



Building a Resilient Future

As a company founded on a clear purpose – to help people, businesses and society prosper in good times and be resilient in bad times – we are committed to making a positive impact on society.



Donated \$5.7 million across Canada and the United States to **700+ organizations**.



54.1% of **managerial positions** are held by **women**¹.



Engaged over **1.7 million** customers to give us **feedback** through our **customer surveys**.



Launched WoMIN & Allies, an **employee network** designed for, and **led by, visible minority women**.



Donated \$1.34 million to **25** United Way and Centraide organizations nationally — a contribution that was made possible in a direct **match** of our **employees' generosity**.



Announced our **\$2.3-million** investment in **16 climate change adaptation initiatives**.



Named a **Best Employer** in Canada and the U.S. by Kincentric for our strong level of **employee engagement, leadership, performance culture and employment brand**.

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, 2019.

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¹ Proportion of women in 2019 Managerial Positions excludes On Side and FCC's employees, due to the recent acquisitions and the unavailability of data.

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Our purpose, values and core belief



Our purpose is to help people, business and society prosper in good times and be resilient in bad times. We built a business with help in mind – it's why we exist.



Our values guide how we work with customers, employees, shareholders and defines our role in society .



Our core belief is that insurance is about people, not things. This is why we've created a customer-driven approach and set clear expectations for our leaders with our leadership success factors.

Our values

Our values guide our decision making and emphasize our commitment to excel in all aspects of our business. We won't compromise on our values because our values matter as much as our results.

Integrity

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

Respect

- Be kind
- See diversity as a strength
- Be inclusive and collaborate

Customer-driven

- Listen to our customers
- Make it easy, find solutions
- Deliver second-to-none experiences

Excellence

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

Generosity

- Help others
- Protect the environment
- Make our communities more resilient

Our leadership success factors

Live our values | Care for people | Be open and honest | Take accountability | Drive change

Our objectives

Our customers are our advocates

- 3 out of 4 customers are our advocates
- 3 out of 4 customers actively engage with us digitally

Our people are engaged

- Be a best employer
- Be a destination for top talent and experts

Our company is one of the most respected

- Exceed industry ROE by 500 bps
- Grow NOIPS 10% yearly over time



Ten years ago, we created a purpose-driven business focused on helping people, business and society prosper in good times and be resilient in bad times. Helping people drives everything we do and gives meaning to our work.

Along with our purpose, our values have guided our decision making and have been foundational to our company's success. Our values are who we are and who we've always been – integrity, respect, customer-driven, excellence, and generosity.

Generosity is the value that drives our social impact approach and we raise the bar by helping others, protecting the environment and making our communities more resilient. Our environmental, social and governance performance is embedded in our strategy and guided by good governance.

Building a climate resilient society

Climate change is a global challenge that we feel acutely in Canada, which is warming at two times the global average¹. Since the 1970s, each successive decade has been warmer than the last, with 2019 wrapping up the warmest decade on record in Canada².

It is an existential threat to the insurance industry and to society. We deal with the realities of climate change every day with our customers. The science tells us climate change is irreversible and more severe weather is on the horizon. It is imperative that we help society adapt to the impacts of climate change now.

At the Nature Champions Summit last spring, I announced our \$2.3-million investment in climate change adaptation initiatives across the country that are helping to protect Canadians from floods, wildfires and extreme heat. Some of our partners, like Community Forests in New Brunswick, are protecting and restoring old-growth forests to reduce flooding. Other partners, like Sentier Urbain in Quebec, are planting trees and gardens in cities to reduce the effects of urban heat islands. At the Summit, I spoke with Prime Minister Justin Trudeau about the need to classify natural infrastructure as critical infrastructure to protect our communities.

Four years ago, we invested more than \$4 million in the Intact Centre on Climate Adaptation (Intact Centre) at the University of Waterloo. In 2019, they continued to help Canadians find practical solutions to manage the impacts of climate change. They released new recommendations on how to protect homes and commercial buildings from floods, and they worked with the Canadian Standards Association to develop a flood-resilient design standard to protect new communities from floods — a significant milestone. We continue to be a proud partner with the Intact Centre as they help protect society from wildfire, flood and extreme heat.

Adaptation is not something one organization can tackle on its own. I serve as Chairman of The Geneva Association, a leading international think tank representing 74 members of the insurance industry. There, we convene global leaders to examine how the insurance industry can use its strengths in risk management and risk transfer to help manage the impacts of climate change.

Charles Brindamour Chief Executive Officer



¹ Government of Canada, *Canada's Changing Climate Report*, 2019

² Environment and natural resources, *Canada's top 10 weather stories of 2019*,

Climate change is not only a societal risk, it is an economic challenge — it is more important than ever for businesses to factor climate change into their strategy. We saw the impacts of climate change increasing 10 years ago and fully integrated our response within our strategy — managing climate risk is an area where we excel, and we have a proven track record of adapting to changing conditions. Just as important is how we protect and how we restore customers — this is what we are here to do.

We're now turning our attention inward to understand where we can further reduce our impact on the environment, specifically in carbon emissions and waste management. Our employees are strong advocates of reducing our impact and we will have concrete objectives to share with you in 2020.

Addressing the root causes of child poverty

Child poverty is a complex and pervasive problem in Canada. To better help us understand how we are progressing towards our goal to create resilient communities where all children can thrive, we invested in the development of UNICEF Canada's Index of Child and Youth Well-being.

The results of the first Index were alarming: only 55 per cent of children report a high quality of life satisfaction. More than a quarter feel sad or hopeless for long periods of time. One in three have weekly symptoms linked to mental distress. Income and social inequality are at the root of these issues and we can help build a more vibrant future for our children.

We know that helping parents build the right skills to find good-quality jobs is one way to break the cycle of poverty. That is why we invested in Windmill Microlending, a social venture that helps skilled immigrants and refugees get the Canadian credentials they need to work in their field.

Being on the front lines to help families struggling with poverty is important. We have continued our partnership with the United Way and Centraide, supporting programs across Canada that help promote employability, skills building and networking opportunities for parents and programs that improve early childhood development. Our \$1.34-million donation to the United Way and Centraide is thanks to the incredible generosity of our employees across Canada — we match dollar for dollar their donations throughout our 25 United Way and Centraide campaigns nationally.

Our belairdirect team continues their partnership with the Breakfast Club of Canada, where we helped ensure 40 million breakfasts were served to children across the country. Over 130 of our employees were involved in helping kids get a good start to their day and their development.

Empowering employees to help our communities

Our employees live our value of generosity every day. In 2019, they volunteered an impressive 15,570 hours and donated over \$430,000 to the causes that mattered the most to them. We amplified their generosity by matching their donations dollar for dollar and making a donation for each hour they volunteered.

Employees, from our communications, corporate development and finance teams helped the Roméo Dallaire Child Soldiers Initiative incorporate U.K.-based charity Child Soldiers International (CSI)'s advocacy and research programs into their own. Once the merger was complete, more employees from marketing helped redesign the Dallaire Initiative's website to reflect the integration.

Our employees' passion for helping the Dallaire Initiative guided our decision in 2018 to commit \$1 million over five years to help the Dallaire Initiative establish a centre of training and learning in Rwanda. I am pleased to say the centre began working with east African security and peacekeeping forces in 2019, teaching them how to prevent the recruitment and use of child soldiers. They are now working to expand their reach by establishing a centre in Sierra Leone for West African states. I know our employees will continue to rally to support their critical work.

Living our values every day

At Intact, we believe insurance is about people, not things. This was true 10 years ago and will continue to be true for decades to come. In a rapidly changing world, it is critical that businesses fully integrate societal impact — environmental, social and corporate governance — into their business strategy.

Our goal is to be recognized as the best artificial intelligence insurance shop in the world — we are shaping the future of insurance and with that comes the responsibility to shape the future of work. Insurance is a business centered around people and empathy is an important element of our response. We cannot do this without the best talent. We are committing to being transparent in our use of AI and automation and continue to work on a series of workstreams to address the impacts of AI on our business and our people, to ensure we are making a people-focused strategy for AI implementation.

Living our value of respect means seeing diversity as a strength. We value the diversity of our colleagues and their backgrounds, experiences and perspectives. When you bring more voices and perspectives to the table, it changes the dynamic and unlocks greater opportunities. This has been an integral part of our overall success. Across the business, 54% of management positions are held by women, and 36% of positions at the Vice President level and higher are held by women.

As I write this letter reflecting on 2019, I cannot ignore the realities of 2020. In Canada, the United States and around the world, we are coping with the impacts of the COVID-19 pandemic. At Intact, our priority is the well-being and safety of our employees. This is the best way to ensure we are there for our customers, brokers and communities when they need us.

This is a difficult time for everyone, but it serves as a reminder of why Intact exists — to help people. Through it all, our employees have shown tremendous dedication, flexibility and hard work in helping us fulfil our purpose to help people, business and society be resilient in bad times. And we will be here to help them prosper in the good times.

For us, outperformance is not solely focused on financial performance. We are driven to succeed by our beliefs and our purpose, and we are guided by clear values. We take an all-of-business approach to take advantage of our strengths to be able to deliver for shareholders and society. I want to thank our partner organizations for working with us to make a difference, our Board of Directors for their guidance and our employees for living our values every day.



Charles Brindamour
Chief Executive Officer

Strategic roadmap

Feedback and insights from our key stakeholders are essential to our success and an integral part of our strategic roadmap. They help us identify our key environment, social and governance (ESG) issues and give us feedback on our performance.



Customers

We have a customer-oriented culture and we are committed to going beyond expectations and delivering an outstanding experience. Customer advocacy is a cornerstone of our strategy as it helps us understand customers' needs and offer the best solutions to deliver on our promises. We conduct approximately 2 million customer surveys and dialogues. We also support product innovations by investing in research and development, which enables us to offer a wide range of products for individuals and businesses.



Society

We believe in making the communities where we live and work more resilient. We actively engage with communities by supporting non-governmental organizations and encouraging the involvement and generosity of all our employees in their communities. We also engage with communities through the Intact Foundation, which invests to help society adapt to the impacts of climate change, address root causes of child poverty and encourage the generosity of our employees.



Employees

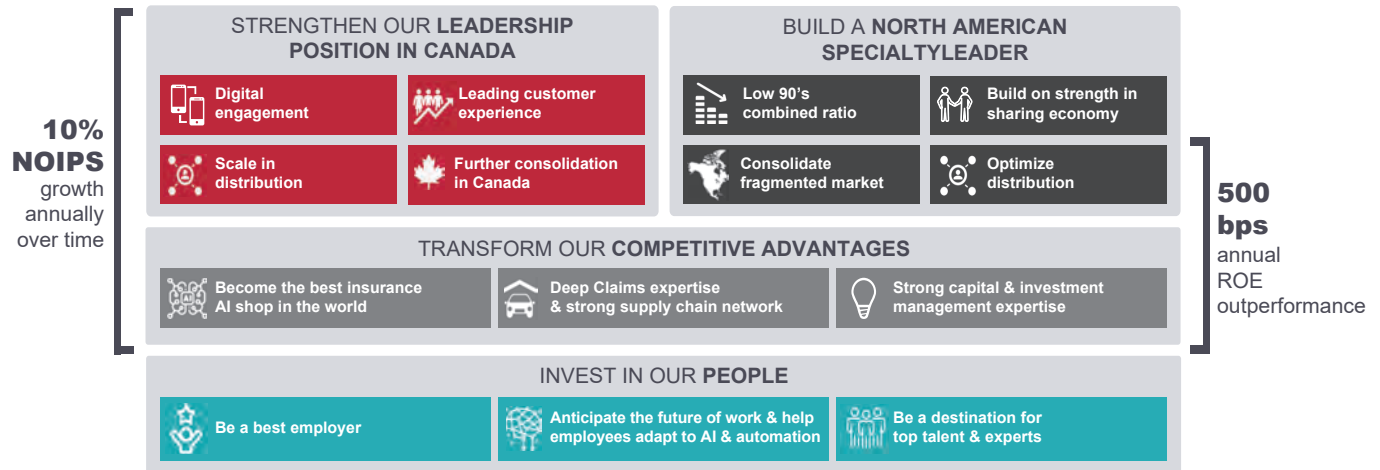
We prioritize creating a workplace where employees feel engaged and can contribute their best every day. We engage with our employees through various means, including employee networks and an annual engagement survey. We provide employees opportunities to discuss priorities and give direct feedback to executive management through roundtable discussions, employee webcasts and through our intranet.



Investors

We welcome interaction with shareholders and believe it is important to have direct, regular and constructive engagement with them to encourage an open dialogue and exchange of ideas. The Board of Directors has adopted a Shareholder Engagement Policy, as well as a shareholder engagement plan that provides opportunities for shareholders to meet directly with the Chair of the Board. We have surveyed select investors on what they believe our key ESG issues to be.

Our strategic roadmap for the next decade



With a clear purpose, values and strategy, ESG performance is naturally integrated into our strategic roadmap. Our key ESG issues are managed within our corporate strategy and accountability for performance lies within the core business operations.

