planted 44 trees on the surrounding grounds, which will provide shade and communal gathering places in the summer.

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GreenLearning: Turning kids into home flood protectors
It has been a challenge during the pandemic to keep kids entertained while ensuring they’re still learning. GreenLearning teamed up with the Intact Centre on Climate Adaptation at the University of Waterloo to create a scavenger hunt for students from Grades 3 to 11. The activity helped kids and their families learn how to protect their homes from the risk of flooding. The scavenger hunt was launched in April 2020. Over 2,400 people visited the microsite, with 377 downloading the activity worksheets.
The University of Alberta: Fighting fire with artificial intelligence

Wildfires are a natural part of our ecosystem. But our warming climate is increasing the number and severity of wildfires in Canada. The costs of controlling wildfires in Canada range from $500 million to $1 billion a year. Thanks to the Intact Adaptation Action Grants, Dr. Mike Flannigan of the University of Alberta, along with Dr. Piyush Jain and Dr. Sean Coogan, are working to refine machine learning and AI models to better predict extreme fire weather across Canada.

They have created preliminary models to analyze atmospheric pressure patterns and predict extreme fire weather – the hot, dry and windy weather that can result in large fires – and the expected rate of fire spread. The next step is to refine the models for publication in a peer-reviewed scientific journal.

In the future, Dr. Flannigan and his team will use the models to predict extreme fire weather under various climate change scenarios to create an early warning system for wildfire management agencies. This will allow them to warn at-risk communities sooner and deploy firefighters and equipment more efficiently.

Dr. Flannigan has also been working with the Intact Centre on Climate Adaptation, the Canadian Home Builders’ Association and FireSmart Canada, another Intact Adaptation Action Grant partner, to develop a checklist for new home construction in wildfire-prone areas of Canada. This checklist will help homebuilders build homes and communities that are protected from wildfire.

In addition to our new partners, our existing climate adaptation grant partners and their projects include:

**ALUS Canada**

Implements natural-infrastructure projects on marginal or inefficient-to-farm agricultural lands. With our funding, ALUS has enrolled 28 new farmers and ranchers in its programs and restored 515 acres of land, including wetland and riparian zones, to reduce flood risk in Calgary, Ottawa and Brandon, MB. Over 900 farmers and ranchers participate in ALUS projects in more than 30 communities in Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Prince Edward Island.

**Community Forests International**

Created one of Canada’s first forest carbon offset projects to finance conservation of the endangered Acadian forest. The organization is leading the development of adaptation strategies that preserve forest health as the climate changes. Our partnership has focused on a natural infrastructure adaptation approach to reduce flood risk in New Brunswick, saving 350 acres of endangered forest in the Canaan-Washademoak watershed. It has also completed a hydrological analysis of the protected forest, which will be the basis for a business case for the flood attenuation effects of forests. In 2020, despite the pandemic and with Intact’s support, the organization was able to plant more than 250,000 trees, restoring 304 acres of forest in New Brunswick.

**Green Calgary**

Helps Calgarians to harvest rainwater to protect their homes. It has worked with 3,100 homeowners to purchase rain barrels to reduce flood risk.

**Green Learning Canada Foundation**

Provides flood education that directly engages youth in preparing their schools and homes for a flood event. More than 80 teachers signed up for the program for the 2019-2020 school year.

**Nature Conservancy of Canada (NCC)**

We partnered with NCC to invest in protecting and restoring wetlands in Ontario and Quebec to help reduce the impact of severe storms. With our partnership, NCC created four new wetlands and restored 60 acres of native habitat to reduce floods.
**PICTURED ABOVE: A UBC research assistant collects samples in a forest recovering from wildfire.**

**Nature Québec**

Undertakes projects relating to biodiversity, forests, energy and climate, as well as the urban environment. Through our partnership, Nature Québec is helping municipalities reduce the number of heat islands and air pollution through heat island mapping, public awareness and preservation and restoration of green areas. It has collaborated with the City of Sherbrooke to develop a multi-functional greenspace in the Saint-Élie neighbourhood that will help improve air quality and provide shade on hot summer days. With the City of Victoriaville, Nature Québec converted a parking lot into a green parking lot that will help cool the surrounding area, filter water and improve air quality.

**Sentier Urbain**

Mobilizes communities for social greening. Since 2017, it has revitalized more than 2,000 square metres of green space in the Montreal area, including planting 125 trees. These new plants and trees have helped capture 20 tonnes of greenhouse gases and 19 tonnes of air pollutants, reducing the heat island effect. In 2020, the group hosted 287 virtual workshops, raising awareness of the importance of greening initiatives to reduce urban heat islands.

**University of British Columbia**

Researchers, led by Dr. Lori Daniels, are improving the understanding of historical and contemporary wildfires in the dry forests of British Columbia. By analyzing more than 300 fire-scarred trees and 2,000 tree age cores, researchers found low-intensity surface fires burned every five to 15 years until the beginning of the 20th century. In the past century, forests have grown denser and filled in grasslands, fuelling the intense megafires of 2017 and 2018. By monitoring post-fire recovery, they also discovered promising signs of regeneration of native grasses, wildflowers, shrubs and trees. Based on these findings, the team recommends continuing to work with Indigenous communities to reintroduce prescribed, ecocultural fires that reduce fuel hazards and fire risk, helping communities adapt to ongoing climate change.

**Canada-Wide Science Fair**

Intact has sponsored the Canada-Wide Science Fair since 2018. The fair typically brings together about 500 of Canada’s brightest young scientific minds to showcase their science, technology, engineering and mathematical projects. Amid the COVID-19 pandemic, the organizers adapted the event by creating the Youth Science Canada Online STEM Fair to give all students in Grades 7 to 12 (secondary 1 to Cégep in Québec) the chance to share their projects and be recognized for their outstanding accomplishments.

More than 650 students uploaded 631 projects in 2020 – far surpassing the organizers’ expectations with over 100 projects more than in 2019. Our employees reviewed and voted for the projects that presented the best real-world solutions that help Canadians predict, prevent, manage or minimize the physical impacts of climate change. The winners are:

- Robin Yadav from British Columbia and his project Deep Learning based Fire Recognition for Wildfire Drone Automation
- Cynthia Cui from New Brunswick and her project Flood Prediction and Mapping System Using Deep Neural Network and Local Climate Information
- Alina Zhang from British Columbia and her project City’s Umbrellas: 4 B.C. Evergreen Bushes Canopy Rainfall Interception Ability
- Burveen and Jazneen Bains from Ontario for their project Blame the Rain

**PICTURED ABOVE: Alina Zhang explains her Youth Science Canada Online STEM Fair project, which won an Intact award for presenting one of the best real world solutions to help protect Canadians from the impacts of climate change.**
Community

As a company that is here to help people and society be resilient in bad times, we’ve developed a portfolio of partners to help build our communities’ resiliency, with a focus on addressing the root causes of child poverty.

We tackle the complexities of this pervasive issue by activating local solutions and developing measurement frameworks.

2020 Highlights

Donated over $5 million to United Way/Centraide organizations nationally

$1.7 million donated by our employees during our 2020 Generosity in Action Campaign

$1.1 million donated to Breakfast Club of Canada, including $500,000 to its COVID-19 Emergency Club Fund
Addressing the root causes of child poverty

Beyond our partnership with the United Way, we leverage our strengths to build the capacity of other non-governmental organizations (NGOs). These NGOs amplify our impact and address challenges that keep, or push, families and children under the poverty line.

Breakfast Club of Canada

*Breakfast Club of Canada* is a non-profit organization dedicated to offering children and youth an equal chance to succeed through inclusive school breakfast programs. It provides financing, equipment, training and support to Canadian schools, communities and regional organizations to run safe and supportive breakfast programs.

In 2020, we donated $1.1 million to Breakfast Club of Canada, including $500,000 to its COVID-19 Emergency Club Fund.

Pivoting after school closures

Before the COVID-19 pandemic, Breakfast Club of Canada provided over 250,000 nutritious breakfasts daily. When schools closed in March, the organization’s biggest concern was how to continue supporting these children and their families.

To help struggling families, Breakfast Club of Canada created the COVID-19 Emergency Club Fund, to which Intact donated $500,000. The funding helped organizations create local, tailor-made ways to get food to those who need it most, including producing food hampers, backpacks and premade meals, grab-and-go bags that were distributed at schools and grocery gift cards.

For example, the Oromocto Food Bank, located south of Fredericton, NB, provided family-sized backpacks with pre-cooked meals and snacks for children and their families. After the James Smith Cree Nation, located east of Prince Albert, SK, declared a state of emergency in April, a grant from the Emergency Club Fund helped the James Smith Health Clinic run an at-home breakfast and lunch program, delivering meals to 300 children while school was suspended.

belairdirect donated its April digital billboards and online advertising banners to the Emergency Club Fund to help raise additional funding. In addition, during a self-service awareness campaign, belairdirect committed to donate $1 for each new login in the belairdirect app and the National Bank Insurance Auto | Home app, as well as for each cell phone number or email collected from Anthony Insurance clients. This raised an additional $120,000 for the Emergency Club Fund.

In total, the Breakfast Club of Canada’s COVID-19 Emergency Club Fund helped more than 656,000 children across Canada.

**PICTURED ABOVE:** Our partnership with Breakfast Club of Canada supports children and their families. Breakfast Club of Canada provides much more than breakfast: its approach is based on commitment, self-esteem and capacity development using an optimal formula adapted to local needs.

“During the pandemic, we had to quickly shift our operations in order to feed children who were no longer in school. Thanks to generous partners and donors such as belairdirect and Intact Insurance, we created an emergency fund which helped us feed over 656,000 children across the country.”

Lisa Clowery, Director, Corporate Partnerships, Breakfast Club of Canada

Windmill Microlending

In 2019, Intact invested $200,000 in Windmill Microlending, an organization that provides skilled immigrants and refugees with low-interest, affordable loans and other resources to help them restart their careers in Canada. We invested in Windmill because it helps keep children out of poverty. When parents have stable employment, they can provide their children with stable housing, food and education.

Windmill also offers a mentorship program to newcomers – many of whom are healthcare professionals, engineers, lawyers and IT professionals – to help them achieve professional success in Canada. In 2020, nearly a dozen Intact employees participated as mentors in the Windmill Mentorship Program, sharing their advice, experience and knowledge of the labour market with Windmill clients.

Since the charity launched in 2005, it has loaned more than $41 million to over 6,000 skilled immigrants and refugees, with a 98% repayment rate. By the time clients repay their loans, their income has tripled, and their unemployment rates have dropped from 40% to 7%.
Mentoring helps Puja Inamdar find meaning during the pandemic

As a child of immigrants, Puja Inamdar, Senior Legal Counsel at Intact, knows the barriers many newcomers to Canada face. So she jumped at the opportunity to help a lawyer from India navigate the intricacies of the Canadian job market through the Windmill Mentorship Program.

