



**Our Values**  
**Our People**  
**Our Future**



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## Who we are



Publicly traded as Intact Financial Corporation **since 2009**



**over \$10 billion** in direct premiums written



We protect **1 in 5 Canadians** and **1 in 4 small businesses**



**Leading North American** specialty lines insurer

Member companies include:



## Why we are here

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

## What we believe

Insurance is not about things.  
Insurance is about people.

## 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 experience that is second to none

### 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



Intact volunteers at the Canada Wide Science Fair in Ottawa, ON

## 2018 highlights

- The Company and the Intact Foundation contributed over \$6.1 million to over 400 organizations across North America
- Our employees volunteered 4,100 hours and donated over \$1.4 million
- Intact signed on to the United Nations Environment Programme Finance Initiative (“UNEP FI”) Principles for Sustainable Insurance (“PSI”), a global best-practice sustainability framework for the insurance industry to address environmental, social and governance (“ESG”) risks
- Intact joined a pilot project of the UNEP FI with 16 global insurers focused on the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”)
- Our CEO, Charles Brindamour, addressed global political leaders and experts at the G7 Environment, Oceans and Energy Ministers meeting in Halifax in September 2018, addressing the critical need of building climate resilient infrastructure
- Intact was awarded a Certification of Parity, Platinum level by *La Gouvernance au Féminin* for our actions towards the advancement of women in business
- Aon named Intact as a Best Employer in Canada at the Platinum level for the fourth consecutive year
- Mediacorp Canada Inc. named Intact as one of Canada’s Top 100 Employers for the fourth consecutive year and as one of Canada’s Top Employers for Young People for the third consecutive year
- Brendan Wood International recognized Intact as one of five 2018 Global TopGun insurance companies for transparency and financial reporting



CEO Charles Brindamour addressing the G7 Environment, Oceans and Energy Ministers Meeting



We built our Company with a clear purpose – to help people, businesses and society prosper in good times and be resilient in bad times.

Intact was established 10 years ago at the peak of the global financial crisis. We built our Company with a clear purpose – to help people, businesses and society prosper in good times and be resilient in bad times. You will find the social impact of our activities in 2018 in this report and I am pleased to share our progress with you.

Our social impact programs have evolved over the past 10 years and are now focused on three areas: helping our communities adapt to a changing climate, addressing the root causes of child poverty and empowering our employees to give back. We chose these areas because we believe we have the experience and knowledge to make a difference by sharing our skills, our time and our financial support.

### **Adapting to a changing climate**

We saw the effects of climate change on our customers a decade ago – we knew we had to act and we did. Fast forward 10 years, and we continue to help our communities adapt to extreme weather. We must ensure Canadians are building right the first time, in the right places, and building back better.

To make good on our promise, we partnered with the University of Waterloo to establish the Intact Centre on Climate Adaptation™ (Intact Centre). Their mandate is to help Canadians find practical solutions to manage the impacts of climate change and they had a phenomenal year in 2018. From establishing new building codes and flood standards, to bringing much needed flood resiliency training to home inspectors, they are a driving force behind Canada's adaptation agenda.

Beyond the Intact Centre, we invest in on-the-ground adaptation efforts to bring climate resilience to life for our communities across the country. We invested an additional \$1 million in eight projects, which showcase the breadth of what adaptation can look like and how multiple stakeholders can work together effectively to build a climate resilient country.

With \$140 billion in insured losses from natural disasters globally in the last year, we are seeing more reason to invest in climate resilient communities. In September, I spoke with the G7 Environment Ministers in Halifax about increasing collaboration between the insurance industry and governments, including disaster response and using our data and expertise in prevention.

Resilience is more than investing in infrastructure; it's about getting communities back on track and stepping out of disaster quickly. We have 4,000 employees solely dedicated to helping customers when they need us most. Climate change adaptation in all of its forms will continue to be an urgent priority for us.

### **Addressing root causes of child poverty**

When we look at the range of challenges we face, children living in poverty continues to be a prevailing issue. That is why we are investing to address the root causes of child poverty, funding programs that support children in their early years and building a support system for parents who need help, alongside measurement frameworks to help Canada understand how we are progressing.

We developed 18 new partnerships in 2018 to help children living in poverty and invested over \$2 million. At the national level, we've partnered with the Breakfast Clubs of Canada to help ensure that children get a good start to their day and their development.

We've also partnered nationally with UNICEF Canada to fund the establishment of the Canadian Index of Child and Youth Well-being, a measurement framework to understand how children are thriving.

The United Way continues to be a strategic partner in finding ways to address the child poverty cycle, helping us to invest in 16 projects across 25 communities. Poverty is a complex issue and with their expertise, combined with our employees' passion to make a difference, we are working to empower organizations to find ways to help children and their families.

### Cultivating an environment of generosity

Our employees live our values every day and work to make a difference in the lives of our customers and communities. They are central to delivering on our promise. We are continuing to provide our people with opportunities to share their time, talent and donations with charitable organizations that are personally relevant to them and their families.

Our Community Impact program provides matching funds and other options that empower employees to choose how they contribute. We heard from employees that access to free time was a barrier to their ability to volunteer so we created team-based and skills-based volunteer programs that can be accessed during work hours. Our people have contributed more than 4,000 hours of time and over \$1.4 million in donations in 2018, and I'm proud that Intact has matched their generosity dollar for dollar.

Our employees have embraced our partnership with the Roméo Dallaire Child Soldiers Initiative in a significant way, by volunteering, fundraising and being advocates for this important work. In December, we announced a new \$1 million commitment to create a regional centre of training and learning in Rwanda, establishing a permanent presence for the Dallaire Initiative in Africa. There is no shortage of work to be done to eradicate the recruitment and use of children as weapons of war, and our employees will continue to rally to support the critical work of the Dallaire Initiative.

### Making a difference with governance

Strong governance is a pillar of our approach to social impact, ensuring we operate on a strong foundation. An integral aspect is our commitment to cultivating a diverse and inclusive environment throughout our business. We continue to strive for gender diversity in management, in line with our commitments to the 30% Club and Catalyst Accord, with over 37% of our senior management now being comprised of women.

To strengthen the connection between climate change and disclosure, we joined the United Nations Environment Programme Finance Initiative (UNEP FI) Task Force on Climate-related Financial Disclosures (TCFD) insurance pilot. Our participation will enable us to better understand the impacts of climate change and how to account for them in our disclosures. Ensuring a climate resilient society also means a climate resilient financial system – you will see more from us on this initiative in 2020.

In 2019, we will continue to focus on delivering customer experiences that are second to none, while driving change on key social issues. Giving back to society continues to be important for businesses. For Intact, it's ingrained in our purpose, our values and our operations – it has been this way for the past 10 years and will continue for the next 10.



**Charles Brindamour**  
Chief Executive Officer

## Our customers

### Keeping in step with customer expectations

#### Launch of Client Centre

to bring online policy and claims self-service management to customers – over 7,000 claims were submitted through our apps, websites and Client Centre in 2018



Over \$100M invested in **technology** to continue to improve the customer experience

#### Five new investments

through Intact Ventures to accelerate our learning for enhanced customer experiences

## Evolving for our customers – our unique advantages

- Our multi-channel distribution strategy includes the most recognized broker and direct-to-consumer brands, which enables us to deliver to different customer preferences and be responsive to their needs and trends
- Our ability to design, deliver and iterate on new experiences makes us a preferred company for customers. Speed, simplicity and transparency are the core tenets of our focus
- We can negotiate preferred terms with suppliers, including service and quality guarantees for repairs and workmanship and lower material costs
- All of our claims are handled in-house with our preferred network, which helps us settle claims faster and with a more consistent service experience for the customer

## Accelerating innovation – academic partnerships

- Artificial intelligence (AI) and machine learning have transformational potential for the insurance industry and our customers
- We established strategic partnerships with academia, including Montreal's IVADO, Laval University in Quebec City, and the Vector Institute in Toronto, to provide external expertise to complement the work of our Data Lab
- Our partnerships and investment in technology are integral to our ability to improve product offerings so we can better serve customers
- We use partnerships to help us increase our understanding of risks, including climate risk, to help reduce and prevent risk for customers