Our key ESG issues can be mapped to several aspects of our corporate strategy and strategic roadmap:

Climate change	✓	✓	✓	✓	✓					✓	✓
Customer experience	✓	✓	✓		✓	✓					
Claims	✓		✓		✓	✓	✓	✓		✓	
Data security & privacy	✓		✓		✓						
Future of work			✓		✓		✓		✓		
Workplace	✓						✓		✓		✓



Employee recognition event in Toronto.

Customers

Being customer driven is one of our core values and is foundational to how we conduct business — we listen to our customers, understand their needs, and deliver on our promises.

We think this is one of the aspects that differentiate us. By building great customer experiences and helping our customers get back on track quickly, we gain their trust. We aim to have 3 out of 4 customers as our advocates, beyond the 2 of 4 of customers who are currently our advocates. In 2020 and beyond, we will continue to listen to customers and enhance the customer experience.

Customer driven policy

We strive to ensure that our customers' experience is second to none. Whether a customer calls, sends an email or uses our apps, we want to ensure that customers can reach us when and how they want. Our employees, brokers and agents are all an essential part of delivering excellent customer service.

Integral to customer service is ensuring our customers are treated with consistency, fairness and transparency.

To support this, we have developed a Customer Driven Policy that applies to all our employees and to every aspect of the customer experience, including:

- Ensuring customers are treated with consistency, fairness and transparency.
- Making sure customers are properly informed to make educated decisions about products before, during and after their purchase.
- Ensuring the products and services available to customers are consistent with our statements.
- Making sure there are procedures in place when customers want to switch products, change to a different company, or file a complaint or claim.

We collect feedback from customers every year through customer surveys. In 2019, we engaged 1.7 million customers.

Insurance simplified

We offer multiple options for customers to buy our products. From full advice-based support through our broker channels, to simplified, online convenience through belairdirect. We want to make our customers' lives easier. That is why we invested in creating intuitive tools that make insurance simpler and more convenient for customers to interact with us. Some of these tools include:

- **Quick Quote.** By answering a few questions online, customers can receive an insurance quote in minutes.
- **Usage Based Insurance (UBI).** Customers can engage with us on their driving behaviours and learn how they can become a safer driver.
- **Client Centre.** Our online portal provides customers with 24/7 access to their insurance policy documents, billing statements and real-time claims information.
- **Intact Insurance and belairdirect apps.** Our mobile apps let customers access and manage their car and home insurance policies, request roadside assistance, access automerit, submit or track their claims and review billing information. In 2019, an additional feature was introduced to give users access to an electronic version of their motor vehicle proof of insurance cards right on their smartphones.

2019 Claims Highlights:

We received over
495K
claims in 2019.



We spent approximately
4.5M hours
on property claims.



Being there when it matters most: claims experience enhancements

We take our obligations to our customers seriously and every claim is important to us. In 2019, nearly 4,000 employees worked across North America on over 495,000 claims from customers.

We are actively working to enhance the customer experience, working to reduce the cycle time for the customer by 50%. Efforts are focused in four areas:

- **Leveraging technology** investments, such as the First Notice of Loss and photo module have simplified the start of a claim to now 10 questions. Utilizing pre-filled data and a step-by-step intuitive flow, including the ability to upload images, helps get customers back on the road sooner, reducing the processing time by up to 15%.
- We have **connected our claims teams** from coast-to-coast to mobilize quickly and ensure service reliability for our customers. With our recent acquisition of On Side Restoration, a home and business restoration company, we aim to provide customers with faster and higher quality outcomes for property claims.
- Our one-stop service centre for auto insurance claims enables us to **monitor repair** services and get customers back on the road up to 40% faster.
- During a disaster, precious belongings and documents can be damaged. On Side's **Contents Restoration** mitigates further damage, takes inventory and assesses what items can be restored, helping our customers get back on track quicker.

Our claims service is at the heart of our commitment to customers. This is backed by the Intact Promise, which states that, outside of a catastrophic event, if a customer does not talk to a representative within 30 minutes of their first call, we will write a cheque for the full amount of the customer's yearly premium up to a maximum of \$1,000. In 2019, we wrote a cheque to seven customers.

Preventing negative impacts: building customer resilience

While we are committed to getting customers back on track quickly after a claim, we are also proactively helping customers and communities be more resilient. We are doing this through:

- Our Intact Insurance & belairdirect mobile apps that provide safe driving tips to our auto customers.
- Ongoing customer education through our various social media channels and the Intact and belairdirect blogs, as well as prevention tips for brokers through the Broker Lobby online platform.
- The Intact Adaptation Action Grants that fund community projects that are building communities' resiliency (for more information, please refer to the Climate change section on [page 20](#)). In addition, the Intact Centre on Climate Adaptation outlines low-cost preventative actions to reduce household flood risk in their report, *Water on the Rise: Protecting Canadian Homes from the Growing Threat of Flooding*.

Investing in innovation

Our venture arm, Intact Ventures, is focused on investing and/or partnering with companies that are redefining the Property & Casualty (P&C) insurance landscape with innovative business models and new technology. We want to ensure that we continue to be a leader in a fast-paced industry to serve the best interests of our customers, as well as our portfolio of companies and partners. Our goal is to connect with companies that are defining:

- The future of transportation.
- How we leverage big data and utilize artificial intelligence.
- How consumers and businesses will choose to purchase insurance in the future.
- The sharing of risks, assets and expertise.

New investments in 2019 include:

- **Acko:** Fully digital insurer offering micro-insurance and motor insurance policies through innovative distribution partnerships.
- **Lunewave:** Next generation low-cost and high-performance automotive radar sensor developer for both advanced driver-assistance systems (ADAS) and autonomous vehicle (AV) applications.
- **TrueMotion:** Mobile telematics platform provider powering 17 global insurers, including 7 of the top 10 U.S. insurers.
- **MSA Capital:** Early-stage venture fund in China, with a focus on mobility, AI/Big Data, consumer internet and genomics.
- **Climacell:** Provides microweather information through its HyperCast platform and other user interfaces and applications to help businesses and individuals make weather-related decisions.

Customer-centric innovation: investing in tech growth

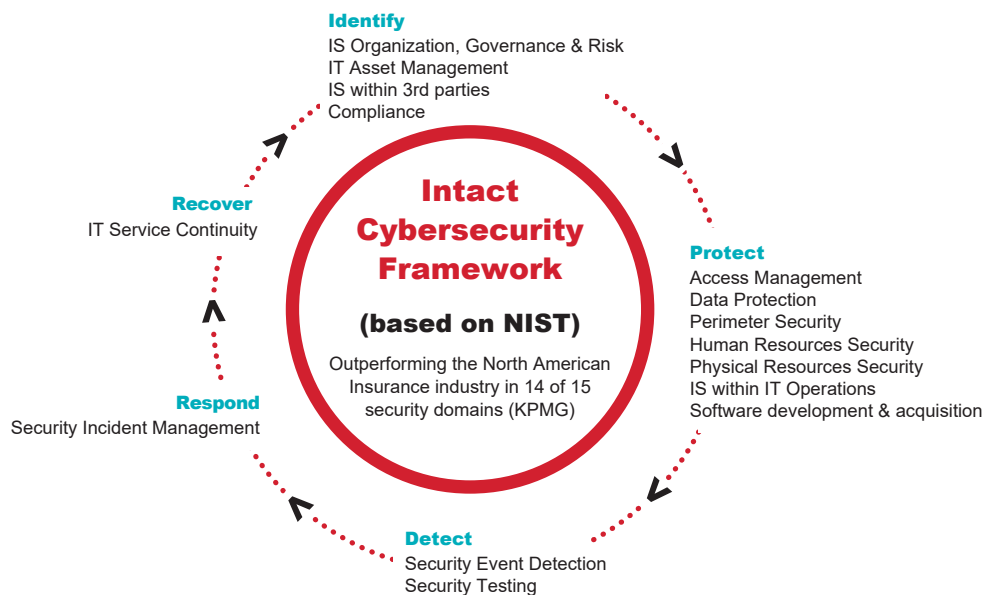
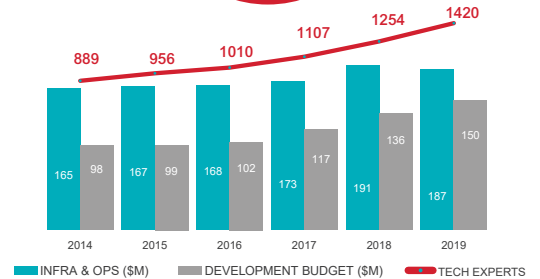
Across our business we have been continuously investing in innovation. We were early adopters in leveraging the explosion of data and artificial intelligence (AI). With over 1,400 technology experts, our data labs in Canada, and a new lab set to open in Hong Kong in 2020, we are better able to use AI and machine learning to enhance customers' experience and our business.

Investment has grown our IT organization by 60% and we have almost doubled our development budget over the past six years.

Data security and privacy

At Intact, we take security and privacy seriously and have dedicated teams to execute our cybersecurity and business continuity plans. We have a robust cybersecurity framework based on the National Institute of Standards and Technology. KPMG, a leading global audit firm, performed an independent review of our cybersecurity posture and we outperform the North American Insurance industry in 14 of 15 security domains.

Over 1,400 experts in technology are delivering value for our customers.



Our cybersecurity approach is based on the National Institute of Standards and Technology (NIST)'s Framework¹, an internationally recognized risk-based approach to managing cybersecurity risk. Our process for managing cybersecurity risk encompasses five dimensions:

- **Identify:** The systems, people, assets, data and capabilities to manage risks.
- **Protect:** Develop and implement safeguards to protect the organization from a potential cybersecurity event.
- **Detect:** Enable the timely discovery of cybersecurity threats.
- **Respond:** Act on a detected incident and contain the potential impact.
- **Recover:** Implement activities to restore services that may have been interrupted and maintain plans for resiliency.

¹ <https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf>

Our security approach has four key aspects:



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



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



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



All data at Intact leaves a signature. We log and keep a trace of activities.

Employee data and security training

Employees are required to complete Infosec, our comprehensive data security training program, which includes 10 mandatory training exercises focused on four themes:

- Social engineering
- Being secure online
- Protecting sensitive information
- Incident reporting

Phishing exercises are conducted on a routine basis to test employee awareness and provide real-time learning. We continuously evolve our training programs to ensure our employees are equipped to protect sensitive data and report suspicious activity.



Intact's marketing team volunteering at the Société de Saint-Vincent de Paul de Montréal.

Customer Data Privacy

Our customers trust us with their data. This is why we have created a Privacy Promise that outlines our responsibilities and rights when it comes to the collection, use and disclosure of personal information. We have also developed a specific product — my Identity™ — to help customers protect their own personal data.

The information we collect depends on the insurance products they apply for and buy, the services they have access to and use, the payment method they use and the way they communicate with us. We collect information in several ways, including:

- **Information they give to us:** We collect personal information when customers inquire about our insurance policies, request a quote, apply for insurance, make a payment or open a claim under their insurance policy. This information includes personal information such as their name, contact information, marital status, driver's license, vehicle or property descriptions, loan or mortgage details and payment or banking information.
- **Information we get from third parties:** We also collect information from third parties as permitted by law. These include insurance agents and brokers, government bodies, consumer reporting agencies, insurance adjusters, home contractors, auto repair shops and other third parties who can provide information about, or services related to, them or their insured vehicle or property. When we do so, we do it with the customer's consent or confirm the third party lawfully collected the information and can share it with us. This information includes personal information such as (but not limited to):
 - Driving record and claims history
 - Credit information
 - Accident reports
 - Witness statements
 - Medical records
- **Calls, online chats, and other communications:** We may record calls, online chats and other communications to ensure quality customer service, confirm our discussions and customer instructions, resolve complaints and train our staff. If customers do not want their communications recorded, customers can let us know by visiting one of our offices, or by writing or emailing us.
- **Cookies, web beacons, and other technologies:** We may use cookies, web beacons and other technologies to identify customers on our website, to gather information about how they use our website and to enable web-based services. Customers can disable the use of these technologies.

Customers may also withdraw their consent to the collection, use and disclosure of personal information, subject to certain limitations. However, if they do so, we may not be able to continue to provide them with our insurance products and services, or our best rate on their insurance policy. They may also withdraw their consent to the collection, use and disclosure of their personal information for marketing practices by contacting our privacy office.



Our cyber security team is recognized for their work to ensure customer data is protected.

Workplace

Our people know they make a difference and that their work matters. They are the ones who help customers get back on track, develop new and innovative products and make it easier for brokers to do business with us. We strive to create an environment where employees are rewarded for the difference they make and that they know how important their work is to the success of the organization.

In 2019¹:



We received **107,959 applications** for **3,430** open positions.



26.7% of **employees were promoted**, moved to new roles, or participated in internal secondments.



67.9% of Manager, Team Lead and Director **positions** were **filled internally**.



18.2% of employees **self-identified** as a member of a **visible minority**².



55% of **managerial positions**³ in Canada were held by **women**.



