

OFFER A CUSTOMER  
**EXPERIENCE**  
THAT'S SECOND TO NONE  
A TOP EMPLOYER  
**ATTRACTS THE BEST**  
EMPLOYEES  
BE ONE OF THE  
**MOST RESPECTED**  
COMPANIES IN CANADA

Intact Financial Corporation's 2015 Public Accountability Statement was produced and filed as a consolidated public accountability statement. It complements the Intact Financial Corporation Annual Report and provides an overview of activities undertaken in support of customers, employees, community members and governments during the fiscal year January 1 to December 31, 2015. All dollar amounts are expressed in Canadian currency.

This Public Accountability Statement includes the contributions of the following subsidiaries:

Belair Insurance Company Inc.  
Intact Insurance Company  
Novex Insurance Company  
The Nordic Insurance Company of Canada  
Trafalgar Insurance Company of Canada  
Intact Investment Management Inc.  
Equisure Financial Network Inc.  
Grey Power Insurance Brokers Inc.  
Canada Brokerlink Inc.  
Intact Farm Insurance Inc.  
Anthony Insurance Incorporated  
Jevco Insurance Company  
Metro General Insurance Corporation Ltd.  
Canadian Direct Insurance Inc.

Donations | All requests for charitable donations can be submitted using the online application process at [www.intactfc.com/foundation](http://www.intactfc.com/foundation). The website also includes information about the Intact Foundation, our partners and initiatives.

Comments regarding this document may be forwarded to:

Mandy Dennison  
Manager, Corporate Social Responsibility  
Intact Financial Corporation  
mandy.dennison@intact.net  
1 877 341 1464, Ext. 45234

# A DISCIPLINED APPROACH TO OUR BIG GOALS



**Charles Brindamour**  
Chief Executive Officer

This year produced strong results for our Company, both in terms of our financial performance and the progress we made on our corporate social responsibility agenda.

Since Intact's inception in 2009, helping society has been a key focus for our organization and continues to play a prominent role in our decision-making across the company. As a leading insurer, we exist for one simple purpose – to help people when they need us. This past year, we continued to translate that purpose into tangible action through our corporate social responsibility programs. Our work in this area continues to revolve around three pillars:

- Climate change adaptation,
- Supporting at-risk youth, and
- Encouraging the community involvement of our employees.

In a move to deepen our commitment, we strengthened our partnership with the University of Waterloo and announced the creation of the Intact Centre on Climate Adaptation™ (ICCA) this past November. The ICCA is working to develop a leadership position in fostering solutions that will reduce the physical, financial and social impacts of extreme weather. Establishing this innovative centre is the key to better understand and address the effects of climate change, which is one of the most significant issues facing Canadians and our industry.

We understand we have a role to play in our communities to be a force of good. We saw an opportunity this past year to put our Company's support behind a program

aimed at preventing and interrupting the recruitment of children as weapons of war. Our multi-year contribution to the Roméo Dallaire Child Soldiers Initiative is already fueling important work to create the knowledge, tactics and political will to ultimately end this horrific practice. It's important for us to support a Canadian-led solution to a challenging international problem.

Our employees continued to demonstrate their generosity in 2015, raising \$1.14 million for Intact's annual United Way campaign, an amount that our Company was pleased to match. We continued to provide a number of Employee Giving Programs, so they can support organizations that are important to them and their families. Thousands of our employees across Canada stepped up to give back to their communities through donations and volunteering efforts. I am particularly proud of how they live our social responsibility value to contribute back to society everyday.

We achieved another important milestone this past year with the creation of the LGBTQ and Allies network of professionals across our business. This network, which hosts various events and educational opportunities from coast to coast, was established to serve as a resource for colleagues who identify as LGBTQ and Allies. We are working collaboratively to ensure all of our employees are welcomed at Intact.

Corporate governance remains one of our top priorities and thanks to our continued work and investment in this area, Intact was recognized as one of Canada's governance

leaders again in 2015. In its 14<sup>th</sup> annual rating of corporate boards in Canada, *The Globe and Mail* ranked Intact fifth overall, with a score of 97 out of a possible 100 points, an increase over our score of 94 in 2014.

One of our proudest accomplishments in 2015 was our recognition as one of Canada's leading employers in two prestigious rankings. In addition to being named one of Canada's Top 100 Employers by Mediacorp Canada Inc., Intact was recognized as an Aon Best Employer at the platinum level for 2016. Our employees are integral to our business. They continue to deliver for our customers by living our values and we work diligently to ensure we deliver a rewarding environment for them.

Social responsibility has always been part of the fabric of our Company and will continue to be intrinsic to the way we do business. Looking ahead, we will continue to challenge ourselves to find new and meaningful ways to have positive impacts on the lives of Canadians, not only through our Corporate Social Responsibility programs, but also through the way we conduct business.

I would like to express my sincere thanks to our customers for their continued support, our employees and brokers for their hard work and focused contributions and our Board of Directors for their continued guidance.

**Charles Brindamour**  
Chief Executive Officer

# ABOUT US

## WHO WE ARE

We are Canada's leading provider of home, auto and business insurance protecting more than five million individuals and businesses. More people count on us for peace of mind than any other insurance company in Canada.

We have a long and proud Canadian history. We trace our roots back to 1809 when a group of business people formed the Halifax Fire Insurance Association – later to become Halifax Insurance Company – making us one of the country's oldest companies. In the 1950s, the Halifax Insurance Company was purchased by Nationale-Nederlanden, one of the largest Dutch insurance companies at the time. Operating as ING Canada in most of the 1990s and 2000s, we became the largest provider of property and casualty insurance. Today, Intact Financial Corporation is an independent and widely held Canadian organization that is continuing its journey to be one of Canada's most respected companies.

## OUR RECENT HISTORY

2009

On February 19, we became an independent Canadian company when investors acquired the ownership position of our organization from ING Group. We officially became Intact Financial Corporation later that spring, where we committed to living our five core values – to behave with integrity, to respect each other, to be customer driven, to strive for excellence and to be socially responsible.

2011

In May, we announced the acquisition of AXA Canada Inc. This strengthened our offerings, notably in business insurance, improved our capabilities to support insurance brokers, reinforced our competencies in risk selection, expanded our distribution platform and deepened the quality of our management team. During this time we welcomed more than 2,000 new colleagues to the Intact family.

2012

We announced the acquisition of Jevco Insurance Company, which allowed us to expand our service to brokers through the opportunity to offer their clients complementary specialized products such as recreational vehicle insurance and specialty lines products to businesses. The Intact family grew by more than 500 people as a result of this acquisition.

2013

Unprecedented weather events and catastrophes hit many Canadian communities. We were there to help our customers get back to normal, offering exceptional customer service through it all. We announced the launch of our telematics initiative that allows drivers to save up to 25% on their auto insurance premiums based on their driving behaviours.

