



intact

Social Impact & ESG Report contents

Social Impact Report

- 4 Our Purpose
- 4 Our Values
- 4 Our Core Belief
- 5 Who We Are
- 6 Views from the top
- 9 About this report

10 Helping is core to our strategy

- 11 Our objectives: What we aim to achieve
- 12 Our Strategic Roadmap

13 Our customers are our advocates

- 14 Getting our customers back on track
- 15 Supporting brokers with our specialized expertise
- 16 An enhanced digital experience
- 17 Partnering with academia to drive innovation

18 Our people are engaged

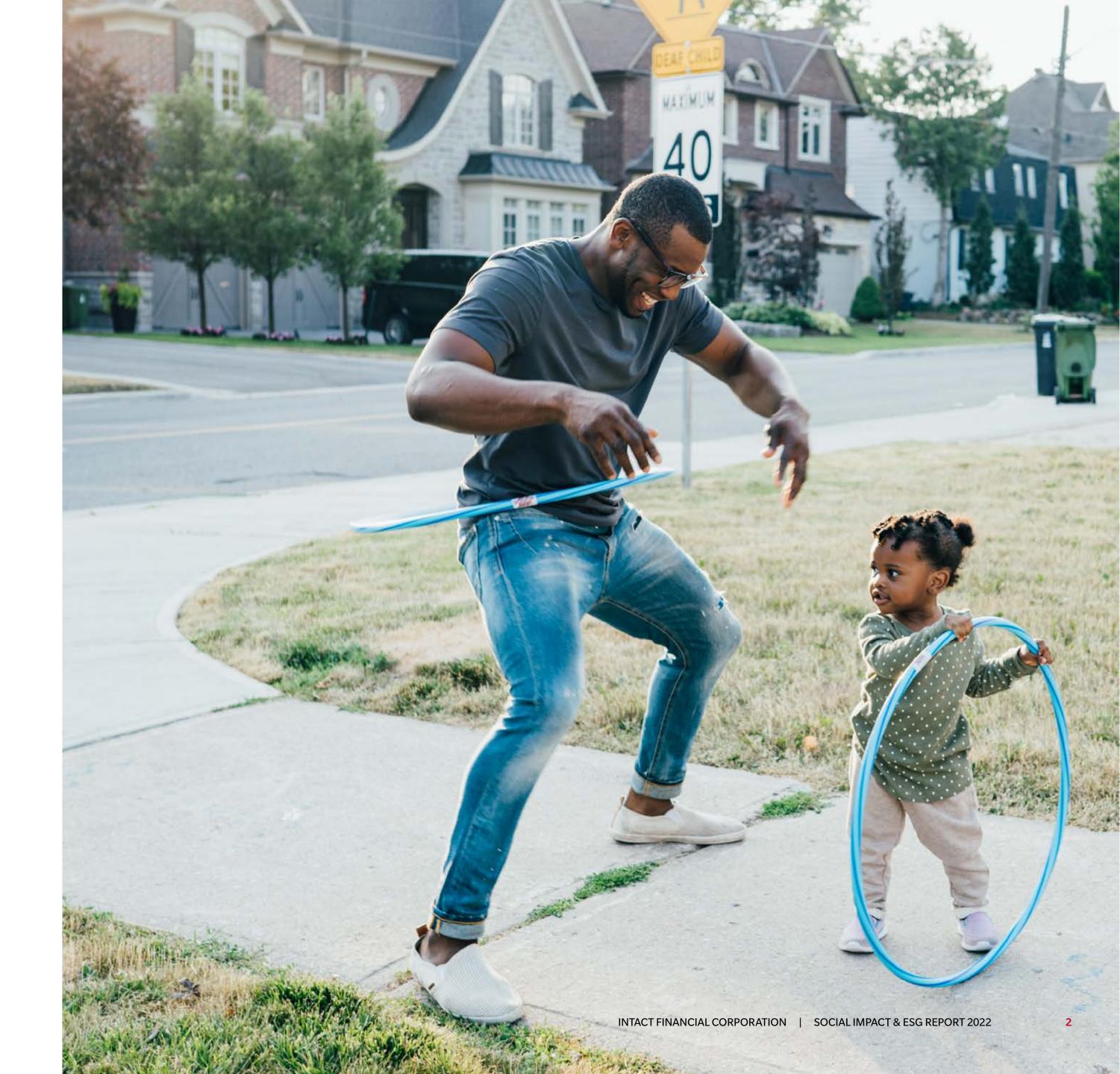
- 19 Our leadership success factors
- 19 Our employee promise
- 20 Be a best employer
- 24 Be a destination for top talent and experts
- 25 Enable our employees to thrive

26 Being a most respected company

- 27 Building economically thriving and climate resilient communities
- 28 Our goals are aligned with the expectations of society
- 29 Introducing our Resilience Barometer
- 30 Building Climate Resilient Communities
- 32 Progress on our climate strategy
- 36 Building economically resilient communities

ESG performance

- 39 Governance
- 39 Human capital management
- 42 Underwriting and investments
- 43 Supplier code of conduct
- 44 Data governance, cyber security and privacy
- 45 Business ethics
- 47 Sustainability Accounting Standards Board (SASB)
- 52 Task force on Climate-related Financial Disclosures (TCFD)
- 62 Public accountability statement



Reporting scope and boundary

Throughout this report, "Intact" refers to Intact Financial Corporation. All currency is in Canadian dollars unless otherwise noted. This report covers performance across Intact Financial Corporation's global operations in the financial year January 1 to December 31, 2022.

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, equity and inclusion. 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, those made in the section entitled Risk Management on pages 74 to 98 of our Management's Discussion and Analysis for the year ended December 31, 2022 ("MD&A") and the notes about our GHG emissions estimates on page 60 and 61 of this report. Unless otherwise indicated, all forward-looking statements in this report are made as at April 20, 2023, and are subject to change after that date.

Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

Non-GAAP financial measures and Non-GAAP ratios (which are calculated using non-GAAP financial measures) do not have standardized meanings prescribed by IFRS (or GAAP) and may not be comparable to similar measures used by other companies in our industry. Non-GAAP and other financial measures are used by Management and financial analysts

to assess our performance. Further, they provide users with an enhanced understanding of our financial results and related trends, and increase transparency and clarity into the core results of the business. Non-GAAP financial measures and Non-GAAP ratios used in this report include measures related to our consolidated performance, our underwriting performance and our financial strength. Please see Section 36—Non-GAAP and other financial measures of our MD&A for further details.

Intact Financial Corporation, Belair Insurance Company
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Terms "material" and "materiality" as used in this report are not equivalent to similar terms under applicable securities laws, and should not be read as rising to the level of materiality of disclosure required in our securities law filings.

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Our Purpose

We are here to help people, businesses and society prosper in good times and be resilient in bad times.

Our Values

Our Values guide our decision-making, keep us grounded, help us outperform and are key to our success.



Integrity

Be honest, open and fair Set high standards Stand up for what is right



Respect

Be kind See diversity as a strength Be inclusive and

collaborate



Customer-driven

Deliver second-tonone experiences



Listen to our Make it easy, find solutions



Excellence

Act with discipline and drive to outperform Embrace change, improve every day Celebrate success, yet



environment Make our communities more resilient

S

Our Core Belief

People are at the heart of our organization—and of our success. How we do things is just as important as what we achieve. We are a purpose-driven company based on values and a belief that insurance is about people, not things.

Who We Are

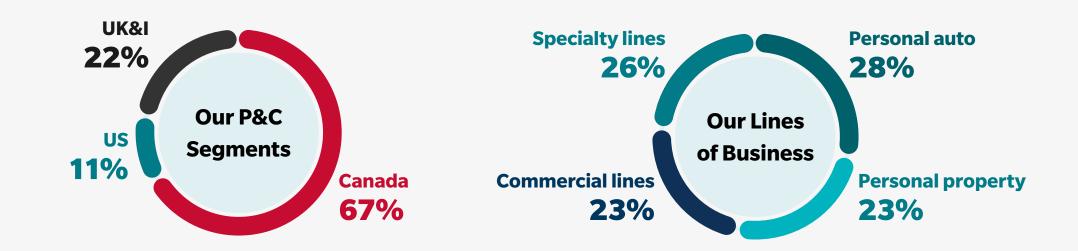
Intact is the largest provider of Property & Casualty insurance in Canada, a leading specialty lines insurer with international expertise and a leader in personal and commercial lines in the UK and Ireland.







Our business has grown organically and through acquisitions to over **\$21 billion** of total annual operating Direct Premiums Written.¹



We have a global team of **29,000 employees** delivering best in class operations through a diversified business offering.

1 These are non-GAAP financial measures.



Views from the top

Charles Brindamour, Chief Executive Officer of Intact Financial Corporation and William (Bill) Young, Chair, Intact Financial Corporation Board of Directors reflect on our purpose to help people when they need it most and to build communities that are resilient for the future.



Charles Brindamour
Chief Executive Officer



William (Bill) Young
Chair, Intact Financial
Corporation Board of Directors

What role should business play in addressing societal issues?

CHARLES: There are deep trends shaping society. We must take a whole-of-society approach to tackle issues like climate change, poverty and inequality. Business has a responsibility to show leadership. Leadership for me in that context is to make sure your organization is centred on helping and winning. That intersection is very big in my view. That's why we've centred our game plan on building resilient communities.

And can you explain what building resilient communities means to you?

CHARLES: When society is going through its toughest times, that's when our people really step up. So building resilient communities for us is about using that spirit and our strengths to help communities where we operate.

And it's centred on two big ideas.

First is climate. Climate change is the defining trend of the next century. We want to put our know-how, expertise, and resources to work to help communities be ready to face the impacts of climate change.

Second, building resilient communities for us is also about creating economic opportunities. We want to help people to have a fair shot at finding opportunities to develop themselves and their families in the communities in which we operate.

Talking about businesses' contribution to society, in times of economic volatility would it be tempting for Intact to pull back on its commitments to building resilient communities?

BILL: Our contribution to society is non-negotiable. Helping is why we exist as an organization. And our focus on building resilient communities is more critical than ever. There's value in really understanding what the challenges people, and our customers, are facing on a day-to-day basis. We are navigating an era of tough times. When your purpose explicitly states that you're there to build resiliency—we have an imperative to step up.

Do you believe that Intact's focus on helping society, on building resilient communities, is one of the reasons Intact is outperforming?

BILL: If we're helping people, that means we're understanding them, which correlates to providing services that are well suited to their needs, driven by a workforce that is talented, diverse and inclusive. It's a recipe for success.

We've been able to prove to ourselves and our customers over the years that being focused on helping society also enables us to provide the best service—and that enables us to win in the marketplace.

CHARLES: Totally agree Bill. If you're focused on issues that create the conditions for communities to thrive, then your business is more sustainable. And you create growth opportunities in the process. Helping is not just about purpose—it's also about strategy. With a clear purpose and strategy, it shapes the investments you make, your behaviours and priorities. This is our outperformance formula.

How do we manage the balance between thinking long term and reflecting on the big trends while remaining agile enough to manage the crises our customers face on a day-to-day basis?

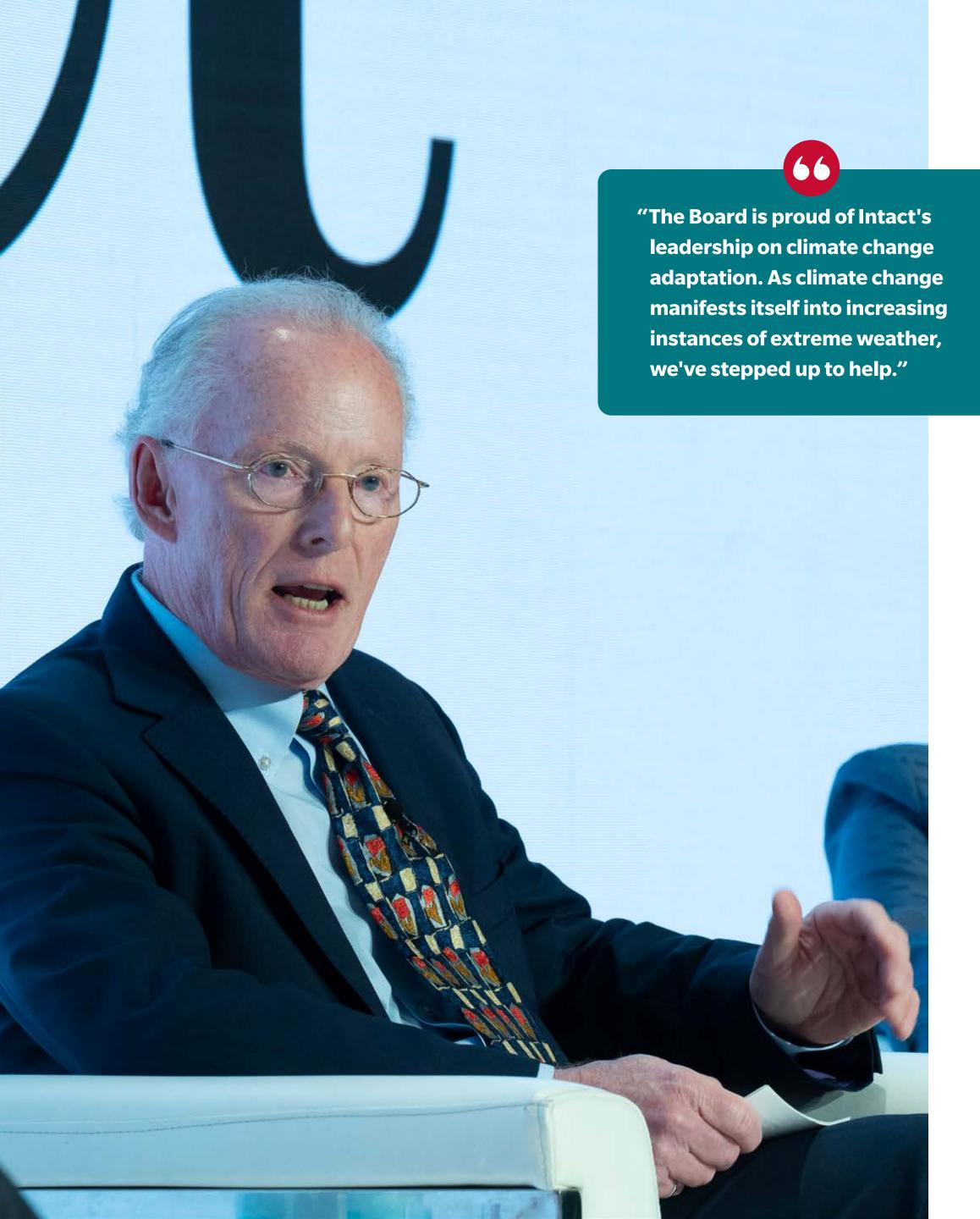
CHARLES: Our first priority is to remain laser focused on getting our customers back on track. If that's not working, we can't invest for the mid and long term. Then it's about transforming our organization to stay relevant as society evolves. We anticipate future trends as a part of our strategy process and use our strengths to turn them into growth opportunities.

How does the Board challenge Management to be accountable for maintaining this balance between the customer expectation today and the mid to long term needs of society?

BILL: The Board agrees we can't short-change our social impact and ESG commitments. They're fundamental. But looking after our customers today is also key. So our governance structure enables a dual track—where the management team has the freedom and obligation to be focused on the customer experience, while also progressing on key commitments to society.



"We anticipate future trends as a part of our strategy process and use our strengths to turn them into growth opportunities."



A good example is our response to the pandemic. Our customers stopped driving their cars, they were financially challenged. Intact stepped up with financial relief for customers and millions in aid for our communities. We didn't compromise helping society at the expense of customers. This is what happens when the company enters challenging times from a position of strength.

How is Intact tackling the global challenge of climate change?

CHARLES: We have been focused on helping our customers adapt to a changing climate for over a decade. Now, we are building on our work in adaptation towards the transition to net zero. And we have five priorities to get us there:

We are moving the whole enterprise towards net zero by 2050 and we will cut greenhouse gas emissions in half from our corporate operations by 2030.

We have to acknowledge that this transition will be difficult.
We account for this by doubling down on adaptation, to help society prepare for the consequences of climate change.

We have strong relationships with our customers, many who are determining their own response to climate change. We will use our core strengths in data and risk selection to help them get there.

Of course, we have to put our products to work. Helping companies transition and support new energy sources, new technologies, and accelerate the transition towards net zero is a key element.

And the last point is that for this transition to be successful it must be an all-hands-on-deck approach. We need to collaborate, to bring what we know to the table with governments and the communities where we operate.

How does the Board help Intact prepare for long-term risks and opportunities presented by uncertain issues like climate change?

BILL: The Board is proud of Intact's leadership on climate change adaptation. As climate change manifests itself into increasing instances of extreme weather, we've stepped up to help. Our efforts have built incredible momentum in Canada, which we're now globalizing.

The Board approved Intact's climate strategy, which has both a long-term view to 2050 across our whole value chain, while maintaining a focus on nearer term emissions reductions in our corporate operations.

The Board is engaged with Management on net zero pathways, including in our underwriting, investment and management activities. And we know we have the required skills and experience in the organization to achieve those goals.

And what are the other dimensions that make these issues for the boardroom?

change is a clear and present threat we face as a society. We're close to that in the way that we are helping our customers manage it. So climate is an example of where we're tackling issues that we're interested in and where we have the credibility to address them in a meaningful way.

Stakeholder interest in our ESG performance is high. Over the past year, I've met with at least 10 of our principal shareholders and about half of our discussions are focused on Intact's position on ESG topics, including climate change and DEI. It's useful for us to hear from shareholders on what their expectations are to inform our thinking, as the world is moving quickly on these issues and society's expectations of the business response to ESG is evolving rapidly.

Building resilient communities means that everybody has a fair chance at winning. One way Intact creates those opportunities is by having our employees and our leaders to be representative of the communities we serve. Why is that important to you?

CHARLES: It would be a big mistake to not seek to represent the communities in which we operate.

If you think about performance, about our ability to make good decisions, then diversity for us is really about strength. It's at the heart of the definition of our Value of respect. As a result, this idea of representing the communities in which we operate is fundamental to really improve the quality of the decisions that we're making.

And finally, this goes straight to our ability to be a best employer. People need to recognize themselves in the organization. People need to know they can speak up and they can contribute to why we exist.

What is the Board's perspective of the role of DEI in the governance and performance of the organization?

where everyone can recognize themselves, enables us to tap into the largest pool of skills and capabilities. It's good business, but it's also mapped directly to the core values we hold as an organization.