Our **longest serving employee** has been with IFC for over **47 years**.



The **average age** of our Canadian workforce was **41**.

As a recognized Best Employer in both Canada and the U.S., the Company prides itself on excellent relations with its employees. All our offices are all governed by applicable North American labour standards. We abide by all pay equity and human rights legislation at a federal, state and provincial level.

Employee promise

We stay true to our values, we bring energy and passion to our work and we want our customers to know that what matters to them, matters to us. We also want to build a leading Canadian company that values people as its biggest strength. Our promise to our employees encompasses four areas:

- We will not compromise on our values of integrity and respect because they matter as much as results.
- We will support employees to develop their skills and grow throughout their career.
- We will make sure employees are surrounded by a strong team that will inspire them.
- We will offer a comprehensive financial rewards program that recognizes their success.

¹ Data from 2019 is from Canada only. It does not include Frank Cowan Company and On Side Restoration.

² This number is based on employees' response to our annual employee engagement survey.

³ Managerial positions mean all managerial positions, including Team Leads and higher within the Company.

Future of work

We developed an action plan to address the challenges and opportunities related to the pace of technology change and the future of work, to ensure positive implementation of our acceleration of technology. The action plan, slated for implementation in 2020, focuses on five workstreams:

- **Hiring and recruitment:** Recruiting the right talent with an openness to learn and adapt to changing environments.
- **Retention:** Retaining adaptable talent.
- **Learning-skilling and reskilling:** Developing the skills of our employees who may have a new role in the organization.
- **Pathing:** Providing examples of career paths to enable successful transitions.
- **Systems and workflow redesign:** Identifying the changes needed to our systems and workflows to take advantage of strategy shifts brought on by AI.

Open engagement with management

Our senior leaders are visible, approachable and available. They interact with employees in the cafeteria and lounge, through feedback sessions and during visits to our offices across the country, where they host roundtable sessions and encourage candid dialogue. The company also organizes regular town halls, with regional and department-specific forums for different business units. Some of the ways leadership engages with employees include:

- Quarterly manager webcasts, with rotating hosts of executive panels discussing corporate performance, strategy and employee engagement.
- CEO Charles Brindamour shares *Inter@ction*, a blog to update employees on the company's vision, goals and strategy.
- To mark our 10th anniversary, senior leaders and employees filmed several videos, during which they reflected upon our launch and the inception of our brand and values.
- 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 and educate each other.



Employees celebrate International Day of Pink in Toronto.



Employees volunteer at a food bank in Quebec.



Participating in the Défi Kayak Desgagnés to support Jeunes Musiciens du Monde.

Diversity and inclusion

By living our values, we strive to create an open, inclusive and supportive environment that embraces diversity. At Intact one of our core values is respect, which is founded on seeing diversity as a strength, being inclusive and collaborative. We believe that diverse perspectives foster creativity and open dialogue builds respect and trust. This builds the foundation of our diversity and inclusion journey, aimed at building an inclusive and accessible workplace where everyone can reach their full potential.

The Diversity and Inclusion (D&I) Council is chaired by Louis Gagnon, President of Intact Canadian Operations, and comprised of 14 senior leaders committed to reinforcing the strength of diversity and the importance of inclusion. They meet quarterly to support the implementation of Intact's D&I strategy and agenda. These leaders actively work to create a diverse and inclusive workplace that is respectful of all individuals, at every level of the organization.

To reinforce diversity and inclusion at all levels of the business, we encourage managers to participate in our diversity curriculum. This which includes an in-person, half-day workshop on valuing differences and appreciating similarities, as well as Respect in the Workplace training. Managers also have access to several online learning modules to help them build the best team and minimize implicit biases in recruiting.

Employee networks¹

Our Employee Networks help foster a diverse and inclusive workplace, while supporting employee engagement, career development and networking.

Intact's LGBT & Allies (LGBT&A) Network is a resource for lesbian, gay, bisexual and transgender (LGBT) employees and their allies, helping to create a sense of community and inclusiveness. This employee network helps create an LGBTQ+ inclusive workplace. Over 1,800 employees are part of the LGBT & Allies Network.

2019 highlights include:

- **Launch of the *Trans Inclusion Guide*:** This guide contains information on what it means to transition and how employees can best support an individual on their team who is transitioning. It also supports questioning individuals, and those who have not come out to their manager and/or team about their transition, by ensuring they understand the resources available to them.
- **Expansion of the LGBT&A Network to three new sites:** Vancouver, BC; Winnipeg, MB; and St. John's, NL.
- **Community outreach:** In 2019, partnerships were developed with key community organisations across the country: The 519 in Toronto, Qmunity in Vancouver and Quebec LGBT Chamber of Commerce in Montreal and nationally with Pride at Work.

In 2019, we launched WoMIN & Allies, an employee network designed for, and led by, visible minority women. The goal of the group is to help create an inclusive environment where all employees are equally represented, valued and respected. WoMIN & Allies will provide opportunities to all employees, with a focus on Allies and visible minority women, for professional and career development, personal growth and forming new business relationships.

The Womomentum Network is driven by women and provides opportunities for networking, leadership skills development, and professional and personal development. Womomentum Toronto hosted two events in 2019 where women leaders shared their stories of success, failure, growth and learnings.

¹ Employee networks are available in our Canadian offices.

Employee engagement

Our employee engagement score reached an all-time high in 2019, exceeding the Canadian insurance industry average by 10 points and the U.S. insurance industry average by 17 points. As a result, we have been recognized by many employer awards:

- For the second year in a row, Intact was named one of the 25 top-rated workplaces in Canada by Indeed, the world's largest job search site.
- For the fifth consecutive year, Intact was named Best Employer in Canada by Kincentric. Intact was recognized for our strong level of employee engagement, leadership, performance culture and employment brand.
- For the first time in the U.S., Intact was named a Kincentric Best Employer.
- This year, as a result of being recognized as a Best Employer in Canada and the U.S., Intact also received the North America Region Best Employer certification.
- Intact received the Glassdoor Employee Choice Award as part of the Glassdoor Best Places to Work. This recognition is based on employee feedback.
- Intact landed the No. 20 spot on LinkedIn's Top 25 Companies list.
- For the fifth year in a row, Intact was named a Greater Toronto Top Employer. This recognition is given to employers with head offices in the Greater Toronto region that lead their industries in offering exceptional places to work with progressive and forward-thinking programs.
- Once again, Intact was selected as one of Canada's Top Employers for Young People based on our programs that attract and retain younger workers.



Employees are excited to volunteer with Breakfast Club of Canada.



Benefits

Compensation at Intact is much more than a salary and bonus. We offer a competitive benefits package to our full-time employees with medical and dental, retirement and life insurance benefits. Our benefits package provides resources and tools to ensure the wellbeing of our employees and their families. They are available to permanent employees who work at least 21 hours per week.

Learning & development

A part of our employee promise, we help employees develop their skills and grow their careers at Intact. We offer a range of programs and initiatives focused on personal and professional development:

- Employees can access more than 2,500 training courses through CAMPUS, our national learning management system. We offer a variety of learning formats — in-class, e-Learning and webinars — and more than 650 of the courses focus on soft skills or leadership development.
- A national customer driven learning and development initiative was designed and deployed across the organization to ensure every customer experience is second to none.
- A new Respect in the Workplace e-learning program was launched to ensure all employees understand and know how to apply our new policy.
- Intact enhanced its leadership development programs and introduced **Future Ready – Intact Leadership Journey**, a suite of development programs for all levels of leadership. Intact is proactively preparing our leaders and aspiring leaders to develop new capabilities that prepare our organization for a future that is more dynamic, team-centric, connected and focused on innovation and technology.
- Intact pays the annual membership fees for all accredited professional associations related to an employee's position and for which they meet all membership requirements. Intact also covers registration and licensing fees.
- Intact offers a generous program to support our employees' continuing education efforts through the Education Assistance Policy as well as a Professional Development Bonus program when an employee completes eligible programs.



Employees celebrating our United Way campaign.

Recognition

We take our work seriously, but we also know how to have fun. Employees initiate and organize many events that allow them to connect outside of work and that often include family and friends.

Activities organized by the Intact Corporate Events team throughout the year include:

- Intact Friends & Family Night at Scotiabank Arena, where employees, their family and friends take part in free skating on the Toronto Maple Leafs' ice, shoot hoops on the Raptors' practice court and enjoy games, activities, food and beverages.
- ONTRACK Summer's Back Program, which includes a summer BBQ, Tiki Bar Day with mocktails, Ice Cream Day, quizzes, prizes and team games.
- Regional employee events (e.g., sports events, arts & cultural events).
- Keynote speakers from the business hosted by IFC Connections to provide insights on trends such as blockchain technology, AI and others that employees may be interested in hearing about.
- Wellness Fairs are hosted twice per year.

To celebrate our 10th anniversary, events were held across Canada and the U.S. on Monday, February 25, 2019 with a re-creation of the 2009 cake cutting. A video featuring CEO, Charles Brindamour and Louis Gagnon, President of Intact's Canadian Operations and employees, was shared at each location across North America.

Respecting each other includes valuing and recognizing the contribution of those who go the extra mile for their customers and colleagues.

- Through Intact's Bravo program, employees express their appreciation for a colleague or team that has gone above and beyond to make a difference.
 - The Bravo program has four levels. At the first level, employees are encouraged to select an eCard from our Appreciation Hub to recognize their colleagues for special occasions or to thank them for putting in extra effort.
 - Employees can also nominate their peers for a Bravo (\$50 value) or BravoPlus (\$100 value) award. These awards allow employees to accumulate points that can be used to redeem a gift from the Bravo catalogue, which offers items ranging in value from a pair of movie tickets to an iPad. Recognition nominations can be completed on a desktop computer or smartphone.
 - In 2019, employees received more than 38,000 eCards, Bravo and Bravo Plus awards.

Intact's top recognition award – Bravissimo – is presented to teams that have exemplified our values through a project that has had a significant and lasting impact on the organization. Twenty-four projects and nearly 300 employees were nominated for this prestigious award in 2019, for work done in 2018.

- Bravissimo winners participate in a full-day, off-site leadership day in Toronto, followed by an awards dinner and celebration event. At the Bravissimo awards gala, our CEO presents the winners with a personalized trophy. Each winner also receives 5,000 points (\$500 value), to be redeemed from the Bravo catalogue which offers over 1,000 items to choose from such as a Google Home, gift cards from retailers, or even trips.



Intact employees @ Calgary Pride 2019.



An employee helps families in need at Christmas.



Employees volunteering with Coastal Action to prevent coastal erosion.

Workforce Demographics

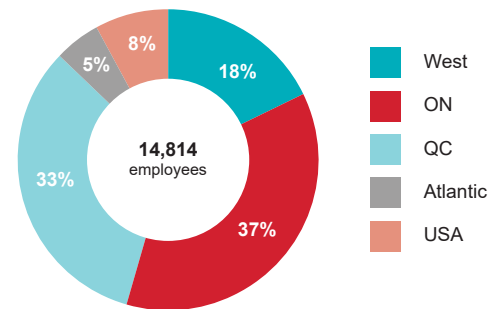
Gender breakdown¹

	2019	2018	2017
Total²			
men	38.1%	35.4%	36.2%
women	61.9%	64.6%	63.8%
Vice Presidents and higher³			
men	64.1%	62.8%	67.3%
women	35.9%	37.2%	32.7%
Managerial Positions⁴			
men	45.9%	45.8%	N/A
women	54.1%	54.2%	N/A
Non-management⁵			
men	36.6%	35.4%	35.0%
women	63.4%	64.6%	65.0%

Voluntary Turnover⁶

	2019	2018
Total	8.7%	8.7%
Men	10.0%	9.5%
Women	8.0%	8.2%
<35 years old	16.4%	15.9%
35-55 years old	6.2%	5.7%
>55 years old	1.6%	1.8%
Less than 2 years of service	20.1%	19.8%
2 years of service or more	5.4%	5.7%

Employees by region



Number of Employees

	FT	PT	Total 2019 ⁷	2018	2017
Alberta	1,861	65	1,926	1,835	1,891
BC	632	17	649	668	714
Manitoba	56	4	60	61	63
New Brunswick	68	1	69	71	74
Nova Scotia	387	20	407	382	385
Newfoundland	228	1	229	172	185
Ontario	5,324	124	5,448	4,723	4,855
Quebec	4,473	429	4,902	4,531	4,416
Saskatchewan	0	0	0	0	0
Yukon	0	0	0	0	0
USA	1,114	10	1,124	1,106	-
Total	14,143	671	14,814	13,549	12,583

¹ All of our 2019 data does not include Frank Cowan Company and On Side Restoration.

² Data from 2017 does not include OneBeacon.

³ Means all Vice presidents and higher positions within the company. 2017 data does include OneBeacon.

⁴ Managerial positions are defined as all managerial level positions, including team leaders and higher positions within the Company. 2017 data is not available.

⁵ This includes Intact Financial Corporation, belairdirect and Brokerlink. It does not include OneBeacon and Frank Cowan.