Intact ranked 18<sup>th</sup> on the Best 50 Corporate Citizens in Canada by Corporate Knights and achieved a leadership position among Canadian publicly listed companies for the quality of our climate change reporting by the Carbon Disclosure Project, the world's only global environmental disclosure system. The Globe and Mail also ranked us among the top Canadian corporations for the quality of our corporate governance.

2014

We announced the acquisition of Metro General Insurance Corporation further strengthening our market position in Newfoundland and Labrador, and expanding Intact's broad offering of products and services to Metro customers.

Intact ranked amongst the top 100 Corporate Citizens globally and ranked 16<sup>th</sup> in the Best 50 Corporate Citizens in Canada by Corporate Knights. The Globe and Mail recognized us once again among the top Canadian corporations for quality corporate governance.

2015

Intact expanded operations in Western Canada through the acquisition of Canadian Direct Insurance Inc. (CDI), allowing us to offer a direct to consumer opportunity to Canadians from coast to coast. With CDI joining the belairdirect family, we amplified our ability to simplify the insurance experience for our customers.

For the second year, Intact Financial Corporation ranked on both the Top 100 Global Corporate Citizens and Best 50 Corporate Citizens in Canada by Corporate Knights. Once again, we were recognized for our commitment to strong governance by The Globe and Mail by ranking 5<sup>th</sup> in Canada's strongest governed businesses. We are proud to be recognized as an Aon Best Employer at the platinum level for 2016 and one of Canada's Top 100 Employers by Mediacorp Canada Inc.



## WHAT WE OFFER

With our comprehensive and broad range of home, auto and business insurance products, we offer customers protection that is tailored to meet their unique needs. We also offer customers the choice to acquire our products directly from us or through insurance brokers.



Intact Insurance is Canada's leading home, auto and business insurance company, the choice of more than four million consumers. The company focuses on what matters most to customers – getting them back on track as quickly as possible after an unexpected event. Its coast to coast presence and strong relationships with a network of 6,000 brokers mean the company can provide the outstanding service, comfort and continuity customers deserve.



BrokerLink is one of the largest P&C insurance brokerages in Canada. BrokerLink delivers an excellent customer experience on the phone, online or in person and makes it easy for customers to connect by offering extended calling hours, online chat and friendly, in-branch local service. BrokerLink insurance advisors are ready to serve and they use feedback from their customer surveys to build an even better service experience. BrokerLink is dedicated to providing the right advice, recommending the most appropriate coverage and finding the best value for each customer.

## belairdirect.

For more than 60 years, belairdirect has been devising comprehensive and innovative home and auto insurance solutions to meet the specific needs of Canadians. Today, belairdirect has even more to offer: personalized services provided any time, with insurance quotes available online, by mobile phone, electronic tablet or telephone, and even in person at their local branches.

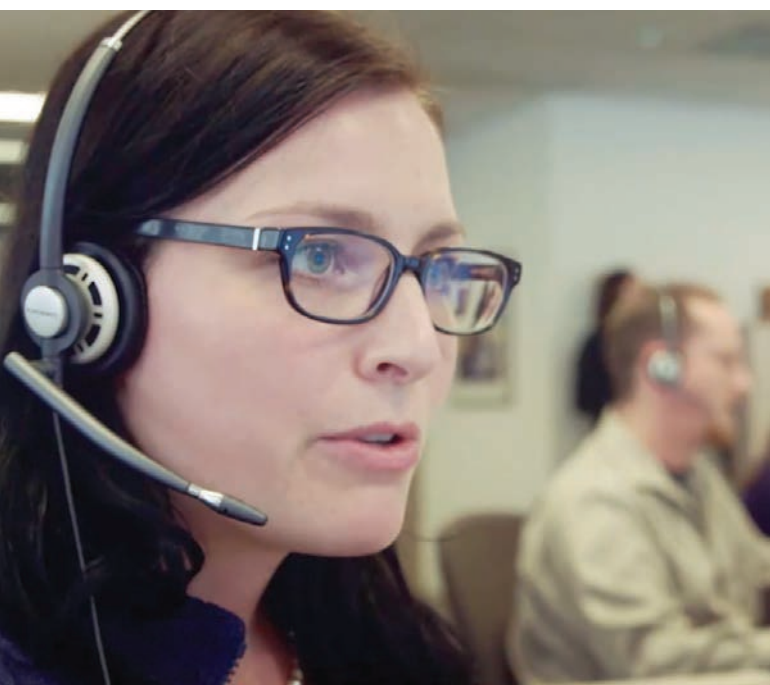


Jevco Insurance Company offers non-standard personal automobile solutions in Ontario. Working with independent insurance brokers, Jevco offers tailored solutions for customers who have unique auto insurance needs.



# OUR PURPOSE

We acknowledge that we have an important role to play in the lives of customers, our employees, and Canadian society. In recognition of this, we've established a framework of fundamentals that reinforces our purpose for our stakeholders.



## WHY WE ARE HERE:

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

## WHAT WE WANT TO ACHIEVE:

We will earn the right to be one of Canada's most respected and successful companies. A company where we are true to our values, where our people are engaged because they know their work matters and where our customers are our advocates – because they know what matters to them, matters to us.

## HOW WE WILL DO THIS:

We will strive to provide an experience to customers that will be second to none.

## WHAT WE BELIEVE:

Insurance is not about things. Insurance is about people.

## WHAT SUCCESS LOOKS LIKE:

Our goals are necessary to our vision. They provide the means to achieve our purpose. By being customer driven, investing in our people and working to become the most respected property and casualty (P&C) company in markets where we operate, we will work collaboratively to achieve them.

Our Future	Our Objective	Our Strategy
Our customers are our advocates	1 million advocates	Focus on the customer
Our people are engaged	Be a best employer	Invest in people
Our company is one of the most respected in Canada	Beat industry Return on Equity by 5 points and Net Operating Income per Share up 10% over time	Excel on the fundamentals and strengthen distribution

## OUR VALUES

### **We behave with integrity:**

- We demonstrate the highest ethical standards of personal conduct
- We behave with honesty, integrity, openness and fairness when dealing with each other, customers, partners and governments

### **We respect each other:**

- We value the diversity of our people and their dreams
- We foster an environment conducive to personal growth and development and to new opportunities
- We recognize and value the contribution each of us and our teams are making to our success

### **We are customer driven:**

- We listen to customers, understand their needs, offer the best solutions and deliver on our promises
- We make it easy for customers to deal with us
- We go beyond expectations and always deliver an outstanding experience

### **We strive for excellence:**

- We are disciplined in our approaches and our actions, which is why we excel in all aspects of our business
- We embrace change and the opportunities it creates, encourage innovative thinking and always seek to improve
- We value and reward high performance and success
- We provide high value to our stakeholders

### **We are socially responsible:**

- We respect the environment and its finite resources
- We believe in making the communities where we live and work safer, healthier and happier
- We encourage the involvement and citizenship of all our employees

## OUR APPROACH TO GOVERNANCE

Good corporate governance and sound market practices underpin our behaviours and actions at all levels of the organization. Our Board of Directors oversees the company's actions with a view to upholding rigorous governance principles, structure and processes. It reviews compliance activities that relate to our market conduct, our ombudsman and privacy office. Finally, it provides oversight on our customer, broker and regulatory relationships. Our Company also monitors ongoing corporate governance developments and best practices.