I would say for the Board, we were an early adopter of measures of gender diversity—signing the Catalyst Accord in 2012—and we've far exceeded our early commitment of a minimum of 30% women on the Board. We are close to 50% and we're focusing now on a longer-term trajectory to be more diverse in dimensions beyond gender.

That's critical, because one of the Board's principal roles, is to be an effective sounding board to management on strategy. The best way we can do that is by ensuring Board members have different backgrounds, histories and ways of thinking about big issues.

Finally, what's different about the Social Impact Report this year and why is that important?

CHARLES: The report shows that we are focused more than ever on demonstrating performance against our strategy to both help and win.

Our people, our customers and our communities are facing difficult headwinds, particularly on the economy and in relation to the impacts of climate change. But at Intact we are optimistic. We must show that the combination of business leadership, collaboration, and decisions rooted in values and a sense of purpose are foundational to our competitive advantage and how we will help build resilient communities.



About this report

The Social Impact & ESG Report is structured in two sections:



The first half of the report starts with areas where we believe we can have the greatest impact and how that is aligned to our strategy. It describes how we pursue our objectives and how we are guided by our Values. It speaks to how each of our three objectives are rooted in our desire to be a force for good and our purpose to build resilience. Our report follows the flow of the three pillars of our strategy:

- Our customers are our advocates—the reason why Intact exists is to help people be resilient in bad times and get them back on track.
- Our people are engaged—investing in our people is critical to our success.
- Our company is one of the most respected—helping build resilient communities leverages over a decade of investing in climate resilience.



The second half of the report outlines key ESG performance. ESG measures are foundational to how we live our Values across the value chain. This includes data tables and metrics on ESG topics, a description of the frameworks which guide how we report, and the standards and policies with which we comply.

In 2023, we will formalize our materiality approaches to ensure we have a current understanding of the opportunities, risks and key issues concerning our largest stakeholders and investors.





Helping is core to our STRATEGY

In today's society change is a constant. Communities need to be able to withstand shocks and unforeseen events and be resilient in the face of unexpected challenges. Building resilience is core to Intact's purpose—to help people, businesses and society prosper in good times and be resilient in bad times.

Intact's strategic objectives steer the organization and ensure our 29,000 people are helping each other move in the same direction—with outperformance in mind. Many companies have separate environmental, social, governance (ESG) strategies that sit alongside the corporate strategy. Intact has one set of global objectives, where financial and non-financial goals sit together, as we challenge ourselves to find the intersections of helping society and winning in the marketplace.



How we define and measure our success starts with our customers—helping customers get back on track is why we're here. We're making progress toward our ambition to make at least three out of four customers our **advocates** and to have four out of five brokers value our expertise. Achieving good customer outcomes ensures we are protecting people today and enables us to respond to the changes taking place in society.



The key to second-to-none customer experience is our people. They need to feel proud of what they do and where they work and we know they will be most successful when they are **engaged**. We're accelerating efforts to ensure our employees and leaders are representative of the communities we serve.



We aim to be a **most respected** company. We want to understand the impact we are having on the markets in which we operate and we aim to accelerate our leadership in building resilient communities. Our most respected company strategic objective measures the performance of our climate strategy and social impact strategy.



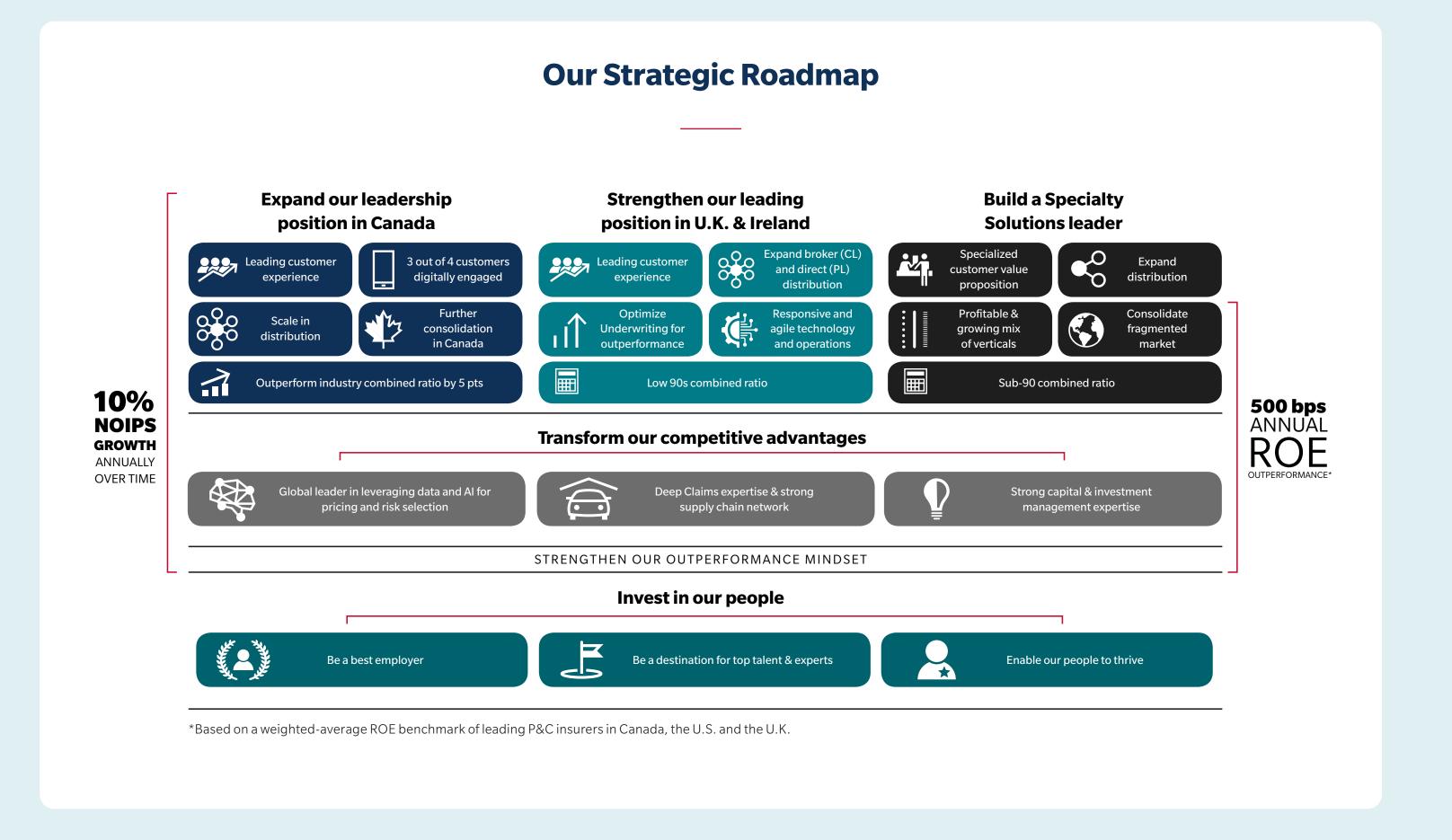
We apply our outperformance discipline to all aspects of our business—Intact has a proven ability to execute. Our ambitions are clear. We will be representative of the communities we serve. We are working towards becoming a net zero business. We will show leadership in building resilient communities. And we will hold ourselves accountable for progress.

We've been leaders in building resiliency for over a decade—we are experts in protecting what matters and getting people and communities back on track. Managing risks and helping people is central to what we do. We've learned much since establishing Intact, including through investing millions in research to identify solutions to build climate resilience, and responding to the increasing impacts of extreme weather. We apply our learning and focus our scale, resources and expertise to help others be resilient in extraordinary times.

We consider a rapidly changing society when determining our strategic focus. With our Values as our guide, we develop our strategy through an outside-in process and assess significant societal trends that create both strategic opportunities and considerations for us, such as:

- Customers expecting simple, transparent interactions and seeking good value for their money.
- Technology and software evolving how we live and how we access and secure data.
- Changing employee expectations, demographic shifts with an aging population and increased automation that changes the nature of work.
- Economies accelerating their progress toward net zero while severe weather events continue to increase in magnitude and frequency.
- Increasing socio-economic challenges, including rising living costs, polarization of wealth and escalating social unrest.

Understanding the external environment equips us to assess how our strengths, expertise, scale and resources can help us grow in this environment, accelerate our outperformance and advance society.





Our customers are our ADVOCATES

Insurance is about people, and helping people be resilient in bad times is the reason we're here. It's also why being Customer-driven is one of our Values. We continue to provide second-to-none service to get customers back on track after an event, alongside forward-thinking innovations to create the seamless experience that they expect from us.

Highlights of our progress

70% of customers in Canada who had a transaction with us are **our advocates**.

90% of brokers in North America intend to **continue doing business with us**.

Getting our customers back on track

To get customers back on track, we handled over one million claims from customers in 2022, delivering a second-to-none claims experience. Key elements of that experience include:

- ✓ A field-based loss adjusting team to create a better end-to-end journey for customers who submit a property claim. (UK)
- ✓ **Rely Network:** Our network of certified repair professionals handled 70% of auto claims and 50% of property claims. With skilled contractors available across the country, we are able to ensure that customers receive the best service in a timely manner. (Canada)
- ✓ On Side Restoration: On Side Restoration is our wholly-owned property restoration company. Being on the ground with our customers and directly helping them to get back on track has been a game changer from a customer experience perspective. We will aim to double the size of On Side over the next few years. (Canada)
- ✓ **Intact Service Centres:** Our customers get a simple, streamlined experience by dropping off their vehicle and picking up a rental car at the same time at a single location. (Canada)
- ✓ We've invested in **enhancing our claims experience** with new digital tools.
 See <u>page 16</u> for more information.

Canada experienced two of the top 10 costliest natural disasters on record in 2022. Hurricane Fiona in Atlantic Canada and Quebec generated over 4,500 claims. Our claims teams across Intact, together with our On Side restoration business, worked with our partners to support our customers. In the UK, our teams handled over 16,000 claims from the most severe windstorm to reach the UK for 30-years, putting the customer first and pulling together to provide support in unprecedented circumstances.

Results from our customer-driven approach

Our strong focus on the customer experience is paying off. We're seeing personal lines customer advocacy increase after they interact with us. Canada, Ireland and the UK are continuing to make steady progress, with relationship scores on the rise from 2021 to 2022 in all regions.



two-point improvement in Canada, Ireland up one point, and UK gaining three points from the previous year.¹

Other regional highlights:

Canada

In 2022, **70%** of customers who had a transaction with us are our advocates.

Ireland

73% of our customers say they are **very likely to recommend us** to a family member, friends or colleagues, up five points since 2021.

UK

Customers who had recently interacted with us have **higher advocacy** and, where that interaction was a completed claim, their advocacy was **72**%.



¹ Year-over-year progression 2021 vs. 2022.

Fair treatment of customers

Our customer policies—including the Customer Driven Policy in Canada and the Customer Policy in the UK&I—guide how we provide outstanding customer service and ensure that fair treatment of customers is embedded in every aspect of the customer's experience. In Canada, customers have multiple channels to resolve an issue, including a National Customer Experience Team and an Ombudsman's Office. Independent disputes resolution services, which aim to settle disputes fairly, reasonably and informally, are also available to personal lines customers in the UK and Ireland via government-operated ombudsman services.

Support for vulnerable customers in the UK

A vulnerable customer is defined as someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with the appropriate levels of care. We are beginning to see an increase in customers exhibiting vulnerability—particularly financial vulnerability—driven in part by the cost-of-living crisis in the UK.

Our vulnerable customer strategy is built on three commitments:

- **1. We understand the characteristics of vulnerabilities**, how they affect people's lives and how we should respond to customers in vulnerable circumstances.
- 2. Our employees are empathetic to vulnerable customers' needs, have the tools to respond and are empowered to do so.
- **3. We treat vulnerable customers fairly**. Fairness is embedded in our culture, employee training and ways of working.

Our Vulnerable Customer Hub, a single site for our people to access our vulnerable customer resources, has received over 2,000 visits since its launch in April 2022. The Hub provides insights on the drivers of vulnerability, together with guidance on how to support vulnerable customers.



In 2022, **over 4,500** employees completed training on vulnerable customers in UK&I.

Supporting brokers with our specialized expertise

Our brokers are important partners in delivering second-to-none customer experiences on behalf of Intact and RSA. We equip our brokers with:

- ✓ Broker Education Pathways, a training program launched in 2022 based on broker feedback. (Canada)
- ✓ The Broker Leadership Programme, which imparts practical skills and knowledge to help brokers learn and grow. Over 70 future broker leaders have learned and developed with this curriculum. (UK)

- ✓ Product-related training courses. (Canada)
- ✓ A social media kit with tips on staying safe in extreme heat, which brokers can provide to their customers. (Canada)
- ✓ Broker Financial Solutions, which provides financial support for brokers in the form of loans or equity investments in their business. In 2022, we loaned approximately \$56 million to brokers. (Canada)

We gather insights and feedback from brokers across Canada through our Voice of the Broker survey. A key metric on the strength of our relationship is their intention to continue doing business with us.

91%

of our brokers in Canada intend to continue doing business with us in the next three to five years, **steadily increasing** throughout the years from 86% in 2018.

US brokers are aligned with **90% intending to continue doing business**.



"BrokerLink is a national brokerage with deep roots in the local communities we serve across Canada, so our customers get the best of both worlds: local brokers who know their community and can offer personalized insurance service and advice, combined with the power and resources of a multi-billion dollar brokerage. Our brokers have access to expertise across the organization and best practices are shared from Alberta to Atlantic, in all lines of business and operations."

—Joe D'Annunzio, President of BrokerLink

An enhanced digital experience

Customers want low-touch, easy and fast digital experiences, and we are committed to providing them. Our Intact Lab and Data Lab use machine learning, data science, software engineering, artificial intelligence, user experience and design thinking to transform the customer experience.

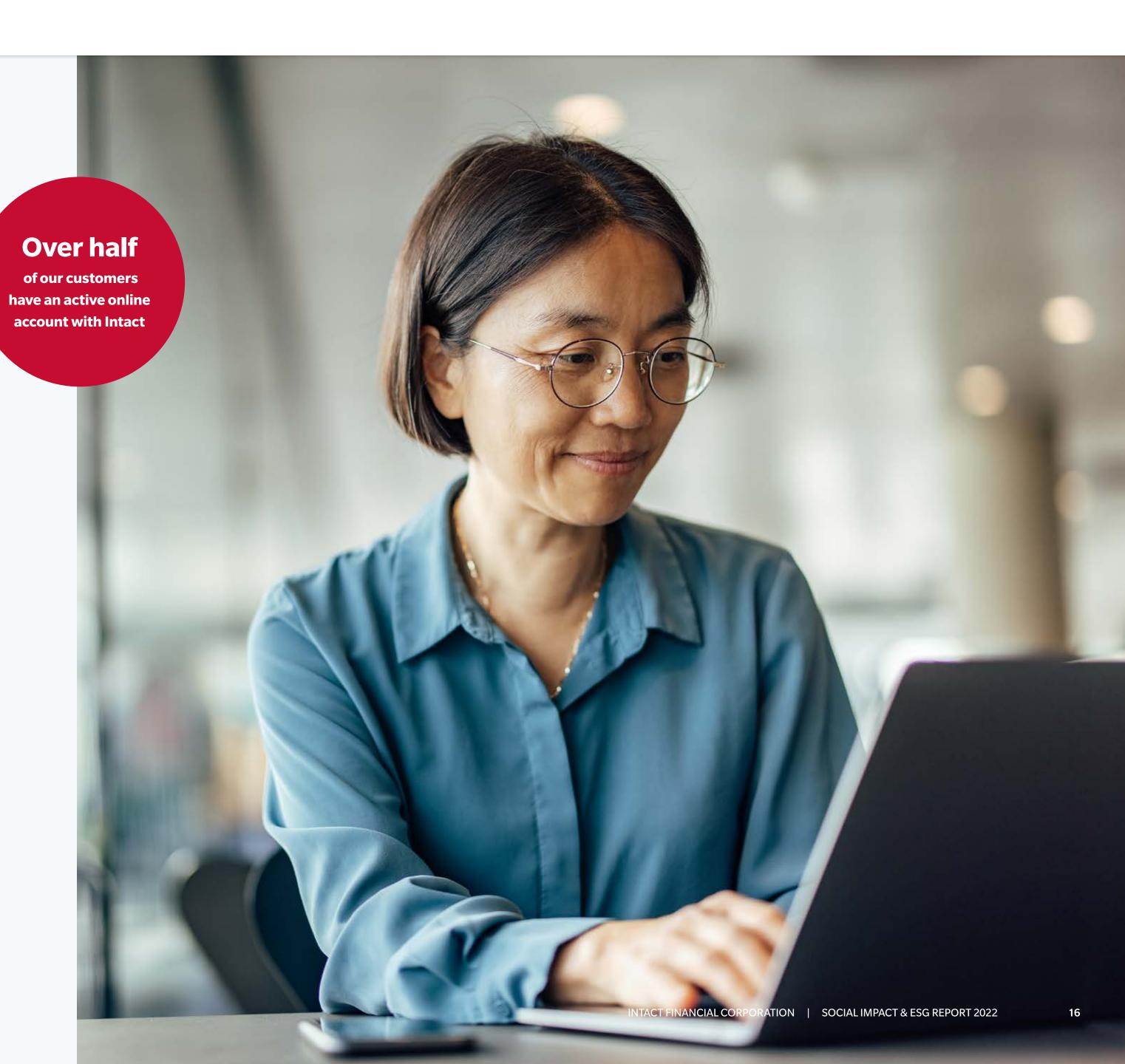
Our Data Lab has continued to rapidly develop data and Al applications throughout our business, with over 300 models deployed in production. We continue work to adjust prices, accelerate cycle times and improve customer experience.

In 2022, our labs rolled out new digital tools for our Canadian customers:

- **Usage-Based Insurance 4.0:** The next generation of Intact's usage-based insurance program offers customers an enhanced in-app experience, car insurance with personalized premiums based on driving habits, and access to helpful features like Crash Assist, Weather Alerts and Car Care. The Crash Assist feature detects severe accidents in real time and provides step-by-step crash scene guidance, a 24/7 claims hotline, a nearby towing finder and digital joint reports. Car Care helps drivers stay up to date on safety recalls on their vehicle and Weather Alerts provide tips to help keep drivers safe on the road and prevent damage during bad weather.
- **First notice of loss (FNOL) property:** This new tool helps customers open and submit claims digitally. Now, over 15% of all car and home claims are filed online.