⁶ Includes Intact Financial Corporation, belairdirect, Brokerlink and OneBeacon.

⁷ Total employees in the 2019 Annual Report was reported as approximately 16,000 employees. This number includes On Side Restoration, a home and business restoration company, IFC partial acquired in 2019. We do not account for On Side in our calculations here.

Climate change

Extreme weather events in Canada have increased by a factor of five over the past 30 years and insured losses due to extreme weather have more than doubled every five to 10 years since the 1980s¹. In 2019, a series of 12 extreme weather events across Canada cost \$1.3 billion in insured damage, the seventh highest on record². And beyond the economic cost, extreme weather events have a significant human cost with natural disasters accounting for 61% of the 28 million people displaced globally in 2018.

Climate change is an existential threat to our society and industry. The realities of climate change are something we manage every day with our customers and our business. We have a duty to help our customers and society adapt to the impacts of climate change, especially floods, wildfires and extreme heat.

Climate risk management

The Task Force on Climate-related Financial Disclosures (TCFD) has been a significant tool in accelerating the need for understanding, mitigation and disclosing climate-related risks and opportunities. We are supportive of the recommendations and in November 2018, joined the United Nations Environment Program Financial Initiative (UNEP FI) TCFD insurance pilot, a working group of 22 global insurance companies to jointly pilot the TCFD recommendations. In this report and in our management discussion and analysis (MD&A), we disclose how climate risks and opportunities are governed and managed at Intact.

Governance

Board oversight

The Board of Directors is responsible for integrating ESG factors of key value or risk, including climate change, into the long-term strategic objectives of the Company. This includes ensuring that all key risk factors, including climate and other key ESG issues, are managed and there is ongoing organizational understanding and ownership of the business impacts.

Climate change risk management is an integral accountability of the Board's Risk Management Committee, which includes monitoring the occurrence and severity of natural disasters that may be affected by climate change.

Management's role

Addressing climate change is ingrained in our values, purpose and strategy and is managed at all levels of the business. Senior management, including our CEO, Charles Brindamour, is a prominent advocate on climate change and is constantly tracking the organization's progress on managing climate-related risks and opportunities. Within our risk group, the Enterprise Risk Management Committee has identified climate change and catastrophe events as a top and emerging risk for our company. The Risk Committee also oversees the development of strategies to manage these risks. More information can be found in our Q4 2019 MD&A, section 14 (climate change).

Strategy

We have a unique understanding of the impacts of climate change and, from our inception, we have anticipated these impacts and embedded our response into our strategy.

Physical risks presented by climate change have already led us to evolve our business — we redesigned our personal property business to account for the increased risks of flood and introduced overland flood protection in 2015. Our actions have been successful, achieving an average combined ratio in property over the past 5 years that is below 90%.

Transitioning to a low carbon economy presents opportunities for insuring new industries and diversifying our underwriting mix. As new green and natural infrastructure initiatives gain prominence, they also help lower carbon emissions and manage severe weather impacts.

Climate change is integrated into our strategic approach and it enables us to protect what matters, restore customers and manage climate risks effectively. A visual depiction of how climate is integrated into our corporate strategy can be found on [page 7](#).

¹ IBC, *A Primer on Severe Weather and Overland Flood Insurance in Canada*, 2019.

² IBC, *Severe Weather Caused \$1.3 Billion in Insured Damages in 2019, 2020*.

Risk management

The Enterprise Risk Management Committee assists in assessing ESG risks facing the Company, including the potential impact of climate change and the increase of natural disasters on the Company's operations and results. Managing climate change risk is an integral accountability of the risk management committee, which includes monitoring the occurrence and severity of natural disasters that may be affected by climate change.

As climate change and catastrophic events are an emerging and top risk, we manage this risk across the organization, by:

- **Improving segmentation** to better enable us to understand where the risks are. We input weather, climate and topographic data into machine learning models to develop risk maps to assess the risk of North Americans to weather perils such as heavy rain, hail and wildfire.
- **Evolving our pricing** to reflect the scope of risks related to climate change. We have implemented rate changes in our property business to reflect recent trends in catastrophes and severe weather.
- **Reinsuring** certain risks to limit our losses in the event of catastrophic events or other significant weather-related losses.
- **Actively investing** in applied research at the Intact Centre at the University of Waterloo to establish best practices and practical, cost-effective solutions to help homeowners, communities, governments and businesses identify and reduce the impacts of extreme weather and climate change — including flood, fire, and extreme heat.
- **Further diversifying** our insurance portfolio by increasing the contribution of specialty solutions and decreasing our exposure to weather events relative to our capital base. As we pursue our growth strategy, we will continue to evaluate the strategic fit of potential acquisitions including the impact on our business mix.
- **Investing in our supply chain** to avoid capacity shortages in the event of a catastrophe. The demand on our property supply chain is growing as our communities experience more frequent weather events. We capitalized on this by acquiring On Side Restoration, the largest restoration operation in Canada. This enables us to enhance the customer experience by making the claims process faster, simpler and delivers high quality results.
- **Educating society** on easy to implement actions and the resulting benefits of adapting to the impacts of climate change.
- **Building more climate-resilient communities** through our funding of climate change adaptation projects across Canada. More information on these projects can be found in the Intact Adaptation Action Grant Partners section.

More information on how we manage climate risk can be found in our MD&A, Q4 2019 MD&A, section 14 (climate change).

Metrics

The key metrics that Intact uses to assess and manage our climate impact includes:

- Emission intensity on a per unit revenue basis (tCO₂e/DPW), per full-time equivalent employee basis (tCO₂e/FTE) and per 1,000 sq. ft. of office space
- GHG Emissions – Scope 1,2 and 3; and
- Energy consumption

Since 2009, Intact's emissions intensity have continuously decreased. Intact expects its emissions intensity to continue to decrease.

A majority of our Scope 1 and 2 emissions are related to energy usage in our offices. Much of our office space is leased and is managed by third party property managers and business owners. As a result, our direct control is limited. We will continue to work to reduce our emissions. More information can be found in our 2019 Climate Change response to Carbon Disclosure Project (CDP).

Carbon emissions

Total energy consumption

	2019	2018 ¹	2017
Total MWh	102,300	109,544	83,066
Electricity	69,233	75,200	48,218
Natural gas and fuel oil	16,494	18,204	17,809
Gasoline, diesel, etc.	16,573	16,141	17,038
Total GHG Emissions (tonnes of CO2 equivalent)	14,263	15,032	15,416
Direct (Scope 1)	7,211	7,415	7,385
Indirect (Scope 2)	4,002	4,884	6,227
Other (Scope 3)	3,050	2,733	1,804
GHG intensity			
Per million of Direct Written Premiums	1.10	1.27	1.56
Per Full Time Equivalent Employee	0.76	1.08	1.08
Per 1000 sq. ft of Office Space	4.50	5.29	5.29

¹ Data for 2018 has been recalculated from our 2018 Social Impact Report to incorporate data from our U.S. operations

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.

Corporate Operations

IFC is taking initiatives to reduce the footprint of our corporate operations including:

- In our Saint-Hyacinthe office, we've reduced our energy consumption by 15% by switching our lighting to LED and upgrade our boilers. Nine electric chargers for electric or hybrid vehicles are available on site.
- 79,000 lbs of electronic waste diverted from landfill in 2019 via our partner TechReset — a 14% increase from 2018.
 - 6,382 pieces of equipment repurposed, including laptops, desktops, servers and peripherals.
 - 72% of repurposed equipment went to emerging markets including India, China and Pakistan.
 - 28% went to reBOOT Canada programs, which help connect technology to communities that are in need, including:
 - **reLAY** – provides free 24/7 Wi-Fi access in various locations throughout Toronto.
 - **reSTART gets you back on track** – provides refurbished workstations to eligible applicants, subsidized in part by TechReset and corporate donations.
 - **Youth Tool Kit** – provides laptops to low income resides and teaches students in challenging neighbourhoods basic IT skills.

Customers can now opt to receive 100% of their policy documents digitally through the Intact Insurance and belairdirect apps and Client Centre, removing paper waste from the policy process.

The Intact Foundation and Climate Change

We strive to create an environment where our employees live our values every day. Our values have guided our decision-making and have been foundational to our company's success — helping people drives everything we do. In our generosity value, we challenge ourselves to raise the bar by helping others, protecting the environment and making our communities more resilient. Our commitment to generosity also serves as the mandate of the Intact Foundation, which has a mandate to invest in organizations that are committed to helping society be resilient to the impacts of climate change.

Floods

Average rainfall across southern Canada has increased by 18% over the past 100 years¹, making flood the costliest and most frequent natural disaster in Canada². Today, one-in-five Canadians are at risk of flooding³.

Over the last 10 years, personal property claims for water losses have doubled, making up about 40% of losses⁴ and are now the leading cause of personal property claims⁵. Beyond the financial burden, floods take an emotional toll on Canadians. The Intact Centre on Climate Adaptation found the average household misses seven days of work following a flooded basement and, three years later, half of homeowners remain highly stressed when major storms hit⁶.

In 2019, the Intact Centre made significant contributions to Canada's ability to adapt to floods with two new reports:

- [*Ahead of the Storm: Developing Flood-Resilient Guidance for Canada's Commercial Real Estate*](#)
- [*Water on the Rise: Protecting Canadian Homes from the Growing Threat of Flooding*](#)

Their research on designing flood-resilient communities helped inform the new National Standard of Canada "CSA W204 Flood Resilient Design of New Residential Communities", and their research is being used to create a climate-resilient curriculum for home inspector and insurance broker training.

Nine of Intact's Adaptation Action partners are also helping to protect Canadians from the risk of flooding. Many are using natural infrastructure — such as restoring wetlands in Ontario and Quebec, preserving ancient forests in New Brunswick, and restoring riverine and coastal shorelines in Quebec and Nova Scotia — to reduce flooding. One is examining the feasibility of daylighting ancient rivers in Montreal while another is ensuring residents in Calgary have rain barrels.

Collectively, these projects are helping to protect Canadians across the country, at home and at work, from the impacts of floods.



The Intact Centre on Climate Adaptation helps homeowners assess their homes for flood risk.

¹ Observed Trends in Canada's Climate and Influence of Low-Frequency Variability Modes, Vincent et al., June 1, 2015.

² Office of the Parliamentary Budget Officer, "Estimate of the Average Annual Cost for Disaster Financial Assistance Arrangements due to Weather Events," February 2016.

³ IBC commissioned analysis of fluvial and pluvial residential flood risk for Canada based on 2015 residential housing stock excluding apartment buildings and condominiums.

⁴ Intact Financial Corporation Internal Data.

⁵ The Financial Management of Flood Risk, IBC, 2015.

⁶ ICCA, After the Flood: The impact of climate change on mental health and lost time from work, 2018

Case study: natural infrastructure holds the key to adaptation

In April 2019, heavy rains and snowmelt led to major flooding in Ontario, Quebec and New Brunswick. The floods cost close to \$208 million in insured damage¹.

Farmers upstream of Ottawa are taking steps to help protect communities from those kinds of intense floods. About 60 years ago, much of the farm land was tile-drained — a network of drainage pipes below the surface that drains excess water to a nearby ditch.

“So when there is heavy rain or quick snowmelt, all that water gets pumped into the ditches at the same time. There’s an instant rise in the streams and rivers, and there’s a snowball effect as you get further downstream and you see that dramatic spring flooding,” said Kurt MacSweyn, who grows corn, hops and soy on his farm near the Rigaud River east of Ottawa.

To help reduce flooding downstream, Kurt has planted trees, shrubs and flowering plants on 30 acres of his land along the river. This creates a buffer zone, reducing water flow from his farmland into the river. It also filters the water, ensuring cleaner water ends up in the river.

Nature can be our best friend in lowering the risk of flooding. The Intact Centre and the Insurance Bureau of Canada found wetlands can reduce flood damages by 40%².

Kurt is part of an ALUS Canada program that pays farmers and ranchers to use parts of their land in alternative ways – such as by planting trees, restoring wetlands and building water retention ponds – to reduce flooding in downstream communities. Intact has partnered with ALUS Canada to fund projects around Ottawa, Calgary and Brandon, Manitoba. So far, our investment has funded eight farmers and ranchers, helping to create natural infrastructure projects on 217 acres of land.

Wildfires

While the overall fire season in Canada in 2019 was quieter than the two previous years, Alberta was a notable exception. The number of fires in 2019 was on par with 2018 and they consumed 14 times more area, making it the second worst season on record³. In fact, most communities threatened by wildfires are in regions whose burn areas are projected to increase by 50% to 200% due to climate change⁴.

The cost of wildfires is devastating. Back-to-back, record-breaking fire seasons destroyed more than 600 buildings and forced more than 70,000 British Columbians to evacuate their homes in 2017 and 2018. In 2016, the Fort McMurray wildfires in northern Alberta forced the evacuation of nearly 90,000 people, destroyed thousands of homes and buildings, and cost our economy close to \$10 billion⁵.