## LIVING OUR VALUES

Our code of conduct, which details our highest ethical standards of conduct, promotes our core values of integrity, respect, excellence, social responsibility and being customer driven. These values shape the way in which we conduct our business and are central to our governance and compliance framework. In addition to the Code of Conduct, we adhere to the Insurance Bureau of Canada's Standards of Sound Marketplace Practice in our dealings with consumers.

## OUR SOCIAL RESPONSIBILITY STATEMENT

At Intact, we respect the environment and its finite resources and we believe in making the communities where we live and work safer, healthier and happier. We demonstrate this by being environmentally responsible in our operations, supporting our employees in their citizenship endeavours, encouraging climate change adaptation and fostering vibrant and resilient communities for all our stakeholders.

## OUR ENVIRONMENTAL STATEMENT

At Intact, we believe that respecting the environment is fundamental to the well-being of the communities where we live and work. We believe that as Canada's leading provider of home, auto and business insurance, we have an important role to play in helping Canadians adapt to climate change and assisting communities in preparing for changes in weather patterns. We are committed to being environmentally responsible in our operations and encouraging the awareness and responsibility of our employees on environmental issues.



# CUSTOMERS

## COMMITTED TO ENHANCING THE CUSTOMER EXPERIENCE

We are here to help people, businesses and society prosper in good times and be resilient in bad times. With customers' needs and expectations constantly evolving, we are building an agile and responsive organization to provide a customer experience that is second to none.

This past year, we undertook a number of new initiatives to enhance our customer communications. A group of key employees and leaders from across the country was formed to review our processes. Their mandate, in part, was to review the company's product offerings as well as the ways in which we communicate with customers in order to identify areas for improvement. Through this process, a number of opportunities were identified to simplify wordings, making our products easier to understand and more intuitive. "Previously, our policy wording excluded water damage resulting from the bursting of frozen pipes when a customer is away from their home for more than four consecutive days during the heating season if they did not take specific precautions," explains Natalie Higgins, Vice President, Corporate Affairs and Communications at Intact Financial Corporation. "This exclusion has been removed provided the loss occurs in a heated area of the home. However, we still hope that customers will have their home regularly checked on during extended times away to prevent potential losses."

"We believe that we have an obligation to continuously challenge ourselves to find more effective ways to educate, inform and communicate with customers," says Higgins. "This extends through easy to understand policy documents and products to a clearly communicated claims process."



With water damage being the leading cause of personal property claims in Canada, Intact responded by launching an enhanced water damage package in 2015. One of the added benefits of this offering is \$1,000 towards the installation of a mitigation device after a covered loss. What matters to customers matters to us, and we know that anyone who has experienced a loss does not wish to experience it again. Through this added benefit we are working to provide customers with increased peace of mind.

Intact is harnessing technology and developing new online and mobile tools to reflect its customers' changing lifestyles and needs. Recognizing the challenging security environment, and privacy obligations some of our commercial customers face, we introduced a new cyber endorsement to provide protection in the event of a privacy breach.

Looking ahead, customers and brokers alike can expect to see more innovation from Intact as we continue to accelerate our digital leadership and strive to deliver an exceptional customer experience.



## ACQUISITION OF CANADIAN DIRECT INSURANCE MEANS MORE OPTIONS FOR CUSTOMERS

In February, we announced the acquisition of Canadian Direct Insurance Inc. This transaction allowed us to expand our direct-to-consumer distribution channel from coast to coast, providing increased service options and convenience for customers. In particular, this acquisition brings greater scale and an experienced, local team to our direct-to-consumer operations in Western Canada. This is the latest in a series of strategic acquisitions that have helped us build one of the broadest product and service offerings in the industry.

## UBER AGREEMENT UNDERSCORES COMMITMENT TO INNOVATION

We announced in the fall that we entered into a cooperative agreement to develop tailored insurance products with the popular ride sharing service Uber. We continue to work closely with insurance regulators and various levels of government in provinces where ride sharing currently exists. This announcement demonstrates our continued commitment to offering innovative products to meet the changing needs of Canadian consumers.

## RAISING THE CUSTOMER SERVICE BAR WITH THE INTACT LAB

In May, we established the Intact Lab, a leading-edge centre for digital excellence located in Montreal. The mandate of the Intact Lab is to create world-class digital solutions to allow us to continue to provide customers with an unrivalled service experience and to provide brokers with industry-leading business solutions. The Intact Lab employs an array of talent and experts. They include user experience and digital analytics specialists, front-end developers and research and development teams – all tasked with driving digital innovation.

## GETTING CUSTOMERS BACK ON TRACK QUICKLY

We take our obligations to our customers seriously. Every claim is important to us and we are committed to getting our customers back on track as soon as possible.

We have more than 3,000 claims professionals whose singular focus is to provide prompt, courteous and professional service to our customers. Our customer care telephony platform connects 35 sites and 12,000 phones from coast to coast. This system ensures that calls are routed to the best location and to an agent with the appropriate background and skill set based on the nature of the claim. Each call is answered promptly and our agents take pride in handling each customer interaction with professionalism and empathy.

Our customers can always rely on our unwavering focus on their satisfaction. This commitment continues to be backed by the Intact Promise, which states that, outside of a catastrophic event, if a customer does not talk to a representative within 30 minutes of their first call, we will write a cheque for the full amount of the customer's yearly premium up to a maximum of \$1,000. Despite the fact that Intact has more than five million customers, we only paid out on our promise 30 times in the past year, underscoring our commitment to providing exceptional customer service.

## A PREVIEW OF OUR LONG-TERM STRATEGY

We are committed to the long-term success of our company and our stakeholders. It is imperative that as we continue to work to identify future opportunities that we maintain a disciplined approach to our business. We are leveraging our expertise and scale to provide the best possible service to our customers and brokers while delivering strong returns for our shareholders.

As part of this approach, we are transforming the way we provide insurance protection to our customers, however and wherever they want it. In addition, we constantly monitor evolving customer expectations and advances in technology. We will continue to enhance the customer experience, increase our distribution and invest in our employees to ensure we attract and retain the best team.