Our UK business advanced its digital customer experience by:

- Continuing the UK&I's personal lines Digital Evolution program, which this year included enhancements to pet insurance products that made them easier to use and access.
- Making the customer survey dashboard visible to all employees, ensuring agents can rectify customer service issues quickly and effectively.
- Pead more about ethical considerations in our use of AI and machine learning, including customer data privacy, in our data governance, cyber security and privacy section on page 44.











Partnering with academia to drive innovation

We are dedicated to serving customers by leading the way to next-generation insurance. To pursue that mission, we partner with key players in the innovation ecosystem in Canada. In 2022:

- We renewed our agreement with IVADO, which includes the **University of Montreal**, **HEC Montreal** and **Polytechnique Montreal**. Through this partnership, renowned academics train Intact employees and managers in fraud detection, telematics, natural language processing and actuarial sciences.
- **Université Laval** continued to provide us with knowledge and talent through frequent workshops and by recruiting its best students for our co-developed projects.
- We entered into a new agreement with the **University** of Waterloo Al Institute, through which we will engage Engineering academics in solving some of our hardest Al problems.
- We became a member of **Numana**, a Quebec non-profit that rallies stakeholders from the technology sector to create value for the local technology industry and for Quebec as a whole.

Intact Ventures

Our venture arm invests in and partners with companies that are redefining the property and casualty (P&C) landscape with disruptive business models and new technology. Through these relationships, we accelerate our learning, design smarter products and leverage unique technology to enhance the customer experience. Intact Ventures has made 24 direct investments and 10 venture fund investments.

New venture investments in 2022 include:

Pine—A tech-enabled mortgage distributor.

Urban Jungle—A digital home and auto insurer using novel distribution channels.

Ledger—A platform connecting P&C risk with non-traditional capital.



Our people are ENGAGED

Our people are central to our success. That's why we invest in the well-being and development of our employees and create an environment where they can be resilient and thrive. Ensuring that our teams are engaged in their work and representative of the communities we serve is what makes us a destination for top talent.

Highlights of our progress

2022 KINCENTRIC BEST EMPLOYER:

In Canada for the **7th** consecutive year.

In the US for the **4th** consecutive year.

REPRESENTING THE COMMUNITIES WE SERVE:

42% of women and **13**% of Black and People of Colour (BPOC) in North America at Vice President and higher positions.

53% of women globally and more than **20**% of BPOC in IFC Canada and US in managerial positions.

46% of women on IFC Board of Directors.

Our Values guide us in everything we do. They define how we act and who we recruit, retain and promote. This is why we integrate our Values into our **Leadership Success Factors**, which outline our expectations for leaders at Intact.



Our leadership success factors



Live our values

Integrity
Respect
Customer-driven
Excellence
Generosity



Care for people

Provide candid feedback Recognize performance

Be supportive



Be open and honest

Acknowledge challenging situations Invite different perspectives
Trust and commit



Take accountability

Focus on what's important

Collaborate for solutions

Own the outcome



Drive change

Be curious, ask why
Be brave, challenge
the status quo
Energize with your
"can do" attitude





Our employee promise

Our leaders play a vital role in facilitating an employee experience where our **Employee Promise** can come to life, where it elevates our purpose of helping people, businesses and society, and reinforces how our employees make a difference. The three pillars of our Employee Promise represent Intact's commitment to our people. We ask that they strive to do their best; be open to change; and invest in their career. In return, we promise to provide support, opportunities and performance-led financial rewards at a workplace 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 your best work every day and, together, stand up for what is right.



Grow with us

Refresh and reinvent your skills, learn from our diverse teams, lift others up, and grow.

As part of the continued integration of RSA, in 2022 we brought the Intact Purpose and Values to our UK&I business, which included:

- ✓ Distributing a Values Workbook and briefing senior leaders and HR.
- ✓ Promoting our Purpose and Values through all-employee communications.

- ✓ Incorporating Values into new-joiner inductions.
- ✓ Using Values descriptions to set and evaluate performance management goals.
- ✓ Launching a values-in-action peer-recognition campaign.

Be a best employer

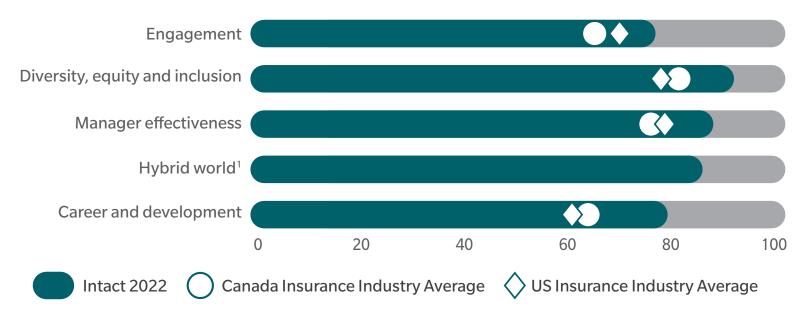
Intact was once again named a Best Employer in Canada, the United States and North America by Kincentric, based on employee feedback. The award recognizes employers based on four factors: employee engagement, agility, engaging leadership and talent focus.

Best Employers

NORTH AMERICA 2022

2022 Canada and US employee engagement

We exceed the industry average in nearly every dimension of engagement in the US and Canada.

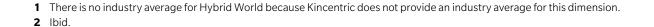


2022 UK&I employee engagement

These baseline results inform our investment decisions as we work to become a top employer.



Across the UK and International operations, we rolled out our employee engagement survey for the first time to establish a performance baseline. The overall engagement score of 52% indicates we have work to do, especially as we continue integration activities after a year of substantial change. The 78% participation rate in the survey tells us our employees are committed to making Intact and RSA a great place to work. Their feedback is already informing the investment and action plans we need to make to be a top employer in all our markets.









Diversity, equity and inclusion

We are committed to a fair, inclusive and accessible workplace where everyone feels valued, respected and heard. This commitment guides our work as well as our interactions with each other, our customers and society.

Our goal is for our employees and leaders to be representative of the communities we serve. Our approach to Diversity, Equity and Inclusion (DEI) aligns with our Values and our Objectives. It is driven by data and reinforces our commitment to ensuring our people are engaged.

In 2022:

- ✓ We held a DEI Week involving 175 volunteers, over 40,000 interactions and over 8,300 views on our webpage. Over 6,400 employees participated. (Canada)
- ✓ We constituted an Indigenous Peoples Working Group with our Indigenous colleagues to develop a vision and commitment and advise us on our path to reconciliation. (Canada)
- ✓ We extended our maternity, adoption and paternity leave provisions and enhanced guidance and support for those transitioning. (UK)
- ✓ As part of our commitment to creating a more diverse and inclusive workforce, we partnered with the Trinity Centre for People with Intellectual Disabilities to provide student internships. (Ireland)

- ✓ We committed to a world-first sectoral diversity benchmark and certification model in partnership with Inclusio, a data-led diversity and inclusion platform. (Ireland)
- ✓ We introduced Skills Boosters, a video series designed to improve DEI knowledge. (UK)
- ✓ We achieved our Women in Finance Charter target of 34% female representation in the Management Group one year early. We have now set a new target of 40% by 2025. (UK&I)
- ✓ We organized a cross-company mentoring pilot for underrepresented staff with 10+ years of experience. We also participated in various career fairs and programs for students that self-identify as BPOC. (US)



We have 12 employee networks **globally** that bring together employees who share an interest or a characteristic. They meet to exchange knowledge, guidance and support. These groups hold career networking events, conferences and panel discussions to help foster an inclusive and accessible environment.

Our approach to DEI has helped us progress in several areas:

We are continuing to integrate performance on DEI across all levels of our organization, particularly following the acquisition of RSA. Over time we will establish consistent and comparable data points that will ultimately feed into global goals for DEI.

Employee population



Proportion of women in employee population (global)



Proportion of **BPOC** in **employee population** (IFC Canada and US)

Management



Proportion of **women** in **managerial** positions (global)



Proportion of **BPOC** in **managerial** positions (IFC Canada and US)



Proportion of **women** in **Vice President** and higher positions (Canada and US)



Proportion of **BPOC** in **Vice President** and higher positions (Canada and US)

See <u>page 40</u> for year-over-year human resources metrics.

Board of Directors & Executive Officers



Women on Board of Directors



Proportion of **women** in **Executive Officer** positions



One of our 13 Directors identifies as either a person with disabilities, from an indigenous population, BPOC and/or are members of the 2SLGBTQ+ community.



Executive Officer positions do not currently include individuals identifying as BPOC, Indigenous Peoples or peoples with disabilities. However, these dimensions are taken into account in the context of succession planning.



In January 2023, RSA introduced 'Count Me In', a voluntary diversity data collection campaign, which aims to help us better understand the diversity of our business, and identify opportunities for improvement. This data will enable us to perform meaningful analysis and implement targeted and focused initiatives to drive an inclusive culture. As protected characteristics within UK legislation this data is not mandatory and therefore this exercise is entirely voluntary.

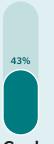


See our 2023 Management Proxy Circular for more details.



In Canada, we have met the following key DEI goals:

2022 DEI Progress in Canada

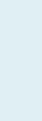




Goal Achievement

Proportion of women in **Vice President**and higher positions

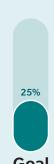


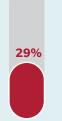




Goal Achievement

Proportion of BPOC in **Vice President** and higher positions





Goal Achievement

Proportion of BPOC across all positions

For more information on our DEI progress, please see page 40.

Gender and racial equity

Our Values are integrated into employee performance reviews and our Leadership Success Factors. Intact is committed to having a fair and inclusive workplace and we have a solid framework and standardized processes to support objectivity at all stages of the compensation process.

We monitor compensation outcomes closely to assess pay equity. In 2022, after adjusting for level, location and role, we observed throughout our Canadian insurance operations that:

- Women earned equivalent dollar for dollar earned by men; and
- Black and People of Color (BPOC) earned on average 99 cents for every dollar earned by employees who do not identify as BPOC.

Beyond compensation, we assessed existing frameworks, policies and procedures in Canada from a racial equity perspective. We used internal and external sources to conduct the assessment, which indicated that we have strong rates of attraction and retention for BPOC employees and representation is improving at all levels in line with our objectives. We validated there are strong processes and frameworks in place for each of the following areas—employee attraction, promotion, retention and pay equity—and identified areas to strengthen further.

In the UK, we continue to work towards reducing the Gender Pay Gap:

- In the UK, women earn 72p for every £1 that men earn when comparing median hourly pay. According to government guidelines, this metric is not adjusted for level, location and role and is therefore a metric shaped by having fewer women than men in senior management and more women in other levels.
- Strategies to address our gender pay gap in the UK include enhanced talent pipelines for all areas with review and challenge of female representation in our senior roles, and an increased focus on brand, attraction and sourcing via a UK recruitment partner to include specialist diversity services. In addition, our executives have a diversity goal in their objectives.
- We have seen an improvement in our UK gender pay gap—a 1.0% mean improvement and a 0.3% median improvement on the previous year. This is primarily driven by an improvement in the representation of women at the management group level, supported by our talent programs and succession planning.



For more information, please see our Gender Pay Gap UK Report.





Be a destination for top talent and experts

Intact aims to be a destination for top talent. To build a pipeline, we design internship programs to develop skills and engage new talent.

In 2022, we onboarded 74 new graduates and apprentices as permanent employees (UK) and hired 440 students across the Canadian business. We also offer a wide range of engagement opportunities for interns and students:

- Orientation Week: We hosted three virtual onboarding sessions to kick off each semester. (Canada)
- Executive Fireside Chats: We hosted six executive fireside chats to give the students an opportunity to hear from our leaders. (Canada)
- We hosted two Internal Career Fairs for students to represent how they can grow with us. (Canada)
- We launched our partnership with the 10,000 Black Interns program and brought 23 interns in for six weeks in the summer. Three of these candidates have been retained on a permanent basis. (UK)
- We welcomed 23 students to our Campus Influencer Program. (Canada)



74% of our team leader, manager and director positions are filled internally.

(Excluding On Side and IPE)

Employee recognition

We recognize achievements that have made lasting and significant impacts on our customers and our organization. In Canada, our Bravissimo awards celebrated 112 employees across six impactful projects. In the UK and EU, our Shining Stars awards recognized 192 employees across 10 locations who provided great service and live our Values.

Learning and development

We work to foster a culture of learning, leadership and development for all our employees. In 2022, we took several steps to ensure our employees are supported in their efforts to learn and grow at Intact:

- We promoted Grow with Us, our Learning and Development webpage which received 22,820 visits. (Canada)
- To support new leaders, we redesigned the delivery of our License to Lead program. Over 50 new leaders completed the program in 2022. (UK)
- We redesigned our Coaching for Leadership program to develop leadership capability. We reached 185 leaders from across our business, with a satisfaction score of 98%. (UK)
- We launched five new e-learning modules covering topics such as virtual presentation skills, project management, change management, problem solving, and peer coaching. Additionally, we offered DEI training to all managers. (Canada)
- To support our flexible ways of working we offered nearly 300 virtual classrooms to over 4,260 attendees. Among participants, 99% said they would recommend our training to a colleague and could apply the learning to their role. (UK)
- We refreshed our Accelerate Talent Program to offer a blended learning approach, aligned with the Leadership Success Factors. (UK)



Across the entire business, our employees have completed 385,878 training courses.









Enable our employees to thrive

We want our people to bring their best selves to the workplace. We are by their side providing the support and the tools they need to manage any challenge.

We instituted several new HR policies in 2022 to better support our employees' health and well-being. Changes include:

- Developing a new Carers' Policy from 2023, to support colleagues with significant caring responsibilities for disabled dependents. (UK)
- Enhancing our parental leave policies, increasing full pay periods during leave. (UK)
- Launching a Domestic Abuse Leave Policy, which provides resources and paid time off to deal with issues arising from domestic abuse. (UK)
- Becoming a Menopause Accredited Employer, a standard of achievement for open conversation, addressing well-being considerations and providing resources. (UK)
- Improving our mental health support, including hiring a mental health and well-being specialist. (Canada)
- Boosting mental health coverage limits in Canada, including increased annual maximum amounts, for additional mental health professionals such as psychoeducators and clinical counsellors. (Canada)
- Increasing mental health communications to promote the employee and family assistance program and increase awareness through the sharing of employees' lived experiences. (Canada)
- Conducting a third party organizational mental health assessment to understand key opportunities and strengths to evolve our wellness strategy. (Canada)
- For more about these and other HR policies, please see <u>page 39</u>.



Being a most RESPECTED COMPANY

Being a most respected company is about financial outperformance and helping society. Building resilient communities speaks to our purpose and builds on over a decade of investment and leadership.

Highlights of our progress

More than one in two stakeholders believe that Intact is a leader in helping build resilient communities in Canada.

23% reduction in our overall operations emissions (including Scope 1, Scope 2 and Scope 3 business travel, waste, water and paper) from 2019 baseline.

Building economically thriving and climate resilient communities

This section outlines our key performance as it relates to two key strategies:

- **1. Our social impact strategy**, which focuses on:
 - building climate resilient communities
 - building economically resilient communities
 - accelerating employee generosity
- **2. Our climate strategy**, our five-point plan to manage our own business impacts and support the transition.



Climate adaptation is a common goal between our social impact strategy and our climate strategy.

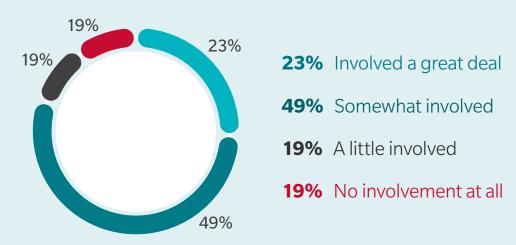


Our goals are aligned with the expectations of society

Our convictions drive our leadership in community resilience and our expanding focus on climate change—efforts that align with what the public expects from us. More than seven in 10 people believe their current insurer should be involved in building resilience, especially resilience to climate change.¹

Where does society expect us to play a role?

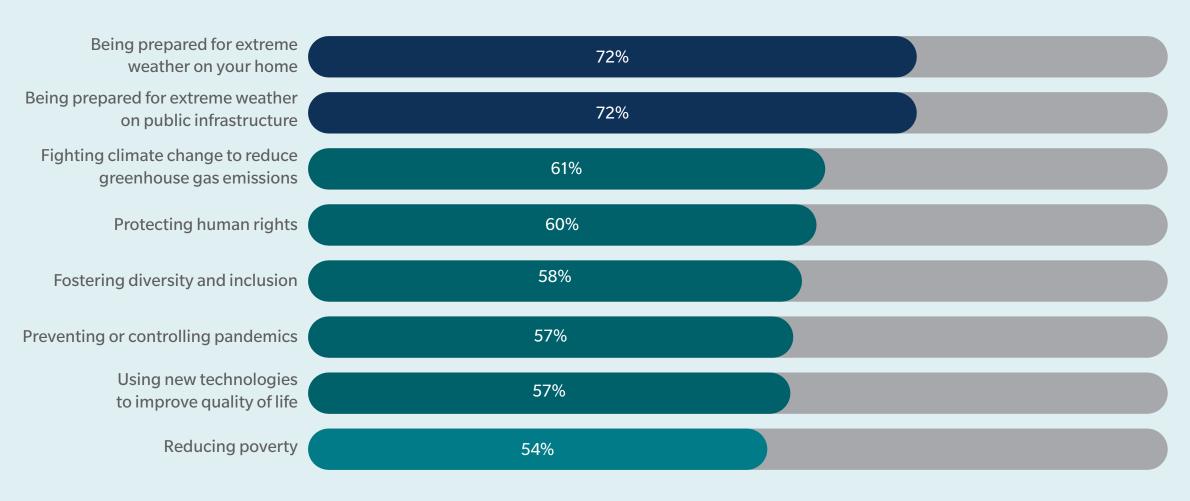
In 2022, we commissioned research with market research leader Ipsos to understand how society defines resilient communities and whether there is an expectation of their insurer to play a role. The results supported our hypothesis that we have the license and credibility to play a leadership role in building resilient communities.



Over **7** in **10**

believe that their current insurance provider should be involved in playing a role in building resilient communities.

Desired involvement of insurer in specific dimensions of resilience



¹ Research was conducted for Intact by Ipsos

Introducing our Resilience Barometer

Our performance target—"three out of four stakeholders recognize us as leaders in building resilient communities"—centres on the experience of the very people we aim to support.

We partnered with Ipsos to develop a **Resilience Barometer**, measuring stakeholder feedback on our performance in four dimensions where we are uniquely positioned to help build resilient communities. We've defined resilient communities as being climate proof and economically thriving—for us, this includes entrenching and building leadership in four key areas:



Helping communities adapt to climate change.



Reducing greenhouse gas (GHG) emissions.