## Meeting customers' needs – product innovation

- Introduced the first car and home quick quote for belairdirect Ontario, a tool that allows customers to get a bundled home and auto quote after answering 20 questions
- Rolled out new machine learning algorithms in rating to help us improve accuracy in segmentation
- Introduced new management liability products in OneBeacon that deliver more comprehensive coverage to a broad range of not-for-profit organizations, to help minimize gaps in coverage and offer flexibility to tailor coverage for customers' unique risk exposures

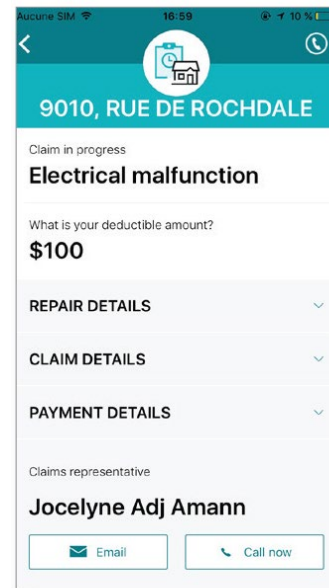
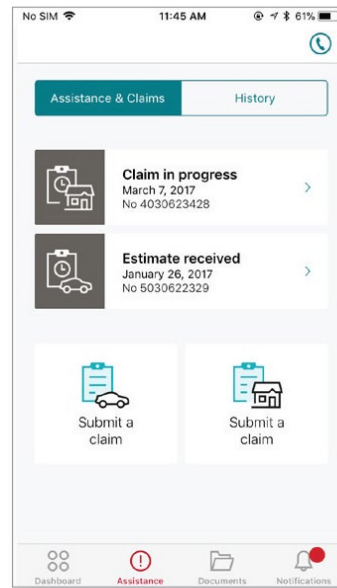
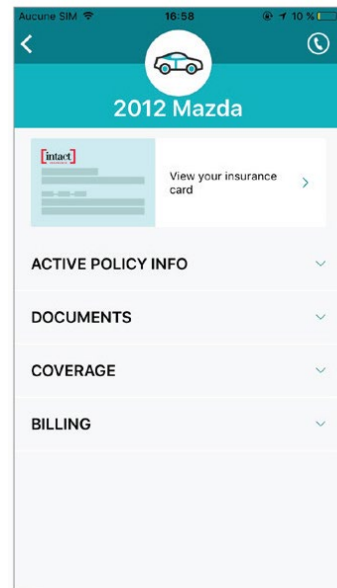


The Intact Data Lab celebrates our machine learning research partnership with Laval University



## Making the most of mobile – digital innovation

- Launched a new Intact Insurance app nationally, providing customers with a mobile way of accessing their insurance. Customers can access the status of their claims in real-time, view their insurance documents and digital proof of insurance, and contact their claims adjuster directly through the app
- Introduced usage-based insurance (UBI) Mobile 2.0, an improved way for customers to track their *my Driving Discount*, using a mobile phone app which includes new variables for generating a client's personalized discount. To help Canadians be safer on the road, we now offer users a new Distracted Driving score



The Intact Insurance app, making customer access to their policy information and claims information in real time easier

## Being there when it matters most – claims experience enhancements

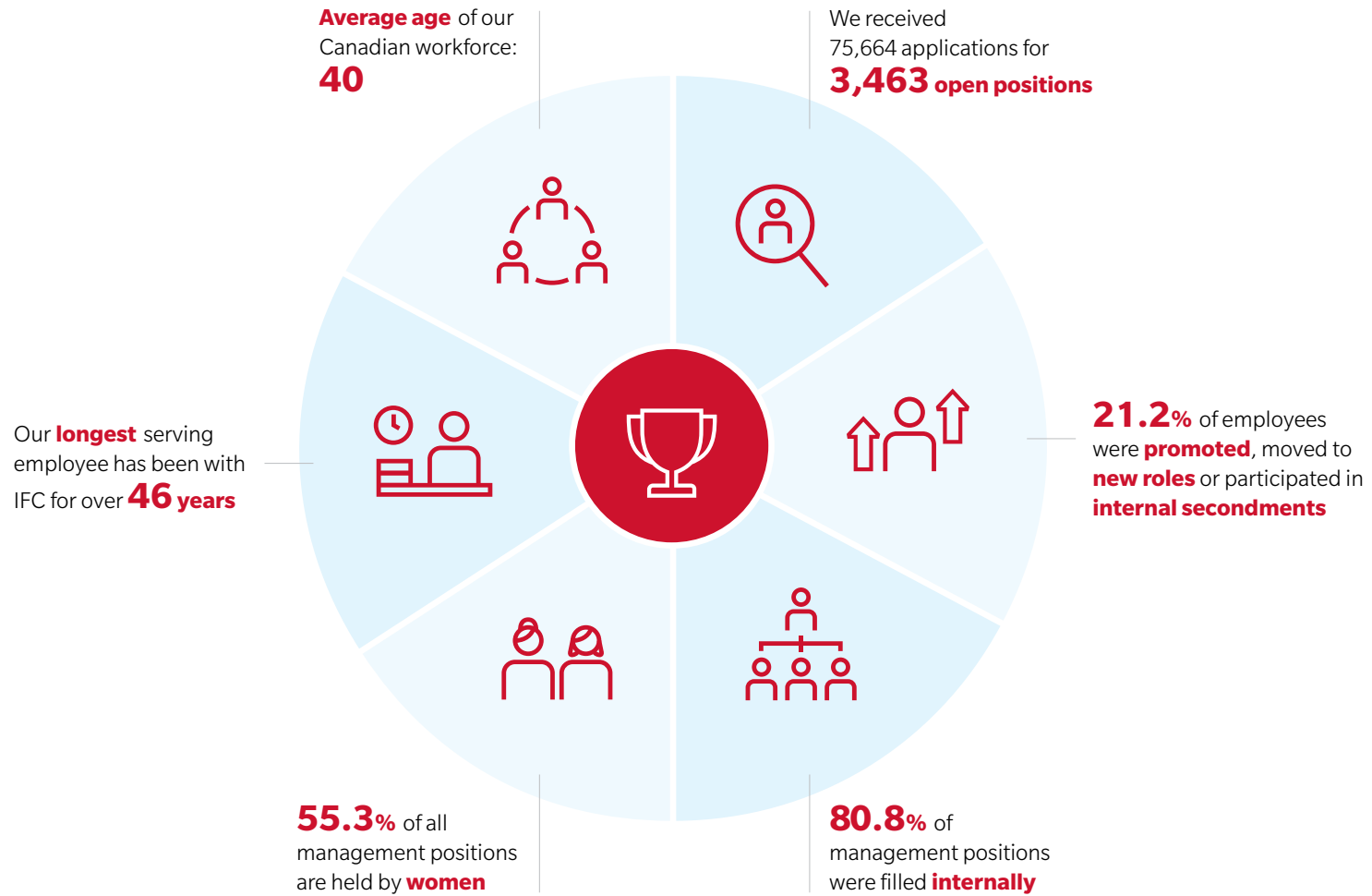
- Introduced a new scorecard on the front line of claims, to manage the performance of our suppliers
- Completed the transfer of all our lines of business to Client Centre, which provides customers with easy, secure, online access to claims information 24/7
- Launched email transfer payments, allowing customers to receive their claim payment directly into their chosen bank account quickly and easily, avoiding postal delays
- Increased referrals to our health supplier network, accelerating their recovery and getting customers back to their day-to-day lives sooner and with individualized care

## Intact Ventures

- Intact Ventures is focused on investing and partnering with companies that are redefining the property and casualty landscape with innovative business models and new technology
- Building relationships with groundbreaking companies accelerates our learning, helps us design smarter products, and leverages unique technology
- In return, we support the growth of these companies by providing them with access to our expertise and talent
- Investments made in 2018:
  - **Algolux** – Computer vision technology developer, drastically restructuring how cameras work in the world of artificial intelligence
  - **Voyage Auto** – Self-driving vehicle technology company, developing autonomous taxi fleets in communities
  - **Renovo** – Developer of the leading core cross-platform operating system for self-driving technology
  - **ClimaCell** – Emerging global hyper-local weather data and forecast company, aiming to deliver the best accuracy in each part of the world
  - **Portag3 Ventures Fund II** – Venture fund focused on the future of distribution for financial products

