



Make it Intact

INTACT FINANCIAL CORPORATION
SOCIAL IMPACT REPORT 2021



Our Purpose, Values and Core Belief



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

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



Integrity

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



Respect

Be kind
See diversity as a
strength
Be inclusive and
collaborate



Customer-driven

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

People are at the heart of our organization – and of our success.

How we do things is just as important as what we achieve. We are a purpose-driven company based on values and a belief that insurance is about people, not things.

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Reporting scope and boundary

Throughout this report, “Intact” refers to Intact Financial Corporation. All currency is in Canadian dollars unless otherwise noted. This report covers performance across Intact Financial Corporation’s global operations in the financial year January 1 to December 31, 2021.

Forward-looking statements

Certain of the statements included in this Report about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. These forward-looking statements include, among others, statements with respect to our beliefs and intentions, our vision, our strategic goals and priorities, including our actions related to climate change, child poverty, climate-related disclosure, and diversity, equity and inclusion. They also include statements regarding the impact of the COVID-19 pandemic and our response to it. We caution readers not to place undue reliance on these statements, as a number of factors could cause our results and intentions to differ materially from the expectations expressed or implied by the forward-looking statements. All of the forward-looking statements included in this report are qualified by these cautionary statements and those made under the Cautionary note regarding forward-looking statements and the Risk Management sections of our Management’s Discussion and Analysis for the year ended December 31, 2021.

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The Purpose of Our Social Impact Report

Who we are and how we work ground us. People are at the heart of our organization and our success. How we do things is just as important as what we achieve. How we execute on social impact and ESG dimensions is detailed throughout this report, starting with the areas where we can have the greatest impact and that are aligned to our strategy.

We are a purpose-driven company based on Values and a belief that **insurance is about people, not things.**



A Leading Provider of P&C Insurance

Largest provider of P&C insurance in Canada, a leading provider of global specialty insurance, and a leader in personal and commercial lines in the UK and Ireland.

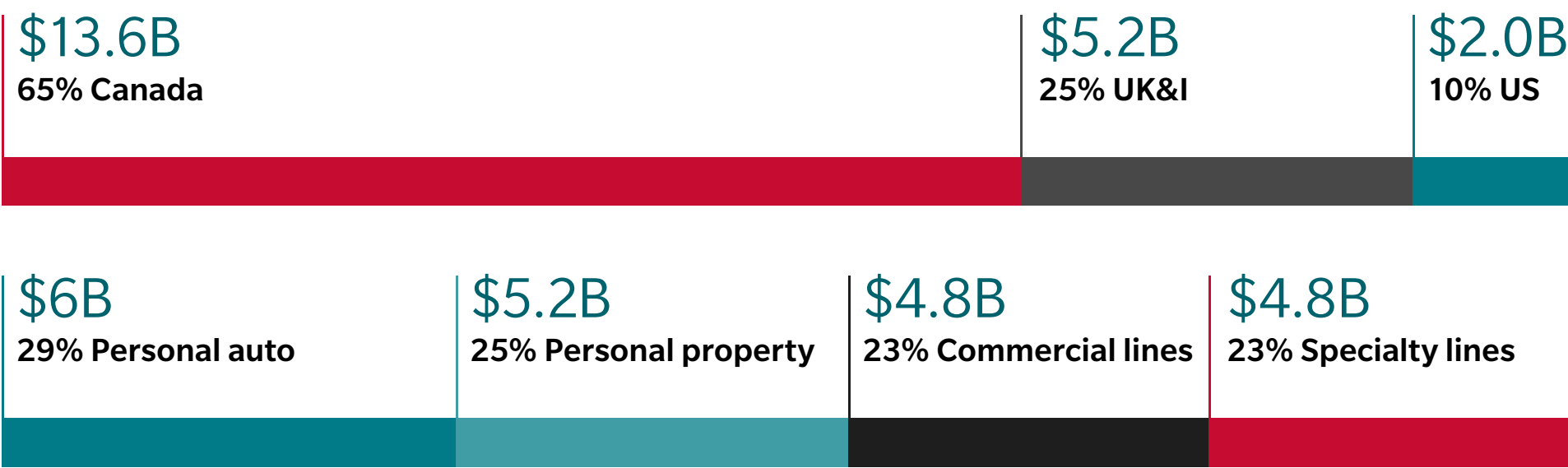
\$20.8B
in total annual operating Direct Premiums Written (DPW) (proforma)¹

\$36.7B
Investment portfolio

26,000 +
employees

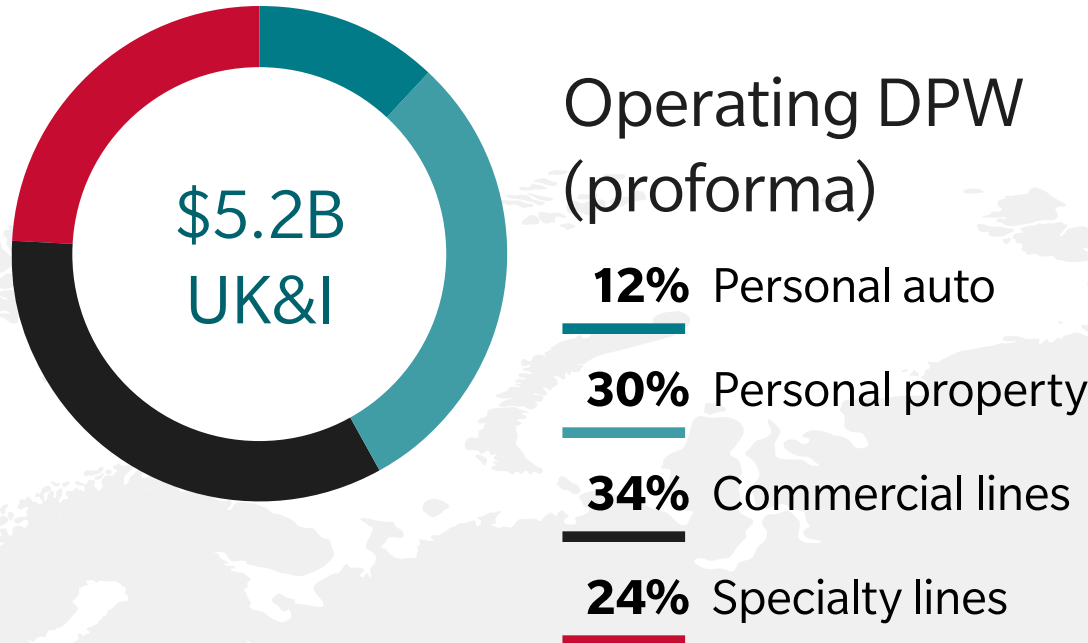
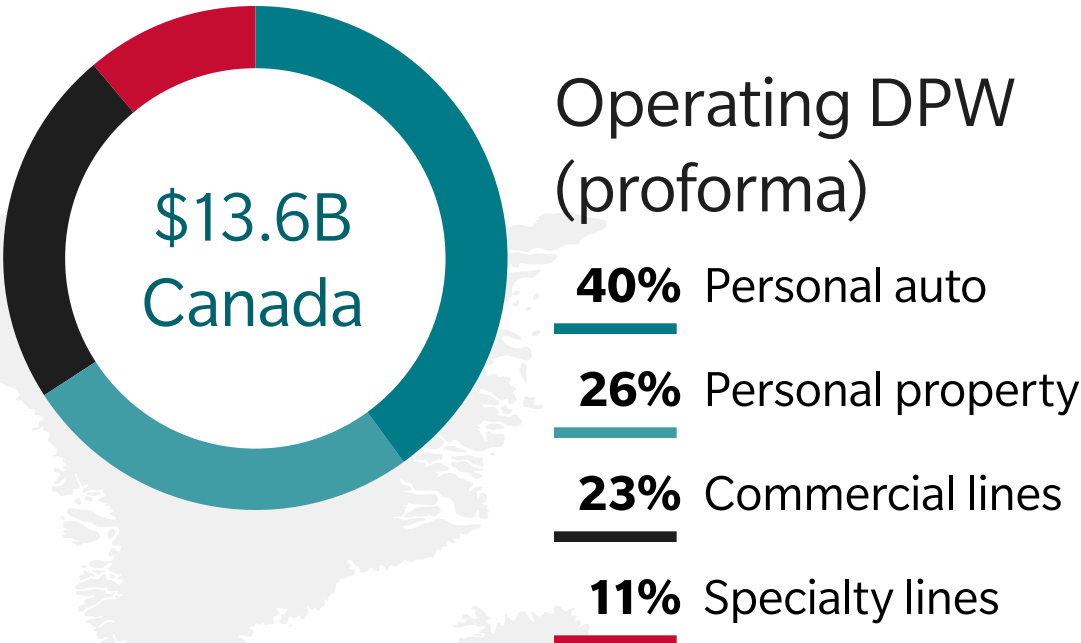
Large share of our portfolio is in Canada.

Specialty lines make up nearly a quarter of the overall premiums.

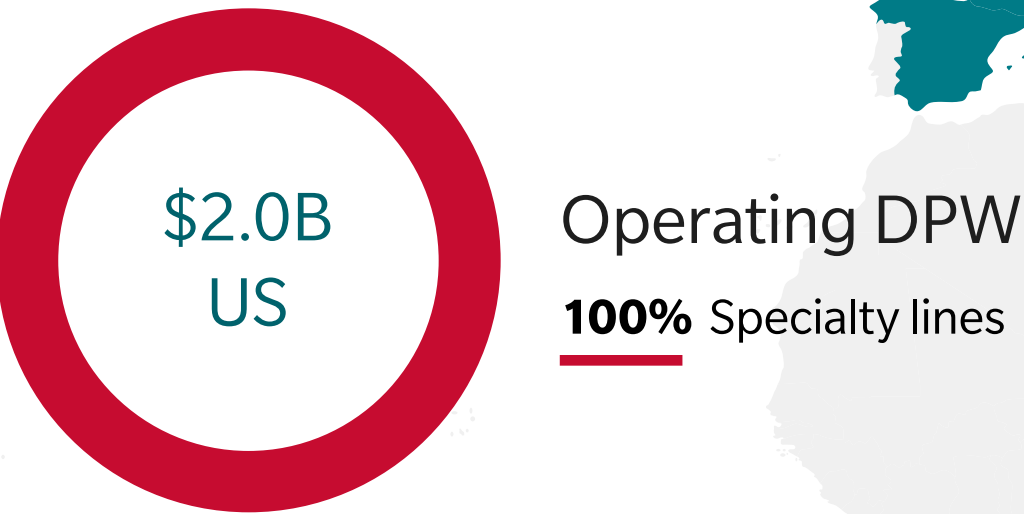


In Canada, Intact distributes insurance under the Intact Insurance and RSA brands through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. Intact also provides affinity insurance solutions through the Johnson Affinity Groups.

In the US, Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, wholesalers and managing general agencies. Intact Insurance Specialty Solutions is the marketing brand for the insurance company subsidiaries of Intact Insurance Group USA LLC.



In our UK & International businesses, RSA Insurance Group provides a range of personal and commercial products with significant businesses in the UK and Ireland where the RSA brand is joined by retail brands MORE THAN and 123.ie. RSA Luxembourg serves brokers and customers in Belgium, France, Spain and the Netherlands.



¹ Includes the impact of the RSA Acquisition for a full year.

CEO's Letter

Over the past few years, deep-rooted challenges have persistently impacted people, communities, and the economy. In challenging times, businesses need to step up with their expertise, resources and scale to help find solutions.



Chief Executive Officer
Charles Brindamour

The world is rapidly changing – from the ripple effects of the pandemic to the increasing impacts of climate change and extreme weather and the humanitarian crisis inflicted by the war in Ukraine. We are there to help. It's why we exist. When facing adversity, our Values guide our decision-making, inform how we define success and help us do what is right. In 2021, we've increased our efforts to make a positive impact in the communities where we operate at Intact, and I'm pleased to share our progress with you.

Helping is core to our strategy

Opportunities exist for us to find the intersection of what's good for the planet, our communities, and the health of our business. To succeed, our commitments must be ambitious and collaborative – and they must drive concrete action.

Our social impact strategy defines how we help our communities, and it reflects our Value of Generosity. We've been bringing together the great work done through RSA's Confident Futures strategy and Intact's focus on resilience. We will continue to scale our social impact work in the major countries where we operate.

While environmental, social, governance (ESG) factors have always been embedded in our strategy, we have enhanced our strategic objectives to better measure our work in the coming years. This has further integrated our purpose to help society into our business strategy and increased our ambition and our actions.