Creating opportunity for families living in poverty.



Contributing to community well-being through generosity.

We engaged six stakeholder groups that are critical to our success and asked for their feedback on our performance to build the barometer:

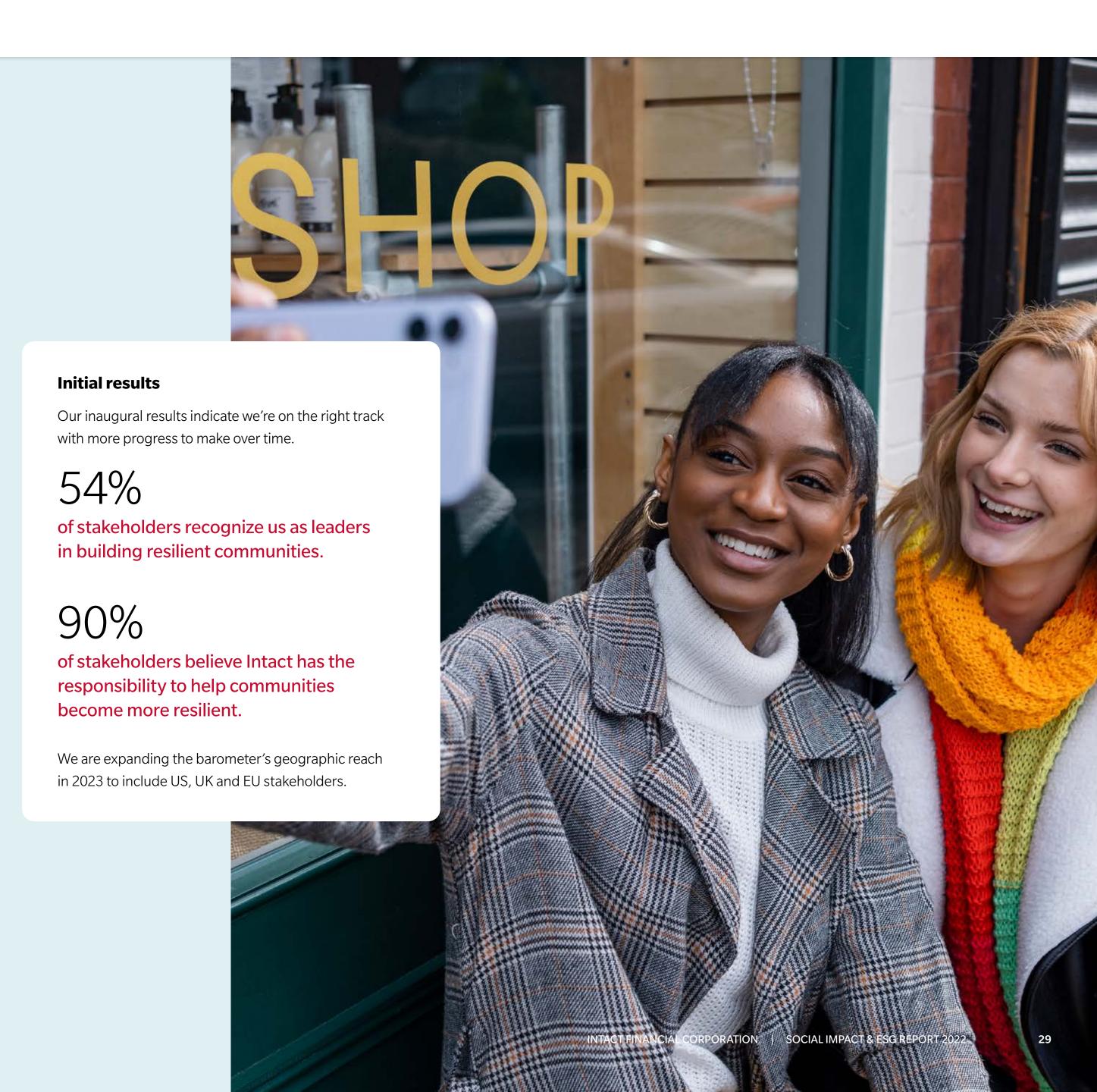
Customers

- Brokers
- G

Employees

Investors

- Governments
- NGOs and industry associations







Building Climate Resilient Communities

Helping people adapt to climate change is an area of double impact in our most respected company objective. Our mandate in climate adaptation bolsters community resilience and advances our climate strategy. It's a strategic imperative where our expertise is uniquely positioned to help and where we are best equipped to lead. Over the last 13 years, we've invested \$25 million in more than 100 climate resilience projects.

Our focus on climate adaptation is guided by an ambition to make vulnerable communities more climate resilient. A key plank in our strategy is to engage in partnerships focused on practical actions that build community resilience to increasingly severe weather events. This includes accelerating and scaling research to continue to find solutions to challenges brought on by flood, wind, heat and wildfire.

Intact Centre on Climate Adaptation at the University of Waterloo • We committed \$10 million over ten years to fund the Intact Centre on Climate Adaptation at the University of Waterloo in Canada, which has been helping homeowners, communities, governments and businesses identify and reduce the impacts of climate change and extreme weather risk since 2015. • The Intact Centre was instrumental in focusing the Government of Canada's National Adaptation Strategy to address financially costly climate-related perils affecting Canada, including flooding, wildfire, and extreme heat. • The Intact Centre established extreme heat as a "Clear and Present Danger" to Canadians. In 2022, the Centre quantified the lethal threat that extreme heat poses and published 35 practical actions that mitigate risks. • The Intact Centre led a national coalition to enable the inclusion of natural assets in public sector financial statements, measure and record the financial value of natural assets and engage financial institutions to invest in building and restoring natural capital. 8,250 over 100 80,180 stakeholders report downloads engaged

Intact Centre on Climate Adaptation published three reports in 2022

website page views









How we help communities adapt

In 2022, we built on our contribution to climate adaptation and resilience initiatives in Canada by expanding our program of investment to new partnerships in the UK.

Helping Customers Adapt

As risk experts, we help customers manage their physical climate risks. We do this directly by educating our customers on climate resilience and providing incentives to prepare their homes to withstand extreme weather.

Build Back Better

In the UK, RSA committed to Build Back Better, a joint initiative between the UK insurance industry and the government that promotes the availability and affordability of flood insurance. This program also encourages the installation of flood-resilient materials when repairing properties previously flooded and covered by Pool Re. (UK)

Nature Conservancy of Canada

In 2022, we committed \$8 million over five years to help accelerate nature-based solutions for climate resilience. The partnership officially kicked off at the end of the year and is focused on three pillars: wetland conservation, potential wetland GHG offset protocols, and a nature accelerator. (Canada)

Municipal Climate Resiliency Grant program

In 2022, we invested \$1 million in 10 communities across Canada that are developing practical solutions to protect against floods or wildfires. Projects include wetland restoration, wildfireand flood-risk mapping and homeowner flood and wildfire education portals. (Canada)

The Wildlife Trusts

RSA entered into a partnership agreement with The Wildlife Trusts—the sixth largest landowner in the UK—on natural flood management interventions designed to enhance biodiversity, test innovative sustainable urban drainage systems and help communities downstream protect against flooding. (UK)

Landscape Enterprise Networks

RSA is also partnering with Landscape
Enterprise Networks—a system for organizing
the buying and selling of nature-based solutions
to improve water quality, sequester carbon,
improve biodiversity and promote more
resilient land management. (UK)





We have been on the front lines of climate change with our customers for more than a decade. The transition to net zero will enable us to help others, while also winning in the marketplace.

In 2022, we released an enhanced climate strategy which focuses on five big intentions: our **commitment** to net zero, doubling down on climate adaptation, using our platform to shape behaviours, enable new and existing industries critical to the transition, and **collaborate** with industry and government.

Our strategy is rooted in three guiding principles :

- 1. We will de-risk the transition toward a sustainable future by **leveraging our strengths**.
- 2. We will take an **inclusionary approach** to supporting our stakeholders in the transition.
- 3. We will focus our actions on areas that maximize the overlap between helping and winning.

Adapt:

Doubling down on helping people adapt to climate change has been a priority since Intact's inception and is a key plank in our climate strategy.

Read more about our adapt pillar on page 30.

We are committed to reaching net zero by 2050 and halving our operations emissions by 2030, compared to our 2019 baseline.

Towards this effort, we've reduced our overall operations emissions (including Scope 1, Scope 2 and Scope 3 business travel, waste, paper and water) by 23% from 2019.

For more details on our GHG emissions, please see our Task Force on Climate-Related Financial Disclosures report on page 52.

Some of the actions we took in 2022 to reduce our operations emissions include:

- ✓ Beginning to transition our fleet of nearly 2,000 conventional gas vehicles to hybrids, plug-in hybrids and electric vehicles across our operations. In Ireland, our small fleet of vehicles is now hybrid or electric.
- ✓ Reducing corporate air travel. We saw significant emissions reductions linked to business travel over the previous two fiscal years, largely due to COVID-19. While return to office and business travel have caused emissions to increase from 2021 to 2022, we are still seeing a 44% reduction from baseline. We remain in the range that supports our commitment.

✓ Beginning the multi-year effort to procure renewable electricity for our operating offices around the world. In 2022, we procured Renewable Energy Guarantee of Origin (REGO) certificates for nearly 100% of our UK and Ireland electricity consumption.

Beyond operations emissions, we broadened our capacity to progress on net zero targets by assessing Scope 3 emissions across our value chain.

Based on a materiality assessment of our Scope 3 emissions categories, we've determined investment emissions are the most material category for our business.

This prompted us to measure our investment emissions for the first time, a step that enables us to better manage and measure our progress on the road to net zero.

For more information on ESG considerations in energy underwriting and investments, please see page 42.









"Managing and pricing risks associated with climate change is at the core of our expertise at Intact. By establishing our Centre for Climate and Geospatial Analytics within our Data Lab, our multidisciplinary team of experts will generate climate insights, leverage new research partnerships, and develop enhanced risk maps and frameworks. This will produce tangible tools and products to help our customers anticipate impacts and protect themselves from the increasing challenges of climate change."

—Isabelle Girard, SVP & Chief Data Officer, Intact Financial Corporation

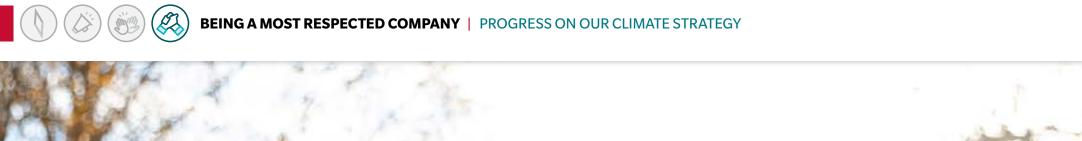
In order to progress towards a sustainable future, behaviours will need to change. We intend to **shape** those changes by structuring our insurance policies and pricing accordingly.

In 2022, we took steps that aim to incentivize climate friendly behaviour:

- ✓ Created the Centre for Climate and Geospatial Analytics which consists of specialists whose expertise spans meteorology, geomatics, data science, and actuarial science. This group leads our climate hazard map modelling, which can help customers better understand climate risks.
- ✓ Provided incentives to customers who are reducing their emissions or improving their climate resiliency through personal choices like driving an electric vehicle, or using backwater valves and sump pumps. (Canada)
- ✓ Developed a new fuel efficiency feature to our customer mobile applications to help them understand how their driving style and vehicle type impacts fuel consumption. The feature also provides customers with estimated CO₂ emissions savings and provides tips on how to improve driving habits to reduce emissions. (Canada)

- ✓ Continued our policy of "repair over replace" for claims repairs to keep several tonnes of auto parts, glass, construction materials and office items out of landfills. (Canada and UK&I)
 - We have used a dry in place methodology for over 1,700 floods in 2022. (Canada)
 - 20% of customers' damaged vehicle parts were repaired by our Rely auto claims supplier network instead of being replaced. (Canada)
 - 7,474 windscreens were repaired rather than replaced in 2022, avoiding 120 tonnes of glass waste. (UK)
- ✓ Embedded climate considerations in procurement processes and collecting information from our UK&I suppliers. In Canada, we have begun the assessment process.







The net-zero transition will transform legacy industries and create new ones. We can play an active role to de-risk and **enable** companies key to the transition.

To that end, we are:

- ✓ Engaging significant emitters in our investment portfolio on transition plans, disclosure, and climate strategy. Intact Investment Management (IIM) engages through Climate Engagement Canada (CEC), a finance-led initiative that drives dialogue between finance and industry to promote a just transition to a net zero economy.
- ✓ Engaging directly on the climate resilience of our investment portfolio. Since 2020 our portfolio managers held 307 meetings with our investees where we engaged in discussions on climate resilience.

- ✓ Integrating our investment governance guidelines to align with best corporate standards in our Proxy Voting Policy. In 2022, IIM voted on 345 shareholder proposals related to ESG matters.
- ✓ Supporting the expansion of low-GHG technologies key to the transition, including projects focused on renewable energy.
- For more information on our direct engagements and Proxy Voting Policy, please see ESG considerations in energy underwriting and investments on page 42.







"The business case for adaptation is clear. The Canadian Climate Institute estimates that every \$1 spent on adaptation measures can result in \$13 – \$15 in total benefits. Intact has been on the front lines of climate change with our customers for more than a decade. We were pleased to support the development of the Government of Canada's National Adaptation strategy and see that it clearly recognizes the need for urgent action and the opportunity for all segments of society to work better together to address climate threats and share solutions."

—Carla Smith, Executive Vice President and Chief People, Strategy and Climate Officer, Intact Financial Corporation

Complex challenges such as climate change require an all of society solution. We **collaborate** with governments and industry associations to use our expertise to influence policies that will identify solutions, create consensus, and accelerate action towards a net zero economy.

Throughout 2022 we have worked with numerous associations and alliances including ClimateWise, The Geneva Association, the Association of British Insurers and the Business Council of Canada to continue working towards climate resilience and net zero. Together with industry associations, we are contributing to thought leadership on disclosure, data and climate risk management.

Governments play an essential role in the transition as they align and prioritize the efforts of society and the economy. Throughout the year, we are invited to join various round tables and committees to help government advance climate change plans.

Key government collaborations in 2022 include:

- The Government of Canada's engagement on the development of the National Adaptation Strategy
- The Government of Canada's Sustainable Finance Action Council
- The Government of Canada's Task Force on Flood Insurance and Relocation
- The Central Bank of Ireland's Climate Risk and Sustainable Finance Forum









Building economically resilient communities

Climate change may be the defining challenge of our times, and is where our leadership focus remains, but it isn't the only struggle our communities face. We also aim to create opportunity and address some of the root causes of poverty and disadvantage.

As a part of the ongoing RSA integration, in 2022 we reflected on our shared impact and worked to further crystallize our approach to creating opportunity globally. During 2023, we aim to identify a strengthened objective that all our people can get behind. We will identify new partnerships and mobilize the resources necessary to help communities both navigate a challenging economy and optimize opportunities for development and growth.

We have continued to build on our existing strategic partnerships:

United Way and Centraide (Canada)

We partnered with United Way on our annual Generosity in Action Campaign. Every year, we allocate the match of our employee contributions to programs focused on creating opportunities for children and families living in poverty. In 2022, and in consultation with United Way, we allocated the \$2 million match to programs addressing food insecurity and economic resilience.

Breakfast Club of Canada

We have partnered with the Breakfast Club of Canada since 2018 on a \$3 million commitment to help expand and sustain children's breakfast programs across Canada, providing children with the energy and nutrition required to succeed.

The Royal Society for the Prevention of Accidents (UK)

In 2022, we donated \$80,000¹ to fund new research to prevent slips, trips and falls and address the risks that these incidents represent to small businesses and employees.

R;pple Suicide Prevention (UK&I)

We provided \$40,000² to help develop an innovative online suicide prevention tool and support our people, their families and our communities with mental health and well-being challenges.

Indigenous Works

We have committed \$300,000 to support Indigenous Works—a national social enterprise with a mandate to improve the inclusion and engagement of Indigenous Peoples in the Canadian economy.

Community Engagement Program (US)

We continued to enable teams to engage with local nonprofits focused on economic mobility and resiliency. By year-end, seven nonprofits were being consistently supported by Intact employee volunteers and financially by the Intact Charitable Trust. Overall, \$215,000³ was donated to these partner organizations.

Contributing to community well-being through generosity

Building resilient communities involves both financial support and hands-on efforts to improve conditions in our communities. In addition to our strategic partnerships, we make charitable donations across our operations and support our employees' community engagement.



- 1 Value was converted from British pounds to Canadian dollars using the average foreign currency rate for the 2022 period, which was 1.607.
- 3 Value was converted from US dollars to Canadian dollars using the average foreign currency rate for the 2022 period, which was 1.302.





Contributing to community well-being through generosity

In 2022, our major donations included the following efforts and organizations:

Employee generosity programs:

• In Canada, our Community Impact Program provides employees with an opportunity to volunteer and donate to registered charities of their choice; we will match dollar-for-dollar or \$20 for each hour volunteered up to \$1,000 a year. Over 40% of our employees participate in this initiative.

UK

Canada

- In the UK, our Give as You Earn program provides employees with a charitable donation match facility from RSA. RSA donated over \$50,000¹ in match funding to support this scheme.
- Our inaugural Generosity Summit marked the relaunch of our employee volunteering program in the UK. As a result, volunteer participation increased two-fold from 2020 and employee fundraising increased 22% from 2021 to over \$385,000.2

Intact Charitable Trust

In 2022, the Intact Charitable Trust in the United States donated over \$480,000³ to 99 charitable organizations. The program supports nonprofits where Intact employees and brokers are engaged as volunteers, funds the Intact college scholarship program and supports our new Community Engagement practice.

Dallaire Institute

We have renewed our partnership with the Dallaire Institute for another five years at \$1.25 million to support work in ending the use of children in armed violence.

Better Communities Program

In 2022, we provided over \$600,000 to more than 150 charities selected by our brokers through our Better Communities Program. (Canada)

Education and employment in Ireland

We made strategic charitable donations of \$41,000⁴ distributed to the Trinity Centre for People with Intellectual Disabilities, Business in the Community Ireland's EPIC programme, and Barnardo's to provide educational and employment opportunities to marginalized groups and support our DEI agenda in Ireland.

- 1 Value was converted from British pounds to Canadian dollars using the average foreign currency rate for the 2022 period, which was 1.607.
- 3 Value was converted from US dollars to Canadian dollars using the average foreign currency rate for the 2022 period, which was 1.302.
- 4 Value was converted from Euro to Canadian dollars using the average foreign currency rate for the 2022 period, which was 1.370.