# Our employees

## Employer of choice





### Open engagement with management – employee communications

- Monthly employee webcasts with our CEO, Canadian Division President or Chief Operating Officer, answering questions asked, and voted on, by frontline employees
- Quarterly manager webcasts, with rotating hosts of executive panels discussing corporate performance and employee engagement
- Quarterly executive roundtable “listening tour” with frontline employees to understand their views on opportunities, challenges and how to best deliver for the customer
- “VP field trip” video series, where Vice Presidents and frontline staff go to a local tourist spot to talk about their roles to educate each other and their colleagues



### Enhanced time management for employees – flexible working arrangements

- Enhanced personal leave of absence program provides employees with more flexibility and options for personal leave – whether it’s to take care of a family member, travel, study or volunteer or for other personal matters
- Introduced a new 3-2/2-3 flexible working arrangement, enabling employees to work from home three days one week, then two days the next. The arrangement includes four days at home and one day in the office for employees in select roles



### New benefits – our workplace

- Wellness spending account: we provide a \$350 base contribution to a wellness spending account to encourage employees to adopt a healthy lifestyle and support their overall well-being. Qualifying expenses include gym memberships, sports equipment and education activities
- Virtual health care service: available to help employees access health care services 24/7 from their mobile phone or computer. Includes confidential access to doctors and other healthcare professionals through a virtual clinic delivered by our partner Equinix, free of charge



### A destination for top talent – employer recognition in 2018

- Gouvernance au Féminin/Women in Governance – parity certification 2018
- Indeed Top-Rated Workplaces in Canada 2018
- Glassdoor Top CEOs 2018
- Glassdoor Best Places to Work 2019
- Aon Platinum Best Employers in Canada
- Canada’s Top Employers for Young People
- Greater Toronto Area’s Top Employers
- Canada’s Top 100 Employers in Canada



### Pride at work – LGBT & Allies employee network

- The network continues to deliver the “How to be an ally” workshop – reaching now close to 1,000 employees nationally, helping them find ways to support and create safe spaces for colleagues who identify as lesbian, gay, bi-sexual, transgender, queer, intersex or 2-spirit (LGBTQI2S)
- They provide insight and feedback into the development of Intact’s new parent leave and benefits program

- The network engages employees nationally, participates in community events like Pride and provides input to charitable organizations like Egale Human Rights Trust
- 2018 highlight includes the delivery of Trans-Inclusion workshops in collaboration with Egale Human Rights Trust and PFlag Toronto

glassdoor **TOP CEOs 2018**



glassdoor  
**2019 BEST PLACES TO WORK**  
EMPLOYEES' CHOICE



Employees participating in the Calgary Pride celebrations

## Demographics

### Number of employees as of December 31, 2018

	Full-time	Part-time	2018	2017	2016
Geographic breakdown					
Alberta	1,806	29	<b>1,835</b>	1,891	1,856
British Columbia	650	18	<b>668</b>	714	754
Manitoba	58	3	<b>61</b>	63	68
New Brunswick	68	3	<b>71</b>	74	87
Newfoundland	172	0	<b>172</b>	185	182
Nova Scotia	377	5	<b>382</b>	385	389
Ontario	4,666	57	<b>4,723</b>	4,855	4,886
Quebec	4,077	454	<b>4,531</b>	4,416	4,382
Saskatchewan	0	0	<b>0</b>	0	0
Yukon	0	0	<b>0</b>	0	0
United States of America	1,093	13	<b>1,106</b>	1,080	0
<b>Total</b>	<b>12,967</b>	<b>582</b>	<b>13,549</b>	<b>12,583</b>	<b>12,604</b>

### Employee gender breakdown as of December 31, 2018

	2018	2017	2016
Total gender breakdown			
Men	<b>35.4%</b>	36.2%	35.5%
Women	<b>64.6%</b>	63.8%	64.5%
Senior management			
Men	<b>62.8%</b>	64.5%	66.2%
Women	<b>37.2%</b>	35.5%	33.8%
Middle management			
Men	<b>46.7%</b>	42.5%	41.8%
Women	<b>53.3%</b>	57.5%	58.2%
Staff			
Men	<b>35.4%</b>	35.0%	34.2%
Women	<b>64.6%</b>	65.0%	65.8%

### Employee voluntary turnover as of December 31, 2018

	2018	2017	2016
Gender breakdown			
Total	<b>8.7%</b>	8.1%	6.4%
Men	<b>9.6%</b>	8.6%	7.4%
Women	<b>7.8%</b>	7.9%	5.9%
Age group breakdown			
<35 years old	<b>17.6%</b>	15.3%	10.7%
35–55 years old	<b>4.8%</b>	5.2%	4.8%
>55 years old	<b>0.8%</b>	1.7%	1.3%



Our LGBTQ & Allies network recognize Pride Month in June by raising the Pride flag

## Adapting to climate change

Our objective: help Canadians adapt to the increasing impacts of climate change

### 3 national flood standards and guidelines

developed by the Intact Centre on Climate Adaptation™ and partners Canadian Standards Association, Standards Council of Canada, and Natural Sciences and Engineering Research Council of Canada (NSERC)

**16 active partnerships** across Canada with local, community-based NGOs on climate change adaptation projects

**\$2.55M** donated in 2018 towards climate change adaptation initiatives across Canada

Joined the UN Environment Programme (UNEP) Task Force on Climate-related Financial Disclosures (TCFD) insurance pilot

Charles Brindamour delivered remarks at the G7 global Environment Ministers meeting about climate change adaptation

### Creating conditions for climate change resilience – the Geneva Association Extreme Events and Climate Risk Forum

- Intact and Sun Life Financial co-hosted the Geneva Association Extreme Events and Climate Risk Forum in September, focused on the insurance industry's role in the climate resilience of critical infrastructure
- Our CEO Charles Brindamour spoke about a three-point agenda to build climate resilient communities:
  - **Build right the first time** – building climate resilient communities from the start has to be a priority
  - **Build in the right place** – better land use planning needs to emerge to ensure we're not building communities in areas where natural infrastructure is in place
  - **Build back better** – after severe weather events, build our communities back with climate resiliency in mind

## Applied research leading to tangible action – the Intact Centre on Climate Adaptation

- The Intact Centre team continues to drive research-based and universally applicable actions to build Canada’s resiliency to extreme weather events caused by climate change
- The Intact Centre developed three flood-resilience national standards and guidelines, working in collaboration with the National Research Council, the Standards Council of Canada and the Canadian Standards Association:
  - **House Level:** *CSA Guideline on Basement Flood Protection and Risk Reduction (CSA Z800-18)* – based on the Intact Centre’s *Home Flood Protection Program* research
  - **New Communities:** *CSA Flood-Resilient Design for New Residential Communities (CSA W204)* – based on the Intact Centre’s report *Preventing Disaster Before It Strikes: Developing a Canadian Standard for New Flood-Resilient Residential Communities*
  - **Existing Communities:** *Weathering the Storm: Developing a Canadian Standard for Flood-Resilient Existing Communities*



### » 40,000 home inspectors trained through Home Flood Risk Assessments online course

- The first nationally available online course on Home Flood Risk Assessments was developed in co-operation with Fleming College and Seneca College, available to 40,000 home inspectors nationally
  - The course is ideal for builders, developers, municipal planners, insurance brokers, landscape professionals, real estate agents and home construction professionals
- The Intact Centre team continues to be a reliable source of climate change resilience information, appearing in over 100 media interviews across Canada in 2018

## The economic value of natural infrastructure to limit flood risk

- The report *Combatting Canada’s Rising Flood Costs: Natural infrastructure is an underutilized option* provides a high-level framework for quantifying the economic value of natural infrastructure assets to limit flood risks and associated costs
  - What is natural infrastructure? It is “a strategically planned and managed network of natural lands, such as forests, wetlands and other open spaces, which conserves or enhances ecosystem values and functions and provides associated benefits to human populations”<sup>1</sup>
  - The report, developed between Intact Centre and the Insurance Bureau of Canada, found there are business cases where natural infrastructure is already yielding economic benefits
    - » Naturally occurring ponds in Gibsons, BC provide \$3.5–\$4 million of stormwater services each year
    - » A naturalized channel in Oakville, ON provides \$1.24–\$1.44 million of stormwater transmission and storage annually
    - » Natural wetlands in Southern Ontario reduce flood damage costs by nearly 40%