Our employees are at the heart of our organization, and we've been investing in a diverse and inclusive workforce over many years. We introduced an enhanced ambition to ensure our employees and leaders are representative of the communities we serve. Our Value of Respect is founded on seeing diversity as a strength, being inclusive and fostering collaboration – we're looking to lead by example. We've made new commitments to reflect this ambition, with our UK&I business joining the Race at Work Charter and the Women in Finance Charter.

We've accelerated our ambition on resiliency and aim to have 3 out of 4 stakeholders recognize us as leaders in building resilient communities. Our work applies to climate change and to creating opportunities for families and children living in poverty – ensuring a prosperous future. Our commitments are backed with actions detailed in this report and it's important we measure their effectiveness. A new resilience barometer launching later this year will ensure the signals we are sending are consistent and impactful.

Building resilient communities

Intact has long been focused on solutions in climate adaptation, and we've been on the front lines of its impacts for more than a decade. We have forged strategic partnerships, such as our \$10 million commitment to the leading Intact Centre on Climate Adaptation at the University of Waterloo, to help us protect communities and find practical solutions on climate adaptation. I am proud of our commitment to help fight climate change and we will continue to build on our leadership in adaptation – but there is more to do.

We are extending our expertise, scale and resources further to accelerate meaningful action on the transition. We've built an enhanced five-part plan that includes the following commitments for Canada, the US and UK&I:

- 1. Commit to net zero by 2050 and halve emissions from our corporate operations by 2030;**
- 2. Doubling down to help people adapt to climate change;**
- 3. Shape climate-friendly behaviour among customers;**
- 4. Enable the transformation of industries key to the transition; and**
- 5. Collaborate with governments and industry to accelerate climate action.**

We'll share with you how we progress on our action plan, including more details about a new \$8 million partnership with The Nature Conservancy of Canada to accelerate the protection and use of natural infrastructure as a first line of defence against climate change. We will also be expanding our work in resilience to our operations in the US and UK&I in 2022.

As I've mentioned, our mandate in resilience is not solely focused on climate change. As society transitions to a new economy – a digital, low-carbon economy – we're also committed to fostering conditions where everyone can prosper, especially by creating opportunities for families and children living in poverty. We invested \$3.7 million in over 40 organizations across Canada, the US and the UK&I focused on access to education, employment support and food security programs during a time of accelerated need.

Our employees are a key driver of our response. With engaged and mobilized employees we ran another successful Generosity in Action campaign across Canada this past year. Our employees gave \$1.9 million to more than 1,000 causes that matter to them. Intact matched this generosity dollar for dollar and invested in projects focused on high-priority needs for families living in poverty.

With the continued challenges of 2021, we responded quickly to customers impacted by severe weather events and moved to protect them during additional waves of the pandemic. We've been advocating for our customers and working to help more people. Since the start of the pandemic, we provided \$635 million in relief for personal and commercial lines customers. We responded to the increasing challenges faced by small businesses and created the Intact Small Business Relief Program to provide help to businesses impacted most.

We will continue to raise the bar on generosity and amplify our impact across all operating regions in the coming years.

Investing in People

Our people – now 26,000 strong – continued to bring their best every day. And once again, we've been named as a Kincentric Best Employer in Canada, the US, and North America. This recognition is based solely on the employee feedback provided through our annual Employee Engagement Survey.

Our promise to employees is founded on three pillars: Shape the Future, Win as a Team, and Grow With Us. Following a transformational year for the business and completing our largest acquisition and expanding our position across markets, we've seen employees engaged in exciting new challenges and continuing their learning and growth at Intact. We continue to challenge ourselves to be better and to be a destination for top talent and experts.

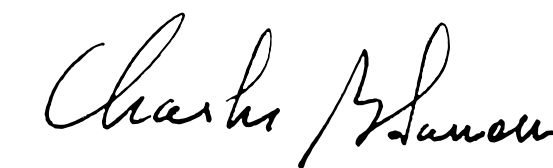
I thank all of our colleagues for their passion and dedication in rising to the challenges of this year. Thanks to their commitments we also helped customers get back on track as quickly as possible in a year marked by a number of severe weather events and increasing adversity.

A most respected company

At Intact, how we do things is as important as what we achieve. Our Values of integrity, respect, excellence, a customer-driven mindset and generosity define how we treat each other and operate in the marketplace. Living our Values day in day out, helps us to be recognized as one of the most respected companies, and we've taken another step in the right direction. Intact was once again recognized in this year's *Globe & Mail* Board Games rankings, tying in first. Board Games evaluates the quality of governance practices and disclosure for Canadian publicly traded companies.

Strong governance and high ethical standards are a critical component of success for us. They enable us to not only enhance value for shareholders and ensure our long-term viability, but also to achieve our purpose to help one another and our communities. Intact management, with the support of the Board, has guided the organization to ensure ESG priorities and social impact are embedded in our strategy and reflect our Values.

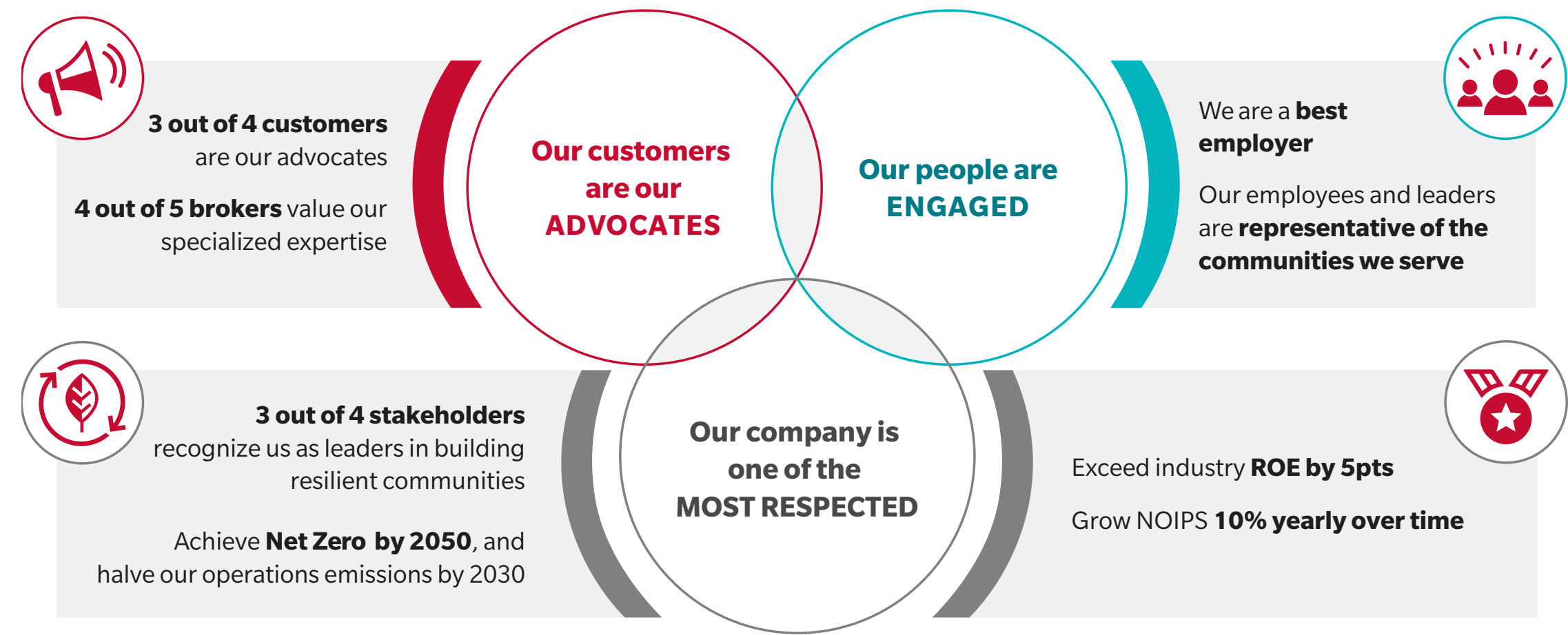
Our employees, customers, brokers, investors, and partners hold us accountable to do the right thing. We're well positioned to stay ahead of societal expectations of business, thanks to the much broader definition of success we have defined for ourselves, deeply rooted in our purpose to help society. Our Values will continue to guide our decisions moving forward and help us outline meaningful ways to make a difference.



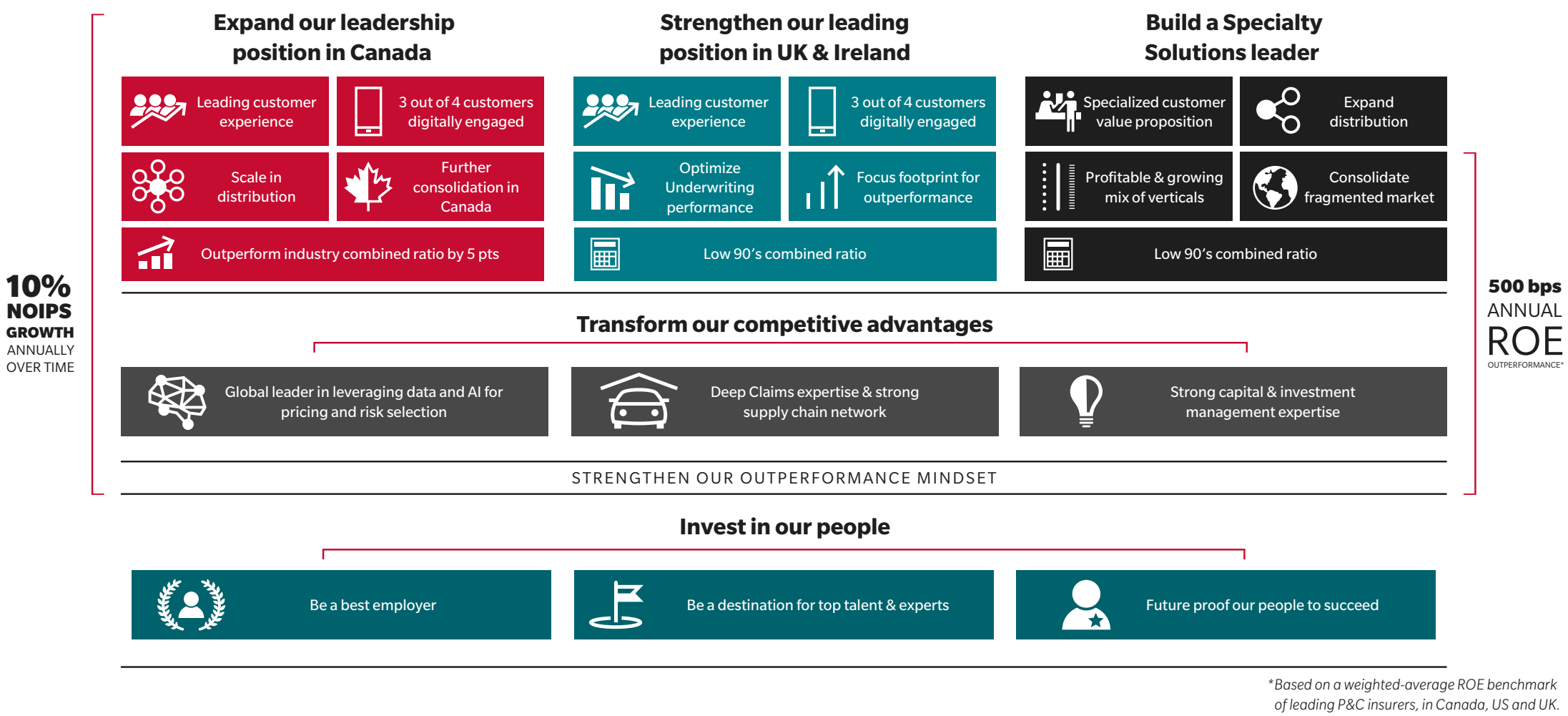
Charles Brindamour
Chief Executive Officer

Helping Society is Core to Our Strategy

What We Aim to Achieve – Our Objectives





How We Achieve Our Objectives – Our Strategic Roadmap





We thrive at the intersection of helping people and winning in the marketplace. We believe that financial performance and helping society are equally important and consequently, we have integrated both into our strategic objectives.