DEI considerations in donations (Canada)

Our social impact strategy focuses on building resiliency, with a particular focus on vulnerable communities, which are often over-represented by racialized individuals.

In 2022, we conducted a racial equity assessment to:

- Understand and reduce the accessibility barriers our current philanthropic programs may impose on racialized communities.
- Identify opportunities to better allocate our funding to help racialized communities across Canada.

We identified three areas on which to progress starting in 2023:

- Establishing new DEI-focused partnerships.
- Enhancing our social impact decision-making framework with DEI considerations.
- Developing a new global and company-wide donation policy.

ESG performance

The second half of this report documents our ESG performance, which includes metrics on ESG topics, data tables, and ESG frameworks.

Governance

Board ESG oversight

The Board of Directors ensures key ESG issues are overseen and reviewed. It delegates certain ESG oversight functions to its committees, which report their findings and provide recommendations. In 2022, the Governance and Sustainability Committee was formally delegated the responsibility to oversee Intact's ESG framework, including the overall approach, stakeholder engagement, disclosure and communication strategies related to ESG. However, specific ESG matters still fall under other Board committees' purview, related to their respective areas of responsibility.

- For comprehensive details on the responsibilities of the Board and Committees of the Board, please see our 2023 Management Proxy Circular.
- For details on the role of the Board in climate risk management, please see our Task Force on Climate-Related Financial Disclosures report on page 52.

Management ESG oversight

ESG performance is embedded in our central strategy. Our Group CEO and our Operating Committee directly develop and oversee the action plans related to our central strategy. They provide direct leadership on Social Impact and ESG performance, including performance related to our customers, our people, climate change and building resilient communities.

Annual plans are developed by the strategy team and reviewed by the Operating Committee.

Our CEO and members of our management team advocate publicly for issues related to building resilient communities, including climate adaptation, with business associations, government officials, and regulators.

ESG links to executive compensation

Intact aligns the compensation of Executives and Senior Executives with the achievement of our financial and strategic objectives, which includes Social Impact

and ESG performance. Our Executives' Short-Term Incentive Plan (STIP) has objectives and priorities derived from both our Living our Values document, as well as from our strategic roadmap.

New ESG-related STIP goals were introduced in 2022 for all executives (Vice President and above), including goals focused on diversity, equity and inclusion, social impact and supporting Intact's net zero ambition.



More details on our approach to executive compensation can be found in our 2023 Management Proxy Circular.

ESG risk management

We have a comprehensive risk management framework and internal control procedures designed to manage and monitor various risks, including ESG risks. Our enterprise risk management (ERM) strategy is designed to provide the link between our strategies and our risk appetite and to articulate how we manage risk to achieve our strategic objectives.



For more information on top enterprise risks, including our Risk Appetite, please see our Q4-2022 Management's Discussion & Analysis.



For more information on climate risk management, please see our Task Force on Climate-Related Financial Disclosures report on page-52.

Human capital management

Human resources policies

Human resources policies vary across geographies. However, all Intact Financial Corporation subsidiaries have policies pertinent to employee safety, health, well-being and development. Additionally, policies govern important business aspects, including:

- Data governance and cyber security
- Fair treatment of customers

- Respect in the Workplace
- · Speaking up and whistleblowing
- Hybrid and flexible working arrangements

HR rewards and benefits

We offer a competitive benefits package to our employees, including medical, dental, retirement and life insurance. Our benefits package provides resources and tools to ensure the well-being of our employees and their families. Total rewards are designed and adapted in each country to compete for talent according to local practices.

Our employees can select and shape individual benefits that best support them, which include health and well-being plans such as dental insurance, leisure and lifestyle options including charitable giving and holiday trading and financial protection programs including life cover, financial advice and personal accident support.

Examples of benefits we offer our employees include:

- Employee Share Purchase Plans: In Canada, our voluntary Employee Share Purchase Plan matches 50% of net shares at the end of each calendar year. In the UK, our Sharebuild and Sharesave plans provide the opportunity to buy Intact shares in a tax efficient way. In Sharebuild, for every four shares purchased, we award our employees one free share.
- Matching of charitable donations.
- Physical and mental well-being benefits, including competitive vacation and personal days, Wellness accounts, Virtual Health Care, Employee and family Assistance Program and a Flex Benefits program.

As part of our efforts to improve our ESG disclosures, our reporting scope of HR data has been updated. Historical 2020 data does not include UK&I as this was pre-acquisition of RSA. Historical 2021 data includes HR data on RSA Middle East. The shareholding in RSA Middle East has since been sold by IFC and therefore 2022 data does not include HR data on RSA Middle East.

Human capital management		2022	2021	2020
Total number of employees	Total	29,056	26,684	15,487
	Full-time	27,317	25,032	14,867
	Part-time	1,739	1,652	620
Average length of service (years)		9	9	-
Employee voluntary turnover (%)		14.4% ¹	12.7%	6.5%
Longest serving employee (years)		49	49 ²	-
Average age of workforce (years)		42	42	-

1	We continue to enhance our employee proposition, build our engagement plans, and target pay hotspots to respond to the aggressive labour market.
_	

Diversity, equity and inclusion		2022	2021	2020
Canadian employees who shared their diversity information	on (%)	85%	81%	63%
Age diversity in workforce (%)	< 25 years old	5.7%	5.1%	4.0%
	25 – 45 years old	56.2%	55.1%	55.7%
	> 45 years old	38.1%	39.8%	40.3%
Gender diversity of workforce (%)	Male	40.9%	40.9%	38.7%
	Female	58.8%	58.8%	61.3%
Roles held by women (%)	Executive Officers	31.3%³		
	Operating Committee		31%4	34%5
	Vice President or above	41.5% ⁶	39.9% ⁷	37.1%
	Managerial positions	52.5%	52.2%	53.7%
	Non-management	59.7%	59.7%	62.5%
Employees who identify as BPOC (%)	Total	28.4%5	24.0%	15.3%
	Executive Officers	0%		
	Operating Committee		0%8	3%
	Vice President or above	12.9% ⁶	12.4% ⁹	11.2%
	Managerial positions	20.4%10	18.5% ¹¹	13.2%
	Non-management	29.8%12	24.9%13	15.7%

Change in reporting metric to align disclosure with our Management Proxy Circular.Includes IFC Canada, US and UK&I.

⁵ Includes IFC Canada and US.

⁶ Does not include UK&I

⁷ Includes IFC Canada and US.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid. **12** Ibid.

¹³ Ibid.

Learning and development	2022	2021	2020
Employees receiving regular performance and career development reviews (%)	100%	100%	-
Total number of training hours completed by employees	201,631 ¹	126,262 ²	-
Number of training courses completed	385,878 ³	222,133 ⁴	-
Number of courses focused on leadership and management training available in 2022	1,947 ⁵	88 ⁶	-
Number of employees completing courses focused on leadership and management training in 2022	3,715 ⁷	1,4208	-
Team leader, manager and director positions filled internally (%)	74% ⁹	74%10	-
Percentage of individual contributors promoted to managerial roles (%)	9%11	10% 12	-
Number of employees in technology	2,610 ¹³	2,276 ¹⁴	-
Workforce graduates, apprenticeships and students	868 ¹⁵	656 ¹⁶	-

Inc	ludes	UK&I.	
1110	iluucs	Onai.	

² Data includes UK.

15 Does not include IPE, On Side and Europe. **16** Does not include Ireland, Middle East and Europe.

20 lbid. **21** Ibid.

22 Includes IFC Canada, US, UK, Europe and Ireland.

Well-being, health and safety		2022	2021	2020
Number of mental health first aiders		229	178	-
Number of mental health training sessions		27	372	-
On Side Restoration—days lost to injuries		68	0	-
On Side Restoration—change in reportable injuries (%)		11%	-24%	-
On Side Restoration—change in injuries requiring first aid (%)		-27%	-16%	-
Recognition and engagement		2022	2021	2020
Employee engagement (%)	Canada	77% ¹⁷	77%18	-

Recognition and engagement		2022	2021	2020
Employee engagement (%)	Canada	77% ¹⁷	77%18	-
	US	79%	79%	-
	UK	54% ¹⁹	74%	-
	Ireland	41% ²⁰	81%	-
	Europe	51% ²¹	76%	-
Employee participation in annual peer recognition plans (%)		37%	43% ²²	-
Number of colleagues using peer-to-peer recognition portals		10,680 ²³	11,584 ²⁴	-
Number of nominations to UK&I annual peer recognition award	ds	3,482	3,600	-

³ Includes IFC Canada, BrokerLink and UK&I.

⁴ Data includes IFC Canada, BrokerLink and UK.

⁵ Includes Canada and UK.6 Includes IFC Canada and UK.

⁷ Includes Canada and UK&I.

⁸ Includes IFC Canada and UK.

⁹ Does not include On Side and Intact Public Entities (IPE).

¹¹ Includes IFC Canada, BrokerLink, UK and Europe.
12 Does not include UK&I, IPE and On Side.
13 Does not include UK&I.

¹⁴ Ibid.

¹⁷ Does not include On Side.

¹⁹ Decrease is due to a change in measurement methods. Please see <u>page 20</u> for more details.

²³ Includes IFC Canada and UK&I.

²⁴ Does not include Middle East, IPE, On Side and BrokerLink.

Underwriting and investments

ESG considerations in energy underwriting

With our product offering and expertise, we are well placed to support the growth of clean technologies critical to a low-emissions future such as renewable and other low-emissions energy production. Globally in 2022, our renewable energy business represented approximately half of our energy portfolio and supported a wide range of projects around the world, including:

Solar

- Operations of a 645 megawatt (MW) solar site in Alberta, Canada.
- Construction of the largest solar site yet in the UK, with a 350 MW capacity.
- Transportation and operation of small-scale solar units in Sub-Saharan Africa, providing electricity for off-grid communities.

Wind

A 1 gigawatt wind farm in the US.

Hydro

• A 33 MW hydroelectric facility in British Columbia, Canada.

Our risk engineers help clients manage the physical risks associated with technologies that are critical to the transition, such as solar panels, wind turbines and battery energy storage systems.

The following activities remain outside of Intact's risk appetite in direct energy P&C insurance:

• Arctic oil and gas exploration, extraction, and production.

- Thermal coal mining.
- Utilities with greater than 25% contribution¹ from coal power generation.

The transformation of existing industries is key to achieving net zero. Intact can play an active role in promoting sustainable business practices. To that end, Intact will continue to support energy clients within our risk appetite that demonstrate commitment to reducing their greenhouse gas (GHG) emissions. For example, in Canada, we insure the transition of coal-powered electricity generation plants to power generation facilities adapted for carbon capture and/or hydrogen. Our energy underwriters consider customers' emissions reduction plans as part of the underwriting process.

ESG considerations in investments

Intact Investment Management (IIM) is a wholly owned Intact subsidiary based in Montreal. Our growing team of in-house investment professionals manages more than \$30 billion in assets for institutional investors, including Intact, its subsidiaries and pension fund assets. ESG engagement remains a fundamental part of our investment management process for all investment portfolios.

Proxy voting policy and results

Updated in October 2022, IIM's Proxy Voting Policy sets out our investment voting guidelines to align with best corporate standards and Intact's practices. Changes to IIM's Proxy Voting Policy include the representation of Indigenous People, people with disabilities and people who identify as 2SLGBTQ+ in the Board diversity statement. Additionally, IIM now supports the oversight of environmental and social issues at the Board level and explicit disclosure of these oversight responsibilities. In 2022, IIM voted on 345 shareholder proposals related to ESG matters, with the breakdown as follows:

Environment-relat proposals	ted Social-related proposals	Governance-related proposals
65	160	120

Investment emissions

In accordance with Partnership for Carbon Accounting Financials (PCAF) recommendations, IIM estimated the absolute emissions and weighted average carbon intensity (WACI, calculated in tCO₂e/\$M company revenue) of our investment portfolio. These estimates cover emissions attributable to the common shares², preferred shares and corporate bonds held by Intact as of December 31st each year (our "Investment Emissions").

IIM has estimated that the absolute Investment Emissions have decreased 11% and the WACI of our Investment Emissions has decreased 10% in 2022 from our 2019 baseline. In 2023, we are commencing the process to set an interim target for investment emissions.

These estimates cover the above asset classes (common shares³, preferred shares and corporate bonds), which represent approximately 39% of our total invested assets. Over time, we plan to estimate the emissions attributable to additional asset classes, through approaches such as application of new or recently released methodologies (e.g. sovereign debt) and enhanced data capture methodologies.



For more information on investment emissions, please see the Task Force on Climate-Related Financial Disclosures report on <u>page 60</u>, and for more information about how these emissions are calculated, please refer to the notes regarding IIM GHG emissions estimates on <u>page 61</u>.

Engaging investees on climate change and climate change adaptation

IIM has taken several actions to engage our top emitting investees on their transition and net zero ambitions, including:

- IIM engages through Climate Engagement Canada (CEC), a finance-led initiative that drives dialogue between finance and industry to promote a just transition to a net zero economy. Six of IIM's portfolio managers and analysts were active participants in four of CEC's collaborative engagements in 2022.
- Engaging investees through our Oil and Gas (O&G) Policy to support the transition to net zero. The ten targeted companies in our O&G policy represent about 65% of the absolute financed emissions of all O&G producers in our portfolios.

¹ Contribution threshold for underwriting is 25% of power generated for Canadian business and 30% of revenues for UK&I business. Below this threshold, Intact may underwrite clients that are committed to reducing their GHG emissions.

² Long only strategies of IFC's common shares were considered, excluding short positions or mixed long and short positions held in common shares.

³ Ibid

Assessing the transition plans of all companies in our investment universe that generate
more than 25% of their revenue from thermal coal mining or derive more than 25%
of their energy generation, revenue, or net income from thermal coal. We review
our investees annually and divest from those that do not have satisfactory transition
objectives and governance in place.

In 2022, we engaged with investees through a number of streams described on <u>page 42</u>. IIM's team of investment professionals directly engaged with 114 investee companies across eleven sectors. Overall, the data collected among investees' management teams shows that the awareness of climate-related weather issues has increased and that adaptation efforts are increasingly important.

Perceived climate-related risk assessment by investees¹

Year	% that have identified no climate issues	% that have identified at least one climate issue	% that see climate change as an opportunity
2021	31%	55%	13%
2022	19%	76%	6%

Of the issues identified, the biggest risk is attributed to water. Fire and wind related issues are perceived as important risks, but to a lesser extent. The remaining issues are related to snowfall, hailstorms, and arid temperatures.

Identification of perceived climate-related issues²

Water	Fire	Wind	Other
44%	11%	11%	34%

The table below summarizes the identification of these issues, broken down by sector:

Identification of perceived climate-related issues by sector³

Sector	Water	Fire	Wind	Other	Total issues
Materials	49%	8%	13%	31%	72
Energy	36%	36%	5%	24%	42
Real Estate	50%	9%	0%	41%	22
Industrials	47%	7%	20%	27%	15
Consumer Discretionary	42%	25%	8%	25%	12
Healthcare	22%	0%	33%	44%	9
Information Technology	43%	0%	14%	43%	7
Utilities	29%	0%	57%	14%	7
Financials	83%	0%	0%	17%	6
Consumer Staples	33%	0%	33%	33%	6
Communications	67%	0%	0%	33%	3

Our advocacy efforts are part of a growing movement promoting the necessity to adapt to climate-related events. IIM has observed an improvement in the awareness of investee companies regarding climate-related risks compared to when this program began two years ago.

Supplier code of conduct

Our UK&I Supplier Code of Conduct outlines our expectations of suppliers on such issues as human rights, environmental management, business ethics and community investment. The code is included in new contracts and agreements and monitored through our due diligence system. We are also subscribers to the Financial Services Qualification System (FSQS) operated by Hellios—a community of over 50 financial institutions collaborating to agree on a single standard for managing supplier compliance, including ESG policy areas such as modern slavery and environmental impact. 474 RSA suppliers (64% of in scope supplier base) are members of the FSQS system. Our aim is to raise awareness of issues, ensure that procedures are in place to prevent breaches, and conduct appropriate due diligence.

In Canada and the US, we have assessed best practices for procurement and are now in the process of defining requirements for suppliers.

¹ Based on data gathered through investees' questionnaires or interviews and analyzed internally by IIM's teams.

² lbi

³ Ibid.

Data governance, cyber security and privacy

Data governance principles and ethical review processes

In Canada, we have developed a balanced and responsible approach to the use and oversight of data and algorithmic models (including artificial intelligence) that protects privacy. We have 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.

Our Data and Ethics Working Group and Steering Committee ensure our Canadian operations are following our data governance principles. The committee oversees how the business leverages data and models to create and offer the best solutions for the customer, while treating customers and their data with respect, integrity and the highest degree of ethics.

Ethical assessments of models are structured around three pillars:

- Framing (what and why): We review both the algorithm and the data to challenge what we are trying to accomplish with the model and ensure compliance with laws and regulations, as well as our data governance principles.
- Purpose and consent: We question the purpose of the model, ensure proper
 consents are in place and confirm that the model does not rely on factors that
 are discriminatory and that any proxies used in testing models are grounded
 in real-world concepts.

• Fairness and unjustified bias: We ensure that concerns regarding social concepts such as fairness and unjustified bias are brought forward and addressed.

Underwriting process and practices

In 2022, the scope of the ethical oversight framework was expanded to encompass our underwriting process and practices:

- Ethical assessment of current and proposed underwriting rules and practices has begun, including through a racial equity lens, and forms part of the ethical review process;
- Underwriting leadership and key staff have received training on identifying ethical questions for escalation to the Working Group and Steering Committee. Training of underwriting staff will continue through 2023.

Members of the Steering Committee and Working Group have received inclusive behaviour training, to equip them with a better understanding of the role they play in building a more inclusive workplace. We are continuously developing our learning programs and training to promote inclusive and fair practices and will continue to do so in 2023.

Independent review of cyber security posture

- An independent review of Intact's cyber security posture was completed in 2016 (PwC), 2018, 2020, 2021 (KPMG), and 2022 (PwC).
- In 2022, Intact's cyber maturity was assessed to have met industry standard capabilities. Further investments are continuously made to strengthen Intact's security posture and protection of client data controls.
- The office of the Superintendent of Financial Institutions (OSFI) performs
 periodic reviews of our cyber security processes and controls. Our Board Risk
 Management Committee oversees our cyber security strategies and regularly
 reviews our controls.
- Corporate audit services develop an annual audit plan. Audit quality is reviewed
 every five years and attested by the Institute of Internal Auditors. EY is the external
 auditor overseeing the work of corporate audit services.