<sup>1</sup> Gartner, T., Mulligan, J., Schmidt, R., and Gunn, J., eds. 2013. *Natural infrastructure: Investing in forested landscapes for source water protection*. World Resources Institute. Accessed at: [www.wri.org/publication/natural-infrastructure](http://www.wri.org/publication/natural-infrastructure)

## On-the-ground climate resilience – our active climate change adaptation charity partner projects



### British Columbia

#### University of British Columbia

**Amount:** \$250,000

**Project name:** Megafires – urgent need for climate change adaptation to build community resilience, prevention and recovery

**Description:** Developing post-fire recovery strategies to prevent future forest fires and increase climate resilience in 21 communities in Canada

**Results to date:**

- Analysis of more than 300 fire scarred trees and collection of 1,000 cores from trees
- The team is building statistical models to show forest composition and structure prior to European settlement and the relationship between the time of the last fire, forest density and growth rates of trees in the study forests

### Alberta



#### The Miistakis Institute of the Rockies Inc.

**Amount:** \$90,000

**Project name:** Smart from the start

**Description:** Creating a least conflict lands planning tool to guide placement of large scale solar and wind projects

**Results to date:**

- Digital maps that can be used by provincial and municipal planners to help municipalities site renewable energy development to areas of least ecological, social and economic conflict



#### University of Alberta

**Amount:** \$250,000

**Project name:** Using artificial intelligence (AI) to predict extreme weather

**Description:** Developing a computer program that recognizes large scale atmospheric patterns that lead to extreme fire weather using AI

**Results to date:**

- Identifying AI/machine learning methodology used for analysis
- Identifying weather data that will be used
- Using AI to classify the weather data into different groups of similar weather patterns



#### Green Calgary

**Amount:** \$40,000

**Project name:** Flood prevention through rainwater harvesting

**Description:** Helping Calgarians to act to protect their homes through rainwater harvesting

**Projected outcomes:**

- 2,000 Calgary homes installing and using rain barrels in their gardens to reduce flood risk, potentially conserving 6.8 million litres of water per year
- Over the lifetime of a barrel (9 years), it can result in 61 million litres of water captured





## Ontario

### Ducks Unlimited

**Amount:** \$75,000

**Project name:** Brickponds rehabilitation

**Description:** Increasing the amount of shallow water cells to repopulate aquatic plants and aid in flood water management

#### Results to date:

- Increased community resiliency in Woodstock, Ontario, by attenuating stormwater through a series of new shallow wetlands and channels, capturing more carbon and eradicating invasive species
- Reduced potential for residential basement flooding due to increased capacity and improved water management

## Quebec



### WWF Canada

**Amount:** \$100,000

**Project name:** Bleu Montreal

**Description:** Restoring water to the urban landscape, improving water management and strengthening Montreal's resilience by uncovering underground rivers

#### Projected outcomes:

- Successfully completing a feasibility study and working with the City of Montreal to launch three pilot projects in three Montreal boroughs
- Building a guide for other cities that want to improve water management and resilience to climate change
- Potential impacts include a long-term view on reducing urban heat islands – increasing nature-based recreational space and economic benefits



### Conseil régional de l'environnement et du développement durable de l'Outaouais

**Amount:** \$100,000

**Project name:** Reducing heat islands of downtown Gatineau

**Description:** Reduce the impact of urban heat islands by implementing a strategy that includes greening and community involvement

#### Projected outcomes:

- Reduce the quantity of heat islands in the region of downtown Gatineau
- Implement and scale a greening strategy for the city of Gatineau



### Nature-Action Québec

**Amount:** \$163,132

**Project name:** Restoring shorelines to reduce flood risk in Saint-Jean-sur-Richelieu

**Description:** Shoreline restoration of the Hazen Bleury and the Barbotte rivers targeted for their vulnerability to flood and their low vegetation

#### Results to date:

- Delivered a report to prioritize action sites and map priority intervention areas



**Nature Québec**

**Amount:** \$150,000

**Project name:** Healthy Living Space

**Description:** Help municipalities reduce the number of heat islands and air pollution through heat island mapping, public awareness and green areas preservation and restoration

**Results to date:**

- Launch of the pilot project *Rues conviviales*
- 2 greening projects completed within disadvantaged neighborhoods



**Sentier Urbain**

**Amount:** \$95,772

**Project name:** The Garden Circuit

**Description:** Restore green areas by creating urban gardens, improving water management, increasing the levels of oxygen and reducing CO<sub>2</sub> emissions in the sector

**Results to date:**

- In Montréal Centre-Sud, several dozen trees have been planted
- More than 130 workshops were delivered
- Networking events for citizens were held to raise awareness on the importance of greening
- Three new *Circuits Jardins* were created in the Montreal area



**Nova Scotia**

**Bluenose Coastal Action Foundation**

**Amount:** \$150,000

**Project name:** Green Streets stormwater project

**Description:** Working directly with municipal and community partners in southwest Nova Scotia to locate, design and install low impact development (LID) projects with the aim of improving stormwater management

**Results to date:**

- Planted approximately 500 plants in total
- Diverted 1,000 m<sup>3</sup> of stormwater runoff annually
- Removed 258 kg of contaminants

**New Brunswick**

**Community Forests International**

**Amount:** \$144,000

**Project name:** Forest Infrastructure Adaptation Project

**Description:** Reversing the clearcutting trend and embracing new financial tools that incentivize natural infrastructure improvement for flood risk reduction

**Projected outcomes:**

- Saving 500 acres of old forest in the flood-prone lake region of southern New Brunswick
- Creating an adaptation management plan for ongoing enhancement of the old forest
- Creating a stewardship endowment fund to fund the implementation of the adaptation management plan
- Planting 500,000 climate change adaptive trees and restoring 625 acres of degraded land



**National**



**ALUS**

**Amount:** \$248,850

**Project name:** Implementing natural infrastructure projects in communities upstream of urban centres

**Description:** Implementing natural infrastructure projects in marginal or inefficient communities to farm agricultural lands with the aim of contributing to climate change adaptation

**Projected outcomes:**

- 365 acres of land restored
- 110 acres of wetland restored
- 215 acres of riparian ecosystems restored
- 46 farmers to participate in the project
- Establishing three new ALUS programs in rural municipalities



**Nature Conservancy of Canada**

**Amount:** \$155,000

**Project name:** Protecting and restoring wetlands

**Description:** Protecting and restoring wetlands in Ontario to help reduce the impact of severe storms

**Projected outcomes:**

- Reducing flood and non-point pollution by restoring up to 63 acres to native habitats and creating and maintaining four wetlands which is approximately 5 acres
- Reducing flood damage costs by restoring two dams which results in the maintenance of an estimated 47-acre marsh
- Holding conservation volunteer events to educate people about the value of wetlands



**Green Learning Canada Foundation**

**Amount:** \$144,000

**Project name:** Wild weather – engaging youth in education and action on extreme weather preparedness

**Description:** Flood education directly engages youth in preparing their schools and homes for a flood event

**Projected outcomes:**

- Engaging 1,800 youth in flood preparedness and prevention
- Teaching kids how to create a comprehensive stormwater strategy for their school – 75 stormwater strategies created



**Fire Smart**

**Amount:** \$125,000

**Project name:** Fire Smart Home Partners

**Description:** Addressing the need for a standardized system that offers defensible, detailed and customized wildfire risk assessments and tracks measurable risk reduction for homes

**Projected outcomes:**

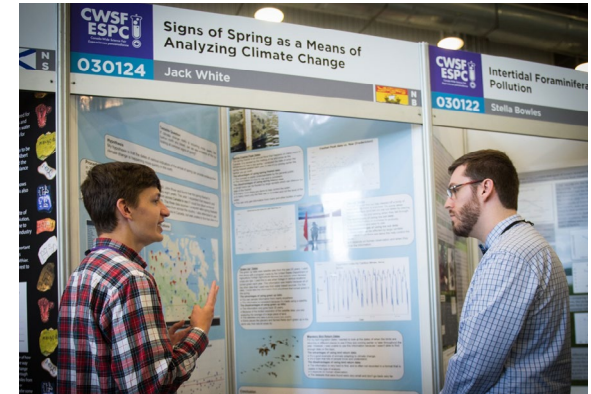
- Advocacy on wildfire issues through community outreach and homeowner education
- Measurable wildfire risk reduction by providing recommendations to homeowners that result in long-term behaviour change