We will continue to simplify insurance for customers, look at the big picture and implement innovative solutions with disciplined execution. We are well positioned to continue delivering a customer experience that is second to none.

# WORKPLACE

## INTACT RECOGNIZED AS ONE OF CANADA'S BEST EMPLOYERS

Our leadership team included becoming a 'best employer' as one of our key business objectives at our inception. After six years of focused work across our organization, we are incredibly proud to be recognized as one of Canada's leading employers in two prestigious rankings.

In addition to being named one of Canada's Top 100 Employers by Mediacorp Canada Inc., we were recognized as an Aon Best Employer at the platinum level for 2016. The platinum status is awarded to organizations that rank in the top 25<sup>th</sup> percentile of the four indexes in the study, measuring workplace success in engagement, leadership, performance culture and employer brand.

But what does it really mean to be recognized as a 'best employer'? For us, the true meaning of these rankings reaches far beyond the trophy case. "To know that we have employees who are engaged, who truly enjoy working here and who want to do their best work is incredibly important for a number of reasons," explains Denise Thompson, Vice President of Human Resources. "We recognize an engaged workforce translates into happier employees, superior service for our customers, better returns for our shareholders and employee retention rates that are higher than the industry average".

"For context, we are twice as large as any other company in the platinum level," says Thompson. "It truly is quite a feat to achieve this level of engagement among 12,000 employees and that's something we are particularly proud of."

We created the objective of becoming a 'best employer' with strong intention. Our employees are absolutely vital to our business success. It doesn't matter what position they hold, each employee has an impact - they are the link between our products and our customers. The manner in which our employees perform their duties and the way they make our customers feel after each interaction doesn't just have an impact on our brand - it is our brand. Their consistent leadership continues to bring our value of being customer driven to life.

We survey our entire workforce annually to learn more about their thoughts, opinions and ideas on what's working well, but also where there may be opportunities for improvement throughout the organization. Over the years, we have adjusted and adapted based on the needs and suggestions of our workforce. We pride ourselves on creating a values based culture where employees have the opportunity to provide open feedback.

"Cultivating an engaged workforce aligns with Intact's values," says Thompson. "As an organization, when we make a commitment to our employees, we follow through on it. We feel very fortunate to have achieved this objective. Going forward, our focus will be on maintaining this level of engagement among our employees."









### EMBRACING PROGRESSIVE HIRING PRACTICES

As an organization committed to building the best possible team of employees from coast to coast, we chose to participate in an innovative program aimed at helping Canada’s military personnel make a smooth and successful transition back into civilian life. Our direct-to-consumer brand, belairdirect, pledged its support to the Military Employment Transition Program and the Spousal Military Employment Transition Program, both operated by Canada Company, an organization that serves as a bridge between Canadian businesses and the Canadian military. We are honoured to play a role in welcoming back and offering rewarding employment to these individuals, along with their spouses, who have kept our country safe. Veterans and their spouses represent a talented, highly trained and motivated talent pool and are already making tremendous contributions to our organization. We are looking forward to expanding this program across our family of brands in the coming years.

### CHAMPIONING DIVERSITY ACROSS OUR BUSINESS

We continue to demonstrate our commitment to diversity in all aspects of our business. Our Diversity Council plays an active role, guiding the business with respect to fairness and equity. We advocate for diversity in all arenas because we all benefit when we have different perspectives on people and issues. Everyone – regardless of their differences – should feel they are part of an inclusive environment. Through fostering this environment we are cultivating a corporate culture that allows us to attract and retain exceptional employees and develop our talent pool across the country.

This year, we launched a LGBTQ and Allies employee network on a national scale. We see the creation of this network as another step in developing our vibrant and inclusive culture at Intact – a culture that allows all of our employees to bring their

whole self to the workplace. The network has been very active in its inaugural year by working to cultivate opportunities for all employees to connect with one another, as well as provide advisory guidance to our Human Resources team in developing inclusive frameworks.

We continue to invest in our ‘Womentum’ network for our employees in Toronto and Montreal locations. This network, designed and led by women, is meant to enable professional and personal growth, foster the development of leadership skills and the forging of new business relationships for our employees. The Womentum network develops various networking and education events throughout the year and is inclusive of all genders.

### SUPPORTING OUR EMPLOYEES’ CAREER GROWTH

To strengthen our portfolio of development offerings for employees, we launched a new program, entitled STRIVE (Skills, Training for Innovation, Values and Enrichment), aimed at equipping our individual contributors with the skills required to thrive in their careers. Through the STRIVE program, employees can take advantage of a diverse set of courses that will help them gain insights into their strengths and areas for growth, build on their communication and time management skills, acquire innovative approaches to daily work and strengthen their commitment to our corporate values. This program exemplifies our belief in investing in our employees by helping them meet their development goals and partnering with them to realize their career aspirations.

### A COMPREHENSIVE REWARD AND RECOGNITION PROGRAM

Investing in our employees includes ensuring that we offer compensation packages that reward their dedication and commitment to our success. In addition to offering a competitive base salary, we provide employees with a comprehensive package of benefits and programs, including flexible group benefits, and a pension plan. The majority of our employees are also eligible to take part in our annual bonus plan, which reflects not only their individual performance but also the overall performance of the company.



This year, we launched a LGBTQ and Allies employee network on a national scale.

Our popular Flex Benefits Plan allows our employees to design the medical, dental, life, disability and other insurance coverage that best suits their personal and families' needs. We also encourage our employees to take part in our Employee Share Purchase Plan. This shared ownership of our company is important and shows a mutual commitment to excellence. We are pleased to see a significant number of our colleagues have opted to become shareholders of Intact.

As in years past, we continue to supplement our employees' compensation package with additional benefits, such as fitness and sports team subsidies and a personal computer purchase program as a part of the suite of the advantages of working for Intact.

To recognize the exceptional work of our employees, we have a rewards and recognition program called 'Bravo!'. This program makes it easy for employees to show their appreciation to a colleague or team that has gone that 'extra mile' for a customer, broker or employee, or say thank you to someone who has shown a little extra respect or integrity in any situation.

The Bravo program, which has four distinct levels of recognition, offers a range of options from an electronic thank you card to an annual leadership day and awards gala hosted by the CEO.

Bravissimo is our premiere recognition award and is presented to employee teams that have demonstrated our core values through a project that has had a significant and lasting impact on the organization. Winners of this prestigious award are invited to take part in a full-day, off-site leadership development day, followed by an awards gala, and are given a bravo program award.