 Tabletop exercises to test Intact's readiness with respect to cyber security are conducted by a third party firm, and various teams, including Risk, IT, communications and our CEOs. Training simulations include data breach and ransomware exercises.

Employee cyber security training

- Phishing exercises are conducted monthly to test employee awareness and provide real-time learning. We report our 12-month success average (91% as of year-end 2022). Testing is done globally and targets specific groups such as privileged access users and senior leadership.
- Comprehensive and ongoing employee training on cyber security awareness is conducted to avoid points of entry for cyber-attacks. This training is mandatory for all employees and contractors. We continuously evolve our training programs to ensure our employees are equipped to protect sensitive data and report suspicious activity.

Customer data privacy

- We abide by all privacy legislation, including the Personal Information Protection and Electronic Documents Act and the GDPR for the UK, Ireland and Europe.
- We have 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.
- 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.

Customer data rights

- We publicly disclose our Customer Privacy Promise, which outlines what data we collect, how we use it, how we dispose of it and how customers can either correct information or withdraw their consent for us to use it.
- We use customer information for several reasons, including to:
 - · Verify their identity and property,
 - Assess and underwrite insurance risks,
 - Determine prices, fees and premiums,
 - Investigate and adjust insurance claims,
 - Settle or arrange for the settlement of insurance claims,
 - Promote products and services offered by us, our affiliates or strategic partners,
 - Conduct market research, and
 - Detect, prevent and suppress fraud, unauthorized or illegal activities.
- Customers can notify us to withdraw permissions to use their data. However, it may prevent us from renewing policies or providing coverage.

Business ethics

Code of conduct

Regular communication campaigns tailored for each region keep our commitment to living our Values current. For example, in Canada our teams sign an official declaration confirming they have read and understood the Living our Values document that serves as our code of conduct.

Our policies and processes ensure we maintain our standards and abide by all relevant laws and regulations. All Intact employees complete regular compliance training to ensure they understand the policies and correctly implement them.

Our <u>Living our Values document</u> defines expected behaviours, decisions and actions and reinforces that we are all responsible for complying with all Intact rules, policies and procedures.

Protecting human rights and preventing modern slavery

We are committed to protecting human rights and preventing modern slavery. We provide guidance to our Human Resources, Procurement, and Underwriting teams to ensure they follow the processes that help identify and address modern slavery concerns.

In line with the requirements of the UK Modern Slavery Act (2015), our **Annual Modern Slavery Statement** details the steps our UK operations take to prevent slavery and human trafficking in our business or supply chain. In 2022, no cases of modern slavery were reported through RSA's formal channels.

Additionally, we take actions to prevent breaches of labour standards by our suppliers. These include regularly reviewing rates we pay to suppliers to ensure they are high enough to support acceptable wages for their employees while remaining competitive in the market. Our contracts stipulate that suppliers must follow relevant laws and regulations to protect human rights and enforce ethical labour practices. We investigate any known breaches of these provisions.



See the Supplier Code of Conduct section on page 43 for more details.

Whistleblowing program

Whistleblowing procedures across our regions enable our employees to confidentially report any breaches of Living our Values, controls or policies, laws or regulations, business misconduct or any ethical concerns. We regularly communicate to all employees about our whistleblower hotline, which they can use to report concerns online or by phone in their own language. The whistleblower hotline is operated by EthicsPoint, an independent, secure, and confidential reporting tool available 24 hours a day, seven days a week.

Anti-bribery and corruption

We do not tolerate bribery or corruption. We strive to avoid real and perceived conflicts of interest and we abide by all money-laundering, terrorist financing and competition laws and regulations.

We maintain policies to manage personal conflicts of interest and offers of gifts and hospitality. In our UK&I business, we maintain a specific Anti-Bribery and Corruption Policy which outlines the controls in place to mitigate risk as well as our procedures for recording and escalation.

Our anti-bribery tool kit includes a Recognizing Bribery and Anti-Corruption e-learning module and other materials to support employees. Those in higher-risk roles receive additional training and are subject to vetting for financial probity and criminality.

Tax transparency

Paying taxes is an important part of our contribution to the economies where we operate. We are committed to managing our tax affairs responsibly. We actively manage our tax liabilities, payments, and tax affairs to ensure we are compliant at all times.

Overall responsibility for the Intact tax function rests with the Group Chief Tax Officer, who reports to the Group Chief Financial Officer. In Canada, US and UK&I, the Head of Tax for each region has overall responsibility for tax in their respective jurisdictions.

Changes to tax legislation are actively monitored and communicated to senior management and other business areas affected. When laws are introduced that affect the organization, we proactively manage the risk and impacts to ensure we comply with the new legislation.



For more details, see the Public Accountability Statement (Canada) section on page 62 and the RSA UK Tax Strategy (UK).

Political involvement and contributions

We believe it is important for us to be a good partner to government in both prosperous and challenging times. Throughout 2022, we continued to strengthen our relationships with government, by providing risk management expertise and reinforcing our ongoing commitment to working with them to help our customers and communities manage this ongoing period of uncertainty.

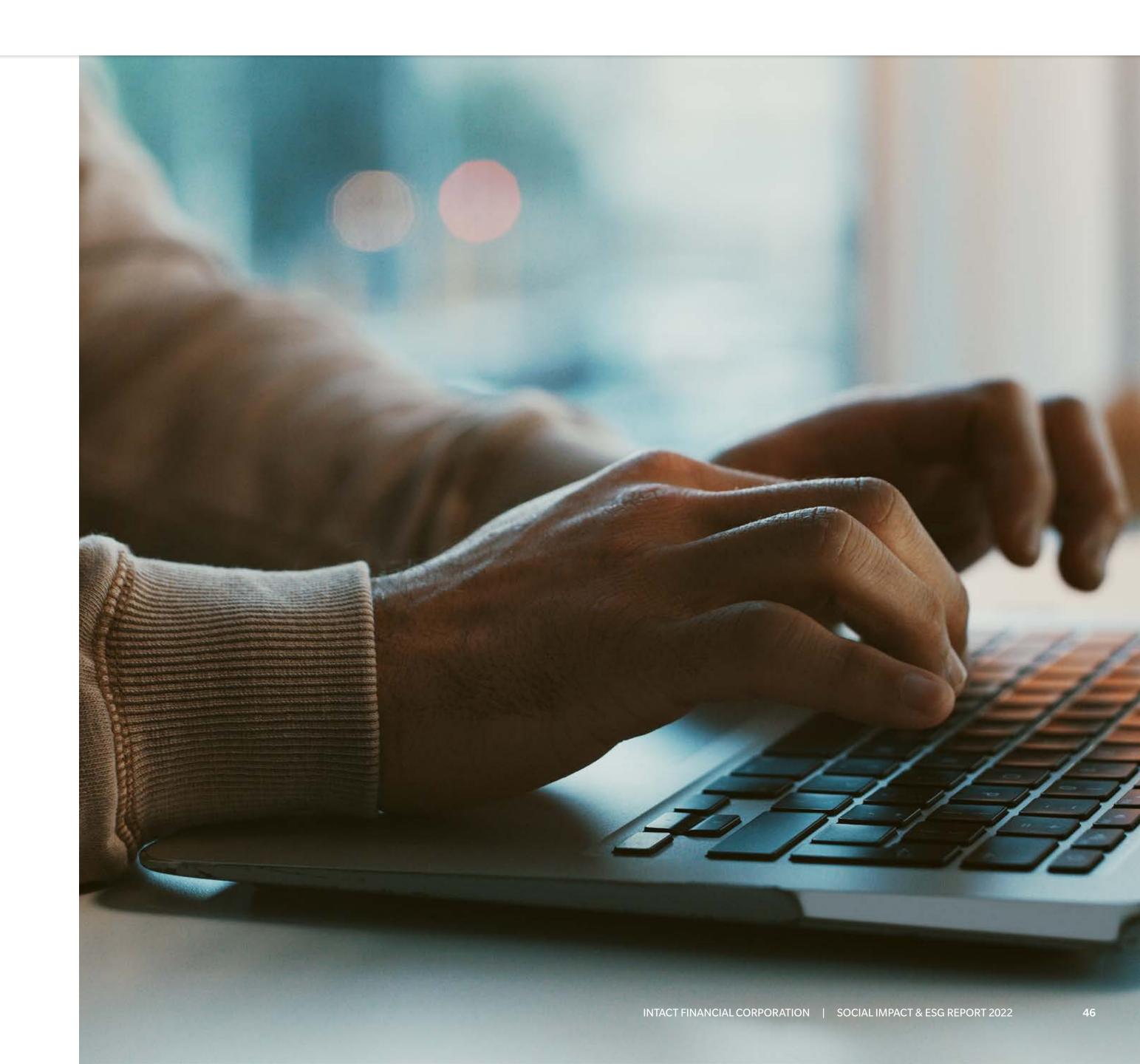
Statement on political contributions

Any political contributions are made within prescribed legal limits. Contributions are made as an expression of responsible citizenship. 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 Intact are approved by the Head of Government Relations.

Our key advocacy issues with government include:

- Ensuring that consumers have access to affordable, innovative and sustainable auto insurance products.
- Encouraging flexible regulatory frameworks which keep pace with consumer expectations.
- Ensuring Canadians are adequately protected from extreme weather events by proposing climate change adaptation solutions at the government and homeowner levels.
- Working with government stakeholders on ensuring Canadians and our economy are protected from the impacts of a major earthquake.

Our RSA business does not make political contributions. RSA contributes to policy dialogue and discussions through our membership of the Association of British Insurers (ABI), Confederation of British Industry (CBI) and TheCityUK, and did not carry out any direct lobbying activities in 2022. All engagements with government or political officials are recorded and conducted in line with our Anti-Bribery and Corruption and Conflict of Interest policies.



Sustainability Accounting Standards Board (SASB)

SASB Metric	Metric	Response
FN-IN-270a.1	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.	In the normal course of carrying on our business, we become the subject of claims and are involved in various legal proceedings, including lawsuits, regulatory examinations, investigations, audits and reassessments by various parties including customers, suppliers, and government or regulatory agencies and authorities. The effects of the COVID-19 pandemic related to emerging coverage issues and claims, including certain class actions relating to business interruption coverage and related defence costs, as well as other indirect claims, could negatively impact our claims reserves. Regarding the class actions relating to business interruption coverage, most commercial policies, except in very limited instances, do not provide for business interruption coverage in the context of a closure due to COVID-19 since direct physical damage is required to trigger this coverage. The Company plans to contest these class actions vigorously. In the event that these cases result in a significant judgment against the Company, the resulting liability could be material. Based on information currently known, the Company does not believe that the outcome of these cases will have a material impact on its consolidated financial condition, cash flows or results of operations. We are not currently involved in any other material legal proceedings, nor are we aware of any other pending or threatened proceedings or claims for damages, where we believe the amount would exceed 10% of the current assets of the Company or would have a material adverse effect upon our financial condition or results of operations. We believe we have established adequate reserves in respect of legal proceedings to which we are a party. A discussion on the risk we face with respect to legal proceedings and regulatory actions can be found in the section entitled Legal risk on page 94 of our Q4-2022 Management's Discussion & Analysis.
FN-IN-270a.2	Complaints-to-claims ratio.	In 2022, we had over one million personal lines claims and 2,280 complaints registered with Ombudsman services in Canada, the UK and Ireland.
FN-IN-270a.3	Customer retention rate.	Our most relevant key performance indicator is Operating Direct Premiums Written (DPW), as it effectively shows our ability to retain and attract new customers. Our Operating DPW for 2022 was \$21.1 billion, a 23% increase in constant currency from 2021, bolstered by the RSA Acquisition. More information can be found in our Q4-2022 Management's Discussion & Analysis.

SASB Metric	Metric	Response
FN-IN-270a.4	Description of approach to informing customers about products.	We have an omni-channel distribution model, which enables customers to access the right products and services that meet their needs. We work with thousands of professional independent insurance brokers to provide knowledge, products and services to customers. I For more information on our brokers, see page 15. Through our direct distribution channels, insurance products and services are provided direct to customers, either through licensed agents or through digital distribution channels. Customers can receive detailed quotes through online tools, on mobile applications, or by phone to connect with one of our experienced agents. For information on how we are continuously improving our digital experience, see page 16. We publicly disclose our Customer Privacy Promise, which outlines our customer data governance.
FN-IN-410a.1	Total invested assets, by industry and asset class.	Below is the net sectoral exposure by asset class, excluding cash, short-term notes and loans. More information can be found in our Q4-2022

Below is the net sectoral exposure by asset class, excluding cash, short-term notes and loans. More information can be found in our Q4-2022 Management's Discussions & Analysis.

As at Dec 31, 2022 Common shares.

Total Dec 31, 202

As at Dec 31, 2022	Fixed-income securities	Preferred shares	Common shares	Total Dec 31, 2022
Government	38%	-	-	32%
Financials	25%	72%	23%	31%
ABS and MBS	14%	-	-	12%
Industrials	4%	-	8%	4%
Consumer Staples	3%	-	11%	3%
Communication Services	2%	6%	8%	3%
Utilities	4%	12%	13%	5%
Consumer Discretionary	2%	-	5%	2%
Energy	1%	10%	14%	2%
Materials	1%	-	7%	1%
Information Technology	3%	-	3%	2%
Health Care	3%	-	8%	3%
	100%	100%	100%	100%

SASB Metric	Metric	Response				
FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies.	ESG is integrated into Intact Investment Management's (IIM) investment policies and procedures and is part of the investment management process for all our investment portfolios. Por more information on IIM's involvement in climate-related issues, please see the underwriting and investments section on page 42 for more details. Por information on how we manage Climate transition risk, please see Section 23 of our Q4-2022 Management's Discussion & Analyst.				
FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology.	In 2022, renewables made up approximately 50% of our direct energy underwriting portfolio.				
FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours.	In Canada, we offer products and discounts to customers to reduce their risk and have a positive impact on ESG and climate issues. ! For more information, see page 33. For personal lines customers, we help them build back better and offer incentives to make their property more resilient. ! For more information, see page 30.				
FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.	We increased our expectations for annual catastrophe (CAT) losses (net of reinsurance) to \$700 million, reflecting recent reinsurance renewals, including higher retention levels and co-participations (well within our risk appetite). The revised estimate also reflects our view of long-term trends, our growing premium base, as well as concentration and management of risk, product and geographical mix. We expect approximately 70% of CAT losses to impact our Canadian segment (of which approximately 2/3 will impact personal lines). Nearly 30% of the annual estimate is expected in each of the second and third quarters, while CATs in the first and fourth quarters can vary depending in part on the timing of the onset of winter conditions. Catastrophe claims are any one claim, or group of claims, equal to or greater than a predetermined CAT threshold, before reinsurance, related to a single event. Reported CAT losses can either be weather-related or not weather-related and exclude those from exited lines. Our CAT thresholds are as follows; P&C Canada: \$10 million, P&C UK&I: £7.5 million, P&C US: US\$5 million, and IFC aggregate threshold: \$15 million. Por more information, please see page 25 of our Q4-2022 Management's Discussion & Analysis.				

SASB Metric	Metric	Response
FN-IN-450a.2	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 (net and gross of reinsurance).	In 2022, weather-related CAT losses accounted for approximately 85% of our total current year CAT losses of \$826 million, mainly reflecting the impact of Hurricane Fiona and various storms across Canada, as well as severe weather in the UK. Por more information, please see page 26 our Q4-2022 Management's Discussion and Analysis.
FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy.	For information on the incorporation of environmental risks into the underwriting process, please see page 42. Additionally, please see Section 23, Climate Change, and Section 33.6, Top and emerging risks that may affect our future results, of the Q4-2022 Management's Discussion and Analysis for more details.
		Firm-Level Risk and Capital Adequacy: The amount of capital in any particular company or country depends upon Intact's internal assessment of capital adequacy in the context of its risk profile and strategic plans, as well as local regulatory requirements. Intact's objective is to maintain the capitalization of its regulated operating subsidiaries above the relevant minimum regulatory capital requirements in the jurisdictions in which they operate (referred to as regulator supervisory minimum levels). Regulatory capital guidelines change from time to time and may impact our capital levels. We carefully monitor all changes, actual or proposed.
		Annually, Intact performs capital adequacy testing to ensure that it has sufficient capital to withstand significant adverse event scenarios. These scenarios are reviewed each year to ensure appropriate risks are included in the testing process. The 2022 results indicated that Intact's capital position is strong. In addition, the target, actual and forecasted capital positions of Intact are subject to ongoing monitoring by management using stress and scenario analysis to ensure its adequacy.
		For more information, please see Section 28—Capital management in our Q4-2022 Management's Discussion & Analysis from page 63.
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives.	Under current applicable regulation, Intact is not required to post collateral with the Central Clearinghouse. [For more detailed information, please see Note 8—Derivative financial instruments in our Q4-2022 Financial Statements.

SASB Metric	Metric	Response
FN-IN-550a.2	Total fair value of securities lending collateral assets.	We participate in a securities lending program to generate fee income. This program is managed by our custodian, a major Canadian financial institution, whereby we lend securities we own to other financial institutions to allow them to meet their delivery commitments. We loaned securities, which are reported as investments in the Consolidated financial statements, with a fair value of \$3,616 million as at December 31, 2022 (\$3,036 million as at December 31, 2021). Collateral is provided by the counterparty and is held in trust by the custodian for our benefit until the underlying security has been returned to us. The collateral cannot be sold or re-pledged externally by us, unless the counterparty defaults on its financial obligations. Additional collateral is obtained or refunded on a daily basis as the market value of the underlying loaned securities fluctuates. The accepted collateral consists of government securities representing approximately 105% of the fair value of the securities loaned as at December 31, 2022 (104% as at December 31, 2021).
FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.	Intact's liquidity management is governed by establishing a prudent policy that identifies oversight responsibilities as well as by setting limits and implementing effective techniques to monitor, measure and control exposure to liquidity risk. Given the nature of Intact's P&C insurance activities, cash flows may be volatile and unpredictable. Intact uses internal liquidity metrics to monitor and control liquidity risk within its insurance subsidiaries. Intact's liquidity needs are rigorously managed by matching asset and liability cash flows and by establishing forecasts for cash inflows and outflows. Intact invests in various types of assets to match them to its liabilities. This method maps the obligations towards insured clients to asset life and performance. Intact reviews the matching status on a quarterly basis. To manage its cash flow requirements, a portion of the Intact's investments is maintained in short-term (less than one year) highly liquid money market securities. A large portion of the investments are unencumbered and held in highly liquid federal and provincial government debt to protect against any unanticipated large cash requirements. In addition, Intact also has an unsecured committed credit facility For information on Intact's approach to managing capital and liquidity-related risks associated with systematic non-insurance activities, see our Q4-2022 Financial Statements.
FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance.	We have 9,693,000 personal lines policies in force.