## Encouraging young scientists to find solutions to climate change impacts

- Invested \$200,000 to establish the Intact Climate Change Resilience Award, recognizing outstanding projects from young scientists who find practical solutions to managing the impacts of climate change
- 38 projects submitted to the Canada Wide Science Fair in 2018 – winners include:
  - **Junior Winners:** Julia Bell and Mia Eleid won \$500 for their Waste-to-Energy Project which generates electricity from non-carbon emitting resources and offers a practical means of eliminating garbage
  - **Intermediate Winner:** Tyrel Bates won \$750 for his A Fibonacci Solution – Mitigating Landslides and Avalanches project which deflects flows of dirt and snow to reduce structural damage
  - **Senior Winner:** Raul Pascual won \$1,000 and an all-expenses-paid trip to the Intact Centre at the University of Waterloo for his Geothermal Power Plant Producing Water by Condensation project. His project focuses on ambient air in geothermal power installations to capture moisture to create a source of fresh water

## Minimizing our operations footprint – local diversion initiatives

- 69,380 lb diverted from landfill in 2018 via our partner TechReset
  - 5,028 pieces of equipment repurposed, including laptops, desktops, servers and peripherals
    - » 63% of repurposed equipment went to emerging markets including India, China and Pakistan
    - » 37% went to reBOOT Canada programs, which help connect technology to communities that are in need
      - PeelComp4U – providing laptops to low income residents
      - Youth Tool Kit – teaching students in challenging neighbourhoods basic IT skills
- Customers can now receive their policy documents digitally through the Intact Insurance and belairdirect apps and Client Centre, removing paper waste from the policy process
  - BrokerLink now 100% paperless in documents to customers
  - 100% of policies are now distributed paper-free to brokers for Intact Insurance
  - 57.4% of policies are distributed electronically for belairdirect



Intact meteorologist Jonathan Gadoury speaks with Canada Wide Science Fair participant Jack White about his climate change science fair project



Jonathan asking questions of Shoshannah Spencer and Lily Woods' science fair project about the impacts of drought

## Carbon emissions

Total energy consumption	2018	2017	2016
Total MWh	<b>81,387</b>	83,066	94,836
Electricity	<b>45,542</b>	48,218	47,828
Natural gas and fuel oil	<b>19,362</b>	17,809	29,678
Gasoline, diesel, etc.	<b>16,483</b>	17,038	17,330
Total GHG emissions (tonnes of CO <sub>2</sub> equivalent)	<b>14,840</b>	15,416	17,910
Direct (Scope 1)	<b>7,521</b>	7,385	9,685
Indirect (Scope 2)	<b>4,962</b>	6,227	5,995
Other (Scope 3)	<b>2,357</b>	1,804	2,230
GHG intensity			
Per million of direct written premiums	<b>1.45</b>	1.56	1.89
Per full-time equivalent employee	<b>1.00</b>	1.08	1.24
Per 1,000 sq ft of office space	<b>4.75</b>	5.29	5.76

GHG emissions are calculated based on the 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 are included in the GHG Intensity calculation.



Intact employee volunteers helping at the Geneva Association Extreme Events and Climate Risk Forum

## Addressing child poverty

### Addressing root causes of child poverty – our partnership with the United Way

Working with our partner the United Way, we isolated two key areas where Intact Foundation funding could make a tangible difference and address the root causes of child poverty:

- Early learning and supports (0 to 6 years old)
  - Pre- and post-natal care programs that help improve children’s behaviour, learning and long-term health
  - The projects are designed to promote social interaction and learning opportunities for children
- Employment and financial security
  - Promote employability, skills building and networking opportunities for populations that face significant barriers to the workplace



The 2018 Toronto United Way Campaign Committee

### Helping children and parents get to tomorrow – projects funded through United Way partners in 2018

#### British Columbia

##### The United Way of Lower Mainland

- *The Red Fox Healthy Living society project* – \$21,794
  - A recreation program that provides a safe, inclusive space for Aboriginal, inner-city and new immigrant children who are living in poverty to develop physically, socially and emotionally to their full potential
- *The DIVERSEcity Community Resources Society – First Steps Early Years Refugee & Employment project* – \$21,794
  - The program creates a safe environment where vulnerable refugee families can bring their children and learn how to parent in Canada while strengthening the parents’ pre-employment life skills and employment supports



Volunteers at a UNICEF Index of Child and Youth Well-being design lab

#### Alberta

##### United Way of Alberta Capital Region

- *The Tools for School project* – \$17,895
  - The initiative provides backpacks and school supplies for students in kindergarten to grade 12 whose families have limited resources
- *The Empower U project* – \$17,895
  - The project combines financial literacy programs with a 1:2 matched savings component. This means every dollar saved by group participants generates two dollars in matched contributions

##### United Way of Calgary

- *Calgary Immigrant Education Society – Clerical Training Program* – \$9,860
  - This program is designed to meet the needs of individuals who have previous experience in clerical positions in other contexts (defined by place and time), but lack the necessary skills required to gain clerical employment in a Canadian office setting
- *Momentum – Program Impact* – \$9,860
  - The program targets families living in poverty by helping them in the job market and with financial literacy

## Ontario

### Greater Toronto Area and Peel

- *Woodgreen Community Services – Homeward Bound project* – \$223,300
  - Program designed to help single mothers and their children transition from shelter life to economic self-sufficiency; 137 women will receive stable housing, life skills and employment training, one-on-one counselling, childcare and after school programs for their children
- *The Neighbourhood Organization – Aspiring Futures for Success project* – \$144,381
  - Provides early intervention for children aged five to 12 experiencing academic challenges and/or social and emotional difficulties
- *The East Scarborough Boys and Girls Club – Early Years Program project* – \$110,086
  - Provides support to ensure children are prepared to succeed as they enter the school system. The program focuses on key developmental areas (mathematics, phonics/language, school readiness and physical activity) and provides family support workshops for parents
- *The Centre for Immigrant and Community Services – Supporting Families in Transition project* – \$80,247
  - School readiness program that targets immigrant children under the age of six and their parents. The program supports three initiatives:
    - » StudentSmart: Helps children as they enter the school system
    - » Workshops for parents
    - » Summer’s Cool/Kinder’s Cool: 4-week summer program for children aged three to five

## United Way of Durham

- *The Operation Backpack project* – \$28,762
  - Providing age and grade appropriate backpacks and school supplies for children between the ages of six to 12 that are economically disadvantaged

## United Way of Elgin Middlesex (London)

- *The WIL Employment – Mentorship Program* – \$32,377
  - Mentoring and support for skilled newcomers to make connections and learn to navigate the Canadian employment system. Group activities and one-to-one mentoring are provided

## United Way of Ottawa

- *The Saint Mary’s Home – Success for Children of Teen Parents program* – \$40,000
  - Success for Children of Teen Parents is an attachment-focused parent and child development program, providing adolescent parents (14–25 years old) and their children (pre-natal to age three years) with early intervention and support
- *The Coalition of Community Houses – Community After School (Critical Hours) Programs* – \$13,533
  - After School (Critical Hours) Programs are aimed at students aged six to 12 living in high-risk communities, offering them a safe, quiet and supervised space to improve their academic performance and build healthy relationships with mentors and others from their neighbourhoods. Onsite staff provides students with mentorship and homework assistance, skill development activities and a nutritious snack

## Quebec

- *Centraide Quebec* – \$370,870
  - Centraide Richelieu-Yamaska (\$62,870 invested in 35 organizations)
  - Centraide Greater Quebec (\$55,000 invested in 88 organizations)
  - Centraide Greater Montreal (\$253,000 invested in 218 organizations)

## Nova Scotia

### United Way of Halifax

- *Chebucto Family Centre* – \$12,500
  - The program connects residents to one another and helps them build skills and assets through a range of community-based programs, activities, events and services
- *Family Services of Support (SOS)* – \$12,500
  - Through this program children learn to develop leadership and mentoring skills, increase self-confidence and physical health, cultivate aptitudes for life and career, and recognize the importance of volunteering and giving back in their community