Having recently been on the recruiting side of a job search, she knew what employers look for in a resume and in a candidate. She shared those insights with her mentee, Manpreet, and introduced her to other professionals in the field.

“When you are new to the country, you don’t know anybody, and it is all about getting those connections,” says Puja. As much as Puja has helped Manpreet, she feels like she got just as much, if not more, from the experience.

And being a mentor is helping her develop her leadership skills, which will help her grow her own career.

PICTURED ABOVE: Puja Inamdar, Senior Legal Counsel at Intact Financial Corporation connects with her mentee from the Windmill Mentorship Program.

Pathways to Education

Our Visible Minority & People of Colour Task Force recommended investing in Pathways to Education as part of our commitment to fight racism and promote a more equitable world. In 2020, we donated $350,000 to the organization.

Pathways to Education provides youth from low-income communities the resources they need to graduate from high school and break the cycle of poverty.

The program provides a tailored combination of academic, financial, social and one-on-one supports to each student. This can include food vouchers, transit passes, after-school tutoring and mentoring, financial support and career planning. Pathways currently supports more than 6,000 students each year, including Black, Indigenous and youth of colour, in over 20 program locations across Canada. In 2020, Pathways increased graduation rates in the communities it serves by an average of 44%, and 74% of students enrolled in the program transitioned to post-secondary education or training after high school.

By helping Pathways further its mission of providing young people with the resources and support they need to graduate and build the foundation for a successful future, we are living our Values of Generosity and Respect.

Northside Achievement Zone

One of our U.S. offices is located in Minneapolis. In the summer of 2020, the city was in the global spotlight for the tragic death of George Floyd, and the resulting mass protests around the world against racial injustice and police brutality.

In response, we donated US$125,000 to Northside Achievement Zone, an organization that serves the North Minneapolis neighbourhood, addressing generational poverty and helping low-income children of colour graduate from high school, ready for college or a career path. In addition to this contribution, we matched employee donations. In total, US$225,000 was donated to Northside Achievement Zone.

PICTURED ABOVE: Cheyenne, a participant in Pathways to Education program.

A Pathway to success

When Cheyenne started high school she was very shy, and her anxiety made it difficult for her to focus on her work. Her family encouraged her to join Pathways to Education for help with school and to overcome her shyness.

“From the very beginning, everyone at Pathways made me feel welcomed and included me in whatever they were doing. I felt like I belonged, and that made a huge difference,” she says.
UNICEF Canada

Intact became the founding corporate partner of **UNICEF’s One Youth Initiative** in 2016, through a contribution of $400,000 over four years. One Youth has developed a measurement framework to assess child and youth well-being in Canada (the **Canadian Index of Child and Youth Well-being**). It tracks 125 indicators across nine dimensions of the lives of children and youth, from birth to age 18, using the most recent statistical data.

Canada is one of the wealthiest countries in the world, yet the Index tells us that wealth is not translating into the best possible health and social conditions for our children and youth.

The **UNICEF Report Card 16**, released in September 2020, ranked Canada 30th among the world’s 41 richest countries when it comes to the well-being of children and youth. The Canadian Index of Child and Youth Well-being complements the UNICEF Report Cards.

While Canada performs well in children’s academic performance, our country gets a failing grade on mental health and happiness, as well as physical health and survival.

Report Card 16’s key findings for Canadian children and youth were:
- Almost one in five children lives in poverty (ranking 26th)
- 26% of young people have difficulty making friends (ranking 23rd)
- The child mortality rate is 0.98 child deaths per 1,000 births (ranking 28th)
- Almost one in four children has a low level of life satisfaction (ranking 28th)
- Almost one in three children is overweight or obese (ranking 29th)
- Canada has one of the highest rates of adolescent suicide (ranking 35th)
- Canada invests 1.68% of its gross domestic product (GDP) in families and children, compared to the average of 2.38% among rich countries

In addition to our involvement with the Index of Child and Youth Well-being, in 2020 Intact participated in the development of the **UNICEF Canada Child Rights and Business Assessment** – a tool providing 10 recommendations for Canadian companies to become champions for children.

“Child poverty is one of the most pressing issues affecting Canada, which is why we committed to tackling the issue as part of our social impact approach. Today, it is more critical than ever to take steps to help children and youth thrive.”

Diane Flanagan, Vice President, Corporate Affairs and Communications

Intact Charitable Trust USA

The Intact Charitable Trust USA (the “Trust”) supports Intact Insurance Specialty Solutions (U.S.) employees’ and brokers’ volunteer, leadership and philanthropic efforts. The Trust advances education through a matching gift program and a college scholarship program. It also supports organizations providing emergency assistance anywhere in the world in the aftermath of a natural disaster or during a state of emergency. In 2020, the Trust donated over $132,000 to more than 40 organizations.

For the 17th consecutive year, Intact Insurance Specialty Solutions’ (U.S.) operations awarded scholarships to 16 high-school seniors. In 2020, the opportunity was extended to post-secondary students and the awards were increased to US$3,000, with expanded eligibility to employees’ and brokers’ grandchildren. These program changes led to a 50% increase in scholarship applicants. Eight awards were given to brokers’ children, while the other eight were given to the children of Intact Insurance Specialty Solutions (U.S.) employees.

The winning recipients were selected based on criteria including academic performance, leadership roles and participation in school, and community activities. The program is administered by Scholarship America®, a non-profit scholarship program administrator, and is funded by the Intact Charitable Trust.

The Better Communities Program

Enabling generosity extends beyond employees to brokers through the Better Communities Program, established in 2018 to partner with brokers to make an impact in their communities across Canada. The program supports organizations that help address the root causes of childhood poverty, and support youth development, leadership and education.

In 2020, the program donated over $630,000 to more than 50 organizations across Canada. Some organizations receiving funding included:
- The Toronto Children’s Breakfast Club
- Daily Bread Food Bank of Toronto
- Bent Arrow Traditional Healing Society
- Calgary & Area Child Advocacy Centre
- YESS (Youth Empowerment and Support Services)
- Dixon Transition Society
- The Association d’entraide le Chaînon
This year, our communities faced unprecedented hardships due to the impacts of COVID-19. This made it more important than ever for us to be generous and help those affected.

You can watch this video to learn more about our efforts to build communities’ resiliency in 2020.

**Helping society through the pandemic**

Recognizing the immediate health and economic needs, we focused on building society’s resiliency and supporting individuals and businesses who were significantly affected by COVID-19, including people who were ill, elderly or experienced job loss or reductions.

Early in the pandemic, we committed an initial $2 million to help people cope with the impacts – this soon doubled to $4 million once we understood the depth of the challenges. Our community relief efforts focused on the immediate needs of individuals and families most vulnerable to the social, health and economic effects of the COVID-19 pandemic.

**Supporting communities in the United States**

Our community relief in the U.S. focused on providing food security to vulnerable people.

We donated US$200,000 to Feeding America, the nation’s largest hunger-relief organization. It supports food banks throughout the country. We contributed an additional US$300,000 to local efforts in the communities where our employees live and work. We asked each of our offices to get together – virtually – to choose organizations to support. Employees at our 22 U.S. offices selected 48 worthy causes to receive donations.

**Helping seniors with a partnership with Meals on Wheels**

To help elderly members of our communities affected by lockdowns, we piloted a project with Calgary’s Meals on Wheels charity. A team of belairdirect sales agents called over 1,000 elderly belairdirect clients to check on how they were doing and offered, if needed, a week of free meals. The success of the pilot led to the expansion of this initiative to Intact Insurance and belairdirect customers across the country.

In total, we contacted over 14,000 customers, with 400 of them accepting a meal. Overall, we donated $200,000 to Meals on Wheels organizations in Vancouver, Calgary, Edmonton, Mississauga, Ottawa, Montreal, Halifax and Dartmouth to help fund their operations during a time of significant demand and to purchase meals for our customers.

**Meals on Wheels – customer appreciation**

We have received a lot of wonderful feedback from customers, including this letter from two customers in Edmonton expressing their gratitude:

“Early in May, we were surprised and delighted to receive a phone call from you offering five free Meals on Wheels.

The meals were good, especially the soup. We had always been planning to try them. We ordered some frozen prepared food from the menu to try.

Thank you for such a pleasant and useful gift! It is very much appreciated.”
Helping to fund a potential treatment for COVID-19

Unprecedented times call for unprecedented solutions. To help fight COVID-19, we donated $500,000 to CHU Sainte-Justine to help develop and test a treatment using convalescent plasma of people who have recovered from the virus.

This national clinical trial is being led by Fondation CHU Sainte-Justine, alongside other leading hospitals and research institutions across Canada, including The Hospital for Sick Children, Sunnybrook Health Sciences Centre and McMaster University.

The trial has expanded globally to involve more than 60 hospitals. It is the world’s most extensive randomized, controlled study of convalescent plasma as a treatment for COVID-19.

United Way

Through our partnership with the United Way, we channel efforts to address the root causes of poverty by helping parents access employment and essential care for their young children between the age newborn to six years old.

Given the impact of COVID-19 on basic needs, such as access to food and shelter, we allocated $1.4 million from our corporate match of the 2019 United Way campaign towards immediate needs during the first wave of COVID-19 relief and recovery efforts. Overall, our donation helped more than 25 United Way agencies support their communities.

“Intact has supported communities for many years. In 2020, as the pandemic hit, the generosity of Intact and their employees was incredible. True to their values, they help society prosper in good times and be resilient in bad times. Through the corporate match program, virtual volunteering, donations and participating in United Way Greater Toronto information sessions, Intact employees stepped up. We need more community partners like Intact to support the network of agencies during times of stability and crisis.”

Alpa Patel, Manager, Corporate Donors, United Way Greater Toronto

Our contribution to Centraide du Grand Montréal supported the organization Regroupement Partage in adapting its operations to the new reality of the pandemic and create the program Emergency Winter Food Aid. With the support of 21 community partners, this program helped over 48,000 individuals experiencing financial hardship and food insecurity.

In the Greater Toronto Area, our partnership with the United Way contributed to supporting over 280 organizations across the region. An example is ACCESS Employment, which connects employers to qualified employees from diverse backgrounds. The organization was able to provide remote access through the loan of 20 tablets with data service to 200 unemployed newcomer women. Our contribution also supported The 519, Canada’s most prominent LGBTQ+ community centre and service provider, and its daily distribution of takeaway meals to vulnerable members of the LGBTQ+ community experiencing financial hardship. Since the beginning of the pandemic, The 519 has distributed over 25,000 meals to those in need.

“It is a privilege to work with passionate, engaged people like you [Intact employees]. Curiosity and social conscience are part of Intact employees’ DNA, and you should be proud of the support you give your community.”

Olivier Moullec, Philanthropy Development Consultant, Centraide of Greater Montreal
Impact story: meet Patricia

When the pandemic hit, Patricia was worried about how she would be able to safely get essentials like food and medicine. Like many other seniors, she has a limited income and is unable to drive.