## OUR WORKFORCE

### NUMBER OF EMPLOYEES

	Full-time	Part-time	2015	2014	2013
Alberta	1,698	96	1,794	1,720	1,640
BC	675	26	701	513	501
Manitoba	55	5	60	68	68
New Brunswick	81	2	83	80	77
Nova Scotia	368	28	396	391	246
Newfoundland	168	4	172	157	117
Ontario	4,464	174	4,638	4,398	4,287
Quebec	3,664	476	4,140	3,974	4,099
Saskatchewan	0	0	0	2	0
Yukon	0	0	0	1	0
<b>Total</b>	<b>11,173</b>	<b>811</b>	<b>11,984</b>	<b>11,304</b>	<b>11,035</b>

### GENDER BREAKDOWN

Total	2015	2014	2013
<i>men</i>	35.1%	35.2%	35.5%
<i>women</i>	64.9%	64.8%	64.5%
<b>Senior Management</b>			
<i>men</i>	66.4%	67.5%	68.5%
<i>women</i>	33.6%	32.5%	31.5%
<b>Middle Management</b>			
<i>men</i>	42.7%	44.5%	43.9%
<i>women</i>	57.3%	55.5%	56.1%
<b>Individual contributors</b>			
<i>men</i>	33.6%	34.9%	33.7%
<i>women</i>	66.4%	65.1%	66.3%

### VOLUNTARY TURNOVER

	2015	2014	2013
<b>Total</b>	7.2%	6.0%	5.6%
<b>Men</b>	7.8%	6.6%	6.5%
<b>Women</b>	6.9%	5.6%	5.1%
<35 years old	12.5%	10.0%	9.6%
35-55 years old	4.7%	3.4%	3.7%
>55 years old	2.4%	0.4%	1.1%



# ENVIRONMENT

## CHANGING CANADA'S **CLIMATE CHANGE** CONVERSATION

Canada's climate is changing. This is a fact we cannot ignore and the time to adapt is now. We're working collaboratively with partners across the country to emphasize the importance of adaptation and help Canadians prepare for a higher frequency of severe weather.

Over the past several years we've seen widespread damage from the floods that hit Alberta and British Columbia in 2013, the Toronto ice storm of December 2013 and the heavy rains in Saskatchewan in June of 2014. A report released by the Office of the Parliamentary Budget Officer predicted that storms, floods and hurricanes will cost the federal disaster fund \$902 million a year over the next five years, far exceeding the totals for previous years. Severe weather has definitive short and long term impacts on us all, with no geographic bounds.

### UNDERSTANDING THE ISSUE

We recognized the magnitude of the impacts of climate change in 2009, when we began a strategic research partnership with the University of Waterloo. Starting with the Climate Change Adaptation Project, the University solicited input from 80+ researchers and scientists to develop a roster of informed options on how to positively prepare Canadians for instances of severe weather. "Right now, the biggest climate change risk facing Canada is flooding," explains University of Waterloo's Dr. Blair Feltmate. "We need to make Canada weather-ready because right now, it isn't."

With this urgency in mind, we moved to evolve our partnership with the University of Waterloo, armed with lessons learned in the implementation of 20 adaptation projects completed in 2015. This led to the development of a national applied research centre focused on becoming an incubator of adaptation ideas, along with the development of practical and cost-effective adaptation solutions. The Intact Centre on Climate Adaptation (ICCA) at the University of Waterloo was announced in November, with Dr. Blair Feltmate as its Executive Director.

The ICCA is currently focused on three key programs:

**The Home Adaptation Assessment Program:** As part of this initiative, a trained expert meets with a homeowner and provides them with a 40-point site assessment and an action plan of specific things they can do to reduce the risk of a flooded basement. The ICCA is currently deploying this program to thousands of homes in eastern and western Canada and will soon be expanding it to other parts of the country.

**The Natural Infrastructure Adaptation Program:** Under this program, the ICCA builds business cases to retain or restore wetlands around major Canadian cities. Dr. Feltmate explains: "When wetlands are paved over and a significant storm hits, there's no place for the water to go. Wetlands are a form of natural water management." The ICCA can calculate the return on investment of keeping wetlands in place. Many stakeholders, including homeowners, governments, and businesses can all benefit from a wetland strategy.

**The Corporate-Specific Adaptation Program:** This initiative focuses on engaging business sectors (e.g. commercial real estate, forestry, mining, electricity, and telecommunications) to pinpoint key weather-related vulnerabilities and identify activities to reduce the likelihood of negative weather-related impacts on those sectors.

The ICCA's overarching mandate is to change the national conversation on climate change to evolve beyond greenhouse gases and to acknowledge the critical impacts of adaptation on Canadians and communities today. Collaborative effort is needed to minimize the risk for Canadians and chief among those risks is flooding. The ICCA is working to partner with not-for-profit and governmental partners across Canada to bring flooding risk to light to both Canadians and all levels of government.

Our financial commitment of \$4.25 million to the University of Waterloo to help support the work of the ICCA is not our only mechanism of support. Two senior executives, Monika Federau (SVP & Chief Strategy Officer, Intact Financial Corporation) and Jean-Francois Blais (President, Intact Insurance) will serve on the ICCA Advisory Committee to provide strategic guidance. We are committed to making valuable connections to our skilled employee base by supporting Dr. Feltmate and team with employee volunteers to augment their important work.

As an incubator of new climate adaptation concepts, the ICCA represents a valuable collaborative effort between private industry and academia. "This is the largest entity of its kind doing this type of work," states Dr. Feltmate. "The scale to which we're operationalizing adaptation is unprecedented in Canada." We are truly proud to work with Dr. Feltmate and his team. We continue to develop our partnership with the University of Waterloo to champion the adaptation conversation nationally.



In November of 2015, Intact and the University of Waterloo announced a ground-breaking collaborative effort aimed at reducing extreme weather risk for homeowners, governments and businesses.

For another year, Intact was included in the Best 50 Corporate Citizens in Canada and was recognized as one of the 100 most sustainable corporations globally by Corporate Knights, a Toronto-based media and Investment advisory company. We are honoured to be recognized with other like-minded corporations across Canada in our efforts to be a responsible corporation.

We continue to move forward in helping Canadians adapt to climate change in their everyday lives, alongside our efforts to keep on top of energy consumption for our operations nationally.

### PAPER CONSUMPTION

Printed insurance documents we send to customers contribute significantly to our paper consumption. We are in the midst of a company-wide effort to eliminate the distribution of paper policies using electronic distribution options. In addition to being environmentally efficient, it allows us to serve the needs of our customer in an effective manner.

We have made many investments over the past four years to support brokers in harnessing technology, including gaining access to electronic documents directly through their various broker management systems. At the end of 2015, more than 96% of Intact Insurance home and personal auto insurance policies were transmitted electronically to brokers, up from 92.9% in 2014.

### GREEN TEAMS

Our employees are champions of our social responsibility value in many ways, including identifying mechanisms to reduce our operations impact on the environment. We have channeled their passion by establishing groups of green teams, with our employees at the helm. Green teams coordinate our participation in Earth Day events, clean air commutes, and encourage participation in recycling programs for both corporate and personal use. Green teams are an important part of our employee engagement approach for sustainability across Intact Financial Corporation.