## Measurement framework for child well-being in Canada – UNICEF Canada One Youth Initiative

- This program aims to increase the well-being of Canadian children through advocacy, research and policy – positioning Canada as a frontrunner on the UNICEF Report Card measuring fairness for children by 2030. Partnership outcomes include:
  - Supporting the creation of a centre of excellence in measurement, design, collaboration and influence for children
  - Launching the Canadian Index of Child and Youth Well-being and other tools and approaches to collect data for and with young people using a human-centred design method
  - Allowing UNICEF to better represent the values, experience and dreams of Canada’s children and youth
  - Ensuring an ongoing collaboration with youth to co-design how the data is shared, amplify the debate, present research and equip them as storytellers
- The Intact Foundation committed \$400,000 towards One Youth and \$100,000 towards UNdaunted, a program focused on improving the lives of girls and women in sub-Saharan Africa through education



## Getting a good start – belairdirect partnership with Breakfast Clubs of Canada

- A \$1.5 million commitment over three years focused on opening schools on the waitlist for programs and building the capacity of the organization to deliver services
- New Breakfast Club of Canada programs started in 2018 in three cities:
  - Victoria, BC: An alternative high school that provides women, young moms, pregnant teens and transgender youth a safe and supportive environment where they can pursue their educational goals. Our financial support has expanded the food program so that nutritious meals are now being served daily to all students. For some of the students, the most nutritious meal they eat each day is at school
  - Toronto, ON: An elementary and middle school in north Toronto. Like many schools in Toronto, it had been on a waitlist for a full-time program. With our support, all children at this school will now have breakfast available daily. Our colleagues at belairdirect’s Gordon Baker office will be volunteering at the school and getting to know all the workings of our breakfast program
  - St. John’s, NL: A school that was recently rebuilt, renamed and had its student population double in size. Our partnership couldn’t have come at a better time, as funds were greatly needed to be able to offer a universal breakfast program. With our support, this school provides breakfast to every student each morning, and our colleagues at Anthony Insurance will volunteer their time each week fostering relationships with the students, teachers and community

- 141 belairdirect employees volunteered with their local Breakfast Club programs in Vancouver (BC), Toronto (ON), Montreal (QC), Ottawa (ON), Edmonton (AB) and St. John’s (NL)



belairdirect employee Breakfast Club of Canada volunteers



Young recipients of the Breakfast Club of Canada programs



## Helping the community

### Our employees' contributions



**4,100** hours  
volunteered



**\$1.4 million**  
donated



**6 skills-based**  
volunteer projects completed



**141 volunteers** with Breakfast  
Clubs of Canada partnership



Volunteered with **over 400**  
organizations

### Using our skills for impact – skills-based volunteering

- Our Skills for Impact program enables our employees to use their professional skills and experience to help charities with various projects – during working hours, no matter their job level or location
- Four employees from Intact Insurance and belairdirect completed the latest Skills for Impact initiative in collaboration with Pathways to Education
- Pathways to Education is an organization that provides youth in low-income communities the resources and network of support to graduate from high school and build the foundation for a successful future. Though they are a Canadian organization operating across the country, they wanted help with brand awareness in Quebec
- Through this Skills for Impact project, the team volunteered their expertise and skills in marketing, brand awareness and communications to help build Pathways to Education's marketing strategy for their Quebec chapter.



Commercial lines employees greening the Toronto and Kiwanis Boys & Girls Club



The London personal lines team supporting their local Ronald McDonald House through team volunteering

### Partnering with brokers for happier, healthier communities – the better communities program

- This program was established in 2018 to partner with brokers to make an impact in their communities across Canada
- Close to \$650,000 was donated to over 93 organizations across Canada
- Organizations funded include the Foundation for Student Achievement to support tutoring programs for disadvantaged communities in Toronto (ON), JoeAnna’s House for families in hospital in Kelowna (BC), Fondation Portage in Montreal (QC) to help those struggling with addiction challenges and the Colchester East Hants Health Centre in Truro (NS) to help respond to the medical needs in a small community



### A Canadian solution to a challenging issue – Roméo Dallaire Child Soldiers Initiative

- Intact and the Roméo Dallaire Child Soldiers Initiative have been partners since 2015 – focused on establishing the Intact/Dallaire Initiative Senior Fellow at Dalhousie University, a position that leads groundbreaking research in ending the recruitment and use of child soldiers
- Intact has committed \$1 million in funding over five years to establish the Dallaire Initiative regional centre of training and learning in Rwanda
- This regional hub of practice, research and advocacy will serve as a meeting place for countries to exchange information and learn how to prevent the recruitment and use of child soldiers

- The new centre was announced in December 2018 to employees in a North American wide webcast, with a panel discussion with Lt. General (Ret) Roméo Dallaire, our CEO Charles Brindamour, Dallaire Initiative Executive Director Dr. Shelly Whitman and former child soldier Ishmael Beah
- CEO Charles Brindamour joined Lt. General (Ret) Roméo Dallaire in Rwanda to witness approximately 2,000 peacekeepers being trained to prevent the recruitment and use of child soldiers, who were headed for South Sudan and Darfur



The Intact/Dallaire initiative panel discussion announcing the Intact investment in the regional centre of training and learning in Rwanda to Intact employees

## Strong governance

### 2018 milestones

**1st place** – Clarkson Centre for Board Effectiveness – Board Shareholder Confidence Index 2018



**2nd place** – The Globe & Mail Report on Business Board Games for 2018



**2018 Global TopGun** insurance company for transparency and financial reporting



**94.14%** approval on advisory resolution on executive compensation (say-on-pay) at the 2018 annual meeting



**33.3%** of the Board of Directors is comprised of women

### Shareholder engagement plan

- We adopted a shareholder engagement plan in 2018 that provides opportunities for shareholders to meet directly with the Chair of the Board as well as other Directors
- Shareholder engagement events were hosted by management throughout the year
- See page 58 of our 2019 Management Proxy Circular for more details



CEO Charles Brindamour sharing the Intact social impact story with shareholders at the 2018 annual general meeting

## Evolving climate risk management disclosure – Task Force on Climate-related Financial Disclosures (TCFD)

- To better protect communities and economies, we joined the United Nations Environment Programme Finance Initiative (UNEP FI) TCFD insurance pilot
- This pilot brings together 16 of the world’s largest insurers to better understand the impacts of climate change on our business
- The TCFD insurance pilot will leverage the insurance industry’s role as risk managers to help insurance companies disclose to the relevant areas of the TCFD framework
- Guidance will be issued publicly in 2020

## Making compliance fun – compliance and risk awareness week

- Annual week-long, highly anticipated compliance and risk awareness week hosted by our puppet “colleague”, Carl Compliance
- Carl walks his fellow employees through ways to protect Intact and our customers’ information and how best to live our “Living Our Values” code of conduct
- Carl and his colleagues from our compliance and communications teams were awarded with an International Association of Business Communicators (IABC) Gold Quill Merit Award for their campaign

## Leading by example – diversity

- In addition to a skills matrix, the Board of Directors introduced a diversity matrix to identify talent and Board requirements of current and potential Directors (see page 56 of the 2019 Management Proxy Circular for more details)
- An evergreen list of Director candidates is maintained and will be utilized to enhance diversity on the Board – candidates continue to be identified to fill vacancies that will be left by retiring Directors
- Board Diversity Policy was updated in 2018 to highlight the various facets of diversity including gender, ethnic background and cultural diversity



Our puppet “colleague” Carl Compliance poses with his friends from the Intact compliance team