United Way Alberta Capital Region worked rapidly with partners to identify the needs of the most vulnerable and rallied the community to provide support such as transportation for local seniors in need. Because supporters help their local communities, seniors like Patricia are not alone.

Responding to communities in need

In addition to COVID-19, devastating weather events struck communities across Canada and around the globe in 2020.

St. John’s, NL, was hit with an unusual, record-breaking blizzard. The city shut down for a week when a storm, with Category 2 hurricane-force winds, dumped up to 93 centimetres of snow in a single day. To help those most affected by the storm and subsequent state of emergency, we donated $25,000 to the Community Food Sharing Association. The charity collects and distributes food to Newfoundland and Labrador’s 54 food banks, helping to feed 27,000 children, women and men across the province. For every $10 the association receives, it can acquire $430 worth of food through partners, which means our donation had an even greater impact.

The last thing Fort McMurray, AB, needed this year was a spring flood. But that is exactly what happened in May, and nearly 13,000 people were evacuated from their homes. The community was already coping with an economic downturn related to falling oil prices and the COVID-19 pandemic, while still recovering from the 2016 wildfires.

We helped the community by donating $100,000 to the Wood Buffalo Community Foundation Rapid Response Fund. Funding supported valuable community projects that were needed in the areas of mental health, COVID-19 support and the environment.

Employee Generosity

Generosity in Action Campaign

Our employees elevated their generosity by raising over $1.7 million during our 2020 Generosity in Action Campaign – Intact’s annual employee giving campaign in partnership with the United Way. This first fully-virtual and rebranded fundraising campaign was an incredible success. To amplify our employees’ outstanding generosity, and in response to the continuing challenges society was facing, we donated $2 for every $1 raised, for a total corporate match of $3.3 million. Combined, we raised over $5.2 million nationally. These funds are helping families living in poverty and supporting worthy organizations to help their communities through the pandemic.

Our corporate match – to be allocated to projects in early 2021 – will help address the root causes of poverty, particularly focusing on communities hit hardest by the pandemic.
“The United Way has been a big part of my life for many years now. The companies that my parents work for are affiliated with the United Way, and it has always been close to our hearts. Ever since I began my first retail job, I started donating to the United Way through payroll deductions and was really pleased to find out that Intact collaborates with the United Way as well. It is incredible that the United Way supports over 1,100 local community programs in BC alone, and that any donor can allocate their dollars wherever they wish. As a volunteer in last year’s campaign, I thought it would be a unique opportunity to lead a virtual event this year, especially with the financial implications that COVID-19 has had on our communities.”

Kelsey Gill, Lead, Intact Insurance Vancouver Campaign

“I became a campaign chair for this year’s Generosity in Action Campaign for a few reasons: I love helping others and I knew this would be an excellent opportunity to contribute to our region in a different way. I enjoy my day-to-day work in the underwriting world; however, the Generosity in Action Campaign brings so much more meaning to my day and I am grateful for the opportunity to contribute and share my time towards this campaign. It is a great way to meet people from different departments, provinces and levels of Intact. I choose to donate to the United Way because their values align with mine. As a mother, I have a deep love for children, and knowing that our money goes to fight child poverty within our own region is very important to me. I know many people, including my own family, who have been affected financially by COVID-19. Our community needs help now more than ever, which is why this year’s campaign is especially important. I am proud to be a part of it!”

Trish Miragliotta, Intact Insurance Lead, Durham Campaign

Community Impact Program

Another way our employees support others is through our Community Impact Program. It amplifies their generosity by matching the donations and time they give back to their communities. The program is designed to give employees the flexibility to choose how and where they give, in ways that are meaningful to them. They simply choose a Canada Revenue Agency-registered charity, and we match their donations, time spent volunteering, or both.

When employees submit donations and track volunteer hours, we match them – dollar-for-dollar or $20 for each hour volunteered – to a maximum of $1,000 per year per employee.

Employees stepped up to contribute 50% more during the spring of 2020 than in the previous year, helping our communities during the peak of the first wave of the COVID-19 pandemic. Our employees volunteered more than 5,685 hours and donated over $225,000 to the causes that matter most to them. To recognize their efforts in challenging times, we doubled the match for all donations and volunteer hours submitted in 2020, tripling their impact. With employees’ donations, volunteer hours and the corporate 2:1 match, our Community Impact Program provided a total of $880,000 to almost 800 organizations across Canada in 2020.”
Volunteering in a time of crisis

An Intact employee group, with support from the United Way, got together virtually to build do-it-yourself kits for the Warden Woods Community Centre in Scarborough, ON. The kits included activity and story books created by the team, as well as individual message postcards for frontline community workers.

“This was a great activity that the team really enjoyed and that we hope will bring a few smiles to some in our communities.”

Sophie Robichaud, Manager, Actuarial Services, Commercial Lines

2020 Top 10 organizations

(based on number of employee donations through the Community Impact Program)

- Fondation CHU Sainte-Justine
- Canadian Cancer Society
- The Movember Foundation
- Food Banks Canada
- World Wildlife Fund Canada
- Black Health Alliance
- Canadian Red Cross
- Little Brothers
- Welcome Hall Mission
- Leucan

Employees donated over $225,000
Employees volunteered more than 5,685 hours
Total contribution of the Community Impact program was over $880,000
Matching funding for volunteer hours was $227,000

Dallaire Institute for Children, Peace and Security

In 2015, Intact and the Roméo Dallaire Child Soldiers Initiative established the Intact/Dallaire Initiative Senior Fellow at Dalhousie University, a position that leads ground-breaking research into ending the recruitment and use of child soldiers.

This year, the newly renamed Dallaire Institute for Children, Peace and Security marked an important milestone: 10 years of tireless work to prevent children from being used as weapons of war. The organization received the status of institute from Dalhousie University, leading to its name change, and formally launched the Dallaire Institute’s African Centre of Excellence (CoE) for Peace and Security in Rwanda – which is partially funded by Intac.

You can watch this video to view highlights of the Dallaire Institute’s work over the past 10 years.
Governance

Strong governance and high ethical standards are critical components of our success. They enable us to enhance value for shareholders, ensure our long-term viability and achieve our purpose – to help people, businesses and society prosper in good times and be resilient in bad times.

**Corporate governance structure**

Highlights of our corporate governance practices include:

- **Oversight of our strategy** – The Board assumes responsibility for the oversight of the overall business strategy of the Company. In accordance with its mandate, the Board reviews and approves, at least annually, the strategic plan and the long-term objectives of the Company and oversees their execution.

- **Board independence from management** – an essential part of the Board’s effective oversight and leadership. Some of the mechanisms we have in place to ensure independence are:
  - Separation of CEO and Chair of the Board of Directors
  - Independent Board and Chair: All members of the Board of Directors are independent, except the CEO
  - Only independent directors on all committees of the Board of Directors
  - Private meetings of independent directors at all Board of Directors and committee meetings

- **Robust majority voting policy** – Directors nominated must receive more shareholder votes in favour than against to be considered to have received the support of the shareholders for their election. If nominees do not receive said support, they will be required to resign.

- **Risk management** – the Board of Directors is fully engaged in shaping the philosophy of our Enterprise Risk Management approach, in setting our risk appetite and in ensuring that our governance structure and policies are effective.

In 2020 women comprised 36.4% of our Board (four of 11 directors)

#1 in 2020 Globe and Mail Board Games ranking, scoring 98 points out of a possible 100
• Executive compensation – Our compensation philosophy relies on a “pay-for-performance” culture, which allows the company to attract, retain and motivate key talent. Our philosophy promotes the long-term interests of the company and performance aligned with Intact’s strategy and Living our Values code of conduct. Supporting elements of the philosophy include:
  – Say-on-Pay: Annual shareholder advisory vote on executive compensation
  – Robust Clawback Policy: applies to all variable compensation, including cash bonuses and equity compensation

ESG oversight

The Board of Directors oversees and monitors our environmental, social and governance (ESG) and social impact initiatives, including, but not limited to:
• Approves our strategic plan and corporate objectives, oversees their execution and ensures ESG performance is accounted for in our strategy
• Oversees the identification and monitoring of our principal risks, including ESG-related risks, and ensures we have effective risk management programs and practices aligned with our risk appetite framework
• Sets the tone for our culture through the promotion of our Values as well as the integrity, ethics and compliance culture by ensuring that the appropriate structures and programs are in place to meet and maintain the highest rules of ethics, compliance and conduct

Audit Committee

Oversees:
• The integrity, fairness and completeness of our financial statements and other financial disclosure
• The quality and integrity of our internal controls and procedures
• Our actuarial practices, ensuring pricing and segmentation practices are adapted to address our risks including those related to climate change and trends in catastrophes and severe weather events

Compliance Review and Corporate Governance Committee

Oversees:
• Our governance framework
• Our compliance framework and programs, including our Living our Values code of conduct
• The monitoring of market conduct practices and ensuring fair customer treatment
• The monitoring of potential conflicts of interests
• Our director recruitment and nomination process, including the integration of diversity and inclusion considerations
• The assessment process of the Board, its Committees and the directors
• Our directors’ compensation program, ensuring alignment with shareholders’ interest
• Our shareholder engagement strategy
• The proxy voting guidelines

Human Resources and Compensation Committee

Oversees:
• Our policies and initiatives related to human capital management, including diversity and inclusion
• Our policies and initiatives related to workplace culture
• Our executive compensation programs
• Our policies and programs related to succession planning, talent development and management
• The suitability of the executives’ and senior executives’ conduct, in line with our high ethical values

Risk Management Committee

Oversees:
• The assessment and monitoring of the principal risks affecting our business, including ESG-related risks
• The development of strategies to manage these risks
• Our initiatives to promote awareness of the potential impact of climate change and to provide practical solutions for our communities
• Our reinsurance programs, ensuring they adequately limit our losses in the event of significant weather-related losses and other catastrophic events

• Compensation linked to ESG-related goals – Employee engagement and customer-driven initiative-related goals are included in the personal objectives of the CEO and other Senior Executives under our Short-Term Incentive Plan (STIP)
• Retention of independent compensation consultant

To learn more about our corporate governance practices and executive compensation framework, please see our 2021 Management Proxy Circular.
**Board diversity**

Our Board of Directors recognizes the benefits of diversity of thought, experience and background among its members. Under the Board and Senior Management Diversity Policy, Intact considers various dimensions of diversity in the selection process for Board members including gender, visible minority, Indigenous Peoples, persons with disabilities and/or sexual orientation. As part of its renewal process, the Board maintains an evergreen list of director candidates and seeks to enhance the diversity of its membership.

Since 2015, the Board has had a composition target providing for representation of at least 30% of each gender. The company has also signed the Catalyst Accord 2022, which calls on Canadian boards and CEOs to accelerate the advancement of women in business by increasing the percentage of women on boards and in executive positions to at least 30% by 2022. In 2020, women comprised 36.4% of our Board (four of 11 directors).