But the impact of wildfires goes beyond fire damage. Wildfire smoke can travel far and cause health issues for the very young, the very old and those with pre-existing health conditions. And the fires fuel climate change, releasing carbon dioxide into the atmosphere as vegetation burns, increasing the risk of future wildfires.



A farmer talks about the ALUS program in Ontario.



A farm in Ontario is helping protect communities from flooding.



A UBC research assistant collects samples in a forest recovering from wildfire.

¹ IBC, *Eastern Canada Spring Flooding Caused Close to \$208 million in Insured Damage*, July 2019

² IBC, ICCA and IISD, *Combating Canada’s Rising Flood Costs: Natural infrastructure is an underutilized option*, 2018

³ Environment and natural resources, *Canada’s top 10 weather stories of 2019*, December 2019

⁴ Canadian wildfire strategy: a 10-year review, Canadian Council of Forest Ministers, 2017

⁵ Rapid Impact Assessment of Fort McMurray Fire, Alarm et al

Our partnerships with academia and non governmental organizations (NGOs) are protecting Canadians from fires by using artificial intelligence to predict when and where fires are likely to occur; developing post-fire strategies to prevent future fires; and creating a risk-assessment to help homeowners take measures to protect their homes. Together, they are helping protect the 11 million Canadians who are at risk from wildfire because they live in areas close to wildland vegetation¹.

Case study: getting smart about fire protection

We know first-hand the financial and emotional toll a fire can have on people — we see it through our customers. That is why we partnered with FireSmart Canada to grow the FireSmart Home Partners program, which helps homeowners reduce their risk of wildfire.

“Managing wildfire requires balancing its natural role with the protection of human life, property and economic value. This demands a comprehensive risk management approach that includes mitigation, preparedness, response and recovery,” says Laura Stewart, President of FireSmart Canada.

FireSmart-trained firefighters begin with the house and work outwards to identify potential fuel for fires. This includes everything from building materials to patio furniture, and where woodpiles are kept.

Intact’s support allowed FireSmart to create an online course for the theory portion of the training, reducing the in-person training to just one day. This led to a five-fold increase in FireSmart-trained firefighters in Alberta, which means more homes can be assessed, empowering more homeowners to take simple steps to protect themselves from wildfire.

Since the Home Partners Program launched in 2016, more than 1,100 homes have been assessed in Alberta, and the program is expanding to British Columbia, Saskatchewan and Manitoba. The Intact Centre has also partnered with FireSmart to develop a checklist for developers and homebuilders that are developing new homes and communities in areas at-risk of wildfire to ensure homes are built right from the start.

Extreme heat

Canada’s summers are getting hotter. By 2050, Environment Canada predicts a four-fold increase in the number of days in southern Canada that are will be hotter than 30°C² – for Torontonians, that means 65 days over 30°C.³ This warming trend will have profound repercussions on Canadians’ health, especially for people living in cities.

Prolonged exposure to extreme heat can lead to heat cramps, exhaustion, heat stroke and even death. The most at risk are vulnerable populations such as the elderly, the young, pregnant women and the homeless.⁴ We saw the deadly effects in 2018 when more than 90 people died in Quebec during a heat wave in July.

In cities, where natural vegetation is removed to make way for roads, buildings and parking lots, summer heat can be trapped and amplified. This leads to the average temperature in the city being 1 to 3°C warmer than the surrounding areas.⁵ This is known as an urban heat island effect.



Firefighters trained in FireSmart help a homeowner in Alberta assess his risk of wildfire.



Wildfires in B.C. destroyed trees near Pressey Lake.



UBC researchers learn how to collect samples from fire-scarred trees.

¹ Peter, Brian, Wang, Sen, Mogus, Tony and Wilson, Bill. *Fire Risk and Population Trends in Canada’s Wildland–Urban Interface*. 33-44. 2006.

² Health Canada. *Human Health in a Changing Climate: A Canadian Assessment of Vulnerabilities and Adaptive Capacity*. 2008.

³ Toronto Environment Office. *Toronto’s Future Weather and Climate Driver Study: Outcomes Report*. 2012.

⁴ IBID

⁵ Health Canada. *Human Health in a Changing Climate: A Canadian Assessment of Vulnerabilities and Adaptive Capacity*. 2008.

Natural infrastructure can be used to reduce urban heat islands and help cool cities. Initiatives can include urban tree planting, green roofs, and restoring wetlands, rivers and ponds. Our Intact Adaptation Action partners in Quebec are mapping heat islands in several cities to find high-risk areas, reducing heat islands through tree planting and other greening initiatives and creating urban gardens.

Case study: how greening our cities can save lives

Victoriaville, Québec, is recognized as the birthplace of sustainable development. But the Pierre-Laporte parking lot in the city's centre lacked any greenery, and the large amount of asphalt was trapping and amplifying heat in the summer — creating a potentially deadly urban heat island.

Nature Quebec saw the Pierre-Laporte parking lot as the perfect opportunity to show the value of green infrastructure in helping reduce the effects of urban heat islands. Through its program *Milieux de vie en santé*, the environmental charity is working with the city and other stakeholders to install permeable pavement, mature trees, a rain garden and other vegetated spaces that will cool the area while filtering water and improving air quality. The project will be completed in 2020.

Intact has partnered with Nature Quebec, and its program *Milieux de vie en santé* (Healthy Living Space), to support their work with the cities of Victoriaville, Sherbrooke and Trois-Rivières. They're identifying neighbourhoods where people are the most vulnerable to the effects of urban heat islands and implementing greening projects to protect residents from extreme heat.

Other projects include transforming a school parking lot and a community centre by planting trees and vegetable gardens, as well as installing a green wall and a green roof. In addition to helping cool urban neighbourhoods, these projects create communal spaces where people can gather and connect with nature in cities.



Nature Quebec's concept to turn a school parking lot in Trois-Rivières into a green oasis to reduce urban heat islands.



Volunteers take part in Coastal Action's community planting day to help prevent coastal erosion in Nova Scotia.



Volunteers help our climate change partner Coastal Action protect communities from flooding.

Case study: encouraging the next generation to find innovative solutions to climate adaptation

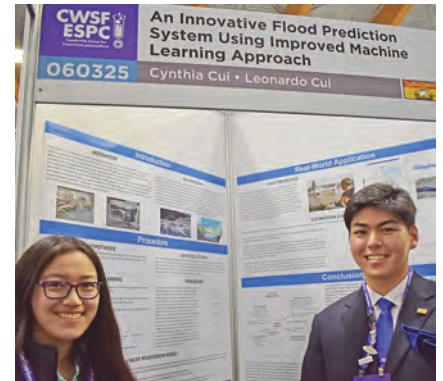
We partner with the **Canada-Wide Science Fair**, giving \$100,000 annually to encourage young scientists across Canada to develop practical solutions to manage the effects of climate change — now and in the future.

Flooding along the Saint John River has become the new normal. Historic back-to-back spring floods in Fredericton, New Brunswick, caused millions of dollars in damage in 2018 and 2019. Teenage siblings Leo and Cynthia Cui wanted to find a way to reduce the impact of floods on their hometown.

Using local climate data and past flooding data, they created a machine-learning algorithm to predict flooding. “Our model can accurately predict 63% of flooding,” said Leo. “We compared our predictions to the professionals’ predictions, and we were more accurate than them 74% of the time.”

At Intact, we value this kind of critical thinking and innovation, which is why we sponsor the **Intact Climate Change Resilience Award at the Canada-Wide Science Fair**. Judges at the 2019 fair, held in Fredericton, were amazed by the model’s accuracy and awarded the pair the senior prize.

The fair celebrates the brightest young scientific minds in Canada. Our award recognizes students who present a real-world solution that helps Canadians predict, prevent, manage or minimize the impacts of severe weather like flooding, fires, coastal erosion and hail storms. By making scientific research and discovery a priority, we believe we can better prepare ourselves for what is to come and help protect Canadians from natural disasters. For Leo and Cynthia, the fair was just the beginning. They plan to keep refining their model, incorporating more variables and advanced machine learning techniques to improve the accuracy of their model.



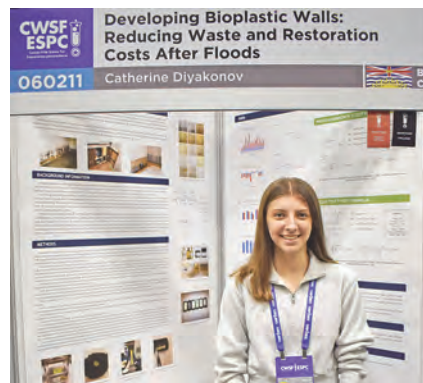
Cynthia and Leo Cui present their Intact Award-winning project at the Canada-Wide Science Fair in Fredericton.



The Canada-Wide Science Fair welcomes the brightest student scientists in Grades 7 to 12.



A student presents his project on automating the detection and probability of wildfires.



A student explains her science project to visitors at the Canada-Wide Science Fair.



An employee helps a student at the Canada-Wide Science Fair in Fredericton.

Intact Adaptation Action Grant partners

Through the Intact Adaptation Action Grants, we support charities that are helping protect Canadians from the impacts of climate change. In 2019, we announced our \$2.3-million investment in 16 climate change adaptation initiatives.



NATIONAL

ALUS Canada

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

Grant: \$248,840

Description: ALUS Canada implements natural infrastructure projects on marginal or inefficient-to-farm agricultural lands, to reduce the risk of floods in Calgary, Ottawa and Brandon, Manitoba.

Outcomes to date:

- 217 acres of land restored as natural infrastructure projects
- 8 farmers and ranchers newly enrolled in ALUS program
- 3 new ALUS community programs surrounding the city of Calgary



Nature Conservancy of Canada

Project name: Protecting and restoring wetlands

Grant: \$155,000

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

Outcomes to date:

- 4 new wetlands created (5 acres total)
- 60 acres of native habitat restored to reduce floods and non-point pollution



Green Learning Canada Foundation

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

Grant: \$144,000

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

Results to date:

- 400 youth participated in a beta version of the flood education program
- 80 teachers and about 2,000 students have registered for the 2019-2020 flood education program



FireSmart Canada

Project name: FireSmart Home Partners

Grant: \$125,000

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

Results to date:

- Creation of an online FireSmart Home Partners Program training course for firefighters, allowing 500 firefighters instead of 100 to be trained in one year
- Work is underway to expand the program from Alberta to British Columbia, Saskatchewan and Manitoba
- Creation of an initial assessment tool that summer students at fire stations in Wood Buffalo and Fort McMurray used to complete 350 initial assessments



BRITISH COLUMBIA

University of British Columbia

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

Grant: \$250,000

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



ALBERTA

University of Alberta

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

Grant: \$250,000

Description: Developing a computer program that recognizes large scale atmospheric patterns associated with extreme fire weather using AI.

Results to date:

- Identified Convolutional Neural Networks (CNN), a deep learning approach commonly used for image analysis, as the AI/machine learning model to predict extreme fire weather.
- Preliminary data collection and CNN modelling



Green Calgary

Project name: Flood prevention through rainwater harvesting

Grant: \$40,000

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

Results to date:

- 2,000 Calgary homeowners bought rain barrels for 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



QUEBEC

WWF-Canada

Project name: Bleu Montreal

Grant: \$100,000

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

Results to date

- Successfully completed a feasibility study of three pilot projects in three Montreal boroughs



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

Project name: Reducing heat islands of downtown Gatineau

Grant: \$100,000

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

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

Grant: \$163,132

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

Project name: Healthy Living Space

Grant: \$150,000

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:

- Collaborated with the City of Sherbrooke to develop a multi-functional greenspace in the Saint-Élie neighbourhood
- Collaborated with the City of Victoriaville to convert a parking lot into a green parking lot
- In the City of Trois-Rivières, projects include greening the outdoor space of a community centre and depaving a school yard



Sentier Urbain

Project name: The Garden Circuit

Grant: \$95,772

Description: Restore green areas by creating urban gardens, improving water management, increasing the levels of oxygen and reducing CO₂ emissions in the sector.

Results to date:

- Three new gardens were created in the Montreal area
- 54 new trees and 786 plants were planted
- More than 270 workshops were delivered to raise awareness on the importance of greening initiatives to reduce urban heat islands



NOVA SCOTIA

Coastal Action

Project name: Green Streets stormwater project

Grant: \$150,000

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 about 1,000 native plants
- Diverted more than 1,000 m3 of stormwater runoff annually and removed more than 500 kg of contaminants
- Engaged more than 600 people in stormwater management workshops, presentations and community planting days



NEW BRUNSWICK

Community Forests International

Project name: Forest Infrastructure Adaptation Project

Grant: \$100,000

Description: A natural infrastructure adaptation approach for flood-risk reduction in New Brunswick.

Results to date:

- Saved 350 acres of endangered forest in one of New Brunswick's most flood-prone regions
- Developing training videos to guide forest managers towards planting more climate change-resilient trees in the Acadian Forest



Volunteers help plant a bioswale to protect the town of Shelburne, N.S., from floods.