An example of Green Team Excellence: Our Durham Region green team in Ontario partnered with the Take Back the Light initiative in 2015, where office lights are collected and recycled through a network of sustainably minded contractors. This works to divert fluorescent lamps from landfill and recycles or reuses all components of the lamp.

<b>Total Energy Consumption</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Total MWh</b>	<b>81,578</b>	<b>82,230</b>	<b>84,675</b>
Electricity	56,856	49,917	52,110
Natural Gas and Fuel Oil	12,076	14,268	14,882
Gasoline, Diesel, etc.	12,647	18,045	17,683
<hr/>			
<b>Total GHG Emissions (tonnes of CO2 equivalent)</b>	<b>15,597</b>	<b>17,140</b>	<b>17,723</b>
Direct (Scope 1)	5,276	6,865	6,969
Indirect (Scope 2)	8,831	8,699	9,026
Other (Scope 3)	1,490	1,576	1,728
<hr/>			
<b>GHG Intensity</b>			
Per million of Direct Written Premiums	1.78	2.12	2.19
Per Full Time Equivalent Employee	1.20	1.38	1.43
Per 1000 square feet of Office Space	5.59	6.45	6.92

GHG emissions are calculated based on most recent Canadian greenhouse gas protocol and includes scope 1 and 2 emissions as defined by the Carbon Disclosure Project. Scope 3 emissions cover fleet vehicle usage. Scope 1 and 2 emissions included in the GHG Intensity calculation.

# COMMUNITIES

## INVESTING FOR **IMPACT** WITH THE INTACT FOUNDATION

Our philanthropic program is centralized through the work of the Intact Foundation, a charitable foundation led by employees of Intact Financial Corporation and its member companies. The mandate of this foundation revolves around three key pillars: employee citizenship, climate change adaptation and supporting youth-at-risk. Here are a few of our contributions in these areas in 2015:

### EMPLOYEE CITIZENSHIP

We believe in empowering our employees to make community impact in ways that are important to them. Through the Intact Employee Giving Program, we are able to do just that. Employees can access up to \$1,000 in funding for organizations they support through matching donations or volunteering. In addition, the program encourages employees and their colleagues to spend a business day volunteering at the charitable organization of their choice with the help and support of our team volunteer program.

In 2015, more than 170 teams of employees across Canada volunteered in their communities with organizations they selected together. They took part in a wide range of activities including shoreline cleanup, helping with children's fundraisers, preparing food for those in emergency shelter and helping animal shelters take care of their guests.

Our employees continued to showcase their generosity by contributing more than \$160,000 in donations to communities nationally. These donations were matched by the Intact Foundation and span the roster of community service organizations that are often the lifeblood of any community. By enabling our employees the opportunity to contribute their time and talents, we're working to build the capacity of our communities to be able to respond to calls for help from their own.

Our annual United Way campaign is one of our flagship fundraising initiatives. Our employees continued to astound by raising more than \$1.1 million during the fall workplace



campaign season. With the Intact Foundation match, we contributed together a total of \$2.2 million to the United Way and its agencies, bringing much needed services and support to thousands of Canadians.

We are extremely proud of the way in which our employees across Canada embrace these programs and personify the spirit of social responsibility in their communities.

### CLIMATE CHANGE ADAPTATION

We are fully committed to our mandate in climate change adaptation, looking to leverage all available resources to bring adaptation to a meaningful place in the climate change dialogue. In addition to the strategic investment we have made in the ICCA (see story on page 14), we made a number of complementary investments this past year aimed at amplifying the adaptation conversation, including:

- **Bluenose Coastal Action Foundation:** Faced with an increased threat of flooding (and the associated strains on municipal infrastructure), the Town of Bridgewater, Nova Scotia created an action plan that identified community education as a key objective. We are proud to support the work of the Bluenose Coastal Action Foundation, which is working with targeted neighbourhoods to educate homeowners about issues including rainwater management and the impacts of climate change.

- The David Suzuki Foundation: We funded a research project in 2015 aimed at developing an integrated climate change adaptation strategy for the Greater Montreal Area. This initiative includes tactics such as urban planning activities, soil permeability improvements and investments in natural environment protection. This research project will help reduce pressures on Montreal’s natural environment and increase awareness among decision makers about how green infrastructure can help mitigate the negative impacts of climate change.
- Ducks Unlimited: The Intact Foundation made an investment in a program called ‘Keeping Wetlands Intact’ through Ducks Unlimited. This project is aimed at engaging, educating and empowering municipalities and supporting their efforts to conserve wetlands. This program will help drive local wetland conservation actions and create new ways of improving resiliency to climate change at the local level.

### SUPPORTING YOUTH-AT-RISK

The Intact Foundation continues to be a supporter of disadvantaged youth and ensuring they have access to the support frameworks they need to encourage independence and strength of mind during times they need it the most.



We continued our partnership with Raising the Roof this past year as part of our commitment to support youth who experience homelessness. By selling toques and neck warmers, our employees, brokers and partners were able to raise more than \$100,000 in a cross country, collaborative effort. These much needed funds will help identify long-term solutions to address the issue of youth homelessness.

In addition, the Foundation invested more than \$1.7 million in a variety of youth-at-risk programs across Canada, including:

- Pathways to Education: This unique program helps at-risk youth graduate from high school and make a smooth, successful transition into post-secondary education or the workforce. The program addresses systemic barriers to education and has a proven track record of reducing dropout rates. Pathways to Education focuses on tutoring, mentorship programs, one-on-one support for students and financial assistance, including lunch money, bus fare to get to and from school and scholarships for post-secondary education.
- John Howard Society: The Intact Foundation put its support behind a program aimed at supporting youth and helping them successfully transition from street living to a life of independence. This is accomplished through a support network of transitional and housing supports, life skills enhancements, permanent supported living and greater access to community resources.
- YMCA of Greater Toronto: We were pleased to be able to make a multi-year commitment in the Vanauley Street YMCA this past year. This investment led to the creation of the Intact Foundation Youth Drop-In Centre, which provides visitors with a holistic continuum of care, ranging from emergency shelter to supportive day programming, outreach services for youth living on the streets and more.
- Youth Impact Jeunesse: This organization helps young people succeed by providing them with support and new opportunities. Their Youth Transitional Housing program provides young people with a stable, safe and independent environment where they can learn and build practical skills with an eye toward helping them finish their schooling, obtaining employment and building their self-esteem.

### INTACT FOUNDATION PROVIDES SUPPORT FOR SYRIAN REFUGEES

The Syrian refugee crisis is a significant humanitarian situation, with more than 13 million people in need of assistance. In response to the critical need for aid and relief for these individuals, the Intact Foundation contributed \$100,000 to UNICEF Canada to support displaced youth remaining overseas and another \$75,000 directed toward settlement efforts led by immigrant employment centres across the country. This multifaceted support recognizes the complexity of this humanitarian crisis, and relies on the expertise of these leading organizations to guide us on where our investment is best utilized to generate meaningful impact.