## Data charts

### Environment

<b>Environmental policy</b>	<ul style="list-style-type: none"> <li>• Environmental, Social and Corporate Governance (ESG) is in the formal accountability of the Board of Directors and built into our socially responsible value, which guides our decisions and behaviours</li> </ul>
<b>GHG/carbon emissions</b>	<ul style="list-style-type: none"> <li>• Please refer to page 20</li> <li>• Carbon intensity for operations has decreased annually since 2015</li> </ul>
<b>Targets for GHG/carbon emissions</b>	<ul style="list-style-type: none"> <li>• We've decided to focus on areas where our expertise is of most benefit to society first – focusing on adapting to climate change leverages our role as risk managers and builds our customers' ability to be climate resilient</li> <li>• We are now turning our attention to opportunities to accelerate the reductions in our carbon emissions intensity with our employees, alongside continuing to build a more climate resilient society</li> </ul>
<b>Financing environmental impact</b>	<ul style="list-style-type: none"> <li>• Intact Investment Management has, over time, incorporated environmental, social and governance factors in its investment process while balancing return, risk and diversification</li> <li>• The energy sector is important for the Canadian economy. We have kept select investments in energy companies that meet our investment criteria</li> <li>• A large focus has been on tertiary industries operating in the Canadian energy sector, but its impact on our portfolio has reduced over time</li> </ul>
<b>Climate change vulnerability</b>	<ul style="list-style-type: none"> <li>• As a property and casualty insurer, climate change has a direct impact on our business and financial condition. We recognize that weather-related events may become more frequent, severe and persistent over time. These changes could materially affect the property and automobile lines of business which collectively contribute to a majority of the Company's total annual premiums</li> <li>• Climate change is already a core element of our strategic agenda. Our strategic plan includes positioning ourselves as a leader in climate adaptation initiatives to contribute to the resilience and prosperity of communities in Canada. As an example, we established the Intact Centre on Climate Adaptation at the University of Waterloo to identify and reduce the impacts of extreme weather and climate change</li> <li>• Please refer to our 2018 Q4 MD&amp;A (page 35) for further discussion on climate change risk and the potential impact of natural catastrophes</li> </ul>
<b>Responsible investments</b>	<ul style="list-style-type: none"> <li>• Intact Investment Management incorporates ESG factors into investment policies and procedures</li> </ul>
<b>Sustainable products</b>	<ul style="list-style-type: none"> <li>• We offer customers in Quebec up to a 20% discount on their premiums if they drive an electric vehicle</li> <li>• Our U.S. entity OneBeacon offers insurance solutions for environmental contractors, including pollution liability insurance</li> </ul>

## Social

### Discrimination policy

- Intact is committed to providing a working environment where each of us feels respected and valued and where each of us can grow and help each other grow as individuals. Accordingly, any discrimination or harassment in our workplace will not be tolerated
- Discrimination means treating a person unfairly solely on the basis of a prohibited ground contrary to law and without legal justification
- Harassment, Bullying and Violent Acts means comments or actions that are unwelcome or should be known to be unwelcome. It includes intimidating, humiliating, bullying, threatening or engaging in any violent act or other disrespectful or inappropriate conduct, whether of a sexual nature or not. It could include inappropriate jokes, slurs or any other verbal abuse, unwelcome physical conduct, sexual advances, innuendoes, as well as actions or comments resulting in a poisoned work environment
- Please refer to our “Living Our Values” code of conduct, page 8

### Customer & employee data privacy

- In order to provide our customers with a customized and best insurance solution, we collect and use their personal information
- We abide by all privacy legislation, including the *Personal Information Protection and Electronic Documents Act* and the Act respecting the protection of personal information in the private sector
- We adopted an Internal Personal Information Policy in connection with the collection, use and disclosure of personal information
- We only collect information from current and potential customers that we need to deliver our products and services. Only Intact employees who have a legitimate business need can access customer data, where applicable and where informed consent has been obtained
- When personal information is no longer needed, we dispose of it in a secure manner
- This applies to any personal information we collect from employees, brokers, suppliers, service providers, consultants, shareholders or any third party

### Customer data security

- Dedicated teams plan, test and execute our business continuity and cyber security plans
- Threat and vulnerability assessments and quick mitigation actions are carried out. IT security teams consistently monitor all systems and intervene if an incident occurs
- Critical third party service providers sign off on service level agreements and ensure legal protections are added to relevant contracts. Security teams regularly monitor external trends in cyber security to mitigate any known vulnerabilities
- Comprehensive and ongoing employee training on cyber security awareness is conducted both at the workplace and at home to avoid points of entry for cyber attacks
- The Enterprise Risk Committee oversees cyber risk at the strategic level, including overseeing the establishment of our cyber security strategy, and monitors progress of mitigation action plans

## Social

### Customer complaints

- We have a publicly disclosed complaint handling protocol for customers
- Quebec:
  - Step 1: Resolve the problem at the source
  - Step 2: Escalate to the department head
  - Step 3: Forward the complaint to the Autorité des marchés financiers
- Rest of Canada:
  - Step 1: Resolve the problem at the source
  - Step 2: Contact the customer experience team
  - Step 3: Escalate to the ombudsman's office
- We received 5,970 formal customer complaints in 2018

### Employee learning & development

- Our CAMPUS learning management system provides employees with learning and skills development opportunities on a variety of career-related topics
- CAMPUS offers over 160 technical training courses and 70 soft skills courses, free of charge
- Our programs are offered across the country and are delivered using a variety of methods, such as classroom instruction, webinars and e-learning
- Intact also pays the annual membership fees for all accredited professional associations directly related to an employee's position and for which they meet all membership requirements. Intact also covers registration and licensing fees

## Social

### Employee benefits

In addition to base pay, all employees benefit from:

- A share purchase plan with employer match up to 50% of contribution
- A performance bonus made up of equal parts personal results and corporate financial results, ranging from \$1,000 to \$50,000
- A defined-benefit pension plan with employer contributions of up to 10–15%
- A defined-contribution pension plan with employer contributions of up to 7% of salary
- Vacation allotment of three weeks minimum, which increases to four weeks after seven years of service
- Basic registered savings plan with payroll deductions but no employer contributions
- Life and disability insurance
- Employee referral bonuses of \$1,000 to \$3,000
- Subsidized home insurance
- Subsidized auto insurance
- New vehicle purchase program
- Discounted mobility offers
- Up to \$350 each year toward activities that support/promote an active lifestyle
- Subsidies of at least 50% for sports teams
- Interest-free loan of up to \$3,500 to buy a computer

### Employee compensation

- Intact participates in several outside salary surveys specialized to functions and the insurance industry on an annual basis
- Each year, we provide each employee that has worked at least 21 hours per week with an Intact Advantage Statement (IAS). The IAS provides a personalized overview of their total compensation package, so that they understand the equivalent monetary value of being an employee at Intact, which includes, but is not limited to, their salary

### Employee recognition

- Intact's Bravo 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, offers a range of options from an electronic thank you card to an annual leadership day and awards gala hosted by the CEO



## Social

- Employee work arrangements**
- Leave of absence policy with flexibility and options for personal leave, whether to take care of a family member, travel, study or volunteer or for other personal matters. Unpaid time off work can be granted for four weeks up to 12 months
  - Our Flexible Working Arrangements (FWA) program respects our employees' needs, while our customers continue to have a positive experience. Through our Flexible Working Arrangements program, employees can select one of five options:
    - **Part-time work** – Working less than 35 or 40 hours per week
    - **Compressed work schedule** – Working more hours than the normal work week in order to take one day off at a later date
    - **Time in-lieu** – Working additional hours on top of the scheduled work week that are not paid but rather stored to be taken in the near future as paid time off to accommodate the employee
    - **Commute-free days** – Working from home one day every week
    - **Flexible work hours** – Working a schedule with varied start and end times
    - **3-2/2-3** – Working from home three days one week, two days the next

- Employee engagement**
- Our Human Resources department, together with an outside consultant, has conducted an annual employee engagement survey since 2009 with a consistently high response rate
  - Year to year, Intact takes actions based on the feedback and needs that employees communicate through the survey

- Employee diversity**
- Our Diversity and Inclusion Team, made up of 11 leaders – from managers to the President – promotes strategies that create an inclusive environment at every level of the organization and a culture that attracts, retains and develops our current and future high performing individuals from the broadest talent pool
  - We recently partnered with a third party for objective evidence-based pre-hiring assessments to minimize bias in the recruitment process and focus on bringing in the best talent
  - All recruiters received Fairness in Recruitment training on the importance of fair practices, diversity and inclusion and best practices and strategies around countering biases
  - We are a signatory of the Catalyst Accord, which encourages corporate Canada to increase the representation of women on boards of directors and in executive positions. Our CEO's signature on the accord represents our commitment to accelerate or maintain (where already strong) the representation of women in leadership roles from now until 2022
  - In addition to the Catalyst Accord, Intact is a member of the 30% Club, an organization whose target is to have 30% of Board seats and senior leadership held by women by 2022