Community

A key aspect of our purpose is to help people and society be resilient in bad times — it is what we are here to do. A focus on resiliency led us to use our strengths as a leading property & casualty insurer to address the root causes of poverty. We have built a portfolio of partnerships to help address the complexities of this pervasive issue in Canada, focused on three areas — activating local solutions, measurement frameworks and access to opportunity.

Activating local solutions

Each year, Intact partners with the United Way to run a campaign across Canada to raise funds that will make a tangible difference to the children and families struggling with this challenging issue.

In 2019, we announced a donation of \$1.34 million from the Intact Foundation to the United Way/Centraide – a contribution that was made possible in a direct match of our employees' incredible generosity during the 2019 fall campaign.

Working directly with our 25 United Way and Centraide partners across Canada, the Intact Foundation continued to focus its efforts to make a tangible difference in addressing the root causes of child poverty by investing in two key areas: early childhood learning and parenting solutions and employment and financial security.

Early childhood learning and parenting (0 to 6 years old)

To help address the root cause of child poverty, we have invested in projects that are focused on improving children's behaviour, learning and long-term health during one of the most critical times in a child's development – pre and post-natal care. As part of this focus, projects are designed to promote social interaction and learning opportunities for children.

United Way of Alberta Capital Region

The Connect Society — Child & Family Services project (\$20,075)

- A multi-program and comprehensive collective of integrated services specifically designed to mediate the foundational developmental challenges experienced by children and families impacted by deafness in early childhood years.

The United Way of Lower Mainland

Ray-Cam Cooperative Centre — Avenues of Change 'Our Place' project (\$22,170)

- A place-based collaboration of local organizations, residents, businesses, schools and community centres to improve outcomes for residents and increase community well-being in the inner city of Vancouver.

The DIVERSEcity Community Resources Society — First Steps Early Years Refugee & Employment project (\$22,170)

- 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 receiving employment support.

United Way of Calgary

EvenStart Foundation — Family Support Program (\$30,591)

- The program works with families to strengthen their parenting skills, teach behavioral management skills, pursue educational and therapeutic goals in the home, provide support to help the family stabilize, and help families connect with community resources.

United Way of Halifax

Home of the Guardian Angel (\$25,000)

- 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.

Greater Toronto Area and Peel Region United Way

The East Scarborough Boys and Girls Club — Early Years Program project (\$120,000)

- The program 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 (\$202,000)

- A 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 Elgin Middlesex (London, ON)

Merrymount’s Mutual Aid Parenting Program (\$26,930)

- The program provides free, positive parenting skills workshops, practical resources and peer support for parents of infants and toddlers with a focus on mental health.

United Way of Ottawa

The Saint Mary’s Home — Success for Children of Teen Parents Program (\$20,279)

- 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 (prenatal to age 3 years), with early intervention and support.

Youville Centre — Attachment-Based Parenting Program (\$20,279)

- The program focuses on fostering healthy attachment relationships by engaging mother and child in play and music-based interactions, supporting healthy infant brain development.

Pinecrest-Queensway Community Health Centre — School’s Cool project (\$20,279)

- A 6-week outcome-oriented program for children between three and five years of age, run by six childcare centres across Ottawa. This program uses a play-based curriculum to enhance children’s skills in four areas: language, reasoning, socialization and self-help.

“Poverty is a complex issue. With United Way’s expertise and our employees’ passion to make a difference, we are working to empower organizations to find ways to help children and their families,” says Louis Gagnon, President of Intact’s Canadian Operations.

Employment and financial security

Our investments are focused on promoting employability, skills building and networking opportunities for populations that face significant barriers to the workplace.

United Way of Alberta Capital Region

The Empower U project (\$20,075)

- For the second year in a row, we are supporting this project, which combines financial literacy programs with a 1:2 matched savings component. For every dollar saved by group participants, the project generates two dollars in matched contributions.

Greater Toronto Area and Peel Region United Way

Woodgreen Community Services — Homeward Bound project (\$183,856)

- A 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 afterschool programs for their children.

Access Employment — Construction Trades Program (\$86,000)

- A comprehensive 13-week program that each year helps 130-150 low-skilled newcomers obtain employment in the construction sector. The program was developed to assist Syrian refugees and has been expanded to assist all newcomers. The program offers language and essential skills training, industry-recognized certifications, pre-apprenticeship preparation, as well as employment counselling, job development and coaching supports.

United Way of Durham

John Howard Society Active Parenting & Dads Program (\$29,158)

- The program is focused on strengthening parents' relationships with their children, and identifying and building support networks, as well as helping parents develop their parenting skills and improve strategies to cope with stress, especially during transitional times.

Centraide du Grand Montreal / Quebec et Chaudière-Appalache / Richelieu-Yamaska (\$400,000)

- Funding allocated to over 400 programs across the province targeting youth success, food security and housing.



Getting into the Halloween spirit with local students and the United Way.

Breakfast Clubs of Canada

belairdirect partners with the Breakfast Clubs of Canada to help children get a good start to their day. In the second year of this partnership, the Breakfast Clubs served over 25,000 children and engaged over 130 employees nationally through the Adopt-a-Club Program.

- To complement this support, belairdirect launched a self-service sign-up initiative with its customers resulting in a \$115,000 donation in addition to the \$1.5M initially donated.
 - From April 1 to November 30, for every new belairdirect app login, belairdirect donated a breakfast to a child.
- Breakfast Clubs of Canada have initiated an in-depth study on the social impact of its work in Canada. This study, sponsored by belairdirect, consists of an extensive three-year process in order to create a master plan that meets the nutritional needs of at-risk children in schools and ensures the same quality of service is delivered across Canada to help fight the risk that more than 1 million students face of starting their day hungry.



Students get a healthy start to their day thanks to belairdirect's partnership with Breakfast Clubs of Canada.

“The objective is to increase the adoption of our mobile app among clients and reinforce our partnership with the Breakfast Clubs of Canada,” says Anne Fortin, Senior Vice President Direct Distribution and Chief Marketing Officer.



Employees celebrating our United Way campaign



Making healthy breakfast smoothies for the Breakfast Club in Vancouver.



One of our Quebec teams volunteering with the Breakfast Clubs of Canada.

A national framework to address child poverty

UNICEF Canada – One Youth / Canadian Index of Child and Youth Well-being

Intact is the founding corporate partner of One Youth / Canadian Index of Child and Youth Well-being. UNICEF Canada achieved a significant milestone with the launch of the Canadian Index of Child and Youth Well-being, the first baseline report that portrays a landscape of how children are doing in Canada.

The Index measures 125 indicators of the lives of children and youth across nine dimensions: happiness and respect, belonging, security, participation, freedom to play, protection, learning, health and connection to the environment.

Some of the key findings of the index include:



1 in 4 young people sometimes go to bed or school **hungry**.



More than **1/3** of young people experience **discrimination**.



27% of young people are often **bullied** and **28%** get into **fights**.



43% of young people feel **supported by teachers** and merely **3%** feel **comfortable being themselves** at school.



23% say they never or **hardly ever meet their friends** outside of school.



81% **meet** or exceed **international achievement** standards at school.



17% feel **time pressure** and **1/4** say they are **overwhelmed** with schoolwork.



21% of **kids** aged 5 to 11 engage in at least **1.5 hours of play** or unstructured activity a day.

“Child poverty is one of the most pressing issues affecting Canada,” said Monika Federau, Senior Vice President and Chief Strategy Officer at Intact Financial & Board Member, UNICEF Canada. “The Canadian Index of Child and Youth Well-being gives us a framework to truly understand how we’re progressing towards our goal and what still needs to be done to create resilient communities where all children can thrive.”

Employee engagement with UNICEF Canada

- **Employees participated in Change Summits:** Call-to-action events that explore issues that affect the well-being of children and youth in communities across Canada in a collaborative way using a human centred design approach.
- **Skills-based volunteering:** Four members of our Data Lab lent their time and skills to support the development of the Index through a skill-based volunteering project.

Access to opportunity

Social venture investment in Windmill Microlending

In 2019, Intact invested \$200,000 in Windmill Microlending a charity that provides low-interest micro-loans of up to \$15,000 so clients can get the Canadian credentials they need to work in their field.

This is the first of Intact's social ventures – a new way for us to use our generosity to target the root causes of child poverty. Instead of a traditional donation, the \$200,000 investment is a loan the charity will repay over five years with two-per-cent interest that we will reinvest in other social ventures.

Why did we choose Windmill Microlending? Many skilled immigrants and refugees are under-employed. We invested in Windmill because it helps keep children out of poverty by helping parents gain stable employment, which leads to stable housing, food and education for children.

Along with the investment came the opportunity for employees to participate as mentors in Windmill's Mentorship Program. The mentorship program is one of the services Windmill Microlending provides skilled immigrants and refugees – many of whom are healthcare professionals, engineers, lawyers and IT professionals – to help them restart their careers in Canada.

Employee generosity

Employee community impact program

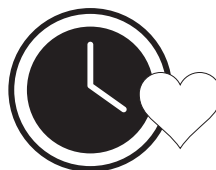
Encouraging the generosity of our employees is one of the key components of our social impact approach. We reassessed our employee community programs in 2019, re-introducing our employee giving program as the new Community Impact Program in May 2019.

Employees support our value of generosity through a combination of time and/or donations – Intact matches their donations dollar-for-dollar, or \$20 for each hour volunteered, to a maximum of \$1,000 per year. In recognition of Intact's 10th anniversary, each employee's account was increased to \$2,000 to celebrate.

Our colleagues responded in force by giving back in 2019:



Target program participation:
 10% of employee base,
 result was 12%



Volunteer hours:
 16,225
 quadrupled from 2018



Total donations:
 over \$400,000 donated to
 600+ charities across Canada,
 matched by the
 Intact Foundation

Employee story – Victor Cheng

Victor Cheng knows the importance of networking to grow a career. As a young lawyer working at Intact in Toronto, he has benefited from senior leaders sharing their experience.

But for newcomers to Canada, it can be hard to find those connections. So, Victor jumped at the chance to mentor a lawyer from Zambia through the Windmill Mentorship Program.

“Many ethnic minorities and candidates with law degrees from outside of Canada still face significant barriers to the legal profession once they're here,” said Victor. “The Windmill Mentorship Program is a fantastic way to help an aspiring lawyer going through the licencing and recruitment process.”

Victor helped his mentee Andrew develop his cover letter and resume, as well as network and prepare for interviews. “I now have two four-month placements in two separate business law firms. Both of my placements are in my desired area of law, which is something very difficult to get,” said Andrew.

Being a mentor also helped Victor develop his own skills. He learned how to anticipate his mentee's needs and questions – a type of critical thinking he can apply as a lawyer to anticipate and mitigate risks at Intact.

Ending the use of child soldiers

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 ground-breaking research in ending the recruitment and use of child soldiers. This is a signature program within our employee generosity portfolio.

In 2018, Intact committed \$1 million in funding over five years to establish the Dallaire Initiative regional centre of training and learning in Rwanda and support the work of Dr. Shelly Whitman as the Intact/Dallaire Senior Fellow. The centre's key milestones in 2019 include:

- The Centre is now established and has five permanent employees. Training programs were delivered to over 8,000 participants.
- A regional workshop was held in Kigali to highlight the anniversary of the Vancouver Principles. This event represented an opportunity for the Dallaire Initiative to highlight and discuss the importance of the Vancouver Principles, share ongoing and past work on relevant issues and best practices, demonstrate the strength of their relationship with Rwanda and explore avenues for collaboration on the implementation of the Vancouver Principles in the region.

The Intact/Dallaire Senior Fellow, Dr. Shelly Whitman, had an impressive year advancing the organization's agenda forward:

- Audience with His Holiness, Pope Francis, to discuss the role the Catholic Church can take in promoting the prevention of child recruitment in South Sudan.
- Knowledge for prevention research project: The project aims to provide a more accurate number of children being recruited and used as soldiers globally.
- Dr. Whitman was appointed to the National Expert Committee on Countering Radicalization Leading to Violence (CRV) to review and provide advice on briefing materials to the Canadian Minister of Public Safety and Emergency Preparedness.

Along with our financial support, employees have donated their time and skills to help the Dallaire Initiative. Employees in communications, corporate development and finance helped the Dallaire Initiative merge some of their advocacy and research programs with Child Soldiers International – a charity in the United Kingdom that worked to prevent the recruitment, use and exploitation of children by armed forces and groups – following the shutdown of that organization last June.

Community impact: employees help their communities

When Katrina Raymundo came to Canada in 2015, a mentoring program at Toronto's St. Christopher House helped her find her first job at Intact. Four years later, Katrina returned to St. Christopher House, now West Neighbourhood House, as a volunteer to help adults improve their computer literacy skills.

"I thought that going back to West Neighbourhood House as a volunteer would be a good example of things coming full circle," said Katrina.

To amplify her generosity, Katrina tracked her volunteer hours in the Community Impact Portal and Intact donated \$20 for every hour she volunteered.

Cara Wiley's son was diagnosed with cystic fibrosis, a fatal genetic disease that affects children and young adults, when he was just one year old. While waiting at the clinic one day, Cara saw a Cystic Fibrosis Canada poster looking for volunteers for a bingo fundraiser.