Our objectives are relevant to society:

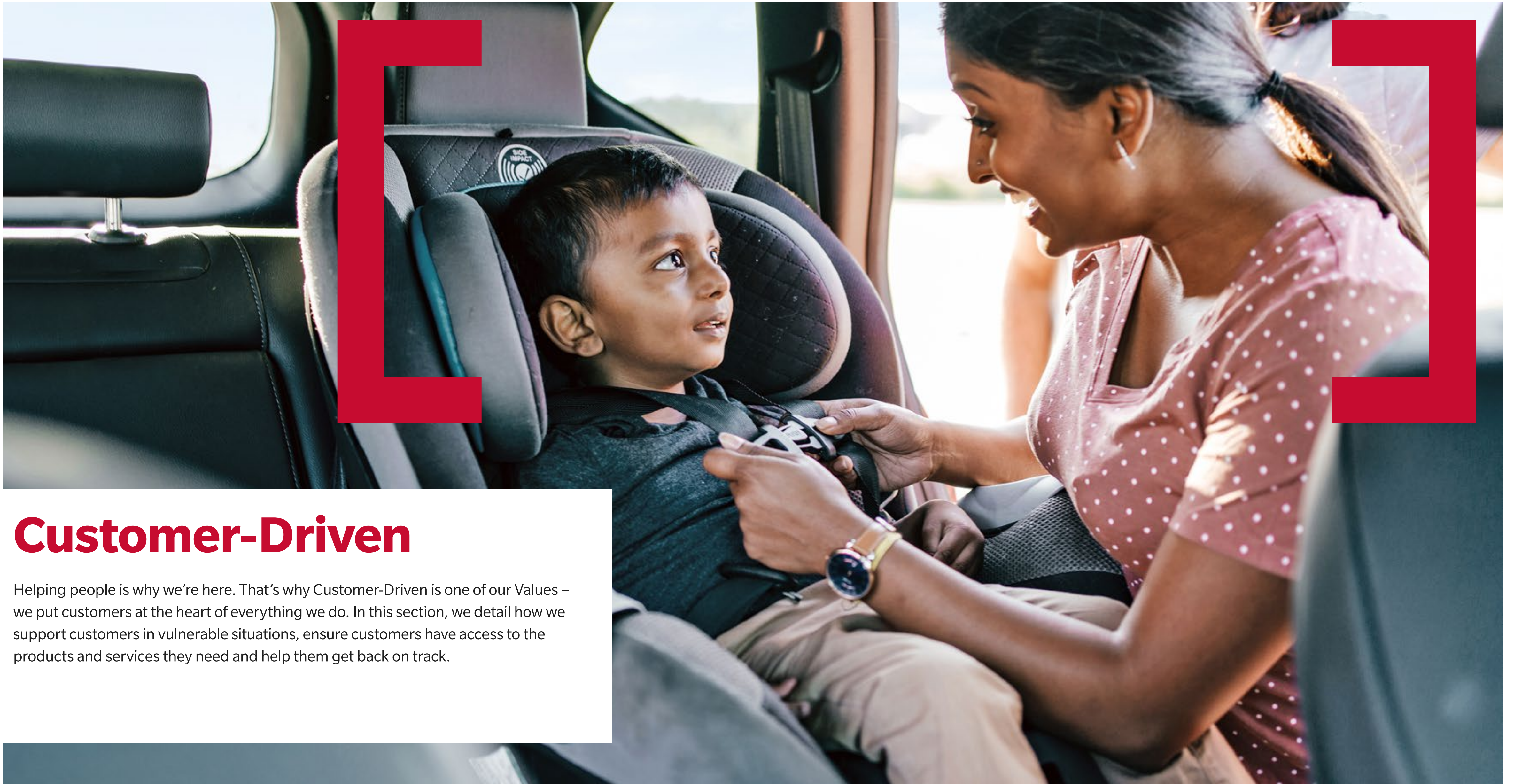
 **3 out of 4 customers are our advocates.** At Intact, we place the customer at the centre of everything we do. To achieve our advocate target, we focus on 4 strategies: brand leadership, engaging with our customers digitally, the power of choice (digital vs. broker distribution) and a superior claims experience.

 **We are a best employer.** We want to make sure our people are engaged and proud to work at Intact. We achieve this by providing a set of Values that are rooted as a moral compass in decision-making. We promise to provide support, opportunities and performance-led financial rewards at a workplace where employees can shape the future, win as a team and grow with us.

 **Our employees and leaders are representative of the communities we serve.** Diversity is seen as a strength at Intact. We’ve added this new objective to embed this thinking into our strategy.

 **3 out of 4 stakeholders recognize us as a leader in building resilient communities.** In 2021, we adapted our social impact strategy to focus on building resilient communities by accelerating our leadership in climate change adaptation and creating opportunities for children and families living in poverty. We are building a new resilience barometer to measure our impact, which will be released in 2022.

 **We will be net zero by 2050 and halve our operations emissions by 2030.** Our approach to manage climate change risk, including achieving net zero, leverages our expertise, scale and resources. We will apply our leading financial disclosure practices to the measurement of greenhouse gas (GHG) emissions, as well as transparency around reporting on our progress annually.



Customer-Driven

Helping people is why we're here. That's why Customer-Driven is one of our Values – we put customers at the heart of everything we do. In this section, we detail how we support customers in vulnerable situations, ensure customers have access to the products and services they need and help them get back on track.

Getting Our Customers Back on Track

The pandemic continued to be a challenge for our customers and communities. Many customers experienced financial hardship. Some were looking for solutions and support as they continued to work from home and drive less.

In 2021, many of our customers were also affected by natural disasters and extreme weather, including fires in British Columbia, hurricanes in the US and flooding in Europe.

We were well equipped to support our customers through these difficult times. Throughout the year, we demonstrated that we get customers back on track after they experience a hardship, while offering leading digital experiences and new product innovations.

Second-to-None Claims Experience

Our claims service is at the heart of our commitment to customers and we aim to offer a second-to-none customer experience. In Canada, when a customer experiences the unexpected, our Claims organization is available 24/7. We provide immediate service to start the process of getting the customer back on track. Our ability to help customers and settle claims in a prompt, professional, courteous and fair manner plays an important part in turning customers into our advocates.

In 2021, more than 5,000 employees worked across North America and the UK&I on over 900,000 claims from our customers. In Canada, our claims service is backed by the 30 Minute Claims Guarantee, which states that, outside of a catastrophic event, if a customer does not talk to a representative within 30 minutes of their first call, we will reimburse the customer's yearly premium up to a maximum of \$1,000. In 2021, we wrote cheques to three customers.

Throughout the year, On Side Restoration continued to expand its footprint in Canada and played a critical role during an active year of natural catastrophes, helping Intact reach record net promoter scores for claims services provided during catastrophes.

Helping Our Auto Customers Get Back on Track Quickly with Crash Assist

By leveraging our UBI technology to detect car accidents through their phone, Crash Assist provides customers with assistance features and options to guide them through a stressful situation. Crash Assist detects severe accidents in real time and gives our Canadian customers quick access to emergency and towing services, personalized advice to help manage the situation (accident report, crash scene guide, share my location), and allows them to quickly file their auto claim.

Based on our human-centred design approach, the Crash Assist experience aims at reassuring and guiding customers in time of need. Intact was the first insurer in North America to offer this feature, leveraging our telematics program and enriching our added-value features offer.

Following the success of a pilot conducted throughout 2020, the feature was released progressively to all Intact usage-based insurance (UBI) customers in 2021. More than 100,000 UBI customers are now benefiting from this added-value feature which contributes to digitizing our claims experience. Completion of first notice of loss (FNLO) usage is almost double among Crash Assist users.

"I am so grateful to belairdirect for my recent refund, which was so well timed and appreciated. I am so inspired by your company and its actions and the way you really look after your clients. It is very moving. I am certainly going to spread the word of how highly I think of belairdirect and hope that your positive actions can have a ripple effect within the industry and the rest of the world right now – we all need it."

Quote from a belairdirect customer



"The pandemic has been tough for many people, businesses and society. From the start, we've been focused on how we can help our customers with relief and support for the communities where we live and work. We're supporting individuals and families who are most vulnerable to the effects of the pandemic. We want to continue doing our part to help."



Louis Gagnon
CEO, Canada, Intact Financial Corporation

Support for Vulnerable Customers

When COVID-19 struck in 2020, we were quick to introduce programs to help customers affected by the pandemic. We leveraged our strong financial position and the willingness of our employees to step up to continue to help our customers:

\$600 million

of financial relief to more than 1.2 million Canadian customers in 2020 and 2021. Customer premium relief measures included premium reductions and payment flexibility, as well as a \$50 million targeted relief program, which provided additional support to approximately 100,000 vulnerable small business customers

Donated \$1.9 million

to United Way and Centraide across Canada to help people and communities most affected by the pandemic

Introduced payment deferrals

for up to three months for our UK customers and offered additional assistance through flexible repayment plans

Introduced a new Breathing Space process

for our UK customers that found themselves in debt and needed time to organize their finances before repaying any monies owed to us

Waived fees for changes outside a customer's control,

such as a change in employment status due to COVID-19

OUR STRATEGY IN ACTION

Ensuring Good Outcomes for Our Vulnerable Customers

Customers in vulnerable circumstances may be reluctant to disclose that they are vulnerable, or may not recognize themselves as such. To ensure good outcomes for all our customers, we must recognize, understand and support their needs at every stage in their journey with us.

Our RSA Business Commitments to Vulnerable Customers are:

- **We understand the characteristics of vulnerabilities,** how they impact people's lives and how we should respond to customers in vulnerable circumstances
- **Our staff are empathetic to their needs,** they have the tools to respond and they are empowered to do so
- **Ensuring vulnerable customers are treated fairly is at the heart of everything we do,** and is embedded in our culture and ways of working

To help us meet these commitments, we have created a training suite which aims to provide our RSA customer facing teams with the information and skills they need to ensure that vulnerable customers have a positive experience with us. This includes key knowledge about vulnerability, training on how to have effective conversations with vulnerable customers and training on what we can do to ensure that no customer is disadvantaged as a consequence.

In 2021, our Irish business held a Vulnerable Customer Awareness month, promoting the importance of looking after our customers, especially those in vulnerable circumstances, through a series of webinars, communication channels and workshops.

We have also designed a vulnerable customer tool kit which targets both customer facing and non-customer facing roles, providing a range of tools and guidance such as how best to develop products that meet their needs. We are harnessing insight on the vulnerable circumstances our customers are in by using data from a variety of sources including speech analytics, quality assurance checks and customer feedback. We have also incorporated the consideration of vulnerable customers into the governance practices and tools we use when designing products and services or making changes to our systems or digital channels.



4,166
UK employees completed
Vulnerable Customers e-learning
in 2021

An Enhanced Digital Experience

Being customer-driven means meeting our customers where they are, so we continue to seek and test new ways to support them. Customers want low-touch, easy and fast digital experiences, and we are committed to providing these to them. Digital engagement with our customers is a key aspect of our strategic roadmap and we're well positioned to continue to deliver best-in-class digital experiences for customers now and going forward.

Key digital moments in 2021:

- **RSA implemented a new digital quote and buy platform for John Lewis**, generating a 98 per cent increase in direct customers starting a quote purchasing online
- **RSA implemented a new digital self-serve capability for Motability customers**. Over 2,000 customers submitted changes online in the first six weeks of launch
- **One million Intact insurance customers are registered with our Client Centre** – our online customer portal. Registrations more than doubled in one year and the Intact app is the most downloaded insurance app in Canada, with a rating of 4.4 out of five
- **As of July 2021, more than 50 per cent of our customers accessed one of our digital properties in Canada** – another digital milestone
- **We electronically issued 75 per cent of payments to Canadian customers**
- **We digitally conducted 42 per cent of appraisals** for vehicle damages in Canada

Intact Lab and Data Lab Customer Innovation

Our leading Intact Lab and Data Lab play a key role in strengthening our leadership position for digital innovation and customer engagement. These are innovation labs using machine learning, data science, software engineering, AI, agile, UX and design thinking to transform the customer experience.

The Data Lab continued to rapidly develop and deploy data and AI applications throughout our business with over 200 models in production. Key deliveries were in claims to accelerate cycle times, in sales to reduce time required for call quality control, and in improvements to existing tools used for pricing and investment management. Additionally, a newly formed Data Lab team is now dedicated to pricing sophistication for our UK&I business.