Intact Financial Corporation and its member companies contributed \$5 million to communities across Canada.



# WORKING TO PREVENT AND DISRUPT THE USE OF CHILD SOLDIERS



Lieutenant-General Roméo Dallaire and Charles Brindamour

More than 15 million children around the world – more than three times the number of children in Canada – live under the constant threat of conflict. Many of these children are at risk of sexual violence or being forced to serve as child soldiers. These brutal tactics, in which children are used as weapons of war, continue to inflict unimaginable damage to families, communities and countries. Thanks to the vision and determination of Lieutenant-General Roméo Dallaire (Ret'd), there is renewed hope in the fight against these horrible practices.

Lieutenant-General Dallaire saw the negative effects of these weapons of war firsthand when he served as Force Commander for the United Nations Assistance Mission for Rwanda in the early 1990s in a conflict that saw the country descend into chaos and genocide. He began to study the use of child soldiers and found there was very little being done globally to prevent the practice.

“The issue of child soldiers was only being dealt with after the fact, in terms of dealing with rehabilitation after the abuse had occurred. Lieutenant-General Dallaire saw that we were treating the end result, but not the source of the problem. If anything, the use of child soldiers was on the rise. He founded the Roméo Dallaire Child Soldiers Initiative to do something to stem the flow of children being used as child soldiers,” explains Lori Ward, a Director with the Roméo Dallaire Child Soldiers Initiative.

This past year, the Intact Foundation contributed \$300,000 to establish the Intact/Dallaire Initiative Senior Fellow. The inaugural Senior Fellow, the Lieutenant-General Dallaire himself, will work towards enabling ground-breaking research, advocacy and security sector training to help bring an end to the use of children as weapons of war worldwide.

“With the Intact Foundation’s generous investment in our work, we have critical long-term support to create the knowledge, tactics and political will to ultimately end the use of children as weapons of war,” says Lieutenant-General Roméo Dallaire.

The Initiative is already making significant headway in this important fight. One example is their work with the security sector (military, police, and border patrol professionals). “These individuals are on the front lines and have an important role to play in interrupting the recruitment of child soldiers,” says Ward. The Initiative created the world’s only handbook on the prevention of child soldiers to equip these individuals to identify and interrupt the recruitment of youths for this purpose. “We are making sure the people on the front lines are equipped to help prevent these kids from being drawn into the conflict.”





## SPONSORSHIP

We are committed to investing in sponsorship activities that not only connect with Canadians, but also support our local communities. Our longest standing relationship is with Speed Skating Canada, in which we have donated \$285,000 over the past six years through the Podium Tracker program, a grassroots program. It supports local speed skating clubs by providing them with a \$1,000 cheque each time one of Speed Skating Canada's athletes earns an individual medal at World Cup or World Championship event. This money goes towards the purchase of new equipment, enhanced programs and much needed ice-time. We recognize the important role that local speed skating clubs play in the development of skaters across the nation and look forward to watching these young athletes develop to their full potential.

Many records were broken in 2015 – \$70,000 was contributed to local clubs as a direct result of the national team athletes' superb on-ice performance. Congratulations Team Canada!

Regardless of the season, you can find an Intact brand proudly supporting our local athletes. Collectively, we support the Calgary Flames, Toronto Maple Leafs, Montreal Canadiens, Speed Skating Canada, Edmonton Eskimos, Hamilton Tiger Cats & Montreal Alouettes.

## PUBLIC POLICY

In all jurisdictions where Intact operates, we take an interest in major public policy issues that may have an impact on our business, communities and society. These include issues such as insurance reform and affordability of insurance products.

Operating in a highly regulated industry, Intact is especially affected by changes in insurance regulations and policies, and we are concerned about building a healthy, sustainable insurance marketplace. We value having numerous opportunities to participate in consultations and other advocacy engagements that contribute to better policymaking.

Through industry associations, we have been involved in conversations with various levels of government to advance conversations on the need to include adaptation as a part of the larger climate change discussion. We continue to advance the following priorities:

- Encourage adapting building codes to reflect climate risks and extreme weather
- Update flood maps for urban areas
- Invest in storm management infrastructure

# ECONOMIC IMPACT

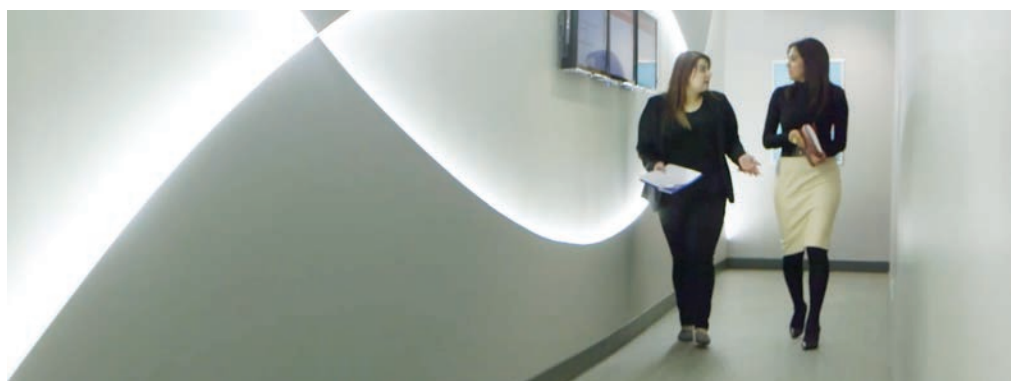
Contributing back to communities goes beyond donations. We are a meaningful stakeholder in the Canadian economic landscape. We play an enabling role in the lives of one in five Canadians by giving them the peace of mind that they have help when they need it, as well as ensuring we are playing our role as a leading Canadian insurance company in all facets – including our contributions to the Canadian economy.

In 2015, we contributed \$8 billion into the economy through salaries and benefits to employees, commissions to brokerages, payments to help restore customers, purchasing goods and services from suppliers, taxes to governments, dividends, and interest as well as donations to communities.