Early in 2021, the Board approved updates to its Diversity Policy and set new diversity targets for the Board and Executive Committee:

- The Board’s revised Diversity Policy incorporates more inclusive and explicit language relating to several dimensions of diversity. Additional language was added to the Diversity Policy to add clarity on how diversity is considered in the director recruitment and selection process.
- Our new diversity targets are:
  - By 2025, 10% of the members of the Executive Committee identify as a member of a visible minority group, Indigenous Peoples, persons with disabilities, and/or LGBTQ+.
  - By 2025, at least one Director identifies as a member of a visible minority group, Indigenous Peoples, persons with disability and/or LGBTQ+. We will further strive to have 2 Directors identifying as members of these communities by 2025.
  - At least 30% representation of women on the Executive Committee. We currently meet this target, with 34.5% women on the Executive Committee.

Please see our 2021 Management Proxy Circular for additional information on Board and Executive Committee diversity.

**Ethics and integrity**

The highest standards of integrity, personal conduct and ethical behaviour are essential to our reputation and to our success as a customer-driven organization. Living our Values is our code of conduct and the foundation for all behaviour at Intact.

Our Values (Integrity, Respect, Customer-driven, Excellence and Generosity) guide how we work with customers, colleagues and shareholders, and define our role in society. They are also at the heart of our dealings with brokers, suppliers, service providers, consultants and other third parties. In accordance with our Values, we are committed to conducting business with the highest standards of integrity, ethics, respect and excellence. The Board of Directors and all employees are required to abide by all relevant laws and regulations, and employees are required to complete regular mandatory compliance training.

In 2020, employees completed our compliance program and attested to our code of conduct during Compliance and Risk Awareness Week.

More information on our corporate governance policies can be found in the ESG data table on page 62. Our 2021 Management Proxy Circular provides more details on our Code of Conduct, Ethics and Compliance.

**Public policy**

We contribute to public policy discussions in a responsible manner. We believe it is important to engage with governments on matters that affect our customers, brokers, employees and communities.

We worked with governments throughout 2020 to provide our risk management expertise and share valuable economic data to help inform economic policies.

Key advocacy issues include:

- Helping to protect Canadians, their families and communities from extreme weather events by focusing on climate change adaptation solutions at the government and homeowner levels
  - We participate in the Government of Canada’s Task Force on Flood Insurance and Relocation, which is considering options to protect homeowners at high risk of flooding and the viability of a low-cost national flood insurance program. A final report on the task force’s work is due in the spring of 2022.
- Ensuring that consumers have access to affordable and sustainable auto insurance products in Alberta and Ontario
- Encouraging flexible regulatory frameworks that keep pace with consumer expectations, such as growth in the sharing economy and digital commerce
- Working with governments to ensure Canadians and our economy are prepared for the impact of a major earthquake

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21 Executive Committee refers to the most senior management committee of the company, comprised of the Senior Executives of the company.
Intact Investment Management Inc. (IIM) is a wholly-owned Intact subsidiary based in Montreal. Our growing team of in-house investment professionals manages more than $20 billion in assets for institutional investors.

IIM believes that appropriately managing environmental, social and governance (ESG) risks, including climate change, can enhance the sustainability of a company’s business. ESG is integrated into IIM’s investment policies and procedures and is part of the investment management process for all of our investment portfolios. Each portfolio manager is responsible for assessing all material risks and opportunities, including those related to ESG.

IIM’s ESG Committee, composed of investment experts from each asset class, along with IIM’s Managing Director and Chief Investment Officer, leads the development and implementation of IIM’s ESG strategy. The committee meets regularly and provides updates to IFC’s management on a quarterly basis.

IIM’s investment management team receives ESG training and regular updates from the ESG Committee.

Engagement

As active owners, engagement is an important part of IIM’s ESG approach. In 2020, IIM’s engagement efforts centred around, but were not limited to, climate adaptation and resiliency. IIM also aims to engage with our investees with its proxy voting.

In 2020, portfolio managers engaged with more than 40 investees on their climate resiliency. Through ongoing discussions, IIM works with investee companies to understand their climate-related risks and opportunities.

IIM’s updated proxy voting policy focused on enhancing governance guidelines to align with best corporate standards and with IFC’s practices. Changes were made in 2020 to support increased Board diversity. IIM will generally not support a Board without female representation and where there is no adopted policy or disclosed plan to address the lack of gender diversity on the Board. It will generally support the appointment of directors with diversity in
skills, experience and background, including gender diversity and representation of visible minorities. Details on IIM’s proxy voting policy can be found here.

In 2020, IIM voted on 292 shareholder proposals related to ESG matters. The common themes of the proposals are listed below:

**IIM Shareholder Proposals related to ESG**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Category</th>
<th>Themes</th>
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| 7.5%       | Environment       | • Climate change disclosure  
                              • GHG emissions                      |
| 31.5%      | Social            | • Human rights  
                              • Lobbying and political contributions |
| 61%        | Governance        | • Board structure  
                              • Shareholder rights                 |

**Sustainable investments**

IIM pursues investment opportunities that offer solutions to environmental and social challenges, such as climate change and affordable housing and education. Approximately 1% of IIM’s total investment portfolio is made up of sustainable assets. This includes green and social bonds, as well as investments in renewable energy, affordable housing projects, education and hospitals.

IIM will continue to develop its portfolio to incorporate investments that address key environmental and social issues to advance and enhance its sustainable investment portfolio over time.

“**To maintain our long-term outperformance, our IIM investment process integrates sustainable risk management practices. Our team engages actively with investee companies to review their climate resiliency governance, risks and initiatives.”**

David Tremblay, Chief Investment Officer, Intact Investment Management

**Energy transition**

As risk managers and investors, Intact Financial Corporation and IIM have roles to play in helping to transition to a low-carbon economy. According to the Intergovernmental Panel on Climate Change (IPCC), the global body for assessing the science related to climate change, it is necessary to limit global warming to less than 2-degrees Celsius by the end of the century, compared to pre-industrial times. To reduce our emissions, fossil fuel energy generation will need to make significant reductions.

**Coal**

As coal is the fuel with the highest carbon dioxide (CO₂) emissions in relation to its energy content, a transition to lower-emission fuels is essential to achieving a low-carbon economy. As of 2020, IIM adopted and implemented the following position on thermal coal-related investments:

IIM will assess the transition plans of all companies in our investment universe that:

• Generate more than 25% of their revenue from thermal coal mining  
• Derive more than 25% of their energy generation, revenue or net income from thermal coal

Existing holdings, either in our portfolios and benchmarks, that exceed the threshold are evaluated based on their energy transition plan, including, but not limited to, the assessments of their public disclosure, targets, emission reduction initiatives and investments.

IIM will divest from companies that do not have a satisfactory plan.

IIM will continue to evaluate and adapt its thresholds over time.

**Oil and Gas**

With world energy demand projected to increase, the oil and gas sector will continue to play a key role in the global economy. IIM aims to support the sector’s transition to a low-carbon future and will work to further engage investee companies and identify new low-carbon investment opportunities.
Appendices
The Task Force on Climate-related Financial Disclosures (TCFD) is a voluntary framework created to improve and increase consistent climate-related financial disclosures. As official supporters of the TCFD, we understand the need for enhancing assessment and disclosure of climate-related risks and opportunities. Building on our strong foundation in climate-risk management and adaptation, we are enhancing our own practices and disclosure through our work internally and participation in international and national pilot projects.

**Governance**

**Board oversight**

Climate change is an integral accountability of the Board of Directors’ Risk Management Committee, which oversees our risk management and climate change adaptation initiatives. This includes:

- Overseeing the assessment and monitoring of the risks related to climate change, including the potential impact of insured losses resulting from damage to property and assets arising from climate-related natural catastrophe events, and the development of strategies to manage these risks
- Ensuring that the design of our products and concentration of risks reflect climate change risk management practices
- Ensuring that our reinsurance programs adequately limit our losses in the event of significant weather-related losses and other catastrophic events

The Board of Directors is also assisted by the Audit Committee to ensure that our segmentation and pricing practices are adapted to address climate change risks and trends in catastrophes and severe weather events.

**Senior management**

As a purpose-driven business, ESG issues, including climate change, have been integral to our strategy for the past decade. Our CEO and senior management receive frequent updates on our climate change work and are advocates of climate adaptation. The Enterprise Risk Management Committee has identified climate change and catastrophic events as a top 10 risk for our company for over a decade, and the committee oversees the development of strategies to manage these risks.

We are on the frontlines of climate change and have a unique understanding of the impacts of climate change on our customers. We have anticipated these impacts and embedded our response into our strategy. We have a proven track record of adapting to changing conditions. In 2015, we redesigned our personal property business to account for the increased risks of flood, offering enhanced coverage to Canadians. We continue to advance our products to account for new climate realities and increase the flexibility of protection for our customers. In 2020, corporate teams reviewed our current personal and commercial products, underwriting and pricing practices related to weather-related perils, such as wildfire, hail, wind and winter storms. We addressed hail events in 2020 in the West by introducing a mandatory age-adjusted roof endorsement. Our results in personal property over the last five years indicate we are successfully managing physical risks, with a combined ratio of nearly 90% over that time.

We continue to take action to manage the potential impact of changing weather patterns on our business, including improved risk selection/segmentation, rate increases, product changes, supply chain enhancements and a greater emphasis on prevention.

Please see our 2020 Annual Report for more detail about how we manage climate change.

**Climate change opportunities**

With the increase in frequency and severity of climate-related events, we see opportunities to:

- Extend coverage – We will continue to review our flood maps and look for ways to offer coverage to more customers in the future as data continues to improve and investments in public infrastructure and green spaces help mitigate flood risk.
- Invest in our supply chain and improve customer experience – We continue to invest in our supply chain to avoid capacity shortages in the event of a catastrophe. We capitalized on this by acquiring 100% of On Side Restoration, the largest restoration operation in Canada. This improves the customer experience by making the claims process faster and simpler and enables us to deliver high-quality results.
- Continue to help society adapt – Through our partnership with the Intact Centre on Climate Adaption and our climate adaptation grant recipients, discussed earlier in this report, we are helping society adapt to the impacts of climate change. We also engage with government about the importance of classifying natural assets, such as wetlands, as critical infrastructure as they help limit the impacts of climate change while supporting biodiversity. Research conducted by the Intact Centre and the Insurance Bureau of Canada demonstrates that wetlands can reduce flood damages by 40%.

**Strategy and Risk Management**

**Climate-related risks**

Climate change is a global challenge faced by the entire Property & Casualty (P&C) insurance industry. Changing weather patterns have resulted in hotter, drier weather in some areas and more humid, wetter weather in other areas. The result has been more unpredictable weather and increasingly severe storms.
The transition to a green economy also presents opportunity for insuring new industries, diversifying the underwriting mix and expanding the customer value proposition.