New digital features designed by our labs for our Canadian customers

- **New and improved roadside assistance tool for the Intact Insurance and belairdirect apps**: The new and improved roadside assistance digital tool provides a faster (50 per cent faster than the previous version) and simpler experience for our customers. Now available in all our mobile apps, 24/7 anywhere in Canada or the US, this tool enables customers to see and track assistance vehicles in real time on maps. Using pre-filled data to save time, the number of steps has decreased from 14 to seven
- **Chat and co-browsing in Client Centre and in mobile app for belairdirect**: We are building the foundation to become an omni-channel insurer with the capacity to solve our customers' problems regardless of how they choose to communicate with us. Our recently launched Chatbot now handles almost all of our claims-related chats, with 200,000 chats completed in 2021 versus 120,000 in 2020. We have improved the overall customer experience by introducing NLP (natural language processing) and we have improved the rate at

which chats are handled without agent intervention. We have seen great improvements in customer satisfaction from those whose inquiry was fully managed by the Chatbot, which allows agents to answer more customers at the same time

- **New co-browsing in Client Centre and on mobile app for better customer support**: Through co-browsing, our agents can view customers' screens in real time to guide them through tasks in the Client Centre and empower them to self-serve in the future. Launching first on Android and then iOS, our goal is to deliver personalized support on every platform. Initially only available on desktop, we have been able to offer this experience to customers on the mobile app since last summer, allowing us to offer support on UBI as well as our other self-serve tools. More than 1,000 customers received assistance through co-browsing in 2021 and are now more inclined to proceed with future changes online
- **Simplified communications**: Our Behavioural Economics team equipped our sales agents with behavioural science tactics. The team rewrote and piloted sales scripts making insurance human, with simplified auto coverage details in both French and English



- **Johnson Digital Claims Portal:** The Johnson Digital Claims Portal is a new Health and Dental policy administration system powered by Express Scripts Canada. With this new functionality our Affinity customers can easily submit their claims for auto-adjudication and view the response and reimbursement amount immediately. The new claims portal launched in May 2021 and since then we have seen over 67,000 successfully auto-adjudicated claims to date – or 60 per cent of claims auto-adjudicated – and customers getting payment quickly.

Leading the Way to Next-Generation Usage-Based Insurance (UBI)

Our UBI offering in Canada continues to gain traction, with adoption at over 60 per cent of new business in the direct distribution channel. Digital tools such as UBI are contributing to positive, active engagement. We're moving away from being a service with low touchpoints to one where our customers with UBI interact with our app on average 120 times per year.

Our UBI programs – automerit and myDrive – continue to gain traction with personalized driving insights and tips to improve customers' safety and help to keep our roads safer. Added-value features such as Crash Assist and Car Care will help to keep customers engaged and pleased and protect what they value most, all while offering them continuous peace of mind.

Hong Kong Data Lab

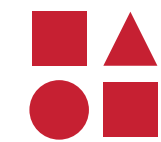
Since its opening in February 2020, the Hong Kong lab is the first international expansion of the Data Lab. Our team of data scientists, software engineers and actuaries continues to develop and implement data science solutions that contribute to Intact's purpose and strategies. Reinforcing our connections in the AI ecosystem, we are still progressing well on our mission:



- **To complement the talent pipeline in AI and data science from Canada with alternative sources**



- **To create strong connections in the AI ecosystem** in Hong Kong and China to make sure we stay aware of the latest advancements in the region



- **To introduce diversity of thought in our Lab** by recruiting people who have different educational and work experiences

Partnering with Academia to Accelerate Digital Innovation

This year, we have strengthened our partnerships in the academic community. Our many academic partners have shared new approaches and techniques in digital intelligence.

Several students from these partnerships are now talented employees of Intact. We constantly keep an eye on what could be done better outside by collaborating with key players in the innovation ecosystem.

Some of our partners like IVADO (which includes the University of Montreal, HEC Montreal and Polytechnique Montreal) are extending their services outside the Data Lab. This increases the number of key actors with whom we interact to support the community and bring value to Intact.

Through this partnership, we have access to a community of practice with some of the largest companies in Canada, and renowned professors training Intact employees and managers in fraud detection, telematics, natural language processing and actuarial sciences.

Université Laval, an early partner in our Data Lab, continues to provide us with knowledge and talent through frequent workshops and by recruiting for our co-developed projects the best students from their programs in artificial intelligence, actuarial science, geospatial, NLP and others. Proof of concepts developed by its researchers feed our product development cycles and keep us focused on where innovation is going next.



“I’m excited for what’s to come. Our teams continue to work on new features. With each new registration, we get closer and closer to our goal of digitally engaging with three out of four customers.”



Jean-François Desautels
Senior Vice President, Quebec and Digital Distribution

Customer Communications

Customers expect their experience, service and products to improve – and we’re there to deliver. We’re continually investing to ensure the customer experience is constantly improving.

Global Specialty Lines – Enhancing Our Service Offering

With the acquisition of RSA, we began a significant new chapter as a leading specialty business. Our new international capabilities and expertise, and broadened distribution footprint, are enabling us to expand our product offering and provide coverage in more than 180 countries.

- **Voice of the Broker Survey (US):** The launch of this survey in the US provided our brokers the opportunity to share their feedback on our underwriting expertise, claims service, online systems and tools, communications and more
- **Customer Journey (US):** In 2021, we completed our first customer journey mapping initiative to continue to drive towards our goal of turning customers into advocates. The project targeted claims experience for technology customers and helped identify opportunities to improve the customer experience and foster stronger relationships with our brokers

Ensuring Customers are Informed

Communicating with customers and keeping them informed of our existing and new products is part of the foundation of being customer-driven. Our approach is guided by regulatory requirements, but is focused on creating best-in-class customer experiences.

For our Canadian customers, if there is a change in coverage to a product, we communicate this to customers via a coverage letter included with their policy or a customer variation letter. For our Direct Distribution customers, the letter includes a phone number to connect with a customer service representative to answer any queries. For

customers who work with one of our broker partners, we also prompt the customer to get in touch with their broker with any questions, and we advise the broker of any changes directly. The letter may also direct the customer to a website that gives more details on the changes.

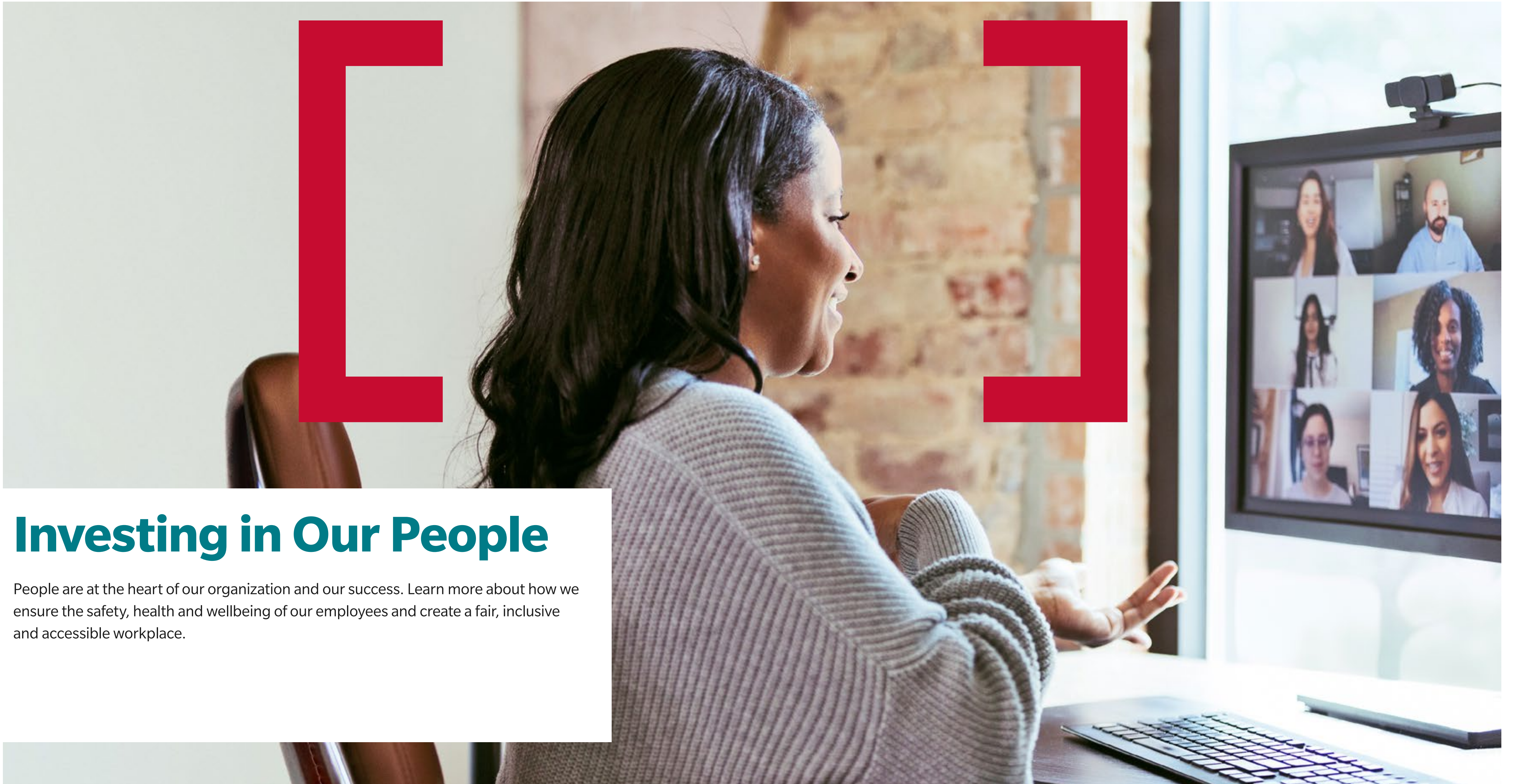
When new products are offered, we provide comprehensive information for our broker partners via our BrokerLobby portal, to supplement the conversations that our licensed brokers are already having with their customers.

Brokers – as part of their licensing – have the obligation to ensure coverage meets the needs of customers, and face Errors and Omissions suits should they fail to adhere to that duty, resulting in a gap in

coverage. Intact Insurance and its brokers also provide similar Guaranteed Replacement Cost (GRC) and Single Limit coverage to address any potential gaps in coverage purchased.

All customer communications are drafted by the teams accountable to the product or changes – commonly corporate underwriting, the product owner, and legal and marketing teams. Communications are signed off by key executives prior to distribution, including our corporate VP group, Direct Distribution senior management or Broker Distribution senior management.





Investing in Our People

People are at the heart of our organization and our success. Learn more about how we ensure the safety, health and wellbeing of our employees and create a fair, inclusive and accessible workplace.

Who We Are

Our purpose, Values, leadership success factors, employee promise, strategic objectives and strategic roadmap are the elements of who we are. They unite us in a common purpose, giving our work meaning and helping us make a difference every day.

Living Our Values

Our priority is to create an environment where people feel they can be their best every day, have equitable opportunities for development and career advancement and know the work they do matters.

How we do things is as important as what we achieve. This is why we’ve embedded our Values in everything we do, providing us with a compass on how we act, and who we recruit, retain and promote.

Values define how we treat each other and operate in the marketplace – guiding how we work with customers, colleagues, brokers, shareholders, suppliers, consultants and other third parties.

There can be no compromise on Values – they are more important than financial performance. They are a guide to help us make a difference in our roles and contribute to a workplace where people feel they can bring their best every day.

Leadership Success Factors

The Leadership Success Factors outline what we expect from leaders at Intact. They are deeply integrated into our business and are used for employee development, succession planning and promotion decisions.

In a dynamic and rapidly changing world, we require our leaders to be able to adapt to be successful. The Leadership Success Factors reflect the way successful leaders behave in changing circumstances.