"I decided that instead of sitting around feeling sorry for myself, I would help make a difference," says Cara, a BrokerLink branch administrator in Calgary. "I haven't looked back since."

Over the past 14 years, Cara's involvement has grown from volunteering at events, to organizing them herself, to becoming president of her local Cystic Fibrosis Canada chapter. "I've grown as a person and learned so many new skills. And I've built a support system of other families going through the same experience."

Cara and her mother, who also works at BrokerLink, have maxed out their volunteer match on the Community Impact Program every year.

"The fact that Intact is willing to match our hours is huge," says Cara. "For people who don't have a lot of money to give, your time is just as valuable."

"One of the major successes we can attribute to this project [Intact's partnership] are the inroads we have been able to make generally in Rwanda, as this has formed the basis of our ability to establish our presence in the country, as well as the credibility to conduct our training to prevent the recruitment and use of children," says Major Musa Gbow, Regional training manager — Africa, Dallaire Initiative.

Following this project, another group of employees in Marketing provided expert advice to redesign the Dallaire Initiative's website to reflect their integration of Child Soldiers International and a group of our communications professionals provided advice to the Dallaire Initiative's communications team in the announcement of the Vancouver Principles Kigali Workshop.

The OneBeacon Charitable Trust

In 2019, the OneBeacon Charitable Trust donated to 107 non-profits in support of our employees and producer partners, totaling just over \$210,000. Additionally, the Trust matched 15 gifts made by our employees to colleges and schools, and donated \$50,000 to non-profits important to our employees and their communities during the holiday season.

Some 2019 highlights:

- **Inland Marine's Jeannie Fitzpatrick Supports Annual Light the Night Walk:** OneBeacon Inland Marine's Jeannie Fitzpatrick participated in the annual Light the Night Walk in Providence, RI. The event, held by the Leukemia and Lymphoma Society, brings awareness to blood cancers and raises money for research and support of patients and their families. Jeannie and her entire family walked and fundraised in honor of her late husband, Joseph Fitzpatrick. With support from the Trust and all their hard work, they earned second place in the event, raising a total of \$6,847.
- **OneBeacon Donates to Hurricane Dorian Relief:** Hurricane Dorian severely impacted the Bahamas and southeast regions of the United States. Consistent with our shared values of being socially responsible, OneBeacon made a \$5,000 donation to the American Red Cross' Dorian Relief fund through the OneBeacon Charitable Trust.
- **Barney & Barney's 8th Annual OC Golf Tournament:** Members from Inland Marine, International Marine Underwriters and Technology participated in Marsh & McLennan's Barney & Barney 8th Annual Golf Tournament in Orange County, CA. Marsh & McLennan is a producer partner of ours, and throughout the year, several of our OneBeacon teams participate in their many charitable events. With support from the Trust, proceeds from the 2019 tournament benefited the Family Service Association, Make-A-Wish Foundation and the Dana Point 5th Marine Regiment Support Group. The Foundation awarded a total of \$80,000 in grants to these three worthy organizations.
- **Helping our First Responders:** OneBeacon Government Risks' Sarah Schmitz spent the day with her 4th grade daughter's Girl Scout Troop at their First Responder Appreciation event for the Maple Plain, MN first responders. Supported by the Trust, items were collected for care packages to provide to their local police force, firefighters, emergency medical technicians.

The Better Communities Program

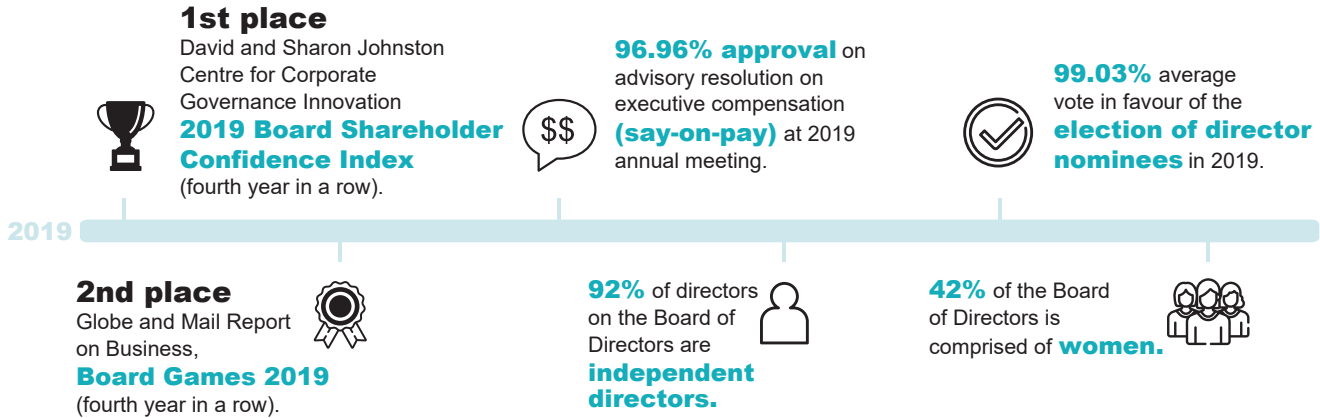
Enabling generosity goes beyond our employees, it extends to brokers as well through the Better Communities Program. This program was established in 2018 to partner with brokers to make an impact in their communities across Canada. Over \$630,000 was donated to more than 50 organizations across Canada.

Some of the organizations receiving funding included:

- Saskatoon Preschool Foundation (Saskatoon, SK), providing tuition subsidies for children from low income families
- Central Alberta Women's Outreach Society (Red Deer, AB), enhancing the wellbeing of children, parents, and families who have experienced trauma from domestic violence, homelessness and suicide
- Anti-Hunger Coalition Timmins (Timmins, ON), supporting cooking workshops that increase nutritional knowledge and intake for families
- IWK Health Centre (Halifax, NS), supporting local children's health programs through donations, fundraising events with local broker Huestis Group
- Street Connection (Dartmouth, NS), supporting a converted school bus to provide home cooked, warm meals to low income families in challenged neighbourhoods
- L'Arche Montérégie (Beloil, QC), an organization that offers support to people with intellectual disabilities

Governance

2019 milestones



Corporate governance structure

Strong governance standards are fundamental to our sustainability approach. Our ESG performance is managed through a robust governance structure which ensures accountability and effective implementation of the Company's strategy.

Board of Directors

The Board of Directors is comprised of 12 members, 11 of whom are independent. 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 the Management Proxy Circular for additional information on the mandate of the Board of Director.

Committees of the Board of Directors:

Compliance Review and Corporate Governance Committee

The Compliance Review and Corporate Governance Committee ("CRCG Committee") is responsible for ensuring a high standard of ethics, compliance and governance in the Company. The CRCG Committee has primary oversight of the integration of ESG standards throughout the Company's practices, particularly with respect to governance matters, ensuring that internal policies and controls are in place to protect and act in the best interest of all stakeholders.

Risk Management Committee

The Risk Management Committee has primary oversight for assessing the risks facing the Company, including the potential impact of climate change and the impact of natural disasters on the Company's operations and results.

Audit Committee

The Audit Committee assists the Board of Directors in ESG matters by monitoring and implementing governance practices related to accounting and financial disclosure and reporting.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee ("HRC Committee") has oversight of the Company's human capital, succession planning and compensation programs. One of the key roles of the HRC Committee is to oversee the alignment of compensation with the Company's philosophy and programs consistent with the overall business objectives of the Company.

Please refer to the Management Proxy Circular for additional information on the role, composition and activities of each committee of the Board of Directors.

Leading by example – diversity

The Board of Directors recognizes and considers the benefits from the broader exchange of perspectives and balance brought by diversity of thought, experience and background of its members. The Board and Senior Management Diversity Policy, updated in 2019, considers various facets of diversity: gender, visible minority, Aboriginal peoples, persons with disabilities and sexual orientation in the selection process.

As part of its renewal process, the Board of Directors maintains an evergreen list of Director candidates to enhance the diversity of its members. In addition to a skills matrix, the Board of Directors also uses a diversity matrix to identify talent and Board requirements of current and potential Directors.

The Board of Directors has adopted a composition target providing that women and men shall each represent at least 30% of the Directors. The Company has also signed the Catalyst Accord 2022, which calls on Canadian boards and CEOs to pledge to accelerate the advancement of women in business by increasing the average percentage of women on boards and in executive positions to at least 30% by 2022. In 2019, 41.6% of our Board of Directors was comprised of women.

Please refer to the Management Proxy Circular for additional information on board diversity.

Approach to executive compensation

Intact's compensation philosophy relies on a "pay-for-performance" culture, which allows the Company to attract, retain and motivate key talent, while avoiding inappropriate risk taking. Our philosophy promotes long-term interests of the Company and a performance aligned with Intact's Living Our Values code of conduct.

Compensation of the CEO and senior executives is reviewed every year. In assessing their performance, two specific ESG-related goals are part of their individual/personal objectives under the Short-Term Incentive Plan, namely employee engagement and customer-driven initiatives.

Please refer to the Management Proxy Circular for additional information on executive compensation.

A shareholder advisory vote on approach to executive compensation was introduced and adopted in 2011. The average approval rate since it was adopted is 97.8%.

In 2019, the Chair engaged in private meetings with nine shareholders, representing approximately 20% of the ownership of the Company, to hear their feedback. Various topics were discussed during meetings, including ESG issues and sustainable reporting standards.

Please refer to the Management Proxy Circular for additional information on shareholder engagement.

Ethics and integrity

At Intact we value the highest standards of personal conduct and ethics. We have a complete compliance program that includes a code of conduct and business principles entitled "Living Our Values," along with related Company policies, in addition to maintaining an ombudsman's office and a privacy office led by the Compliance Department. In accordance with our values, we are committed to conducting business with the highest standards of integrity, ethics, respect and excellence. The Board of Directors and all employees are required to abide by all relevant laws and regulations, and employees are required to complete regular mandatory compliance training.

We also provide a 24/7 confidential whistleblower hotline. Employees are encouraged to report any breaches of our Living our Values code of conduct, controls or policies, laws or regulations, or business misconduct (fraud), including via the whistleblower hotline. Employee reports are thoroughly investigated by the compliance team and results are communicated to the Audit and CRCG Committees, when relevant and required. The process is confidential and anonymous. The Whistleblower Hotline is available to ensure we live our values to the fullest — and that includes honouring the integrity of and protecting those who come forward as whistleblowers.

Please refer to the Management Proxy Circular for additional information on the Company's Code of Conduct and Ethics.

Risk management framework

Our objective is to protect the sustainability of our activities, while delivering on our promises to our stakeholders. Our risk management framework is an integrated risk-based approach to significantly increase the effectiveness of the program, ensuring that delegated authorities' actions are consistent with the overall strategy and risk appetite. We strive to maintain our financial strength, even in unpredictable environments or under extreme stress.

We take a prudent approach to managing risk. This consists of regularly identifying our top risks, assessing the likelihood of occurrence and evaluating the potential impacts should they materialize both in terms of financial resources and reputation. We also consider potential emerging risks that are newly developing or changing and which are inherently more difficult to quantify, such as climate change.

Please refer to the Management's Discussion and Analysis for the year ended December 31, 2019 for additional information on the Company's risk management approach.

Public policy

We are committed to democracy and contributing to public policy discussions in a responsible manner. We believe it is important to engage with governments on matters that impact our customers, brokers, employees and communities. Key issues we are advocating for with governments include:

- Ensuring access to affordable and sustainable insurance products in a highly regulated industry within relevant jurisdictions;
- Encouraging regulatory frameworks which keep pace with consumer expectations in a modern world, like the sharing economy and digital commerce; and
- Ensuring Canadians, their families and communities are adequately protected from extreme weather events by focusing on climate change adaptation, such as improving building codes, updating flood maps for major urban areas, improving land use planning, and investing in storm management infrastructure.

We comply with all laws, regulations and principles of ethics when engaging with any political party, candidate, or public official at all levels of government. All engagement with governments is guided by our internal policies and procedures, including our Living our Values code of conduct.



Employees at Intact Advocacy Day at Queen's Park.

Corporate policies

Living our Values is our code of conduct that governs every aspect of what we do. Our Values are integrated and connected to our corporate policies. Some of the policies we have include:

- **Conflict of interest and gifts policy:** Gives employees guidance to avoid conflicts of interest and/or the acceptance of inappropriate gifts and entertainment and how to report any instances of conflict.
- **Insider trading and reporting requirements:** Guidance to avoid prohibited trading or tipping for themselves or people close to them.
- **Privacy breach protocol:** This Policy applies to all IFC employees and to all areas of IFC operations which may impact personal information to ensure appropriate steps are taken in the event of a privacy breach. It is important to us to ensure that all employees understand what to do in the event of a privacy breach.
- **Internal personal information policy:** We protect our clients' personal information. We get their consent before collecting, using or disclosing their information and only use their information for the purposes for which it was collected for. Employees are trained in handling of personal information.
- **Respect in the workplace policy:** Every employee has the right to work in an environment that is free of discrimination and harassment.
- **Whistleblower Hotline:** Whistleblowers serve a critical role in ensuring we live our values. The Whistleblower hotline provides employees the possibility to confidentially report any breaches of our Living our Values code of conduct, controls or policies, laws or regulations, or business misconduct (fraud) they might have noticed.
- **Technology, social media and intellectual property policy:** Ensures employees follow four basic rules: protect confidentiality, respect others, use licensed software, and get permission to use Intact brands.
- **Incident management policy:** The escalation of risks and incidents helps to reduce their impact. Our incident management framework obliges employees to report incidents to the appropriate level of escalation.