- We currently offer electric vehicle (EV) discounts for personal lines customers in most provinces
- As the largest commercial lines insurer in Canada, we regularly see examples of new or emerging business ventures that seek to improve climate resilience or environmental footprints. For example, we launched an insurance product to support vertical farming in 2020.

As climate-related risks and opportunities are integrated into companies’ strategies and financial products, we also foresee more climate-focused investment opportunities.

### Scenario analysis

Scenario analysis is part of the TCFD recommendations that involves describing the resilience of a company’s strategy under different climate-related scenarios, including a two-degree or lower scenario.

In 2020, we participated in two industry pilot projects on climate scenarios, as well as conducted work with the Geneva Association and internally. We are contributing to the development of consistent practices and disclosures for the industry, and by learning from the results of these pilots, we will refine our own approach to assessing scenarios and risks and enhance our disclosure.

#### UNEP FI TCFD insurance pilot

In November 2018, we joined the United Nations Environment Programme Financial Initiative (UNEP FI) TCFD insurance pilot, a working group of 22 global insurance companies to jointly pilot the TCFD recommendations. The overall aim of the pilot project was to contribute to the development of consistent and transparent analytical approaches that can be used to identify, assess and disclose climate change-related risks and opportunities. The project finished in 2020 and the final report was released in January 2021.

**The final report** focuses on three distinct climate change scenarios:

- A rapid energy transition achieving a well-below 2°C target, with a focus on transition risks (based on International Energy Agency scenarios)\(^{22}\)
- A 2°C Target, analyzing both transition and physical risk impacts (based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) 4.5 scenario)\(^{23}\)
  - “Business as usual,” potentially leading to a 3.4°C increase relative to pre-industrial levels, with a focus on physical risks (based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) 8.5 scenario)

During this project, we identified the need to expand the sophistication and availability of climate data sources, tools and models used to assess the physical impacts of climate change on catastrophe risks. This provides the basis to expand our internal analyses of these risks. The pilot and final report are a first step toward helping the industry assess the impacts of climate-related risks and align disclosures with the TCFD recommendations.

#### Bank of Canada and Office of the Superintendent of Financial Institutions (OSFI) pilot

The Bank of Canada and the Office of the Superintendent of Financial Institutions (OSFI) announced a pilot project in November 2020 to use climate-change scenarios to better understand the risks to the financial system related to a transition to a low-carbon economy. Intact is one of six participating financial institutions.

The project aims to:

- Build the climate scenario analysis capability of authorities and financial institutions, and support the Canadian financial sector in enhancing the disclosure of climate-related risks
- Increase authorities’ and financial institutions’ understanding of the financial sector’s potential exposure to risks associated with a transition to a low-carbon economy
- Improve authorities’ understanding of financial institutions’ governance and risk-management practices around climate-related risks and opportunities

The central bank and OSFI will publish a report, planned for late 2021, sharing details on the specific scenarios, methodology, assumptions and key sensitivities.

This pilot will help further our understanding of the potential impact of transition risk on specific industries within our investment portfolio. Even though our investment portfolio is well diversified, transition poses unique risks and a deeper dive into certain industries will increase our awareness and understanding of these risks.

Through our participation in these two pilots, as well as ongoing work with the Geneva Association and internally, we are contributing to the development of consistent practices and disclosures for the industry. We are committed to learning from these pilots to further refine our own approach and to enhance our disclosure.

### Metrics

We are taking a number of measures across our North American operations to reduce emissions. As a service-based industry, our footprint is relatively low. Our Scope 1 and 2 emissions are mainly related to energy use in our office space and our fleet. Our Scope 3 emissions disclosed cover business travel.

The key metrics we use to manage and assess our climate impacts include:

- Emission intensity on a per unit revenue basis (tCO₂e/DPW) and on a per full-time equivalent employee basis (tCO₂e/FTE)
- GHG emissions – Scope 1, 2 and 3
- Energy consumption

In 2021, we will release our commitment on carbon neutrality.

More information on our reduction efforts can be found on page 29. Details on our carbon emissions can be found in the ESG data table on page 58.
This is our first year disclosing in alignment with the Sustainability Accounting Standards Board (SASB) standards for the insurance industry.

<table>
<thead>
<tr>
<th>SASB Metric</th>
<th>Issue</th>
<th>Category</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IN-270a.1</td>
<td>Transparent Information &amp; Fair Advice for Customers</td>
<td>Quantitative</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers</td>
<td>In management’s opinion, we have made adequate provisions for, or have adequate insurance to cover all insurance claims and legal proceedings instituted against us. Consequently, any settlements reached should not have a material adverse effect on our consolidated future operating results and financial position. For more information please see Note 31.2 of our 2020 Consolidated Financial Statements and Section Legal Proceedings and Regulatory Action of our 2020 Annual Information Form.</td>
</tr>
<tr>
<td>FN-IN-270a.2</td>
<td>Transparent Information &amp; Fair Advice for Customers</td>
<td>Quantitative</td>
<td>Complaints-to-claims ratio</td>
<td>Data on customer complaints can be found on page 59. Information on how we effectively manage and handle claims can be found on page 15.</td>
</tr>
<tr>
<td>FN-IN-270a.3</td>
<td>Transparent Information &amp; Fair Advice for Customers</td>
<td>Quantitative</td>
<td>Customer retention rate</td>
<td>Our most relevant key performance indicators, including Direct Premium Written and combined ratio, can be found in Section 34 – Financial KPIs and definitions of our 2020 Annual Report and our Q4 2020 Supplementary Financial Information.</td>
</tr>
<tr>
<td>FN-IN-270a.4</td>
<td>Transparent Information &amp; Fair Advice for Customers</td>
<td>Discussion and Analysis</td>
<td>Description of approach to informing customers about products</td>
<td>Please see our key principles of our Customer-driven Policy on page 59.</td>
</tr>
<tr>
<td>FN-IN-410a.1</td>
<td>Incorporation of ESG Factors in Investment Management</td>
<td>Quantitative</td>
<td>Total invested assets by industry and asset class</td>
<td>Please see Section 22 – Investments and capital markets of our 2020 Annual Report.</td>
</tr>
<tr>
<td>FN-IN-410a.2</td>
<td>Incorporation of ESG Factors in Investment Management</td>
<td>Discussion and Analysis</td>
<td>Description of approach to incorporation of ESG factors in investment management processes and strategies</td>
<td>Please see pages 46-47.</td>
</tr>
<tr>
<td>FN-IN-410b.1</td>
<td>Policies Designed to Incentivize Responsible Behavior</td>
<td>Quantitative</td>
<td>Net premiums written related to energy efficiency and low carbon technology</td>
<td>Please see our Principles for Sustainable Insurance Report on pages 53-54 for information about products and discounts we offer to customers to reduce their risk and have a positive impact on ESG issues, including low carbon technology.</td>
</tr>
<tr>
<td>FN-IN-410b.2</td>
<td>Policies Designed to Incentivize Responsible Behavior</td>
<td>Discussion and Analysis</td>
<td>Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors</td>
<td>Please see our Principles for Sustainable Insurance Report on pages 53-54 for information about products and discounts we offer to customers to reduce their risk and have a positive impact on ESG issues.</td>
</tr>
<tr>
<td>FN-IN-450a.1</td>
<td>Environmental Risk Exposure</td>
<td>Quantitative</td>
<td>Probable Maximum Loss of insured products from weather-related natural catastrophes</td>
<td>Our current expectation for CAT losses (net of reinsurance) remains unchanged at $300 million on a calendar year basis, including both our Canadian and U.S. operations. Our annual estimate reflects our view of longer-term trends, our growing premium base, as well as product changes. We continue to expect approximately 75% to impact personal lines, and we expect about one third of the annual estimate in each of the second and third quarters. Please see Section 14 – Weather conditions of our 2020 Annual Report for more information.</td>
</tr>
<tr>
<td>SASB Metric</td>
<td>Issue</td>
<td>Category</td>
<td>Metric</td>
<td>Response</td>
</tr>
<tr>
<td>-------------</td>
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<td>--------</td>
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</tr>
<tr>
<td>FN-IN-450a.2</td>
<td>Environmental Risk Exposure</td>
<td>Quantitative</td>
<td>Total amount of monetary losses attributable to insurance payouts from 1) modeled natural catastrophes and 2) non-modeled natural catastrophes, by type of event and geographic segment</td>
<td>In 2020, our net current year catastrophe losses were $359M, of which, $205M were from weather-related events and $154M from non-weather, including direct COVID-19-related losses. More information on our catastrophic (CAT) losses, including weather-related events (such as wildfires, hailstorms and floods) and non-weather events (such as large commercial fires, surety and liability losses, as well as direct losses related to the COVID-19 crisis in 2020) can be found in Section 14 – Weather conditions of our 2020 Annual Report.</td>
</tr>
<tr>
<td>FN-IN-450a.3</td>
<td>Environmental Risk Exposure</td>
<td>Discussion and Analysis</td>
<td>Description of approach to incorporation of environmental risks into 1) the underwriting process for individual contracts and 2) the management of firm-level risk and capital adequacy</td>
<td>Please see Section 19 – Climate change in our 2020 Annual Report.</td>
</tr>
<tr>
<td>FN-IN-550a.1</td>
<td>Systemic Risk Management</td>
<td>Quantitative</td>
<td>Exposure to derivative instruments by category 1) total potential exposure to non-centrally cleared derivatives 2) total fair value of acceptable collateral posted with the Central Clearinghouse, and 3) total potential exposure to centrally cleared derivatives</td>
<td>Please see Note 7 – Financial liabilities related to investments and Note 8 – Derivative financial instruments of our 2020 Consolidated financial statements.</td>
</tr>
<tr>
<td>FN-IN-550a.2</td>
<td>Systemic Risk Management</td>
<td>Quantitative</td>
<td>Total fair value of securities lending collateral assets</td>
<td>Please see Section 32 – Off-balance sheet arrangements of our 2020 Annual Report.</td>
</tr>
<tr>
<td>FN-IN-550a.3</td>
<td>Systemic Risk Management</td>
<td>Discussion and Analysis</td>
<td>Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities</td>
<td>Please see Section 31.6 – Top and emerging risks that may affect future results in our 2020 Annual Report.</td>
</tr>
<tr>
<td>FN-IN-000.A</td>
<td>Activity metric</td>
<td>Quantitative</td>
<td>Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance</td>
<td>We have 5,355,000 personal lines policies in force.</td>
</tr>
</tbody>
</table>
Intact was founded on our Values, a clear purpose, and a belief that insurance is about people, not things. That purpose is to be here to help people, businesses and society prosper in good times and be resilient in bad times. We built our business with help in mind – it’s why we exist and it extends to our role in society.

We became a signatory to the United Nations Environment Programme Finance Initiative’s Principles for Sustainable Insurance (UNEP FI PSI) in July 2018. The purpose of the PSI Initiative is to better understand and address environmental, social and governance (ESG) risk and opportunities. This disclosure highlights the key activities we are taking to implement the four PSI Principles.