These are the Values that guide us:



Leadership needs to be anchored in our Values. We see five key elements in a successful leader:

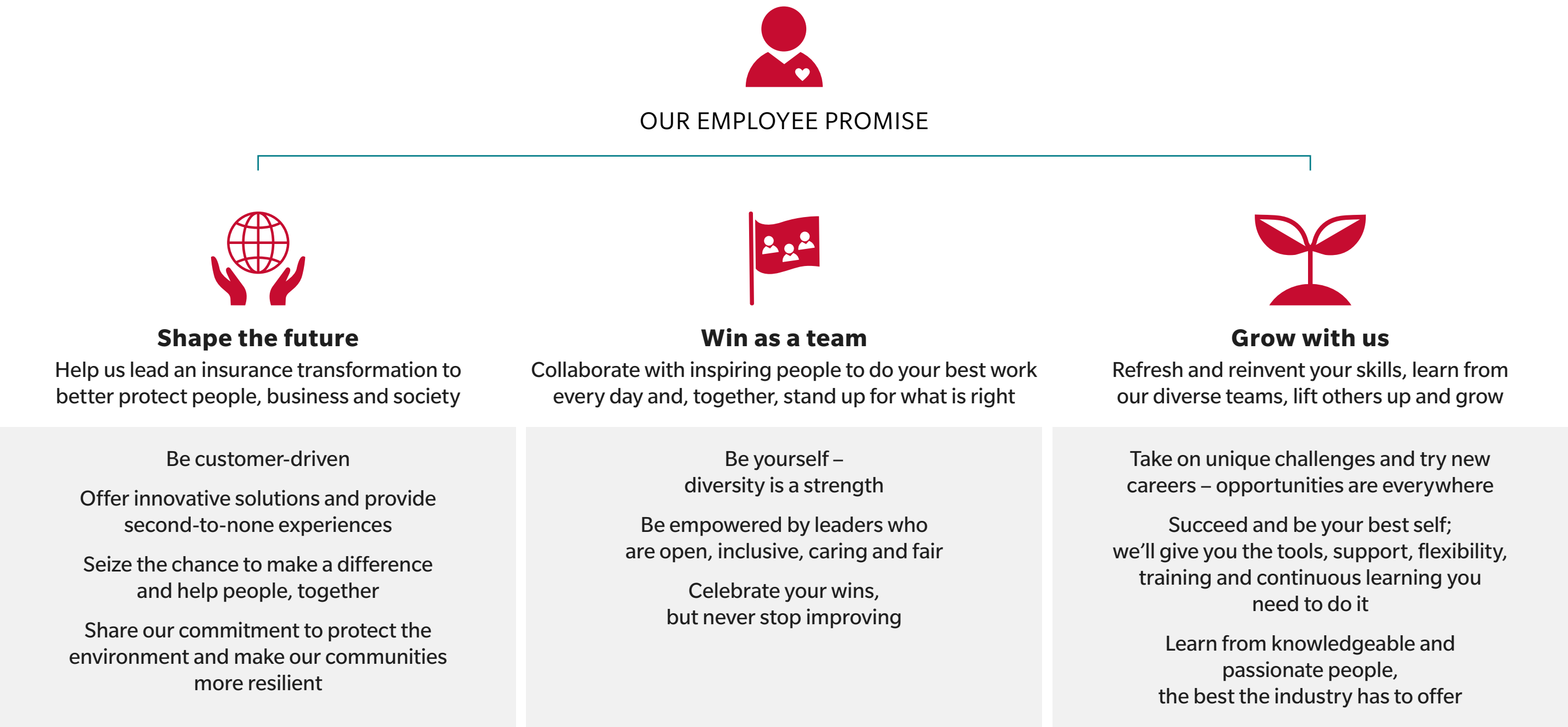


Our Employee Promise

Our Employee Promise has three pillars that represent Intact’s commitment to our employees in exchange for Living our Values, striving to do their best work, being open to change and investing in their career.

In return, we promise to provide support, opportunities and performance-led financial rewards at a workplace where they can Shape the future, Win as a team and Grow with us.

Every year, we renew our commitment to living our Values by signing an official declaration confirming that we have read and understood the Living our Values document that serves as our code of conduct.



Employee Engagement and Recognition

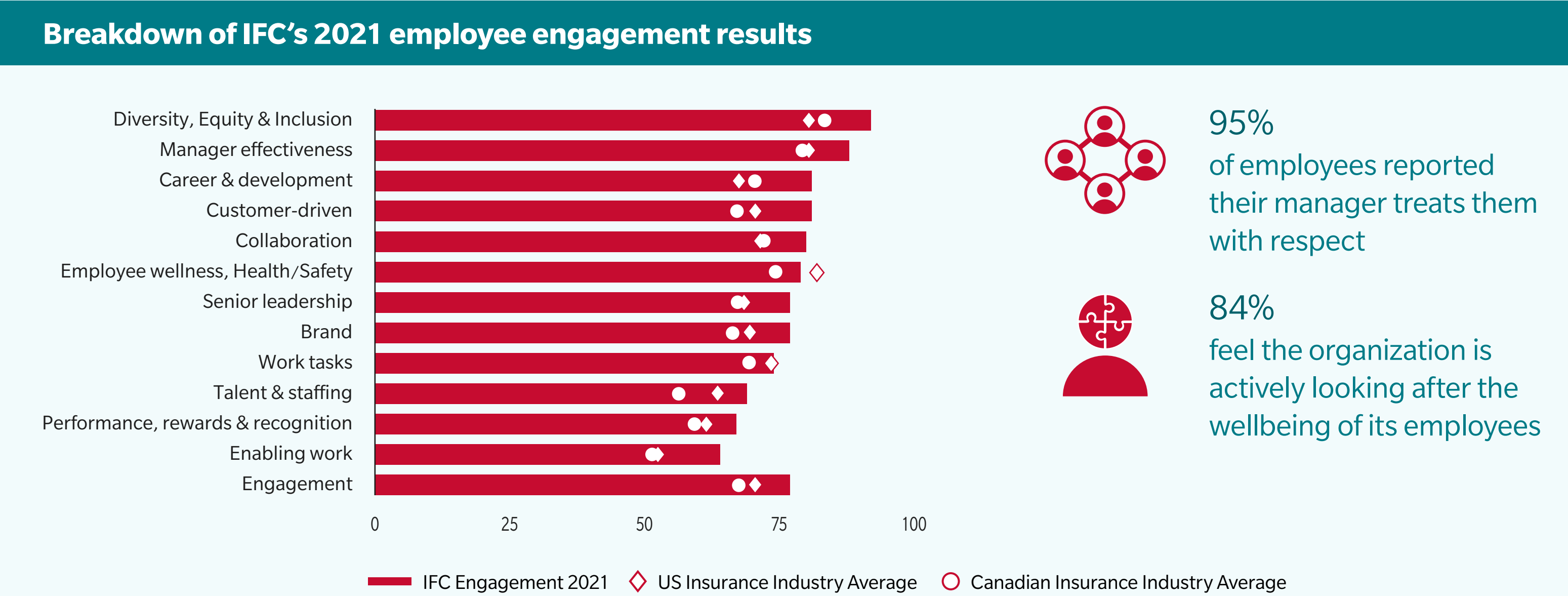
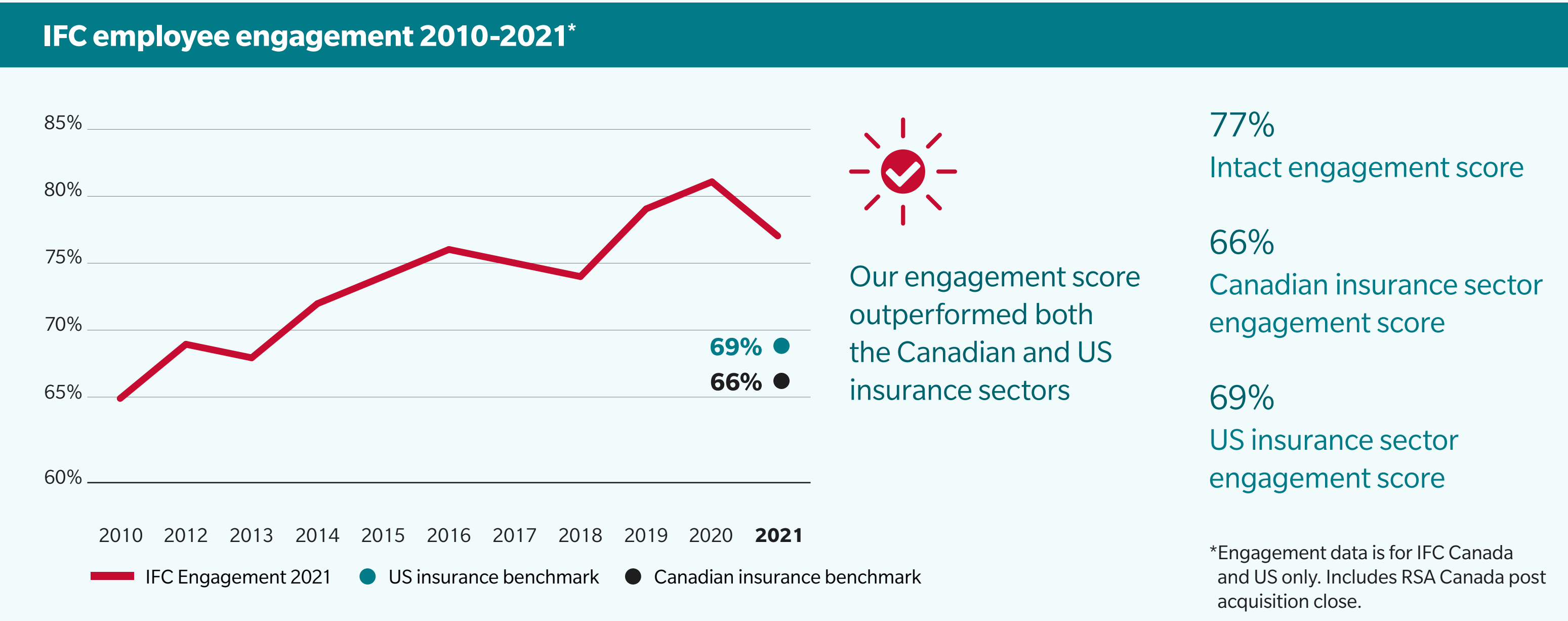
Employee engagement is one of our top priorities. We strive to make Intact a great place to work; where employees are engaged, challenged and inspired to make a difference. Employee feedback helps us build innovative programs to meet their diverse needs, maintain our reputation as a best employer and make sure we’re fulfilling our Employee Promise.

In North America, 87 per cent of employees participated in the annual engagement survey. Their feedback highlighted our organization’s strength in offering career development opportunities, manager effectiveness and trust in senior leadership. It underlined our employees’ strong belief that Intact fosters a respectful, inclusive and accepting work environment.

In 2021, we were recognized as a Best Employer for the sixth consecutive year in Canada and for the third year in North America and the US by Kincentric. Kincentric’s Best Employer awards recognize employers based on four indices linked to a committed workforce that delivers strong business results in four dimensions: employee engagement, agility, engaging leadership and talent focus.

In the UK, 73 per cent of employees participated in our annual employee engagement survey. Results highlighted our business strengths in employee motivation, trust in leadership and communications.

We value and respect the contribution of employees who go the extra mile for their customers and colleagues. In 2021, over 11,500 employees used our peer-to-peer recognition portals to thank colleagues who went above and beyond to make a difference. Our people made over 3,600 colleague nominations for UK, Europe and Ireland Shining Stars and Star Awards. In Canada and the US, CEO Charles Brindamour presented the Bravissimo recognition award to eight winning teams consisting of 227 employees who exemplified our Values and whose efforts made a lasting impact on the organization.



Ensuring Resilience and Wellbeing

Supporting Our Colleagues' Resilience Through Change

As we continue to transform our ways of working, embrace new opportunities and excel as a business, we understand the importance of supporting our employees.

In the lead-up to the Intact-RSA transaction, which was completed in June 2021, we made sure our senior leaders were visible, approachable and available, including providing weekly communication updates to welcome our new RSA colleagues. In April, we created the online Intact Hub. This Hub provided a safe space for RSA employees to ask questions, learn more about our business and meet members of the Intact senior leadership team. In addition to the Hub, our UK&I region's wellbeing portal provided further support and advice to employees through a series of articles and podcasts from expert guest speakers on how to build resilience through change.

Through our communication channels, tools and resources, we continue to work together to adapt and evolve our business for the benefit of our people and customers. In October 2021, we conducted an internal communication audit to analyze communication tools and channels and survey Intact employees. 89 per cent agreed that Intact keeps them up to date about what is going on in the organization.

Future of Work and Hybrid Workplace

The COVID-19 crisis accelerated our transition to a hybrid workplace, with many of our people working a mix of from-home and in our offices throughout 2021. Over the past two years, we've rolled out digital collaboration tools across the organization, upgraded our e-learning platform accessible to all employees and digitized our training programs. These tools help us to maximize the positive impacts of hybrid work by helping our people adapt, collaborate and succeed in the workplace of the future.

By accelerating digital solutions and optimizing hybrid ways of working we can:



- **Provide a healthy balance between life and work** that meets the needs of the role, the individual and our customers



- **Retain, recruit and develop talented people** to work in an inclusive environment that embraces diversity



- **Utilize our space in the most efficient way,** including being open-minded about where work can take place

To help employees ease their way into a new way of working, we launched a Hybrid World Hub, providing information, tools and resources to ensure they are well supported. We evolved our approach to the workplace, creating new desk reservation tools for employees who elect to come into the office, wellness checklists, new IT equipment, and mental health support. Team charters are established to empower teams to figure out how to communicate and collaborate, regardless of where employees are located.

In a survey conducted in September 2021, 90 per cent of our UK&I leaders said they were well equipped to manage their teams in new hybrid ways of working.