Employees at our Toronto 700 University Office.

Intact Investment Management

Intact Investment Management (IIM) believes that appropriately managing ESG risks can enhance the sustainability of a company's business. ESG is integrated into our investment policies and procedures and is part of investment management for all our investment portfolios.

The IIM ESG Committee meets regularly to further develop our strategy and review implementation. The Committee also provides updates to management on a quarterly basis. The Committee is composed of investment experts from each asset class, along with both IIM's Managing Director and Chief Investment Officer. The Committee is supported by internal staff who have ESG in their mandate.

In 2019, our investment team has received ESG training, including training on climate change adaptation from the Intact Centre on Climate Adaptation.

We engage our portfolio companies, investment groups and business partners on significant issues. Our proxy voting guidelines support the adoption of sound practices and policies. We will generally vote for:

- Proposals requiring reasonable disclosure of information related to social and environmental initiatives allowing investors to better identify potential investment risks;
- The adoption of codes of conduct, policies and practices addressing social and environmental matters that are likely to enhance performance or mitigate risks, such as codes of conduct, policies and practices with respect to:
 - Climate change adaptation or mitigation;
 - Fair and equitable compensation;
 - Respect of human rights;
 - Diversity and inclusion in the workforce (at all levels, including executive positions) and in the workplace;
 - Social and environmental involvement;
 - Data use and privacy, and cyber security;
- The adoption of international labour organization principles;
- Resolutions seeking basic labour protections and equal employment opportunity; and
- Expanding equal employment opportunity/social responsibility reporting.

“As a publicly traded insurance company, we understand and promote principles of sound governance and sustainable risk management. Our internal investment framework has incorporated those principles to maintain long term outperformance,” says David Tremblay, Chief Investment Officer, Intact Investment Management.

Public Accountability Statement

Intact Financial Corporation's 2019 public accountability statement ("Report") was produced and filed as a consolidated statement. It complements the Intact Financial Corporation Annual Report and provides an overview of activities undertaken in support of customers, employees, community members, shareholders and governments during the fiscal year January 1 to December 31, 2019. All dollar amounts are expressed in Canadian currency.



Comments regarding this document may be forwarded to:

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

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

- Belair Insurance Company Inc.
- The Guarantee Company
- Intact Insurance Company
- Novex Insurance Company
- The Nordic Insurance Company of Canada
- Intact Farm Insurance Inc.
- Jevco Insurance Company
- Canadian Direct Insurance Inc.

Community involvement and donations

In 2019, Intact donated \$5.7 million across Canada and the United States to over 700 organizations.

Our employees volunteered over 16,225 hours to over 600 organizations in 2019.

Details about our charitable donations can be found on [pages 32-40](#) in our 2019 Social Impact Report.

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, 2019

Number of Employees	Full-time	Part-time	Total 2019 ¹	2018	2017
Alberta	1,861	65	1,926	1,835	1,891
British Columbia	632	17	649	668	714
Manitoba	56	4	60	61	63
New Brunswick	68	1	69	71	74
Nova Scotia	387	20	407	382	385
Newfoundland	228	1	229	172	185
Ontario	5,324	124	5,448	4,723	4,855
Quebec	4,473	429	4,902	4,531	4,416
Saskatchewan	0	0	0	0	0
Yukon	0	0	0	0	0
Total	13,029	661	13,690	12,443	12,583

¹ Total employees in the 2019 Annual Report was reported as approximately 16,000 employees. This number includes On Side Restoration, a home and business restoration company, IFC partial acquired in 2019. 2019 totals do not include our acquisition of On Side Restoration.

Economic impact

Taxes paid by province (in thousands)

	Income taxes	Premium and fire taxes	Total taxes	
	2019	2019	2019	2018
Federal	115,934		115,934	39,547
Newfoundland	3,311	10,969	14,279	12,204
Prince Edward Island	111	439	549	381
Nova Scotia	2,945	9,339	12,284	9,417
New Brunswick	901	3,484	4,386	3,378
Quebec	22,798	89,880	112,678	90,550
Ontario	37,139	115,076	152,215	118,381
Manitoba	851	3,450	4,301	3,351
Saskatchewan	178	1,097	1,275	1,036
Alberta	14,249	62,368	76,618	62,834
British Columbia	6,049	30,341	36,390	29,903
Yukon	42	143	185	138
Northwest Territories	77	359	436	360
Nunavut	17	76	93	80
Total Provincial	88,669	327,022	415,690	331,019
Total	204,602	327,022	531,624	370,566

Debt financing

Intact and its subsidiaries provided 44 new loans amounting to \$95.8 million in debt financing to firms in Canada in 2019. The information has been consolidated to protect the identity of the individual firms who 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	3	5	4	10	15	6
Total loans	\$19,625	\$156,699	\$664,383	\$1,343,085	\$7,271,840	\$31,718,642	\$54,641,412

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-Jerome 500 boul des Laurentides, St-Jerome, QC
St. John's 35 Blackmarsh Road, St. John's, NL A1E 1S4
Vancouver Suite 600, 750 Cambie Street, Vancouver, BC V6B 0A2

The Guarantee Company of North America

Toronto 4950 Yonge Street, Suite 1400, Toronto, ON M2N 6K1
Edmonton 10025 102A Avenue, Suite 1402, Edmonton, AB T5J 2Z2
Halifax Westway 2 - 120 Western Parkway, Suite 208, Bedford, NS B4B 0V2
Montreal Place du Canada, 1010 de la Gauchetiere Street West, Suite 1560, Montreal, QC H3B 2R4
Ottawa 260 Hearst Way, Suite 402, Ottawa, ON K2L 3H1
Quebec Place de la Cité – Tour Cominar, 2640 Laurier Boulevard Suite 100, Québec, QC G1V 5C2
Vancouver 400 Burrard Street, Suite 810, Vancouver, BC V6C 3A6
Woodstock 954 Dundas Street East, Woodstock, ON N4S 7Z9

Jevco Insurance Company

Mississauga 6925 Century Avenue, Suite 900, Mississauga, ON L5N 7K2

Principles for Sustainable Insurance Report

Intact was founded on our values, a clear purpose, and a belief that insurance is about people, not things. That purpose is to be here to help people, businesses and society prosper in good times and be resilient in bad times. We built our business with help in mind — it's why we exist. And, it extends to our role in society. That role aligns closely with environment, social, governance (ESG) principles and our purpose, objectives and corporate strategy.

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

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

Strategy

As a purpose driven business, ESG has been integral to our strategy since our inception over 10 years ago. All employees, including executive management, play a role in helping people, business and society prosper. Executive management receives regular updates on ESG. Our Board of Directors is responsible for integrating ESG factors of material value or risk into the long-term strategic objectives of the Company and ensuring that all material risk factors, including ESG matters, are managed properly.

ESG is integrated into our training and employee engagement programmes. Empowering our employees to help our communities is a key pillar of our social impact approach. Employees actively embody our generosity value through dedicating their time and resources to help others, the environment and communities become more resilient. We amplify their generosity by matching their donations dollar for dollar and making a donation for each hour they volunteered. All employees and the Board of Directors are required to complete regular mandatory compliance training and abide by all relevant laws and regulations.

We openly engage with our key stakeholders on ESG-related issues and report on them in our Social Impact Report, Annual Report, Management Proxy Circular, investor presentations and our 2019 Climate Change response to CDP.

Risk management and underwriting

Managing ESG risks is an integral accountability of the Risk Management Committee, which includes monitoring the occurrence and severity of natural disasters that may be affected by climate change.

We manage risk through improved segmentation and product pricing to reflect the scope of risks. Certain risks we reinsure to limit our losses in the event of catastrophic events or other significant weather-related losses.

Over the last few years, we've conducted weather-related stress tests affecting varied geographic zones and lines of business. Our capital management plan appropriately considers these possibilities. More information can be found in our Q4 2019 MD&A, section 25.6, climate change and catastrophe events risk.

Product and service development

We offer products and discounts to customers to reduce their risk and have a positive impact on ESG issues, including, but not limited to:

- Our – my Identity™ product provides cyber protection and helps customers protect themselves against identity theft.
- In Quebec, customers with electric vehicles receive a 20% discount.
- Business owners are offered incentives to remove snow from their roofs.

Through our Intact Insurance & belairdirect mobile apps, we provide safe driving tips to our auto customers. Ongoing customer education through our various social media channels, the Intact and belairdirect blogs, and providing prevention tips to Brokers through the our Broker Lobby online platform. More information can be found in our Social Impact Report and our website.

Claims management

Integral to customer service is ensuring our customers are treated with consistency, fairness and transparency. To support this, we've instituted a Customer Driven Policy that applies to all our employees and to every aspect of the customer experience.

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

Sales and marketing

We want to make our customers' lives easier. This is why we've invested in creating intuitive tools, making insurance more convenient for customers. Some of the ways we've made insurance simpler include:

- Putting insurance at their fingertips – Our applications facilitate the claims process for customers, and allows customers to connect with a broker, access their proof of insurance and much more.
- Enhancing digital experiences – including Quick Quote, Client Centre and our apps.
 - Quick Quote – by answering a few questions online, customers can receive an insurance quote in minutes.
 - Client Centre – our online portal provides 24/7 access to customers to view their insurance policy documents, billing statements and real-time claims information.
 - Intact Insurance and belairdirect apps – with our mobile-friendly apps, customers have instant access to their insurance documents, billing information, claims and more.

All employees abide by our Customer Drive Policy, ensuring customers are treated with consistency, fairness and transparency. More information can be found in our Social Impact Report.

Investment management

Intact incorporates ESG factors in its investment process while balancing return, risk and diversification. We engage our portfolio companies, investment groups and business partners on ESG. Our proxy voting guidelines support the adoption of practices and policies related to ESG factors, unless it believes that the company already has adequate policies and procedures in place.

We are now turning our attention to more direct engagement with investees to help them understand their exposure to severe weather risks – bringing together our expertise as risk managers as asset managers.

Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

We provide our clients with information on prevention and safety tips in our mobile apps and social media channels.

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

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

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

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

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

Through the Intact Foundation, we supported climate change adaptation initiatives at 16 organizations in 2019 and worked with international, national and local organizations, including United Way, UNICEF, Dallaire Initiative and the Breakfast Club of Canada, to help address the root causes of poverty. More details on our partnerships can be found in our Social Impact Report.

We are engaged on ESG issues through a number of initiatives and organizations including:

- The Geneva Association
- Business Council of Canada
- Insurance Bureau of Canada
- Canadian Business for Climate Policy Group.

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

Our progress on ESG issues is disclosed in our:

- 2019 Social Impact Report
- 2019 Annual Report
- 2019 Climate Change CDP
- 2020 Management Proxy Circular

ESG Content Map

The Company's disclosure with respect to Environmental, Social and Governance factors is included across our annual disclosure documentation:

- ▶ **2019 Annual Report (which includes the Company's consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2019)**
- ▶ **2019 Annual Information Form**
- ▶ **2020 Management Proxy Circular**
- ▶ **2019 Social Impact Report**

You will find below a quick and easy reference guide to our ESG content:

	Pages			
	2019 Annual Report	2019 Social Impact Report	2020 Management Proxy Circular	2019 Annual Information Form
Public Accountability Statement		45 to 47		
Principles of Sustainable Insurance		48 to 50		
Environmental				
Task-Force on Climate Related Financial Disclosure (TCFD)		20 to 22		
Carbon emissions		22		
Climate adaptation and resiliency	49 to 50, 73	20 to 31		
Social				
Workplace culture			41 to 45	
Labour relations		13 to 19	43 to 45	
Human capital management		13 to 19	43 to 45	
Workforce demographics		19		
Diversity and inclusion		13 to 19	60 to 64	
Talent attraction and retention		13 to 19	43 to 45	
Executive compensation			82 to 117	
Employee compensation and benefits		17 to 18	43 to 45	
Customer centric approach and complaints handling		8 to 10	41 to 43	
Community engagement		30 to 39		
Governance				
Board of Directors				
Structure and oversight functions		40 to 41	46 to 48	
Director independence			51 to 52	
Director nomination and renewal process			53 to 56	
Orientation and continuing education			58 to 59	
Ethical conduct and compliance framework		40 to 41	41 to 43	
Risk management	67 to 86			13
Shareholder engagement			64 to 65	
Data privacy and data security		10 to 12	42	
Strategy	45 to 52		47	
Investment management - proxy voting guidelines		44	4	
Shareholder rights plan			15 to 16, 122 to 124	16