Task force on Climate-related Financial Disclosures (TCFD)

Our enterprise-wide strategic objectives, governance systems, enterprise risk management process, and climate strategy demonstrate IFC's strong position to manage climate-related risks to our business, and capture climate-related opportunities.

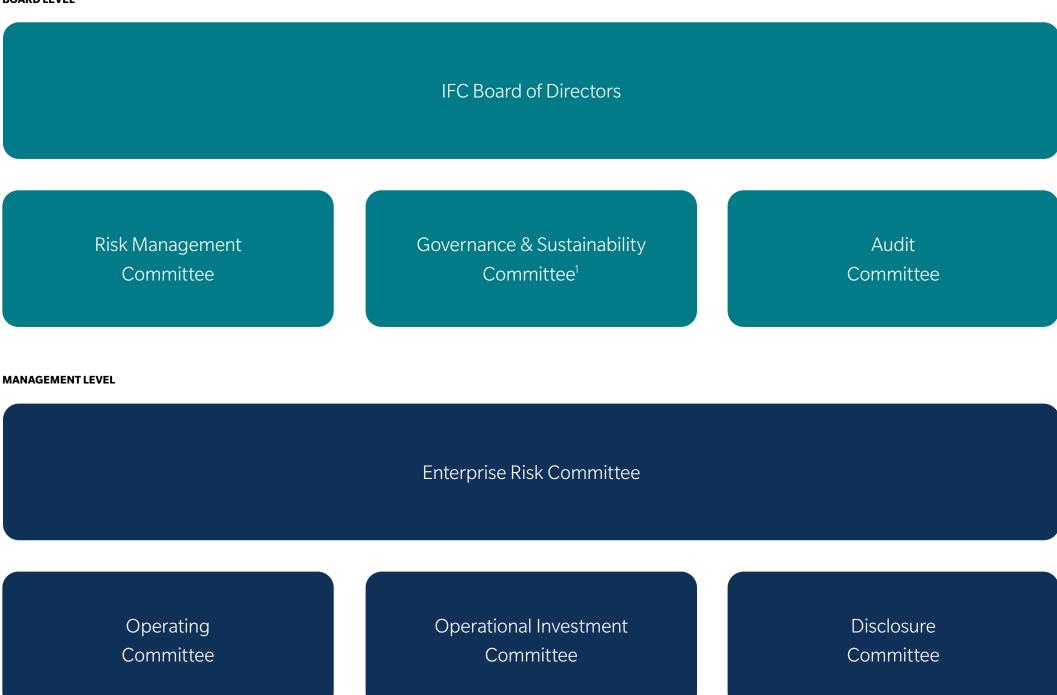
Governance

Our strategic objectives include our commitment to become net zero by 2050 across our business, to halve our operations emissions by 2030, and to be recognized by our stakeholders as being a leader in building resilient communities.

Climate change risk is reviewed in our Enterprise Risk Management (ERM) process to ensure identification, assessment, response, monitoring and reporting of risks.

The governance of our strategic objectives, climate strategy and ERM is integrated into our organizational structure, at both the Board and management levels. The figure below shows the key committees that have governance over climate change at IFC. In all cases, their mandate is enterprise-wide.

BOARD LEVEL



See our 2023 Management Proxy Circular for more details.

¹ Previously called the Compliance Review & Corporate Governance Committee (CRCG).

Board of Directors oversight

The Board of Directors is ultimately responsible for overseeing the strategic direction and initiatives of IFC with regards to climate change risks. Climate change is an integral accountability of the Board's Risk Management, Audit and Governance & Sustainability Committees. These committees oversee the assessment and monitoring of the threats to our business related to climate change, the risk inherent in the transition to a net zero and climate-resilient economy. This could lead to a decline in the valuation of assets we hold in certain sectors that are vulnerable to transition risks, and the development of strategies to manage these risks. The Board is fully engaged in shaping the approach to Enterprise Risk Management, including setting our risk appetite where appropriate and ensuring governance structure and policies are effective.

The table below summarizes the Board and its committees, and their relationships to climate-related topics:

Committee	Climate-related roles and responsibilities
Board of Directors	Oversees the delivery of the IFC climate change strategy and achievement of IFC's strategic objectives (which include climate change focused objectives).
Risk Management Committee	 Oversees the assessment and monitoring of the risks related to climate change and the development of strategies to manage these risks. Reviews risk monitoring programs and receives quarterly reports on risk monitoring activities, including investment risk monitoring. Ensures that our pricing and segmentation practices are adapted to address our risks, including those related to climate change and trends in catastrophes and severe weather events and that our reinsurance programs adequately limit our losses in the event of significant weather-related losses and other catastrophic events.
Governance & Sustainability Committee	Oversees corporate disclosure on climate change and climate risk management.
Audit Committee	 Oversees the integrity, fairness and completeness of our financial statements and other financial disclosure. Oversees the quality and integrity of our internal controls and procedures. Oversees 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.

Management oversight

At the forefront of risk management at IFC, our Enterprise Risk Committee is headed by our Chief Risk Officer, and reports to the Board's Risk Management Committee quarterly. The Chief Risk Officer and Enterprise Risk Management (ERM) Committee oversee the ERM process, which is integrated into all business activities and strategic planning. This includes the identification, assessment, response, monitoring and reporting of risks, including those related to ESG and climate.

The ERM team meets quarterly with risk owners within the company and Intact Investment Management to investigate emerging risks and ensure risk management plans are in place. Regional risk management teams report on continued and emerging risks to the Chief Risk Officer, who manages IFC's Enterprise Risk Management Policy on behalf of the ERM Committee.

Our Senior Management team, including our Group CEO, provides direct leadership on ESG initiatives, including climate initiatives, and advocates publicly for climate adaptation with business associations, government officials and regulators. The Chief People, Strategy and Climate Officer leads our Climate Strategy to ensure ongoing integration of climate change and climate risk management into our central strategy. This role reports directly to the Group CEO.

Management committees with specific climate change responsibilities are shown in the table below.

Committee	Climate-related roles and responsibilities	Action in 2022
Operating Committee	 The IFC Operating Committee oversees the climate change strategy, net zero target progress, climate adaptation initiatives and climate risk management approaches. This Committee includes IFC's Group Chief Executive, Chief Risk, and Chief Climate Officer, among other C-suite level executives. Climate-related risks and/or opportunities that could impact IFC at the enterprise level, or that require strategic/operational intervention, are presented and discussed with this committee. 	Approved the IFC Climate Strategy in advance of Board approval in April 2022. Reviewed and discussed climate strategy progress updates throughout 2022.
Enterprise Risk Committee	 Headed by our Chief Risk Officer, this committee oversees risk management priorities, assesses the effectiveness of risk management programs, policies and actions of each key function of the business and reports quarterly to the Board Risk Management Committee. The Committee is mandated to identify risks that could materially impact the business, measure risks in terms of impact on financial resources and reputation, monitor and manage risks in accordance with our risk appetite statement. 	Conducted ongoing assessment of risks and opportunities arising from climate change. Engaged quarterly with leadership of commercial, personal and specialty lines as well as with Intact Investment Management (IIM) leaders of the business to ensure proper risk assessment and mitigation plans are in place. Continually evaluates the reinsurance program and program coverage. Reviewed catastrophe risk and weather-related perils and plans to strengthen our modelling capabilities.
Operational Investment Committee	 Reviews investment strategies, monitors performance and discusses investment risks. The OIC oversees the climate change engagement strategies with investees, commitments to climate initiatives such as Climate Engagement Canada and oversees progress on investment net zero targets. IIM reports regularly and directly to this committee on all ESG matters related to investment management. 	Reviewed investment strategies to confirm alignment with the Climate Strategy, identify gaps, and work to close them. Oversaw investee engagement and quantification of investments emissions. In 2022, there were ESG discussions at 75% of the OIC meetings.
Disclosure Committee	 Ensures all disclosures are complete, accurate and timely. Oversees all corporate disclosures, including the Social Impact Report and responses to regulators and supervisory entities on climate change topics. 	Discussed emerging climate disclosure regulation in IFC operating geographies. Reviewed the TCFD and the Social Impact & ESG Report.

Climate change opportunities

Climate change presents an opportunity to both help society manage the impacts and for IFC to win in the marketplace with innovative products and services. These opportunities are summarized in the following section.

Opportunities related to physical risks

Leverage our AI capabilities to outperform:

Continuously investing in and redefining how we select and price risk with data and predictive analysis, leveraging the expertise of 500 experts across AI, machine learning, actuarial science, and data.

Provide leadership in resilient communities:

Investing in community resilience and research and development of education products for Canadians, building relationships and bringing value to our customers.

Capitalize on increased demand for home restoration services:

The frequency and severity of natural catastrophes is expected to increase with climate change. This will increase the demand for restoration services. We are well placed to respond to this with our subsidiary, On Side Restoration, which is one of the largest restoration companies in Canada.

Capitalize on increased demand for insurance coverage:

As weather patterns shift and public awareness for the need for insurance cover expands, we expect to see an increase in demand for insurance products and services. Pricing and segmentation reviews are conducted regularly, along with market analysis and customer engagement.

Opportunities related to transition risk

Support new and transition-critical technology and industries:

Our product and service offerings support new industries and technologies that will grow as the transition accelerates, using risk management expertise and customer engagement to understand coverage needs.

Shape behaviours of investees and customers:

We can help accelerate the transition by shaping investee behaviour through our investment decisions, engagement and ongoing market analysis. We engage with investee companies who do not have satisfactory transition plans and expect tangible improvements over a defined period. We will remove companies from our investment universe who are either non-responsive or do not provide evidence of progress on their transition plan. The opportunity also exists to adopt a similar approach to underwriting with customer engagement, transition plan reviews and using premium incentives to shape behaviours.

Enable existing industry transformation:

We use our size, expertise and resources to enable the transformation of industries that are key to the transition, and de-risk industries and technologies that can accelerate the transition, including renewable energy technologies. We anticipate increasing demand for renewable energy insurance and increasing revenue.

Provide thought leadership and contribute to climate policy development:

We help accelerate the net zero transition and resilience to climate change through continued collaboration with government and industry association committees and working groups.

Optimize our supply chain:

Using circular economy principles, we can enhance our supply chain by reducing our materials demands, including via our repair vs replace approach, embedding climate change requirements in procurement processes, and more.

Climate change risks

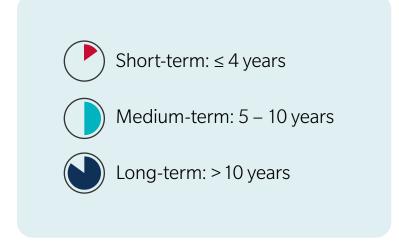
Risk management is thoroughly integrated into our Governance strategy at both the Board and Management level.

As a P&C insurer, assuming physical risk from our customers is our business. Our risk management and underwriting expertise have enabled strong financial performance even in lines heavily impacted by severe weather. In the Personal Property Canada business line, we continue to operate at a sub-95 combined ratio despite elevated CATs.

Transition risk within our business relates to the transition to a net zero future and potential negative impacts to certain businesses, adding risk to the assets we hold and customers we insure in certain sectors.

Liability risks to our business relate to legal action from our customers and other stakeholders.

Physical, transition and liability risks relevant to our business are presented here, along with the time horizon for which these risks may be most impactful and the ways in which we are managing these risks.



For more information on financial performance and CAT losses, please see our Q4-2022

Management Discussion & Analysis.

Physical risk

Frequency & severity of weather-related claims:





Short- to long-term

Physical risk has been affecting our property insurance business due to changing weather patterns and an increase in the number and cost of claims associated with severe storms and other natural disasters. Weather patterns could continue to change and impact the likelihood and severity of natural catastrophes, such as cyclone, hurricane, floods, wildfire and/or cumulative gradual climatic changes—for example, in precipitation or sea level. This could impact our own operations due to physical damage to our premises, as well as those of our customers.

The impact of climate change may result in increased earnings volatility, and negatively affect our property and auto insurance results.

How we manage physical risk

Pricing and risk selection

- Maintaining an adequate capital margin to ensure that we are sufficiently capitalized to withstand an acceptable level of insurance and/or market shocks.
- Using enhanced segmentation to understand evolving risks. We input
 weather, climate and topographic data into machine learning models to
 develop risk maps to assess risk of weather perils such as flood and wildfire.
 We are working towards enhancing the risk models to include climate
 change projections for temperature and precipitation, to get a better
 understanding of risk profiles under a changing climate. This will allow
 us to plan for the medium- and longer-term time horizons.
- Reviewing products, underwriting and pricing practices related to severe weather. These reviews are conducted annually.
- Expanded use of deductibles and sub-limits, segmentation refinement, the introduction of depreciation schedules in personal property insurance across Canada.

- Implementing rate changes in our property business to reflect recent trends in catastrophes and severe weather.
- Reinsuring certain risks to limit our losses in the event of a catastrophe or other significant weather-related losses. Below our catastrophe cover, we purchase specific treaties for business that is more exposed to major events and use facultative and per risk reinsurance to limit exposure on any one risk.
- Most of our products are 12 months in duration and we re-price as necessary. This ensures our charged prices are responsive to the latest weather-related trends which we assess and action in our property business quarterly.

Product innovation

- Continually evolve our products to account for new climate realities, such as unbundling our enhanced water damage product to make protection more accessible.
- Transforming our business to adapt to evolving climate risks. For example, we redesigned our personal property business to account for an increased risk of flood.

Supply chain and claims

 Using actuarial tools to support the claims operations for rapid CAT assessment including the number of claims, nature of claims, geo-coded maps and supply-chain requirements.

Loss Prevention

- Investing in a global loss prevention team with deep technical expertise, including engineers, fire protection experts, sprinkler designers, brokers, claims adjusters and underwriters.
- Enhancing segmentation to understand evolving risks. Within Intact's Data Lab, the Centre for Climate and Geospatial Analytics (CCGA) uses weather, climate, and topographic data along with machine learning models to develop risk maps to assess risk to our underwriting portfolio.

- Relying on specialized talent within the CCGA with expertise across meteorology, geomatics, data science, and actuarial science.
- Using data to prevent losses. For example, our proprietary forecast system identifies properties at risk of roof collapse after snowfall. We offer customer subsidies to incentivize snow removal for loss prevention.
- Setting risk tolerances based on catastrophe model output and using it to determine pricing.
- Engaging with investees on climate change resiliency and the integration of climate change into strategy and governance measures. Discuss the impacts of extreme weather events on financial performance and ensure management is accounting for climate change as a key risk.
- Including weather alerts in our apps to proactively inform clients on preventive tips they can take to protect their homes and avoid potential automobile accidents caused by bad weather conditions.
- Communicating specific tips on climate resilience to customers in high-risk geographies.
- Increasing our customer and distribution partner education and awareness efforts, including providing climate-related tips featured in our BrokerLobby, an information portal for our brokers. (Canada)
- Working with partners, such as the University of Waterloo, our industry association the Insurance Bureau of Canada and the global insurance industry think tank The Geneva Association, to promote climate change adaptation initiatives at all levels of government.

Transition risk

Shifting market demand:



Medium-term

In some sectors the transition could lead to contraction of market demand and an increase in losses for certain lines of business, and will require changes to underwriting guidelines and practices. We also expect new industries to emerge and market demand for certain sectors to increase.

Shifting Cost of Claims:



Medium-term

Changes in the operational cost base or claims profile due to new or unproven technologies associated with the net zero transition (e.g., switch to electric vehicles, larger turbine size, battery storage etc.).

Shifting Asset Valuations:



Long-term

A decline in the valuation of assets we hold in certain sectors that are vulnerable to transition risks. Furthermore, the investment in and exposure to GHG-intensive sectors or companies could increase the reputational risk associated with public perception, for insurers who invest in these sectors. We also expect some assets to appreciate and be viewed favourably as supporting the transition.

How we manage transition risk

Pricing and Risk Selection

- We are assessing underwriting risks and opportunities that can emerge in the net zero transition and acting accordingly, such as providing electric vehicle discounts.
- Management of our reputational risk associated with underwriting activities has included assessing existing IFC and RSA exposure to high-emitting sectors such as Energy, producing an inventory of current IFC and RSA underwriting guidelines, and overlaying them with strategic, regulatory and market considerations to produce recommendations for our business leaders. We hold our leaders accountable to identify, assess, measure and monitor climate risks and identify opportunities in our insurance business.
- We are developing a renewable energy vertical to support the transition by de-risking renewable energy technology. This will also encourage the sector to scale up new technologies at a faster pace.
- In 2022 we reviewed and revised underwriting policies to align more closely with IFC's Climate Strategy, and to continue to de-risk our insurance practices.



How we manage transition risk

Investments

- We joined Climate Engagement Canada as a founding member, to drive dialogue with Canadian issuers about climate risks and opportunities.
- Intact Investment Management (IIM) adopted and implemented positions on coal in 2020 and oil and gas in 2021. In 2022, IFC began actively engaging with high emitting investees, focused on supporting the energy sector's net zero transition.
- IIM is assessing climate disclosure and transition plans for all companies in our investment universe that:
 - Generate more than 25% of revenue from thermal coal mining.
 - Derive more than 25% of energy generation, revenue or net income from thermal coal.
 - Are included in the top GHG emitters from the oil and gas sector. In 2022, we reviewed the transition plans for 10 high emitting investees who fall into these categories.
- In 2022, IIM portfolio managers held 125 meetings where we engaged in discussions on company climate resilience.
- In 2022, we voted on 345 shareholder proposals related to ESG matters, of which 18% were environment-related.

Liability risk

Climate Liability Claims:





Short- to medium-term

Compensation could be sought for losses resulting from the physical or transition risks outlined above.

Climate Litigation:





Short- to medium-term

Although in its early stages, climate-related litigation could increase with implications for certain liability coverages, as well as litigation against companies perceived to be using "greenwashing" techniques to unduly improve their public reputation. Additionally, targeted activism is on the rise, in parallel with mandatory emissions reporting in the jurisdictions in which we operate. This is a reputational and liability risk.

Failure to meet climate commitments:



Long-term

Net zero commitments are contingent on many variables, including the role of governments and their ability to meet climate commitments. There is a risk that companies have overstated their ability to meet their target or miss their interim net zero targets.

How we manage liability risk

- Through annual policies, underwriting actions and reinsurance.
- Through the application of our financial disclosure practices to our net zero commitment, disclosing our progress in a timely manner. We will be transparent with any changes to our strategy or ambition with our targets.