Ensuring Robust Health and Safety Measures

Our virtual healthcare benefits provide our people and their families access to confidential healthcare services 24 hours a day, seven days a week. Throughout 2021, we monitored COVID-19 infection levels in our offices and, via government data, in the locations where we have offices. This risk-based approach allowed us to scan and refine our strategy as

required. We continued to practise enhanced COVID-19 safety measures in our offices to protect our people. This included increased cleaning, providing hand sanitizer and wipes at high-touch points and physical distancing with appropriate signage during the height of the pandemic. We provided devices and ergonomic equipment to match the individual needs of those working at home and offered support to all employees to ensure they could work safely.

Supporting Wellbeing and Mental Health

In 2021, reports highlighted the cumulative impact the pandemic is having on mental health and wellbeing. We responded by augmenting our existing mental health and resilience supports for our employees. Throughout 2021, we:

- **Integrated our LifeSpeak partnership** into our mental health programs and initiatives in Canada to promote consultation of their expert-led mental health support and videos
- **Introduced 'Learn-To-Live'**, a new online mental health service for our US employees
- **Launched a three-week Be Healthy program** in Canada to encourage movement, creativity and wellbeing; more than 2,280 employees participated
- **Developed a new one-stop mental health and wellbeing portal**, linking managers and employees in Canada to more than 100 mental health services, learning opportunities and resiliency strategies
- **Provided refresher training** to our UK&I network of 170 certified mental health first aiders and adapted to the increased use of text and instant messaging by providing additional training on how to use the written word to support good conversations

Driving Diversity, Equity and Inclusion

Our Value of respect inspires us to see diversity as a strength and to be inclusive and collaborative. We are committed to a fair, inclusive and accessible workplace where everyone feels valued, respected and heard. This commitment guides our work and interactions with each other, our customers and society.

Our Diversity, Equity and Inclusion (DEI) approach is data-driven and aligns with our organizational values and strategic business priorities. It is underscored by our commitment to ensuring our people are engaged.

Accelerate Progress on Diversity

Our 2021 DEI Plans focused on enhancing diversity data reporting capabilities and governance to deliver on our data-driven strategy and better support the advancement of a diverse workforce.

In Canada, we are focused on achieving gender parity in leadership and increasing diversity across the organization to align with labour market availability by 2025. In addition to setting objectives, we engaged in consultations with senior business leaders to broaden accountability beyond the Diversity, Equity and Inclusion (DEI) Council. Furthermore, we broadened our Board diversity policy in Canada to include at least one director identifying as a member of visible minorities, Indigenous Peoples, persons with disabilities and/or LGBTQ+ by 2025.

Our UK business recognizes the importance of achieving gender parity, and in support of our commitment to the Women in Finance Charter, we have set out to achieve 34 per cent female representation in our UK management group by 2023. In 2021, women represented 32 per cent of our UK management group.

In the US, a DEI framework was established focused on staffing, support and communications, resulting in the doubling of Black, Indigenous, People of Colour (BIPOC) new hires and +20 per cent more women hired. Aspirational representation targets are being established for 2022.

In Ireland, our RSA and 123.ie businesses introduced the new software tool Textio, which provides language insights to the hiring process, ensuring a broader and more diverse appeal. The Irish business has also successfully piloted ‘blind CVs’.

As signatories to the Race at Work Charter in the UK, we are acting to remove barriers that people from ethnic minority backgrounds may face. We are committed to delivering against the charter commitments to address any systemic issues impacting Black, Asian and other ethnic minority individuals.

In Canada, Intact became one of the founding signatories of the BlackNorth Initiative, reinforcing our commitment to address anti-Black racism and foster an inclusive workplace. We continue to progress on our commitments, with 3.7 per cent of students hired at Intact in 2021 identifying as Black, and reached our target for Board composition with one member identifying as BIPOC. We established diversity objectives for our Canadian SVP/VPs in their Short-Term Incentive Plan as it relates to our target to ensure our workforce is representative of the visible minority labour market availability by 2025.

A Data-Led Approach to DEI

Accelerating progress on objectives relies on access to data that accurately reflects our workforce. Across our operating regions we encourage our people to share, review and update their information to ensure it is consistent with how they identify themselves. During our annual Count Me In (CMI) campaign in Canada, we promoted a suite of new inclusive workplace supports and underscored the impact it has had on employees. The CMI content resonated with

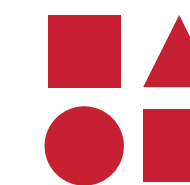
Canadian employees, leading to a 17 point increase in disclosure from 63 per cent in 2020 to 80.5 per cent in 2021. As a result, we’re better equipped to understand the diversity of our people, and can further refine our DEI strategy. The Count Me In campaign is due to launch in the UK in 2022. In the US, demographic insights are routinely gathered during onboarding, and were enhanced in 2021 to include additional dimensions of diversity.

To bring greater transparency and insights into our programs, our Canada business launched a new Diversity Dashboard to increase understanding of our enterprise diversity goals and to equip our teams with the ability to monitor and track gaps in representation across equity-deserving groups including Persons with Disabilities, LGBTQ+ and Indigenous Peoples.

In the US, all employees receive annual DEI progress reports capturing key accomplishments and metrics illustrating the diversity of our employee population. Intact also aligned with leading industry associations to collaboratively pursue strategies to help accelerate the transformation of our industry, which included the Insurance Industry Charitable Foundation Talent Hub in 2021.



52.2%
of roles in our
management group are
held by women



81%
of Canada-based employees
shared their diversity
information, supporting
greater transparency

Build Workplace Inclusion

In 2021, we anchored our inclusion efforts to drive inclusive behavioural change through learning, acknowledgement and reflection. Through the development of learning programs, articles and resources, we focused on equipping employees and managers with a better understanding of the role they play in building a more inclusive workplace and be accountable for their actions, behaviours and language.

In May 2021 we released our Living Our Values Inclusively (LVI) program for all Canada-based employees. Feedback has been resoundingly positive, and participants appreciate the relevance of the content as 98 per cent of Intact employees understand the impact of bias and their role in minimizing it.



In 2021, 96 per cent of UK&I employees completed Understanding Race Bias and Inclusive Language and Communications training and over 140 UK&I leaders completed Anti-Racism and Allyship training throughout the year. In the US, leaders took part in unconscious bias awareness training and the Inclusive Leadership Workshop is being rolled out to all people leaders in March 2022.

We also delivered nine flagship DEI initiatives focused on sharing lived experiences and providing opportunities to learn, reflect and take action. In Canada, initiatives centred around key observances within the DEI calendar including Black History Month, International Women's Day, Pride Month, National Day for Truth and Reconciliation and International Day of Persons with Disabilities, and generated 145,000 employee interactions.

Within our UK&I business, initiatives included Listening Groups from our Black, Asian and ethnic minority colleagues to understand experiences of inclusion and help shape our action plan. In the US, various Fireside Chats and other storytelling opportunities featuring employees and brokers augmented the elevation of inclusive events throughout the year.

Throughout June 2021, our people showed solidarity and honoured the perseverance of the LGBTQ+ community, hosting our first-ever global virtual pride celebration. Under the theme of 'Building Safe and Inclusive Spaces', we shared ways to create these spaces in our diverse roles as parents, managers and colleagues. Content shared during the month resonated with employees, with Pride Month articles being the second most viewed and commented on over the past two years.



Over 145,000
Canadian employee interactions with
inclusion initiatives in 2021

Enable DEI Advocates

Employee engagement increases with greater participation and involvement. Throughout 2021 we continued to proactively work with employees to solicit feedback and infuse their voices in our programs, provide strategic support to our employee networks and provide a forum to enable DEI champions to become active advocates.

In September we hosted our first Employee Network Leadership Summit in Canada to support network chairs to drive change and strategic planning. The half-day event was highly appreciated by network chairs with 100 per cent reporting their satisfaction with their Summit experience, the value of peer learning opportunities and discussions around leading organization best practices. Leaders reported feeling better equipped to approach their 2022 strategic planning with the tools provided during the summit.

In 2021, membership in our Diversity, Equity & Inclusion (DEI) volunteer group in Canada surged over 330 per cent since 2020. Led by the DEI team, group members meet monthly to provide feedback on initiatives, assist in content development and share DEI-related news within their Intact networks.

In the UK, we launched two new Employee Resource Groups in 2021. RSA Families helps working parents and carers connect, sharing tips and advice to support each other as working families. RSA Ability supports disability inclusion, encouraging positive places focused on strengths and ensuring wellbeing for all colleagues. These join our three existing Building Pride (LGBTQ+), Balance (Gender Equality) and REACH (Race, Ethnicity and Cultural Heritage) employee resource groups.

In the US, our first DEI Council was established to advocate and guide efforts, and our first employee network was formed in August 2021, with 200 members across the US joining. An all-employee survey to gauge interest in potential additional employee networks is underway, with initial plans in place to support an LGBTQ+ network.



100%
satisfaction score from
Employee Network
Leadership Summit

To support our LGBTQ+ community, we hosted a virtual pride event that spanned our global operations. In Canada, we ran fireside chats to recognize International Day Against Homophobia, Biphobia and Transphobia and Trans Day of Visibility; these were shared externally and garnered more than 30,000 views. We also developed further Trans Inclusion guidance for employees and leaders in our UK business.

Beyond provincial accessibility requirements, we implemented a National Accessibility Policy and Workplace Adjustments Policy for Canadian employees, reaffirming our commitment to provincial human rights and accessibility legislation. We also formed a 20-member Accessibility Advisory Group, including employees with visible and invisible disabilities, to support the identification, removal and prevention of workplace accessibility barriers.

Gender Pay Equity

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



330%
membership increase in our
Canada-based DEI volunteer
group since 2020.

IN CONVERSATION

Celebrating Diversity & Inclusion Week: Reflections from Tina Debos, Director of Diversity, Equity and Inclusion, Canada



Q: What does our annual Diversity & Inclusion Week (D&I Week) mean to you?

A: D&I Week is an important annual flagship program at Intact that employees enjoy planning and participating in. It's an opportunity to learn from one another and celebrate our mosaic of genders, cultural backgrounds, languages, abilities, generations and diversity of thought. As we continue to work remotely – and with the recent integration of RSA – it was essential to encourage connectivity and inclusion. For me, D&I Week is about strengthening the alignment with our values and building a sense of belonging.

Q: Were there any new additions to this year's D&I week?

A: Yes, we introduced several new initiatives this year, including forming a 15-member D&I Week Steering Committee with representation from regional leads, DEI, HR, corporate communications and social media to spearhead planning and execution. We also leveraged our Social Impact program to drive engagement by donating to charities supporting equity-deserving groups. We also streamlined the D&I Week portal to provide one-stop access to the week's national and regional initiatives and events.

Q: What was your favourite event from this year's D&I Week?

A: Our theme this year expanded to not only celebrate our diversity, but also the intersectionality of our team members. There were so many great live events, guest speakers, quizzes and contests, but I particularly enjoyed the series of fireside chats. These candid conversations focused on amplifying employee voices and learning through the lived experiences of our peers. Over 1,000 employees joined these chats to hear their colleagues share their stories. I found the "Intersectional identities of Women" and "Transforming Passive Bystanders into Active Allies" sessions especially thought-provoking.

Q: What are you most proud of from this year's D&I Week?