## Governance

<b>Bribery/corruption definition &amp; anti-competitive practices</b>	<ul style="list-style-type: none"> <li>• Anti-money laundering/Antiterrorist financing/Competition – We will abide by all laws and regulations related to money activities and competition law</li> <li>• Please refer to our “Living Our Values” code of conduct, page 4</li> </ul>
<b>Facilitations of payments definition</b>	<ul style="list-style-type: none"> <li>• Fraud/Criminal Activity – We will not commit fraud against the Company or anyone we do business with, or any third party, for that matter</li> <li>• Please refer to our “Living Our Values” code of conduct, page 4</li> </ul>
<b>Taxation transparency</b>	<ul style="list-style-type: none"> <li>• Please refer to page 36</li> </ul>
<b>Whistleblower policy</b>	<ul style="list-style-type: none"> <li>• In accordance with our values, Intact is committed to conducting business with the highest standards of integrity, ethics, respect and excellence</li> <li>• Employees can report any breaches of our “Living Our Values” code of conduct, controls or policies, laws or regulations, or business misconduct (fraud)</li> <li>• Employees can report via the whistleblower hotline (confidential reporting), an online form or email</li> <li>• Employee reports are thoroughly investigated and results are communicated to the Audit and Compliance Review and Corporate Governance Committees of the Board of Directors</li> </ul>
<b>Political donation policy</b>	<ul style="list-style-type: none"> <li>• Any political contributions are made within prescribed legal limits</li> <li>• Contributions are made as an expression of responsible citizenship, not to gain an improper advantage</li> <li>• We comply 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</li> <li>• All contributions made on behalf of the Company are approved by the Head of Government Relations</li> </ul>
<b>Public policy</b>	<ul style="list-style-type: none"> <li>• Key issues we’re advocating with governments include ensuring access to affordable insurance products in a highly regulated industry, regulatory frameworks which keep pace with a modern world, like the sharing economy and incorporating climate change adaptation into building codes, updating flood maps for major urban areas, improving land use planning, and investing in storm management infrastructure</li> <li>• All engagement with governments is guided by our internal policies and procedures; please refer to our “Living Our Values” code of conduct, pages 15–16</li> </ul>

## Governance

### Board of Directors structure

- The Board of Directors is comprised of 12 members
- The Board of Directors is responsible for stewardship of the Company
- The Board of Directors holds strategic sessions during all its regularly scheduled meetings to discuss positioning of the Company, its long-term objectives and overall business strategy. It also holds a specific meeting focused on the Company's strategy
- Please refer to page 41 of the Management Proxy Circular for additional information

### Board of Director diversity

- The Board of Directors has adopted a Board Diversity Policy providing for representation of at least 30% of each gender, updated in 2018
- The Board of Directors has committed to the 30% Club and Catalyst Accord pledges
- Please refer to page 55 of the Management Proxy Circular for additional information

### CEO/Executive compensation

- Senior management create annual goals related to Intact's code of conduct "Living Our Values", which includes ESG indicators
- The Human Resources and Compensation Committee of the Board of Directors annually reviews the compensation of the CEO and senior executives in order to align compensation with Intact's philosophy and programs consistent with the overall business objectives
- Our "Living Our Values" code of conduct is a necessary condition for career advancement and pay progression at all levels of the Company
- Shareholder advisory vote on approach to executive compensation was introduced and adopted in 2011, with an average 97.5% approval rate since it was adopted
- Please refer to page 75 of the Management Proxy Circular for additional information

### ESG link to executive compensation

- Our CEO and most other senior executives have two specific ESG-related goals as part of their individual/personal objectives under the Short Term Incentive Plan
  - Increase employee engagement
  - Accelerate customer-driven initiatives
- Please refer to page 78 of the Management Proxy Circular for additional information

## Public Accountability Statement

Intact Financial Corporation's 2018 public accountability statement 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 and governments during the fiscal year January 1 to December 31, 2018. 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.
- Canada BrokerLink Inc.
- Intact Farm Insurance Inc.
- Jevco Insurance Company
- Canadian Direct Insurance Inc.
- OneBeacon Insurance Group LLC



Our Vancouver Personal Lines team celebrating the launch of new software to enhance our customer experience

Comments regarding this document may be forwarded to:

**Mandy Dennison**

Director, Corporate Social Responsibility  
Intact Financial Corporation

✉ [mandy.dennison@intact.net](mailto:mandy.dennison@intact.net)

☎ 1 877 341 1464, ext. 45234



**belairdirect.**



## Community involvement and donations

### Our focus areas

In Canada, our social impact priorities are focused on three areas:

- Helping communities adapt to the impacts of climate change
- Addressing root causes of child poverty
- Encouraging the citizenship of Intact Financial Corporation employees

## Canadian workforce

### Number of Canadian employees as of December 31, 2018

Geographic breakdown	Full-time	Part-time	2018	2017	2016
Alberta	1,806	29	<b>1,835</b>	1,891	1,856
British Columbia	650	18	<b>668</b>	714	754
Manitoba	58	3	<b>61</b>	63	68
New Brunswick	68	3	<b>71</b>	74	87
Newfoundland	172	0	<b>172</b>	185	182
Nova Scotia	377	5	<b>382</b>	385	389
Ontario	4,666	57	<b>4,723</b>	4,855	4,886
Quebec	4,077	454	<b>4,531</b>	4,416	4,382
Saskatchewan	0	0	<b>0</b>	0	0
Yukon	0	0	<b>0</b>	0	0
<b>Total</b>	<b>10,246</b>	<b>569</b>	<b>12,443</b>	<b>12,583</b>	<b>12,604</b>

## Debt financing

Intact and its subsidiaries provided 50 new loans amounting to \$91.8 million in debt financing in 2018 to firms in Canada. The information has been consolidated to protect the identity of the individual firms which 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 firms*	1 firm	2 firms	4 firms	9 firms	9 firms	21 firms	4 firms
Total loans	\$20,000	\$121,145	\$640,606	\$3,558,498	\$5,745,689	\$40,234,642	\$41,503,762

\* Includes all Canadian provinces

In 2018, Intact donated \$6.1 million to over 400 organizations across Canada and the United States.

Our employees volunteered over 4,100 hours to over 400 organizations in 2018.

Details about our charitable donations can be found on pages 15–25.

## Economic impact

### Taxes paid by province (in thousands)

	Income taxes 2018	Premium and fire taxes 2018	2018	2017	2016
Federal	39,547		<b>39,547</b>	170,980	(12,223)
Newfoundland	1,686	10,518	<b>12,204</b>	14,404	8,068
Prince Edward Island	19	362	<b>381</b>	522	285
Nova Scotia	827	8,589	<b>9,417</b>	13,183	7,880
New Brunswick	175	3,202	<b>3,378</b>	4,796	3,038
Quebec	8,688	81,861	<b>90,550</b>	116,608	79,042
Ontario	13,115	105,266	<b>118,381</b>	160,823	102,381
Manitoba	127	3,224	<b>3,351</b>	4,269	3,003
Saskatchewan	34	1,002	<b>1,036</b>	1,186	876
Alberta	4,503	58,330	<b>62,834</b>	83,939	53,140
British Columbia	1,041	27,862	<b>29,903</b>	34,199	22,540
Yukon	8	130	<b>138</b>	229	118
Northwest Territories	15	344	<b>360</b>	521	368
Nunavut	3	76	<b>80</b>	120	69
Total provincial	30,246	300,773	<b>331,019</b>	434,804	280,812
<b>Total</b>	<b>69,793</b>	<b>300,773</b>	<b>370,566</b>	<b>605,784</b>	<b>268,589</b>

## Locations

### Intact Financial Corporation

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

### Intact Insurance

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

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

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

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

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

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

**Kelowna** 605 – 1708 Dolphin Avenue, Kelowna, BC V1Y 9S4

**London** 250 York Street, London, ON N6A 6K2

**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

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

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

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

**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

**Sudbury** 1033 Barrydowne Road, Sudbury, ON P3A 5Z9

**St. John's** 5th Floor, 20 Crosbie Place, St. John's, NL A1B 3Y8

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

**Toronto** 64 Fordhouse Blvd, Toronto, ON M8Z 5X7

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

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

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

### belairdirect

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

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

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

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

**Toronto** 105 Gordon Baker Rd., Suite 600, North York, ON M2H 3P8

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

**St-Jérôme** 500 boulevard des Laurentides, St-Jérôme, QC J7Z 4M2

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

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

### BrokerLink

**Calgary** 100 – 4124 9th 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 actions related to climate change, child poverty and climate-related disclosure. 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, 2018.

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