Principle 1: We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

Strategy
As a purpose driven business, ESG has been integral to our strategy since our inception over 10 years ago. All employees, including senior management, play a role in helping people, businesses and society prosper. Senior management and the Board of Directors receive regular updates on ESG. Our Board of Directors is responsible for integrating ESG factors of material value or risk into the long-term strategic objectives of the company and ensuring that all material risk factors, including ESG matters, are managed properly. More information on the Board’s oversight of ESG can be found in our 2021 Management Proxy Circular.

ESG is integrated into our Values – empowering employees’ generosity to help our communities. Employees actively embody our Generosity Value by dedicating their time and resources to help others, the environment and communities become more resilient. We amplify their generosity by matching their donations and making a donation for each hour they volunteered. All employees and the Board of Directors are required to complete regular mandatory compliance training and abide by all relevant laws and regulations.

Risk management and underwriting
Details of how we manage ESG-related risks, including climate change, are discussed in our 2020 Annual Report.

Product and service development
We offer products and discounts to customers to reduce their risk and have a positive impact on ESG issues, including:

- Our vertical farm product offers coverage for vertical farm operations that produce fruits, vegetables, and herbs using aeroponic or hydroponic growing practices
- A program of roof snow removal to prevent roof collapse on certain type of buildings: we pay up to $1,000 per targeted building in specific areas
- EV discounts for personal lines customers in most provinces

For personal line customers, we help them build back better and offer:

- $1,000 in Western Canada, Ontario and the Atlantic for Sewer Back-up Coverage for loss mitigation devices after a covered sewer back-up loss to help protect customers from future water damage losses
- In Alberta, we provide customers up to $2,500 to replace product with weather-resistant material following a covered loss

For Commercial and Specialty lines, as part of our standard property insurance, our package extension includes coverage for environmental green upgrades to help cover additional costs to repair property to accepted environmental standards (i.e. LEED) after a loss.

Ongoing customer education is provided through various social media channels, the Intact and belairdirect blogs, engagements with our Loss Prevention teams and prevention tips to brokers through the Broker Lobby online platform. More information can be found on pages 28-29.

Claims management
We’ve connected our claims teams from coast to coast to mobilize quickly and ensure service reliability for our customers. With our recent acquisition of On Side Restoration, we can provide customers faster and higher quality outcomes for property claims customers. We are also leveraging technology to make the claims process more transparent and efficient for our customers – using our apps, customers can quickly submit their claims, helping reduce processing time by up to 15%. More information on our claims management can be found on page 15.

Sales and marketing
We want to make our customers’ lives easier. We invest in creating intuitive tools that make insurance more convenient for customers. Some of the ways we enhanced the customer experience in 2020 can be found on pages 10-16.

All employees abide by our Customer-driven Policy, ensuring customers are treated with consistency, fairness and transparency. More information can be found on page 59.

Investment management
Intact Investment Management (IIM) incorporates ESG factors in its investment process while balancing return, risk and diversification. To learn more about IIM’s approach, please see pages 46-47.
Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

We provide our clients with information on risk prevention and safety tips in our mobile apps and social media channels. For more information, please see pages 28-29.

We regularly engage with the industry on ESG matters through insurance associations, such as the Insurance Bureau of Canada, and through our membership and leadership at The Geneva Association, Business Council of Canada, Principles for Sustainable Insurance and Canadian Business for Climate Policy Group.

Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

We regularly engage and collaborate with a diverse set of government, academic and inter-governmental and non-governmental organizations on ESG issues.

ESG, and in particular, climate change adaption, is a core component of our government relations strategy with all levels of government. We bring our risk management expertise to help devise concrete solutions to pervasive issues like flooding. We also regularly engage with all levels of government through our memberships and associations, such as the Geneva Association, Insurance Bureau of Canada, Business Council of Canada and Canadian Business for Climate Policy Group.

We support and engage with the Intact Centre on Climate Adaptation, an applied research centre that helps establish best practices and practical, cost-effective solutions to help homeowners, communities, governments and businesses identify and reduce the impacts of extreme weather and climate change – including flood, fire and extreme heat.

Through the Intact Foundation, we supported climate change adaptation initiatives through our Intact Adaptation Action Grants. More information can be found on pages 28-33. We work with organizations such as United Way, UNICEF, Dallaire Institute for Children, Peace and Security and Breakfast Club of Canada, to help address the root causes of poverty and provide community relief during the COVID-19 pandemic. More details on our partnerships can be found on pages 34-42.

Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Our progress on ESG issues is disclosed in our:
- 2020 Social Impact Report
- 2020 Annual Report
- 2020 Climate Change CDP response
- 2021 Management Proxy Circular
Public Accountability Statement

Intact Financial Corporation’s 2020 Public Accountability Statement (“Report”) was produced and filed as a consolidated statement. It complements the Intact Financial Corporation Annual Report and provides an overview of activities undertaken in support of customers, employees, community members, shareholders and governments during the fiscal year January 1 to December 31, 2020. All dollar amounts are expressed in Canadian currency.

Comments regarding this document may be forwarded to:
Laura Willett, Manager, ESG
Intact Financial Corporation
laura.willett@intact.net
1 877 341 1464, Ext. 45427

The Public Accountability Statement includes the contributions of the following subsidiaries:
Belair Insurance Company Inc.
The Guarantee Company of North America
Intact Insurance Company
Novex Insurance Company
The Nordic Insurance Company of Canada
Jevco Insurance Company
Trafalgar Insurance Company of Canada

Community involvement and donations
In 2020, Intact donated over $11.8 million across Canada and the United States to over 700 organizations. Our employees volunteered 5,685 hours to over 200 organizations in 2020. Details about our charitable donations can be found on page 60.

In Canada, our social impact priorities are focused on three areas:
• Helping communities adapt to the impacts of climate change
• Addressing the root causes of child poverty
• Encouraging the generosity of Intact Financial Corporation employees

Workforce Demographics

Number of Employees per geographic region

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Total 2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>1,915</td>
<td>73</td>
<td>1,988</td>
<td>1,926</td>
<td>1,835</td>
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<tr>
<td>British Columbia</td>
<td>633</td>
<td>23</td>
<td>656</td>
<td>649</td>
<td>668</td>
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<tr>
<td>Manitoba</td>
<td>57</td>
<td>3</td>
<td>60</td>
<td>60</td>
<td>61</td>
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<tr>
<td>New Brunswick</td>
<td>74</td>
<td>0</td>
<td>74</td>
<td>69</td>
<td>71</td>
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<tr>
<td>Nova Scotia</td>
<td>425</td>
<td>16</td>
<td>441</td>
<td>407</td>
<td>382</td>
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<tr>
<td>Newfoundland and Labrador</td>
<td>233</td>
<td>3</td>
<td>236</td>
<td>229</td>
<td>172</td>
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<tr>
<td>Ontario</td>
<td>5,487</td>
<td>123</td>
<td>5,610</td>
<td>5,448</td>
<td>4,723</td>
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<tr>
<td>Quebec</td>
<td>4,810</td>
<td>366</td>
<td>5,177</td>
<td>4,902</td>
<td>4,531</td>
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<tr>
<td>Saskatchewan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Yukon</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>USA</td>
<td>1,233</td>
<td>13</td>
<td>1,246</td>
<td>1,124</td>
<td>1,106</td>
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<tr>
<td>Total</td>
<td>14,867</td>
<td>620</td>
<td>15,487</td>
<td>14,814</td>
<td>13,549</td>
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</tbody>
</table>

24 Excludes On Side.
Economic impact

Taxes paid by province (in thousands)

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<tr>
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<tbody>
<tr>
<td>Federal</td>
<td>$203,220</td>
<td>–</td>
<td>$203,220</td>
<td>$115,934</td>
<td>$14,279</td>
<td>$129,213</td>
<td>$39,547</td>
<td>$39,547</td>
<td>$170,980</td>
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<td>Newfoundland</td>
<td>$5,434</td>
<td>$11,639</td>
<td>$17,073</td>
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<td>$12,204</td>
<td>$14,404</td>
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<tr>
<td>Prince Edward Island</td>
<td>$223</td>
<td>$540</td>
<td>$764</td>
<td>$549</td>
<td>$381</td>
<td>$522</td>
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<tr>
<td>Nova Scotia</td>
<td>$4,507</td>
<td>$10,639</td>
<td>$15,146</td>
<td>$12,284</td>
<td>$9,417</td>
<td>$13,183</td>
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<tr>
<td>New Brunswick</td>
<td>$1,664</td>
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<td>$5,455</td>
<td>$4,386</td>
<td>$3,378</td>
<td>$4,796</td>
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<tr>
<td>Quebec</td>
<td>$43,710</td>
<td>$102,405</td>
<td>$146,115</td>
<td>$112,678</td>
<td>$90,550</td>
<td>$116,608</td>
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<tr>
<td>Ontario</td>
<td>$65,841</td>
<td>$127,174</td>
<td>$193,016</td>
<td>$152,215</td>
<td>$118,381</td>
<td>$160,823</td>
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<tr>
<td>Manitoba</td>
<td>$1,187</td>
<td>$3,833</td>
<td>$5,021</td>
<td>$4,301</td>
<td>$3,351</td>
<td>$4,269</td>
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<tr>
<td>Saskatchewan</td>
<td>$322</td>
<td>$1,288</td>
<td>$1,610</td>
<td>$1,275</td>
<td>$1,036</td>
<td>$1,138</td>
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<td>Alberta</td>
<td>$20,764</td>
<td>$65,190</td>
<td>$85,954</td>
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<tr>
<td>British Columbia</td>
<td>$9,906</td>
<td>$31,439</td>
<td>$41,346</td>
<td>$36,390</td>
<td>$29,903</td>
<td>$34,199</td>
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<tr>
<td>Yukon</td>
<td>$76</td>
<td>$150</td>
<td>$226</td>
<td>$185</td>
<td>$138</td>
<td>$229</td>
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<tr>
<td>Northwest Territories</td>
<td>$132</td>
<td>$359</td>
<td>$491</td>
<td>$436</td>
<td>$360</td>
<td>$521</td>
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<tr>
<td>Nunavut</td>
<td>$33</td>
<td>$95</td>
<td>$127</td>
<td>$93</td>
<td>$80</td>
<td>$120</td>
<td></td>
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<tr>
<td>Total Provincial</td>
<td>$153,800</td>
<td>$358,542</td>
<td>$512,342</td>
<td>$415,690</td>
<td>$331,019</td>
<td>$434,804</td>
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<tr>
<td>Total</td>
<td>$357,020</td>
<td>$358,542</td>
<td>$715,562</td>
<td>$531,624</td>
<td>$370,566</td>
<td>$605,784</td>
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</tbody>
</table>

Debt financing

Intact and its subsidiaries provided 27 new loans amounting to $38.4 million in debt financing to firms in Canada in 2020. The information has been consolidated to protect the identity of the individual firms that might otherwise be identifiable.