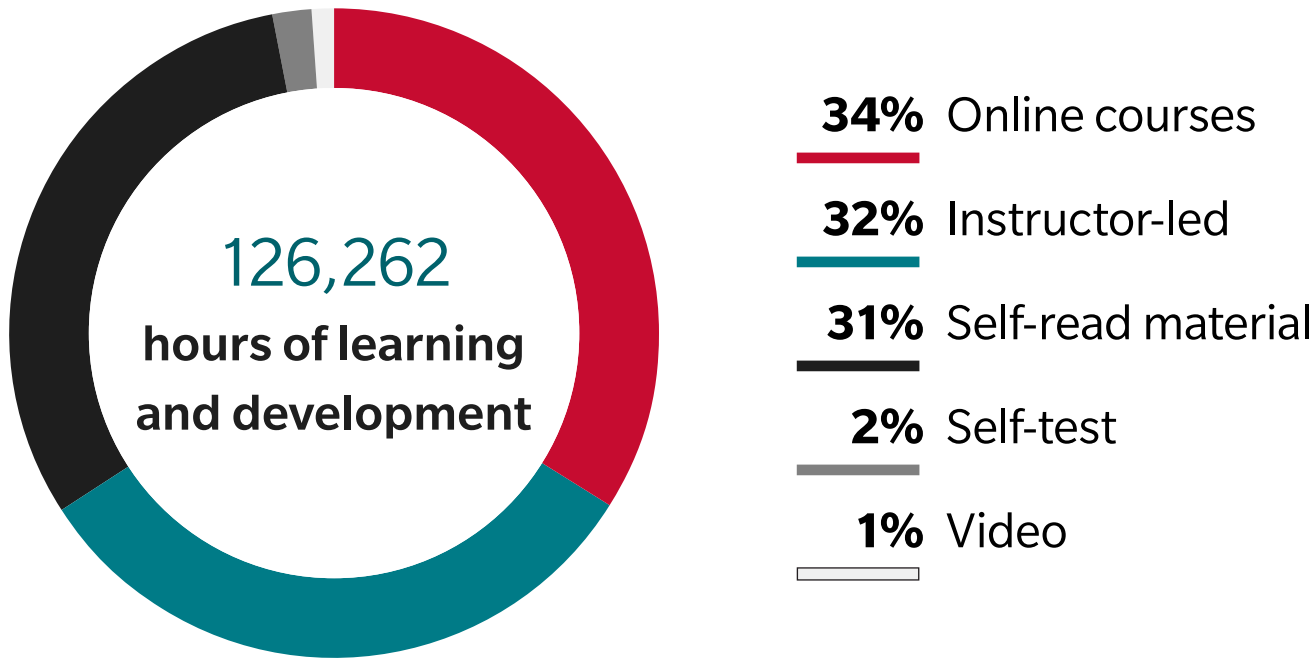
A: We could not have mounted a successful event without the help of the 250 volunteers who supported more than 70 employee-led regional initiatives across our Canada, US and UK&I regions. The Employee Networks were also heavily involved during the week, conducting workshops, hosting webinars with guest speakers and posting videos to engage employees. This combined effort enabled us to celebrate our diversity, learn and connect with each other.

Providing Fulfilling Careers

We are passionate about giving every member of our team the opportunity to thrive. In addition to our annual performance appraisals and development action plans, we support flexible ways of working and self-development by offering a wide range of virtual and in-person workshops, e-learning courses and leadership initiatives focusing on personal and professional development.

In 2021, our UK employees completed more than 1,400 hours of training as part of our Licence to Lead and Welcome to Leadership@RSA initiatives. Our UK employees visited our Connected Leaders Hub and Team Development Hub more than 1,500 times. In Canada, our Future Ready and Intact Leadership Journey programs offer our colleagues a suite of development programs for all levels of leadership. Our Ready Now, Ready Soon watchlist helps us support potential internal successors for leadership and technical expert positions.

In 2021, our UK and Europe-based employees completed 126,262 hours of learning and development, comprising:



Our UK&I Technical Academy continued to help develop competencies for underwriting, claims and insurance-related topics in 2021. The curriculum includes introductory, intermediate and advanced content to meet the needs of employees at every stage of their professional development. Each year, we celebrate our employees’ specialist skills through our Technical Excellence Awards, which recognize rising stars, individual successes and high-achieving teams.

In Canada, we provide leadership development training for underwriters and direct distribution sales and operations businesses in a rotational training program that features classroom-style learning, self-study and on-the-job training in various lines of business. Once the program is successfully completed, graduates can apply to be a member of the front-line management team.



222,133
learning and development
courses completed in 2021
in the UK and Canada



88
courses offered on
leadership and
management training



Over 2,500
employees promoted
to new roles in 2021



74.1%
of team leader, manager
and director positions were
filled internally

To support high performance among our employees, we provide continuous feedback and development in addition to formal biannual review processes for employees and their managers to discuss personal and business goals and performance. Reviews provide an opportunity for discussion on development plans, progression paths and opportunities such as stretch assignments, job shadowing and new training programs. This ensures that our Values-based culture and the way we do things have equal status with results and supports individuals in driving their personal development plans. Recognizing that working from home and hybrid working can shift the dynamics of how our people interact, we supported colleagues with extra guidance on how to manage performance remotely.



656
graduate, apprentice and
internship placements supported
across the business in 2021

For more information, see **ESG Data Tables** on [page 82](#).

Attracting and Developing Future Talent

Intact aims to be a destination for top talent, experienced insurance experts and strong leaders. We are proud to employ dedicated and talented people.

To build a talent pipeline, we design our broad range of summer student, internship and apprentice programs to engage people with the work we do and help them develop the skills they need to succeed. As valued members of our team, participants learn and grow by taking part in meaningful projects and hands-on work experiences alongside supportive colleagues and leaders.

Supporting more than 300 existing employees and early career new hires on average at any given time, our UK Apprenticeships Programs have been providing accredited programs and qualifications across a wide range of disciplines and academic levels.

We hired 420 students across the Canadian business in 2021 in key roles such as Underwriting Assistants, AI Backend Developers, Business Analysts and Actuarial Analysts. We offer a wide range of engagement initiatives to immerse students in the Intact culture in Canada, including:

- **National Orientation Week:** In 2021, we had all students virtually connect through onboarding sessions to kick off each semester
- **Demonstrating our Employee Promise:** We educated our students through bilingual professional development workshops, networking events, and national chats with executives to demonstrate the ways in which they can Grow with Us and Shape the Future at Intact
- **Student Video Competition:** Every summer, we run a national student video competition where students are tasked to work in small groups and create short videos which showcase the student experience with us

- **Campus Influencer Program:** We welcomed 11 students to our Campus Influencer team in the fall of 2021. These students represented Intact on campus; held coffee chats to engage with potential new hires, attended and helped to promote our external events and acted as our eyes and ears on campus, providing feedback as to what resonates with students

Competitive Employee Benefits

Compensation at Intact is much more than a salary and bonus. We offer a competitive benefits package to our 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.

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

Examples of benefits we offer our employees include:

- **Employee Share Purchase Plan** – a voluntary plan in which employees can purchase Intact shares. Intact matches 50 per cent of net shares at the end of each calendar year
- **Matching of charitable donations**
- **Competitive vacation and personal days**
- **Wellness accounts** to support overall employee wellbeing

In the UK, our Sharebuild and Sharesave plans provide the opportunity to buy Intact shares in a tax efficient way. For every four shares purchased, we award our employees one free share.





Building Resilient Communities

We are focused on building resilience. This means helping society, and our customers, adapt to the impacts of climate change and creating opportunities for families and children living in poverty. We share how our expertise, scale and resources can help accelerate meaningful solutions to these complex challenges.

Our Climate Transition Strategy

Over the past decade, we have made significant progress in helping our customers and society anticipate the consequences of climate change. As natural disasters have increased by a factor of four over the past 30 years, this effort is existential. The path to a climate resilient society requires a strategy built on offence versus defence to address the carbon implications of the global economy.

We have an important role to play in the transition to a low carbon economy and we've developed a plan that uses our expertise, resources and scale to address both sides of the climate challenge – mitigation and adaptation – and is rooted in our purpose. We are focused on helping to de-risk the transition, support customers as they determine their transition pathways and identify opportunities that maximize the overlap between helping and winning.

Throughout the year, key teams across the global business built a five-point plan that outlines concrete actions across our Canadian, US, UK and International businesses:



COMMIT to net zero by 2050, including an accelerated goal to halve corporate emissions by 2030 from a 2019 baseline.

Climate action starts with addressing our own greenhouse gas (GHG) emissions. We have already taken steps to reduce our emissions, and we'll commit further with a net zero objective aligned with Paris Agreement targets. We are committed to setting near-term targets as GHG emissions standards and measurement protocols continue to develop. We are also committed to being carbon neutral in our corporate operations by 2025.



Double down to help people ADAPT to climate change.

The personal and economic impact of extreme weather events on people and communities cannot be overstated. We will continue to expand our work in resilience in Canada and use our expertise to extend this work to the US and UK.



We are recognized as a leader in financial disclosure and will apply our leading practices to the measurement of GHG emissions. We will be transparent with our progress in the execution of our action plans.



Leverage our platform to SHAPE climate-friendly behaviour with customers.

In order to achieve a net zero economy, people and businesses will need to change their habits – how they move, the products they consume and how they consume them. Opportunity exists for Intact to help shape those behaviours to favour a low-carbon economy.



ENABLE the transformation of industries key to the transition.

Many industries will be transformed and new ones created in the coming decades to support the transition. We have an active role to play in de-risking companies and industries that can help accelerate a sustainable future.



COLLABORATE with governments and industry to accelerate climate action.

Governments play an essential role in the transition as they align and prioritize the efforts of society and the economy. We will use our expertise to help governments, and our industry, to identify solutions, create consensus and accelerate action.

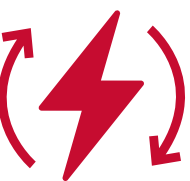
OUR STRATEGY IN ACTION

Launching Our Net Zero Target

As part of our Climate Transition Plan, we have committed to net zero emissions by 2050, in line with the Paris Agreement targets. Our newly established climate strategy organization works with our climate plan working group, made up of executives from teams across our underwriting, investments, finance, claims/supply chain, social impact and data labs, to develop reduction strategies across the business.

More information on interim targets will be provided as over 20 projects across the enterprise are executed throughout 2022. We are committed to setting near-term targets as GHG emissions standards and measurement protocols continue to develop. All commitments and targets apply to Intact’s global footprint, including subsidiaries.

While these projects get underway, our net zero commitment will focus on halving GHG emissions across our international operations by 2030 from a 2019 baseline. We are also committing to carbon neutrality in our corporate operations by 2025. We are building on progress already underway in three key dimensions:



Electrifying our fleet of vehicles

To accelerate the low-carbon transition and encourage our employees to use low-carbon travel alternatives, we installed nine electric vehicle charging points at our Chelmsford, UK site in 2021. In 2022, we plan to install 14 additional charging points at locations we own. We are also discussing opportunities for further expansion with our landlords.

Our On Side Restoration business in Canada introduced a further nine electric vehicles to its commercial fleet in 2021, providing low-carbon travel alternatives for our claims employees. We plan to increase the number of electric vehicles in On Side Restoration’s fleet over the next five years, as electric vans and trucks become more available.



Increasing energy efficiency and renewable energy use in company offices

Our UK&I business set a target of sourcing 100 per cent renewable electricity across its estate by 2025. At present, 66 per cent of our energy consumed is from renewable sources. We procure Renewable Energy Guarantee of Origin (REGO)-backed energy, which ensures the energy comes from a certified renewable source.

In March 2021 we introduced our property checklists, which enable our UK Facilities Manager team to conduct detailed annual sustainability audits. These audits support the move to newer, more efficient buildings and highlight upgrade and replacement actions at our existing sites to reduce our carbon footprint. These include retrofitting motion-controlled LED lighting and installing energy-efficient boilers at our Horsham and Liverpool sites. In 2022, we plan to introduce these checklists across our remaining locations to identify further opportunities to reduce our carbon footprint.