Here is a breakdown of our tax contributions to the federal and provincial governments for the last three years:

## TAXES PAID (IN THOUSANDS)

	Income taxes	Premium and fire taxes	Total taxes		
	2015	2015	2015	2014	2013
Federal	136,440		136,440	88,889	53,193
NFLD	2,263	7,188	9,451	7,467	4,704
PEI	133	321	455	396	372
NS	2,852	8,191	11,044	9,338	8,388
NB	1,127	3,269	4,397	3,811	3,534
QC	32,349	75,990	108,340	97,148	78,783
ON	44,811	101,016	145,828	123,728	111,156
MB	904	3,079	3,984	3,482	3,212
SK	211	831	1,042	877	742
AB	17,874	42,975	60,850	48,655	41,529
BC	5,273	21,979	27,253	19,985	19,828
YK	68	119	187	150	140
NWT	131	393	525	511	457
NT	21	62	83	75	48
Total Provincial	108,024		373,444	315,631	272,894
<b>Total:</b>	<b>246,464</b>	<b>265,420</b>	<b>511,885</b>	<b>404,521</b>	<b>326,087</b>



# LOCATIONS

## Intact Financial Corporation

**Toronto** 1500 - 700 University Avenue, Toronto, ON M5G 0A1

## Intact Insurance

**Anjou** 7101 Jean-Talon Street East, Anjou, QC H1M 3T6

**Calgary** 1200 - 321 6<sup>th</sup> Avenue S.W., Calgary, AB T2P 3H3

**Dartmouth** 200 - 20 Hector Gate, Dartmouth, NS B3B 0K3

**Durham** 59 Westney Road South, Ajax, ON L1S 2C9

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

**London** 800 - 255 Queens Avenue, London, ON N6A 5R8

**Mississauga** 900 - 6925 Century Avenue, Mississauga, ON L5N 7K2

**Moncton** 770 Main Street, 9th floor, Moncton, NB E1C 1E7

**Montreal** 100- 2020 Robert-Bourassa Boulevard, Montreal, QC H3A 2A5

**Ottawa** 300- 1400 St. Laurent Boulevard, Ottawa, ON K1K 4H4

**Quebec City** 400- 5700 Des Galeries Boulevard, Quebec City, QC G2K 0H5

**Saint-Hyacinthe** 2450 Girouard Street West, Saint-Hyacinthe, QC J2S 3B3

**Saint John** 1400 - 1 Germain Street, Saint John, NB E2L 4V1

**Toronto** 1500 - 700 University Avenue, Toronto, ON M5G 0A1

**Victoria** 246 - 2401C Millstream Road, Victoria, BC V9B 3R5

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

**Winnipeg** 400 - 386 Broadway Avenue, Winnipeg, MB R3C 3R6

**St. John's** Beothuck Building, 5<sup>th</sup> Floor, 20 Crosbie Place, St. John's, NL A1B 3Y8

## belairdirect

**Anjou** 7101 Jean-Talon Street East, Anjou, QC H1M 3T6

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

**Toronto** 1100 - 700 University Avenue, Toronto, ON M5G 0A2

**Toronto** 105 - 600 Gordon Baker Road, Toronto, ON M2H 3P8

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

**St. John's** 35 Blackmarsh Road, St. John's, NL A1E 1S4

## Canadian Direct Insurance

**Vancouver** Suite 600, 750 Cambie Street, Vancouver, BC V6B 0A2

**Edmonton** Suite 500, 10115 100A Street NW, Edmonton, AB T5J 2W2

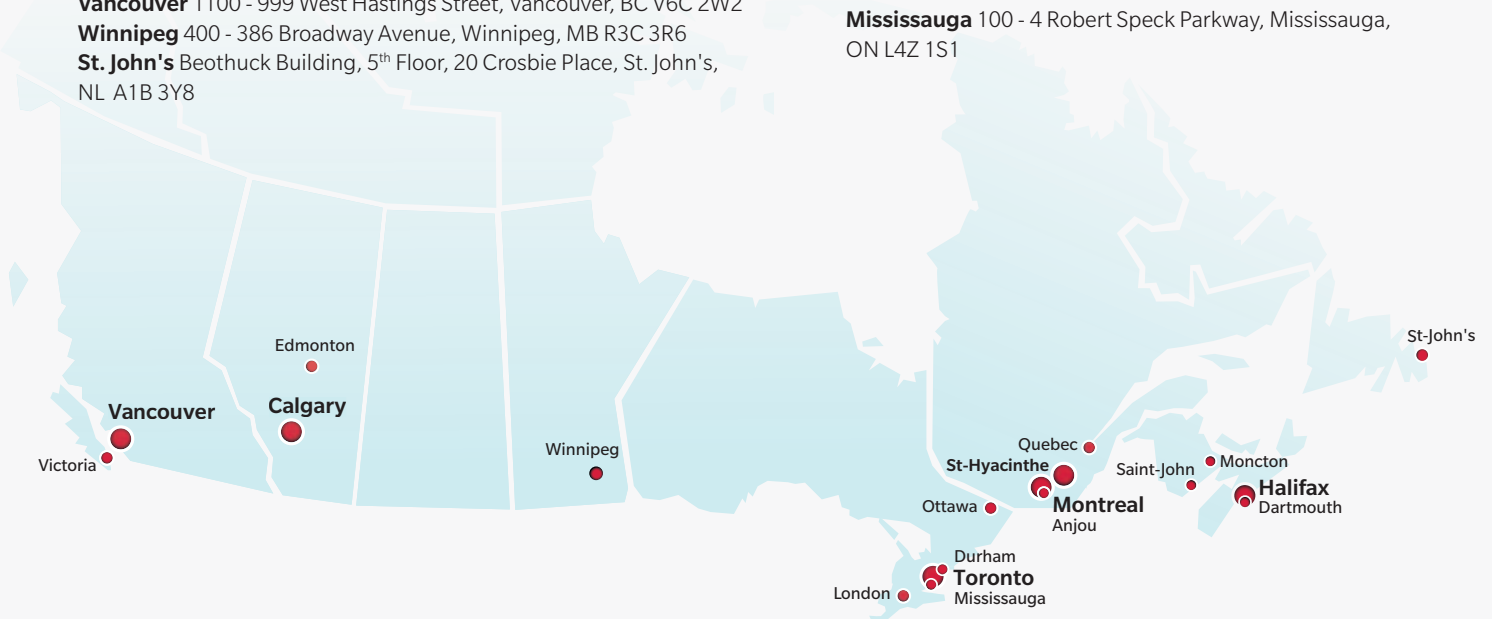
## Broker Link

**Calgary** 100 - 4124 9<sup>th</sup> Street S.E., Calgary, AB T2G 3C4

**Toronto** 700 - 48 Yonge Street, Toronto, ON M5E 1G6

## Jevco

**Mississauga** 100 - 4 Robert Speck Parkway, Mississauga, ON L4Z 1S1



## Cautionary note regarding 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 environmental actions. We caution readers not to place undue reliance on these statements, as a number of factors could cause our results and intentions to differ materially from the expectations expressed or implied by the forward-looking statements. All of the forward-looking statements included in this report are qualified by these cautionary statements and those made under the Cautionary note regarding forward-looking statements and the Risk Management sections of our Management's Discussion and Analysis for the year ended December 31, 2015.

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