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Total Firms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $24,999</td>
<td>1</td>
<td>$10,000</td>
</tr>
<tr>
<td>$25,000 - $99,999</td>
<td>1</td>
<td>$58,341</td>
</tr>
<tr>
<td>$100,000 - $249,999</td>
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<td>$699,795</td>
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<tr>
<td>$250,000 - $499,999</td>
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<td>$605,335</td>
</tr>
<tr>
<td>$500,000 - $999,999</td>
<td>3</td>
<td>$1,893,968</td>
</tr>
<tr>
<td>$1,000,000 - $4,999,999 &amp; greater</td>
<td>14</td>
<td>$29,057,118</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>$5,944,451</td>
</tr>
<tr>
<td>Total firms</td>
<td>27</td>
<td>$38,359,009</td>
</tr>
</tbody>
</table>
Locations
Our key locations and service centres in Canada and the U.S. include:

**Canada**

**Calgary**
2220, 32nd Avenue NE, Calgary, AB T2E 6T4

**Calgary**
321 6th Avenue S.W., Calgary, AB T2P 3H3

**Dorval**
2020 Transcanadienne, Suite 101, Dorval, QC H9P 2N4

**Edmonton**
700 – 10830 Jasper Avenue, Edmonton, AB T5J 2B3

**Etobicoke**
64 Fordhouse Boulevard, Etobicoke, ON M8Z 5X7

**Montreal**
2020 Robert-Bourassa Boulevard, Montreal, QC H3A 2A5

**Ottawa**
1837 Woodward Drive, Ottawa, ON K2C 0P9

**Ottawa**
200 – 1111 Prince of Wales Drive, Ottawa, ON K2C 3T2

**Ottawa**
1200 St. Laurent Boulevard, Unit 004A, Ottawa, ON K1K 3B8

**Quebec City**
700 – 5700 boulevard des Galeries, Quebec City, QC G2K 0H5

**Toronto**
700 University Avenue, Toronto, ON M5G 0A2

**Vancouver**
1100 – 999 West Hastings Street, Vancouver, BC V6C 2W2

**U.S.**

**Canton**
150 Royall Street, Canton, MA 02021

**Englewood**
188 Inverness Drive W, Suite 600, Englewood, CO 80112

**Morristown**
44 Whippany Road, Morristown, NJ 07960

**New York**
One State Street Plaza, Floor 31, New York, NY 10004

**Plymouth**
605 Highway 169 North, Suite 800, Plymouth, MN 55441

**Salem**
1051 Texas Street, Salem, VA 24153
ESG data tables

The ESG data tables provide a summary of environmental, social and governance (ESG) performance data and information that supports our 2020 disclosure.

Environment

Carbon emissions

In 2021, we will release our commitment on carbon neutrality.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
<th>2019(^{25})</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greenhouse Gas Emissions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 emissions</td>
<td>tonnes of CO(_2) equivalent</td>
<td>6,876</td>
<td>7,326</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>tonnes of CO(_2) equivalent</td>
<td>6,212</td>
<td>4,002</td>
</tr>
<tr>
<td>Scope 3 emissions(^{26})</td>
<td>tonnes of CO(_2) equivalent</td>
<td>1,270</td>
<td>4,423</td>
</tr>
<tr>
<td>Total GHG emissions</td>
<td>tonnes of CO(_2) equivalent</td>
<td>14,358</td>
<td>15,752</td>
</tr>
<tr>
<td><strong>GHG Intensity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per million of Direct Premium Written (DPW)</td>
<td>Scope 1 + 2 emissions/DPW</td>
<td>1.17</td>
<td>1.11</td>
</tr>
<tr>
<td>Per Full-Time Equivalent Employee (FTE)</td>
<td>Scope 1 + 2 emissions/FTE</td>
<td>0.85</td>
<td>0.76</td>
</tr>
<tr>
<td>Total MWh</td>
<td></td>
<td>98,231</td>
<td>102,300</td>
</tr>
<tr>
<td>Electricity</td>
<td>MWh</td>
<td>66,538</td>
<td>69,233</td>
</tr>
<tr>
<td>Natural gas and fuel oil</td>
<td>MWh</td>
<td>16,422</td>
<td>16,494</td>
</tr>
<tr>
<td>Gasoline, diesel, etc.</td>
<td>MWh</td>
<td>15,270</td>
<td>16,573</td>
</tr>
</tbody>
</table>

**Notes to Greenhouse Gas Emissions**

1. Organizational boundary – The scope of this report encompasses all of Intact Financial Corporation’s wholly-owned operations and activities, except On Side Restoration, which was fully acquired in December 2020.
2. GHG emission sources – All known sources of Scope 1 and 2 GHG emissions have been included in our carbon emissions. Scope 3 emissions include employee business travel.
3. Use of estimation techniques – Some data sources were incomplete or unavailable, such as utility usage data at specific real estate locations. In these instances, we used estimation techniques to approximate utility usage using data from locations of a similar size and energy usage.

Intact Investment Management

Intact Investment Management’s approach to ESG is detailed on pages 46-47.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Management</strong></td>
<td></td>
</tr>
<tr>
<td>Sustainable assets(^{27})</td>
<td>% of assets defined as impact</td>
</tr>
<tr>
<td>ESG engagements</td>
<td># of engagements</td>
</tr>
<tr>
<td>ESG shareholder proposals</td>
<td># of ESG proposals voted</td>
</tr>
</tbody>
</table>

\(^{25}\) 2019 data was revised from our 2019 Social Impact Report to include additional travel and fleet data that became available after the release of the report.

\(^{26}\) Includes corporate travel.

\(^{27}\) Sustainable assets are defined as investment opportunities that offer solutions to environmental and social challenges, such as climate change and affordable housing/education.
Social

Policies

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Discrimination Policy – Respect in the Workplace Policy** | • Intact is committed to providing a working environment where everyone feels respected and valued and where everyone can grow. Accordingly, any discrimination or harassment in our workplace will not be tolerated.  
• Discrimination means treating a person unfairly on the basis of a prohibited ground contrary to law and without legal justification.  
• Intact is committed to the prevention of workplace harassment and will take all reasonable steps to provide a safe workplace. Intact will respond as soon as possible when it becomes aware of any harassment situation and act with diligence at each stage of the process.  
• The Respect in the Workplace Policy & Program (the “Policy”) applies to all Intact employees including managers, individual contributors, temporary employees, students, contractors and subcontractors. For the purpose of this policy, all such individuals will be referred to as “employees.” The Policy includes procedures and requirements for the prevention of workplace harassment and commits Intact to addressing complaints of harassment in a timely and equitable manner.  
• All employees are expected to adhere to the Policy, those who violate the Policy may be subject to disciplinary and/or corrective action, up to and including termination of employment. Please refer to our [Living our Values](#) code of conduct. |
| **Customer-driven Policy** | Our Customer-driven Policy guides all aspects of the customer experience and applies to all employees. Employees deliver a customer experience that is second-to-none by following these key principles:  
• Adhere to legal requirements and best practices  
• Comply with internal corporate policies  
• Be transparent, fair, prompt and consistent in our interactions with consumers  
• Ensure functions carried out by our third-party service providers relating to an insurance product’s lifecycle (design, solicitation, sale, servicing, claims) are performed following the fair treatment of consumers principles  
• Keep consumers informed in order to allow them to make educated decisions  
Ensuring fair treatment of consumers (FTC) principles encompasses achieving outcomes such as:  
• Consumers are confident when dealing with Intact as it makes the FTC a core component of its governance and corporate culture  
• Consumers are treated with consistency, fairness, and transparency  
• Consumers are properly informed to make educated decisions regarding products, before, during and after the purchase of products  
• The products and related services available to consumers are consistent with Intact’s statements  
• When consumers want to switch products, change institutions, or file a complaint or claim, procedures are in place within the institution to facilitate such operations  
We notify customers of policy changes as required by the applicable insurance legislation and regulation. |
| **Customer complaints** | We have a publicly disclosed complaint-handling protocol for customers.  
Quebec:  
• Step 1: Resolve the problem at the source  
• Step 2: Escalate to the customer experience analyst  
• Step 3: Forward the complaint to external resources (the Autorité des marchés financiers)  
Rest of Canada:  
• Step 1: Resolve the problem at the source  
• Step 2: Escalate to the customer experience representative  
• Step 3: Escalate to Intact’s Ombudsman's Office  
• Step 4: Escalate the complaint to external resources (General Insurance Ombudsman)  
We received 4,810 formal customer complaints in 2020 in Canada. We received 51 complaints in the U.S.. |
| **Employee benefits** | Compensation at Intact is much more than a salary and bonus. We offer a competitive benefits package to our full-time employees, with medical and dental, retirement and life insurance benefits. Our benefits package provides resources and tools to ensure the well-being of our employees and their families. They are available to permanent employees who work at least 21 hours per week. The Intact Advantage provides employees annually a holistic overview of their benefits. Some benefits we offer our employees include28:  
• Virtual health care – to help employees access health care services in an efficient, confidential and innovative way. This service is available to employees and their dependents 24 hours a day, 7 days a week  
• Employee Share Purchase Plan – a voluntary plan in which employees can purchase IFC shares. Intact matches 50% of net shares at the end of each calendar year  
• Flexible Work Arrangements (FWA)  
• Defined benefit and defined contribution pension plans |

28 Examples of benefits listed are available to our IFC Canada employees.
The pandemic has accelerated our use of technology and digital across all aspects of life. We accelerated our plans to address the pace of technology change at work and the need to re-skill and up-skill workers. We are working to ensure the positive implementation of technology and the future of work. Our strategy is focused around five workstreams:

- Hiring and recruitment: recruiting talent with an openness to learn and adapt to changing environments
- Retention: retaining adaptable talent
- Learning and reskilling: developing the skills of our employees who may have a new role in the organization; bolstering the learning experience of our people and introducing digital learning paths to upskill for the future; and further developing leadership and soft skill curriculum
- Pathing: providing examples of career paths to enable successful transitions
- Systems and workflow redesign: identifying the changes needed to our systems and workflows to take advantage of strategy shifts brought on by AI

### Community Impact – Intact Financial Corporation and Intact Foundation charitable contributions

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total donations</td>
<td>$11,879,882</td>
<td>$5,700,000</td>
<td>$6,100,000</td>
</tr>
<tr>
<td>Employee volunteer hours</td>
<td>5,685 hours</td>
<td>16,225</td>
<td>4,100</td>
</tr>
<tr>
<td>Total donations Community Impact Program</td>
<td>$655,180</td>
<td>$326,570</td>
<td>$106,837</td>
</tr>
<tr>
<td>Total donations Generosity in Action Campaign</td>
<td>$3,345,380</td>
<td>$1,341,792</td>
<td>$1,318,107</td>
</tr>
</tbody>
</table>

### Workforce demographics

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>38.7%</td>
<td>38.1%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Women</td>
<td>61.3%</td>
<td>61.9%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>17.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VPs &amp; Above</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>62.8%</td>
<td>63.9%</td>
<td>62.8%</td>
</tr>
<tr>
<td>Women</td>
<td>37.2%</td>
<td>36.1%</td>
<td>37.2%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>46.3%</td>
<td>45.9%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Women</td>
<td>53.7%</td>
<td>54.1%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>15.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>37.5%</td>
<td>36.8%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Women</td>
<td>62.5%</td>
<td>63.2%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Identify as a member of a visible minority group</td>
<td>18.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

29 Excluding employees' personal contributions.
30 Excluding employees' personal contributions.
31 Excludes On Side.
32 Excludes BrokerLink and On Side.
33 Excludes Frank Cowan Company and On Side.
34 Excludes BrokerLink, Frank Cowan Company and On Side.
35 Excludes BrokerLink, Frank Cowan Company and On Side.
Voluntary turnover data

Canada and U.S.