Overall Resilience to Climate Change

We have a number of risk management strategies in place to mitigate risk, reduce financial impact and capture potential opportunities. Our business strategy and intrinsic risk management processes are responsible, in large part, for our climate change resilience. Some of the key activities contributing to our resilience as a business include:

- Leveraging operational planning processes that consider changing weather
 patterns. Using up-to-date catastrophe models and building identifiable trends
 into our weather planning, technical pricing and exposure management are
 key parts of our underwriting guidance. As part of this we:
 - Re-price our products with weather trends annually at renewal, given most of our policies are 12 months in duration.
 - Use weather peril models, risk maps and geolocation tools to support risk assessments and underwriting of residential and commercial properties, especially to impacts related to flood and wildfire risks.
 - Continuously invest in and redefine how we select and price risk with data and predictive analysis, leveraging the expertise of 500 experts across AI, machine learning, actuarial science and data.
- Reinsuring certain risks to limit our losses in the event of a catastrophe or other significant weather-related losses. Below our catastrophe cover, we purchase specific treaties for business that is more exposed to major events and use facultative and per risk reinsurance to limit exposure on any one risk. Our catastrophe reinsurance covers flood, windstorms, hurricanes, wildfires and other severe weather events, with special provisions providing additional protection for prolonged or greater frequency events.
- Working with our customers to promote measures that improve resilience to extreme weather.

Additionally, we conduct stress-testing with internally developed scenarios and measure their aggregate effects on our business. We then take action to limit these effects, whether by limiting our exposures or by transferring risk to others. In doing so, we help ensure that our ability to get customers back on track won't be compromised even when extreme events occur.

In addition to the stress-testing we conduct, Intact and RSA participated in pilot projects with the Bank of Canada (BoC) and the Office of the Superintendent of Financial Institutions (OSFI), as well as the Bank of England Climate Biennial Exploratory Scenario (CBES) exercise. Using our expertise in risk management, we contributed to the development of scenario analysis tools and resources. The BoC/OSFI exercise revealed that the transition impact of climate scenarios on our business remains manageable. And the CBES has helped drive improvements in resilience-building and risk management for banks and insurers.

The results of our internal stress-testing, climate-related peril modelling, and participation in sector-level scenario analysis pilot projects support the conclusion that climate change is a manageable threat for IFC, and that climate risks are well-managed within our business.

Targets and metrics

We recognize the importance of understanding, measuring and managing the impact of our own operations, the impacts of our value chain, and our progress on our Climate Strategy priorities. Our Climate Strategy outlines our commitment to:

- Achieve net zero emissions by 2050.
- Halve operational emissions by 2030.
- Become carbon neutral in corporate operations by 2025.

Greenhouse gas emissions

We observed a reduction of 23% in our total greenhouse gas emissions including a 44% reduction associated with business travel. As expected, upon "return to office" in 2022, post-pandemic lockdowns, our emissions increased from 2021. However, our 2022 emissions total still reflects a reduction from the 2019 baseline, and we remain on track towards our 2030 emissions target.

			2022	2021	2020	2019
	Total GHG emissions (tonnes CO ₂ e)	Scope 1	18,898	17,395	16,576	20,166
		Scope 2 (location-based)	9,553	10,563	12,110	13,511
		Scope 3	7,187	1,856	3,224	12,560
		Scope 3 waste, water and paper ²	479	447	511	509
		Scope 3 business travel ³	6,708	1,408	2,713	12,051
7.		Total	35,638	29,814	31,910	46,237
Operations¹	GHG intensity (Gross tonnes CO ₂ e/FTE)	Total emissions intensity	1.25	1.13	1.51	2.39
pera	Energy consumption (MWh)	Electricity, district heating and cooling	73,353	79,136	85,233	94,782
0		Gas consumption	39,557	42,095	38,705	43,591
		Stationary liquid fossil fuels	11,538	11,793	11,799	13,617
		Transportation—vehicles	52,118	41,268	41,433	56,456
		Total energy use	176,566	174,292	177,170	208,446
	Business travel	Million passenger km	24.9	5.2	11.1	50.9
	Waste ⁴	Waste generated (tonnes)	1,390	1,407	1,486	1,517
		Diverted from landfill (%)	80.1%	75.2%	84.5%	80.0%
chain nents) ⁵	Gross GHG emissions (tonnes CO ₂ e)	Scope 3 — Investments	699,014	656,597	674,829	786,265
Value chain (Investments) ⁵	GHG intensity (WACI, tCO ₂ e/\$M company revenue)	Scope 3 — Investments	204	182	187	227
	Catastrophe losses (global)	Weather CAT losses	\$708M	\$483M	\$205M	\$326M
		Weather loss ratio (%)	3.7%	3.0%	1.8%	3.2%
	External commitments	Meeting the requirements of the UNEP FI Principles for Sustainable Insurance	Requirements met			
	Building climate resilient communities	Dollar value of partnerships focused on climate change adaptation	\$4.0M			
	Underwriting and investments	Proportion of renewable energy premiums in our direct energy portfolio (global)	Approximately 50%			
		Number of engagements with investees re: climate resilience in 2022	125			

¹ Notes about our operations GHG emissions estimates:

[•] The scope of the operations GHG emissions estimates section encompasses all of Intact Financial Corporation's wholly-owned subsidiaries' operations and activities, subject to the below limitations.

[•] All known sources of Scope 1 and 2 GHG emissions have been included in our operations GHG emissions estimates. Scope 3 emissions include employee business travel, except for On Side Restoration Employee-Owned Vehicles usage in Canada, waste, water and paper.

[•] Use of estimation technique: Some data sources were incomplete or unavailable, such as utility usage data at specific real estate locations, e.g., certain IFC Canada locations. In these instances, we used estimation techniques to approximate utility usage, using data from locations of a similar size and energy usage. Efforts are being made to increase actual data coverage for future years.

[•] In line with the GHG protocol, all years of emissions data have been re-stated to take account of the emissions from acquisitions having occurred during reported years, including On Side Restoration and RSA.

² Limited scope—Includes UK&I data and partial data coverage for IFC Canada locations. Efforts are being made to increase actual data coverage for future years.

³ Scope 3 business travel excludes On Side Restoration Employee-Owned Vehicles in Canada.

⁴ Limited scope—Includes UK&I data and partial data coverage for IFC Canada locations. Efforts are being made to increase actual data coverage for future years.

⁵ For more information about how our investments emissions are calculated, please refer to the Notes regarding IIM GHG emissions estimates on page 61.



Notes about Investment Emissions estimates

- In preparing our GHG emissions estimates, IIM uses the S&P Global Trucost database as the primary data source for investee emissions. Although we believe this database is reliable, it contains data from other third-party sources (such as public disclosures). IIM has not independently verified data from S&P Global Trucost, or any other third-party data sources (e.g., data reported in investees' disclosures) on which they rely, for accuracy or completeness. The data may therefore be of varying quality.
- Based on S&P Global Trucost's identification of the data quality, data used for our GHG emissions estimates qualify as scores of one to four based on the PCAF scoring system (none of the data had a score of five), with most of the data qualifying as a PCAF score of one or two. As recommended by PCAF, IIM used the highest quality data available.
- The data used by IIM in estimating our Investment Emissions is frequently updated, including as data sources restate their historical emissions and as data quality and accuracy is improved. Such changes may result in changes to IIM's estimates of Investment Emissions.
- Due to lags in reporting of data by investees, there are also lags in the subsequent incorporation of this data into S&P Global Trucost and other third-party data sources that IIM uses in estimating our Investment Emissions. Consistent with PCAF guidance, where data from the relevant reporting year is unavailable, IIM sometimes needs to use data from the most recent previous year. For example, our reported 2022 absolute emissions and WACI are based on GHG emissions data reported by investees in respect of prior years.

- Our reported absolute emissions and WACI related to our investments may
 not capture the full extent of investees' actions to reduce GHG emissions, in
 part due to the above-mentioned lags in data availability. Therefore, we may
 need to restate the absolute reported emissions and WACI of our portfolios
 as more recent data becomes available.
- We believe that WACI is a useful metric in comparing investments across
 different asset classes and sectors. However, because WACI is determined
 with reference to company revenue, it can be sensitive to external market
 factors, such as commodity prices, resulting in fluctuations in WACI that are
 not necessarily a product of emissions performance.
- Comparisons of our reported Investment Emissions to other companies' corporate disclosures cannot be carried out accurately, due to factors such as variability in investees' data, market forces (e.g., currency conversions) and changes in market capitalization.
- In estimating our Investment Emissions, IIM relied on PCAF guidelines. The methodologies are frequently changing in response to the evolving global response to climate change. As new methodologies are adopted, or as existing methodologies are enhanced, revised or expanded to apply to additional sectors and asset classes, we may need to restate our reported Investment Emissions.
- In line with the GHG Protocol, estimated Investment Emissions associated with RSA (which IFC acquired in 2021) have been included in all reported years of Investment Emissions data.

Public accountability statement

Intact Financial Corporation's 2022 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, 2022. All dollar amounts are expressed in Canadian currency.

The Public Accountability Statement includes namely the contributions of the following subsidiaries operating in Canada:

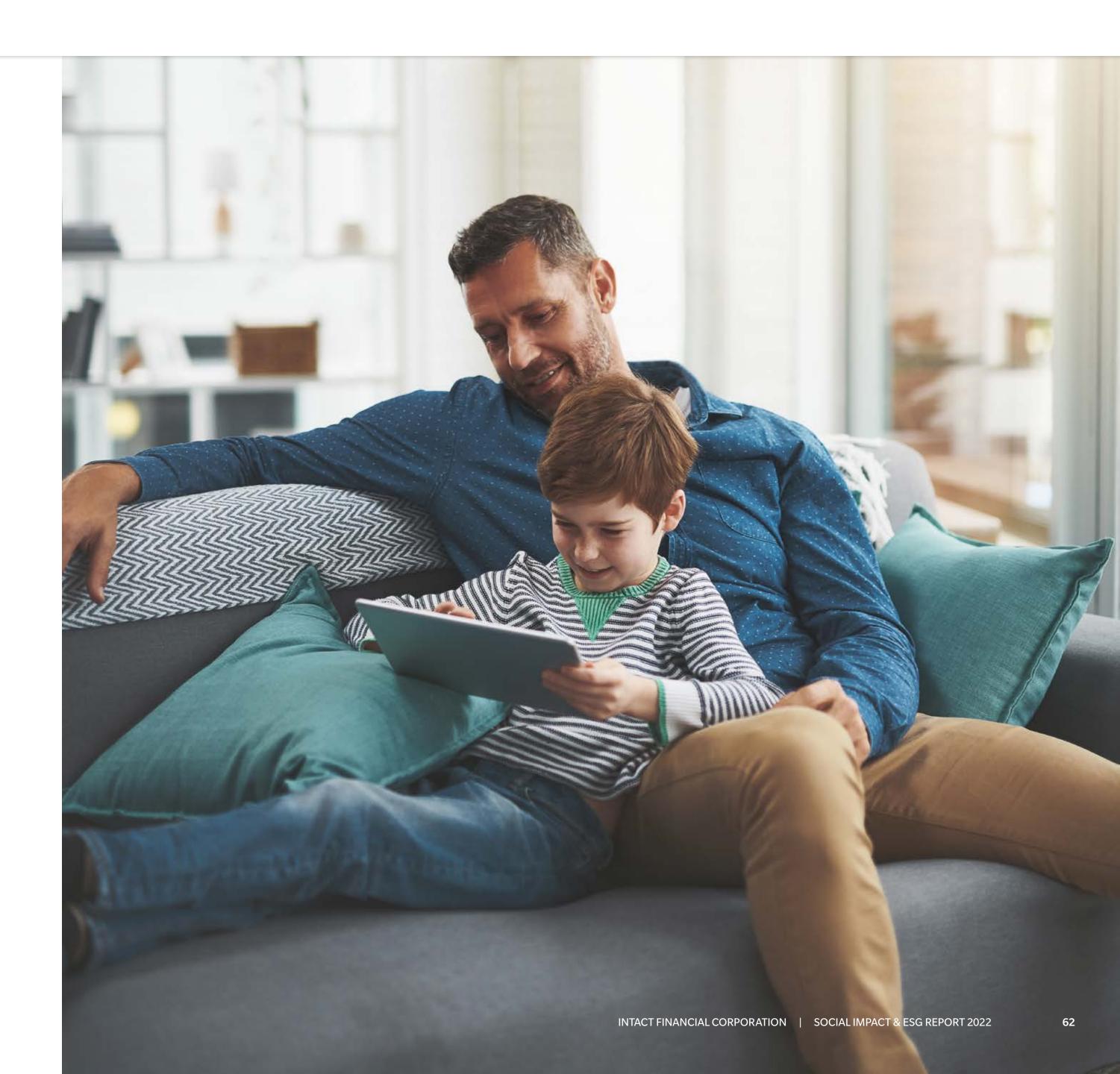
- Belair Insurance Company Inc.
- Intact Insurance Company
- Novex Insurance Company
- The Nordic Insurance Company of Canada
- Jevco Insurance Company
- Trafalgar Insurance Company of Canada
- On Side Restoration Services Ltd.
- Canada BrokerLink Inc.

Comments regarding this document may be forwarded to:

Juan Camilo Rendon Manager, Social Impact, North America Intact Financial Corporation

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- Johnson Inc.
- Royal & Sun Alliance Insurance Company of Canada
- Intact Public Entities Inc.
- Unifund Assurance Company
- Western Assurance Company
- Canadian Northern Shield Insurance Company



Community involvement and donations

In 2022, Intact donated over \$12.5 million across Canada, the United States and its UK&I operations to more than 2,000 organizations. Our employees volunteered more than 14,778 hours to over 400 organizations in 2022. Details about our charitable donations can be found on page 36.

Our social impact priorities are focused on three areas:

- Ensuring our most vulnerable and climate-affected communities are climate-resilient.
- Creating opportunity for children and families living in poverty.
- Encouraging the generosity of Intact Financial Corporation employees.

Workforce demographics

Number of employees per geographic region

	Full-time	Part-time	Total 2022	2021	2020
Canada					
Alberta	2,931	72	3,003	2,575	1,988
British Columbia	1,223	24	1,247	1,162	656
Manitoba	137	3	140	122	60
New Brunswick	277	3	280	237	74
Nova Scotia	791	20	811	741	441
Newfoundland and Labrador	1,075	22	1,097	998	236
Ontario	8,479	133	8,612	7,738	5,610
Prince Edward Island	10	0	10	10	0
Quebec	5,918	439	6,357	5,802	5,177
Saskatchewan	0	0	0	1	0
Yukon	0	0	0	0	0
Total (Canada)	20,841	716	21,557	19,383	14,241
US	1,497	13	1,510	1,388	1,246
UK&I	4,979	1,010	5,989	5,910	N/A
Total	27,317	1,739	29,056	26,684	15,487

Economic impact

Taxes paid in Canada, on both federal and provincial levels (in thousands).

	Income taxes (\$)	Premium and fire taxes (\$)	Total taxes (\$)					
	2022	2022	2022	2021	202 0	2019	2018	2017
Federal	113,004	-	113,004	303,801	203,220	115,934	39,547	170,980
Newfoundland	4,305	21,787	26,092	26,028	17,073	14,279	12,204	14,404
Prince Edward Island	98	1,049	1,147	1,188	764	549	381	522
Nova Scotia	3,027	17,914	20,941	21,659	15,146	12,284	9,417	13,183
New Brunswick	2,024	7,178	9,202	8,275	5,455	4,386	3,378	4,796
Quebec	23,415	124,308	147,722	194,671	146,115	112,678	90,550	116,608
Ontario	32,388	177,462	209,850	241,600	193,016	152,215	118,381	160,823
Manitoba	365	4,894	5,259	6,181	5,021	4,301	3,351	4,269
Saskatchewan	29	2,410	2,439	2,285	1,610	1,275	1,036	1,186
Alberta	13,618	89,884	103,502	105,537	85,954	76,618	62,834	83,939
British Columbia	7,236	44,356	51,592	54,365	41,346	36,390	29,903	34,199
Yukon	12	493	506	555	226	185	138	229
Northwest Territories	47	556	602	592	491	436	360	521
Nunavut	7	174	181	176	127	93	80	120
Total Provincial	86,572	492,464	579,036	663,112	512,342	415,690	331,019	434,804
Total:	199,576	492,464	692,040	966,912	715,562	531,624	370,566	605,784

Debt financing

Intact and its Canadian subsidiaries provide financial support for insurance brokers in the form of loans to and/or equity investments in their business. In 2022, we loaned approximately \$56 million to brokers across Canada. The information has been consolidated to protect the identity of the individual firms that might otherwise be identifiable.

	\$0 - \$24,999	\$25,000 – 99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 & greater	Total
Total	0	0	219,265	1,784,664	3,865,338	16,975,529	33,216,338	56,061,137
Total firms	0	0	1	5	5	7	3	21

Locations

Our key locations and Service Centres in Canada include:

Alberta

Calgary—2220 32nd Ave. NE, Calgary, AB T2E 6T4

Calgary—321 6th Ave. SW, Calgary, AB T2P 3H3

Edmonton—700 – 10830 Jasper Ave., Edmonton, AB T5J 2B3

British-Columbia

Vancouver — 1100 – 999 West Hastings St., Vancouver, BC V6C 2W2

Ontario

Etobicoke—64 Fordhouse Blvd., Etobicoke, ON M8Z 5X7

Aurora—23 Allaura Blvd., Aurora, ON L4G 3N2

Ottawa—1837 Woodward Dr., Ottawa, ON K2C 0P9

Ottawa—200 – 1111 Prince of Wales Dr., Ottawa, ON K2C 3T2

Ottawa—1200 St. Laurent Blvd. Unit 004A, Ottawa, ON K1K 3B8

Hamilton—198 John St. S, Hamilton, ON L8N 2C6

Waterloo—165 Weber St. S, Waterloo, ON N2J 2B1

Toronto—700 University Ave., Toronto, ON M5G 0A2

Quebec

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

Gatineau—995 Vernon St., Gatineau, QC J9J 3K4

Montreal—3020 Hochelaga St., Montréal, QC H1W 1G2

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

Quebec City—8131 Wilfrid Hamel Blvd., Québec City, QC G2G 0H5

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

Saint-Hyacinthe — 17550 Saint-Louis Av., Saint-Hyacinthe, QC J2T 3H1

Newfoundland

St. John's—10 Factory Ln., St. John's, NL A1C 6H5

Nova Scotia

Dartmouth—20 Hector Gate, Suite 200, Dartmouth, NS B3B 0K3





700 University Avenue Toronto, Ontario M5G 0A1

