<table>
<thead>
<tr>
<th>Voluntary Turnover</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6.5%</td>
<td>8.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Men</td>
<td>7.3%</td>
<td>10.0%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Women</td>
<td>5.9%</td>
<td>8.0%</td>
<td>8.2%</td>
</tr>
<tr>
<td>&lt;35 years old</td>
<td>11.7%</td>
<td>16.4%</td>
<td>15.9%</td>
</tr>
<tr>
<td>35 - 55 years old</td>
<td>4.5%</td>
<td>6.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>&gt;55 years old</td>
<td>1.6%</td>
<td>1.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Less than 2 years of service</td>
<td>14.7%</td>
<td>20.1%</td>
<td>19.8%</td>
</tr>
<tr>
<td>2 years of service or more</td>
<td>3.9%</td>
<td>5.4%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

Geographic breakdowns of our workforce can be found in our Public Accountability Statement on page 55.

Governance

Data privacy, security and governance

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
</table>
| Customer and employee data privacy | • How we protect and handle our customers data are guided by our Values.  
• We abide by all privacy legislation, including the Personal Information Protection and Electronic Documents Act and the Act respecting the protection of personal information in the private sector.  
• We adopted an Internal Personal Information Policy in connection with the collection, use and disclosure of personal information.  
• We only collect information from current and potential customers that we need to deliver our products and services.  
• Only Intact employees who have a legitimate business need can access customer data, where applicable and where informed consent has been obtained.  
• When personal information is no longer needed, we dispose of it in a secure manner. This applies to any personal information we collect from employees, brokers, suppliers, service providers, consultants, shareholders or any third party.  
• We notify customers, regulators, third-party vendors, and law enforcement of data breaches as required by regulation and privacy laws. To the extent possible, such notification to customers includes enough detail to understand how their information has been affected, as well as steps they can take to minimize potential risk. |
| Cybersecurity           | • Dedicated teams plan, test and execute our business continuity and cybersecurity plans.  
• Threat and vulnerability assessments and quick mitigation actions are carried out. IT security teams consistently monitor all systems and intervene if an incident occurs.  
• Critical third-party service providers sign off on service level agreements and ensure legal protections are added to relevant contracts.  
• Security teams regularly monitor external trends in cybersecurity to mitigate any known vulnerabilities.  
• Comprehensive and ongoing employee training on cybersecurity awareness is conducted to avoid points of entry for cyber attacks.  
• The Enterprise Risk Management Committee oversees cyber risk and cybersecurity at the strategic level and monitors progress of mitigation action plans. |
| Employee data and security training | Information security is more critical than ever before, with a majority of our workforce working from home. Employees are required annually to complete Infosec training, our comprehensive data security program, which includes 10 mandatory training exercises focused on four themes:  
• Social engineering  
• Being secure online  
• Protecting sensitive information  
• Incident reporting  
Throughout the year, phishing exercises are conducted on a routine basis to test employee awareness and provide real-time learning. We continuously evolve our training programs to ensure our employees are equipped to protect sensitive data and report suspicious activity. |

Data Governance Principles

In 2020, we published our Data Governance Principles. See page 17.

36 Excludes Frank Cowan Company and On Side.
Corporate policy and practices

Living our Values is our code of conduct and governs every aspect of what we do. Our Values are integrated in our corporate policies.

Some of our key policies include:

<table>
<thead>
<tr>
<th>Policy/Practice</th>
<th>Description of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of Interest and Gifts Policy</td>
<td>Gives employees guidance to avoid conflicts of interest and/or the acceptance of inappropriate gifts and entertainment and explains how to report any instances of conflict.</td>
</tr>
<tr>
<td>Insider Trading and Reporting Requirements</td>
<td>Gives guidance to avoid prohibited trading or tipping and explains trade reporting requirements.</td>
</tr>
<tr>
<td>Privacy Breach Protocol</td>
<td>Applies to all IFC employees and to all areas of IFC operations which may impact personal information to ensure appropriate steps are taken in the event of a privacy breach. It is important to us to ensure that all employees understand what to do in the event of a privacy breach.</td>
</tr>
<tr>
<td>Internal Personal Information Policy</td>
<td>Explains how we protect our clients’ personal information. We must get their consent before collecting, using or disclosing their information and only use their information for the purposes for which it was collected. Employees are trained in the handling of personal information.</td>
</tr>
<tr>
<td>Respect in the Workplace Policy</td>
<td>Every employee at IFC has the right to work in an environment that is free of discrimination and harassment. The Policy includes procedures and requirements for the prevention of workplace harassment. All employees are expected to adhere to the Policy.</td>
</tr>
<tr>
<td>Whistleblower Hotline</td>
<td>Whistleblowers serve a critical role in ensuring we live our Values. The whistleblower hotline provides employees the ability to confidentially report any breaches of our Living our Values code of conduct, controls or policies, laws or regulations, or business misconduct (fraud) or ethical issues they might have noticed. Employees are encouraged to report any breaches via the whistleblower hotline. To learn more, please refer to the Management Proxy Circular for additional information on the company’s Code of Conduct and Ethics.</td>
</tr>
<tr>
<td>Technology, Social Media and Intellectual Property Policy</td>
<td>Ensures employees follow four basic rules: protect confidentiality, respect others on social media, use licensed software and get permission to use Intact brands.</td>
</tr>
<tr>
<td>Incident Management Policy</td>
<td>The escalation of risks and incidents helps to reduce their impact. Our incident management framework obliges employees to report incidents to the appropriate level of escalation.</td>
</tr>
<tr>
<td>Lobbying Policy</td>
<td>Applies to all employees, and outlines employee responsibilities with regards to lobbying, including internal reporting and external registration requirements.</td>
</tr>
<tr>
<td>Anti-money laundering/ Antiterrorist financing/Competition</td>
<td>We abide by all laws and regulations related to money activities and competition law.</td>
</tr>
<tr>
<td>Political involvement and contributions</td>
<td>Our Living our Values code of conduct outlines how and why political contributions are made. Any political contributions are made within prescribed legal limits. Contributions are made as an expression of responsible citizenship, not to gain an improper advantage. Intact complies with all laws, regulations and principles of ethics when offering items of value to any political party, candidate or public official at all levels of government. All contributions made on behalf of the company are approved by the Head of Government Relations.</td>
</tr>
</tbody>
</table>

Board of Directors

Board overview

- The Board of Directors is responsible for stewardship and oversight of the company.
- The Board of Directors holds strategic sessions during all its regularly scheduled meetings to discuss positioning of the company, its long-term objectives and overall business strategy. See our 2021 Management Proxy Circular for more information on our Board of Directors.

Board diversity

Since 2015, the Board of Directors has had a composition target providing for representation of at least 30% of each gender. In 2020, women comprised 36.4% of our Board (four of 11 directors).

- Early in 2021, the Board approved updates to its Diversity Policy and set new diversity targets: the Board’s revised Diversity Policy incorporates more inclusive and explicit language relating to a number of dimensions of diversity. Additional language was added to the Diversity Policy to add clarity on how diversity is considered in the director recruitment and selection process.
- Our new Board diversity targets are:
  - By 2025, at least one Director identifies as a member of a visible minority group, Indigenous Peoples, persons with disability and/or LGBTQ+.

See our 2021 Management Proxy Circular for more information on Board diversity.

Executive compensation

See our 2021 Management Proxy Circular for more information.
ESG content map

The Company’s disclosure with respect to environmental, social and governance factors is included across our annual disclosure documentation:

- 2020 Annual Report (which includes the Company’s consolidated financial statements and Management’s Discussion and Analysis for the fiscal year ended December 31, 2020)
- 2020 Annual Information Form
- 2021 Management Proxy Circular
- 2020 Social Impact Report

You will find below a quick and easy guide to where you can find our ESG content:

<table>
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<tr>
<th>Environmental</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon emissions</td>
<td>58</td>
</tr>
<tr>
<td>Climate adaptation and resiliency</td>
<td>53 to 55, 81 to 82</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community engagement</td>
<td>55 to 56</td>
</tr>
<tr>
<td>Customer-driven approach and complaints handling</td>
<td>34 to 42</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>10 to 15, 59</td>
</tr>
<tr>
<td>Employee compensation and benefits</td>
<td>22, 59</td>
</tr>
<tr>
<td>Human capital management</td>
<td>44 to 47</td>
</tr>
<tr>
<td>Talent attraction and retention</td>
<td>69 to 73</td>
</tr>
<tr>
<td>Workplace culture</td>
<td>69 to 73</td>
</tr>
<tr>
<td>Workforce demographics</td>
<td>26, 55, 60 to 61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>43 to 45</td>
</tr>
<tr>
<td>Director independence</td>
<td>43</td>
</tr>
<tr>
<td>Director nomination and renewal process</td>
<td>54 to 56</td>
</tr>
<tr>
<td>Risk management</td>
<td>75 to 80</td>
</tr>
<tr>
<td>Shareholder engagement</td>
<td>73 to 75</td>
</tr>
<tr>
<td>Structure and oversight functions (including ESG oversight)</td>
<td>43 to 45</td>
</tr>
<tr>
<td>Compliance and ethics</td>
<td>45</td>
</tr>
<tr>
<td>Data privacy and security</td>
<td>44</td>
</tr>
<tr>
<td>Executive compensation</td>
<td>44</td>
</tr>
<tr>
<td>Intact Investment Management</td>
<td>54, 82</td>
</tr>
<tr>
<td>Shareholder rights plan</td>
<td>46 to 47</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frameworks</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Accountability Statement</td>
<td>55 to 57</td>
</tr>
<tr>
<td>Principles for Sustainable Insurance Report</td>
<td>53 to 54</td>
</tr>
<tr>
<td>Disclosure for the Sustainability Accounting Standards Board (SASB) standards for the insurance industry</td>
<td>51 to 52</td>
</tr>
<tr>
<td>Task Force on Climate-related Financial Disclosures (TCFD)</td>
<td>49 to 50</td>
</tr>
</tbody>
</table>