Reducing corporate travel

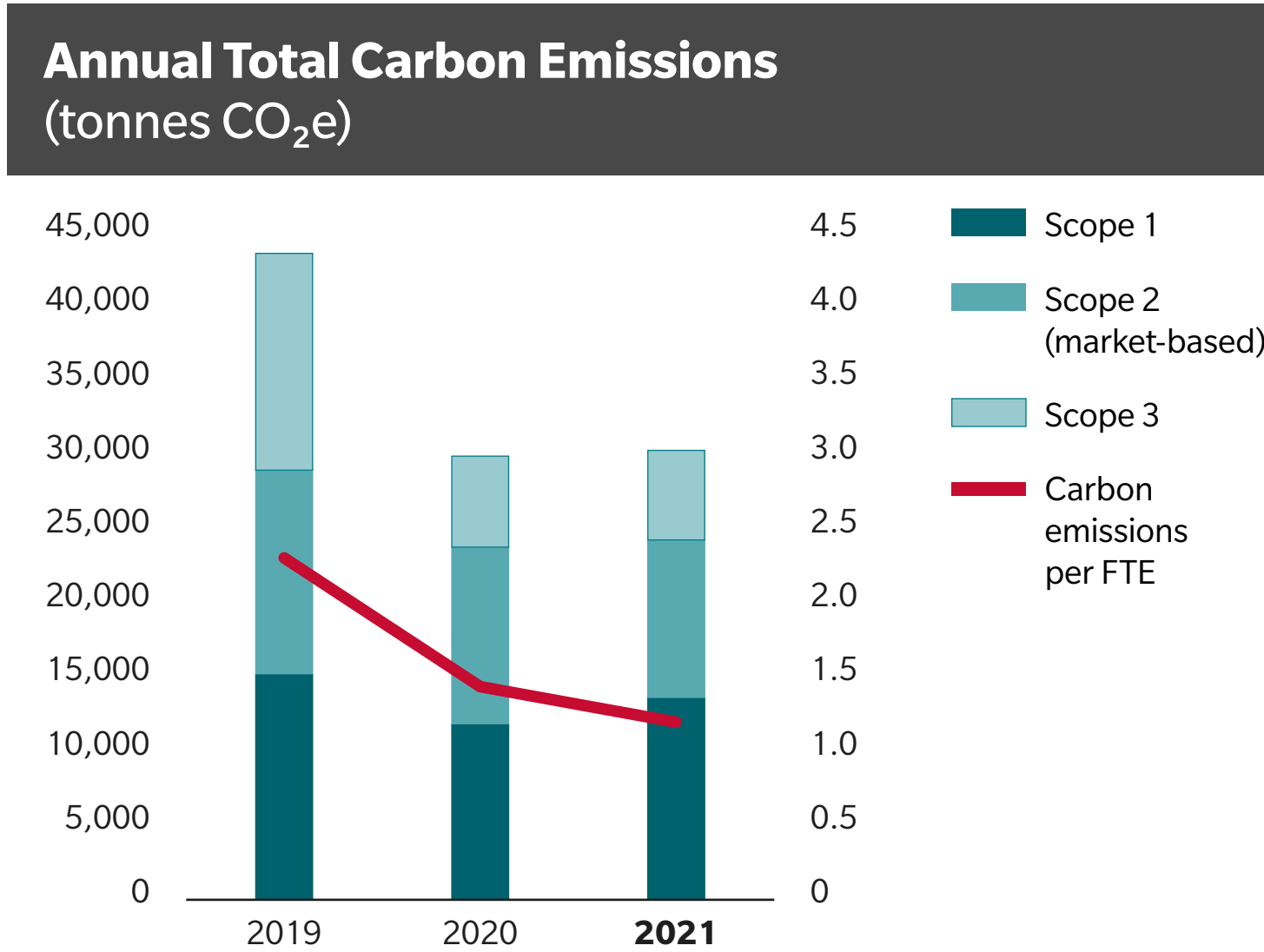
Business travel was reduced significantly as travel restrictions continued throughout 2021 due to COVID-19. As we start to activate our new hybrid workplace strategy, our corporate travel policy has been updated to reflect our new hybrid workplace and encourage the use of new digital collaboration tools. We also provide options and guidance to frequent travellers and management on low-carbon travel by encouraging rail and vehicle travel for short-haul trips and batching meetings to avoid multiple trips.



Enhanced measurement

The environmental reporting platform Envizi helps us measure, monitor and manage the factors that influence our overall carbon footprint, including business travel, energy consumption and waste. Using this data, we’re able to target actions to where they will have the most impact.

We are committed to setting near-term targets as GHG emissions standards and measurement protocols continue to develop. All commitments and targets apply to Intact’s global footprint, including subsidiaries.



For more information, see **Sustainable Operations Data Table** on [page 85](#).



Double Down on Climate Adaptation

We've been focused on building society's capacity for resilience since Intact was established. Over the past decade, we have helped bring to life over 90 adaptation projects across Canada and invested millions in support of projects that protect people and our communities. These projects and investments have resulted in the development of new building codes, avoided flood impacts, wildfire prevention and the development of practical tools and guidelines for homeowners and municipalities to protect themselves.

As we look to what's next with our climate transition plan, our support of climate resiliency and the urgency surrounding the need to adapt hasn't changed – in fact, we're focused on doubling down on our commitment. Temperatures will continue to rise as the world transitions to a net zero society and we need to be ready for their impacts. For Intact, this means expanding our climate resiliency mandate to the US and UK, finding new pathways to protect our customers, investing more resources into world-class research and accelerating local solutions for the communities most vulnerable to climate impacts in Canada.

Strengthening Our Customers' Climate Resiliency

We are with our customers on the front lines as we deal with the impacts of a changing climate. We are building our capabilities and sharing our expertise and ideas on how to adapt to extreme weather. It is urgent to take action now, working together with our distribution partners and customers.

We develop products and services that help our customers manage climate-related risks. In Canada, our loss-prevention consultants routinely review extreme weather-related pre-emergency plans for our customers and provide detailed business continuity planning assessments.

We encourage our customers to adopt property flood-resilience measures, helping households and businesses reduce the risks and impacts of flooding. Our brokers in Canada receive up-to-date climate resiliency tips, tricks and tools through BrokerLobby, where we host various broker training on resilience, connect them to a Home360 tour of home maintenance tips and share FireSmart tips to protect homes from wildfire. Our employees have access to a comprehensive digital training tool to prepare them to conduct a home flood protection check-up, thanks to the Intact Centre on Climate Adaptation research.

Customers in Canada now receive weather alerts with the Intact app, where severe weather warnings are delivered directly to their smartphone. Customers receive weather alerts for heavy snow or rain, strong winds, freezing rain and hail. With up to six hours' notice and accuracy within a 3 kilometre radius, customers can set notifications for all property locations and their current geographic location.

We have a unique role to help people and communities recover after flood events. In the UK we contribute to Flood Re, a collaboration between the UK government and insurers to make flood-cover insurance more affordable for customers in high-risk flood zones. In Canada, we are working with the Canadian federal government on the Task Force on Flood Insurance and Relocation, which aims to develop options to protect homeowners in high flood risk areas and examine the viability of a low-cost national flood insurance program.

Supporting Community-based Climate Resilience

The United Nations Climate Change Conference (COP26) agreement by global leaders to end deforestation and land degradation by 2030 reaffirmed the critical importance of protecting biodiversity and leveraging nature-based solutions to manage the risks associated with climate change. By investing in nature and collaborating with non-governmental organizations, research institutes and local governing bodies, we can protect our natural assets, build resilience to weather-related disasters and natural catastrophes and provide social and economic benefits to our communities.

As part of our ongoing efforts to help people build more resilient communities, we invested \$2.3 million in projects across our Canada and UK climate change and adaptation action grant programs in 2021.

Our UK Climate Change and Risk Education grant program utilized funds from the UK Dividend Forfeiture Scheme to support 48 local charities in 2021. A total of £200,500 was distributed to projects to tackle climate change, conserve biodiversity and offset carbon emissions. The recipients included the Led by the Wild charity, which said, “We are absolutely delighted to be granted £10,000 to support our vital community conservation work. Through this funding we will create exceptional spaces of community conservation and biodiversity to inspire, support and educate all.”

In Canada, our Municipal Climate Resiliency Grant program seeks to help municipalities adapt to climate change. We’re investing \$1 million in cities and towns across Canada that are developing practical and effective solutions to protect communities from floods or wildfires. The program has received 145 applications for projects that include wetland restoration, wildfire and flood risk mapping and homeowner flood and wildfire education portals. The successful projects will be announced in the spring of 2022.



\$2.3M
donated to 50 charities tackling climate change
and utilizing nature-based solutions in 2021

OUR STRATEGY IN ACTION

A New Partnership with The Nature Conservancy of Canada

We have been vocal advocates of the role that nature can play as a tool to protect communities. Forests, grasslands and wetlands are more than decoration in the landscape – they help with flood management, protect from drought, remove carbon emissions and provide clean water. All while supporting a diverse habitat for plants and animals. Joint research between the Intact Centre on Climate Adaptation and the Insurance Bureau of Canada reports that preservation of wetlands can reduce flood damage costs by upwards of 40 per cent.

Natural infrastructure is quickly gaining momentum as a front-line climate adaptation solution, and we see an opportunity to invest to accelerate the business case to protect wetlands. In a newly established partnership with leading NGO The Nature Conservancy of Canada (NCC), we’re investing \$8 million over the next five years to harness the irrefutable benefits of wetlands in a collaborative partnership between the NCC, the Intact Centre on Climate Adaptation and Intact focusing on three dimensions:



- **Conserve and restore** more of Canada’s threatened wetlands



- **Undertake a process to develop a made-in-Canada protocol for wetland-based carbon offsets**, which will be made available for use by international standards bodies



- **Translate the protocol into a sustainable finance tool**



The Nature Conservancy of Canada is the country’s leader in delivering conservation and stewardship impact of global significance. When we combine this with the risk management, financial markets and climate resilience expertise of Intact and the Intact Centre, we can accelerate the case to make nature investible.

OUR STRATEGY IN ACTION

Intact Centre on Climate Adaptation

Since its inception in 2015, [the Intact Centre on Climate Adaptation](#) (Intact Centre) at the University of Waterloo has been helping homeowners, communities, governments and businesses to identify and reduce the impacts of climate change and extreme weather risk. The Intact Centre is our longest-standing partnership and our lighthouse to help prioritize resilience actions for society. We continued to support the Intact Centre in its work to identify and implement practical actions to reduce the impacts of the greatest climate risks affecting Canada today.



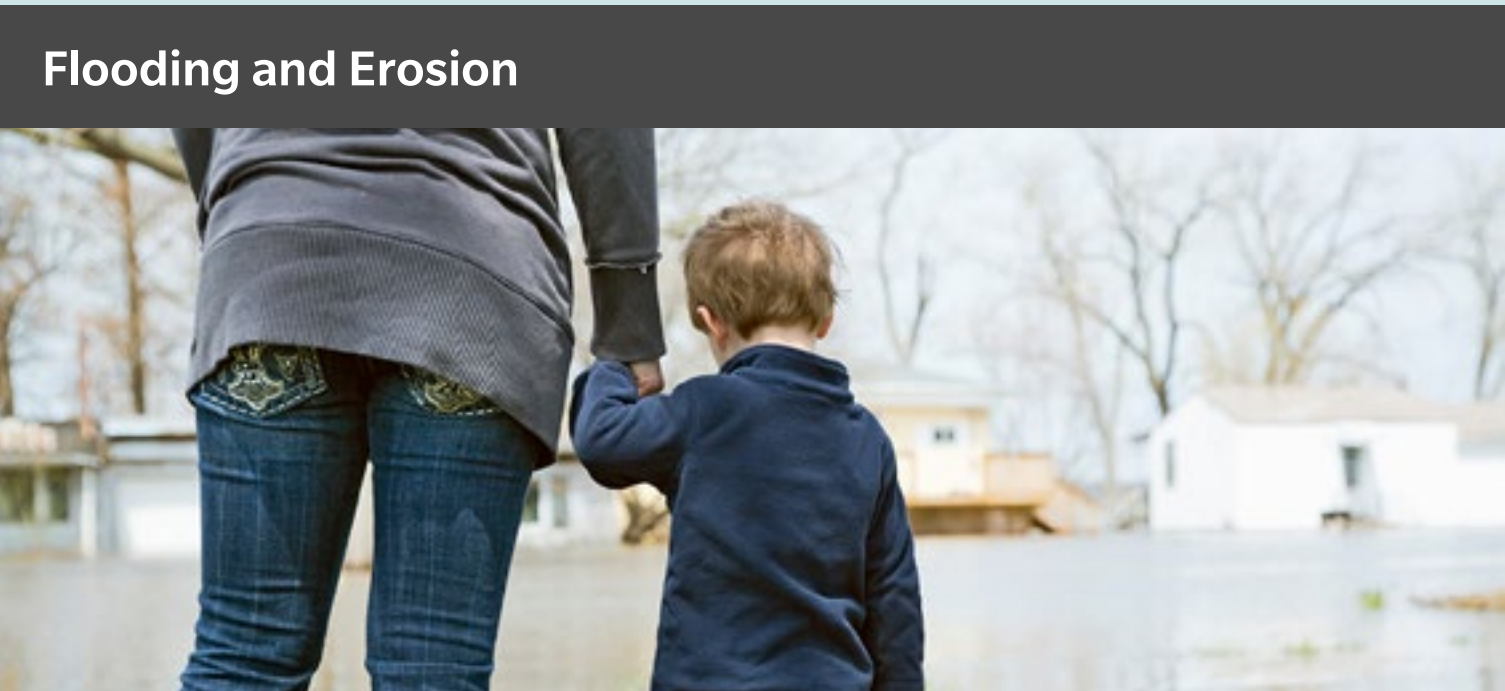
Over \$10M
Committed in resources to help accelerate
the Intact Centre’s critical leading practices

“With determination to build a more climate-resilient future for Canada, the Intact Centre on Climate Adaptation and Intact Financial Corporation have made adaptation part of the national lexicon on climate change.

We remain steadfast in our focus to mobilize solutions, with urgency, to reduce the economic loss and societal stress resulting from climate change and extreme weather risk.”



Dr. Blair Feltmate
Head, Intact Centre on Climate Adaptation



Flooding and Erosion

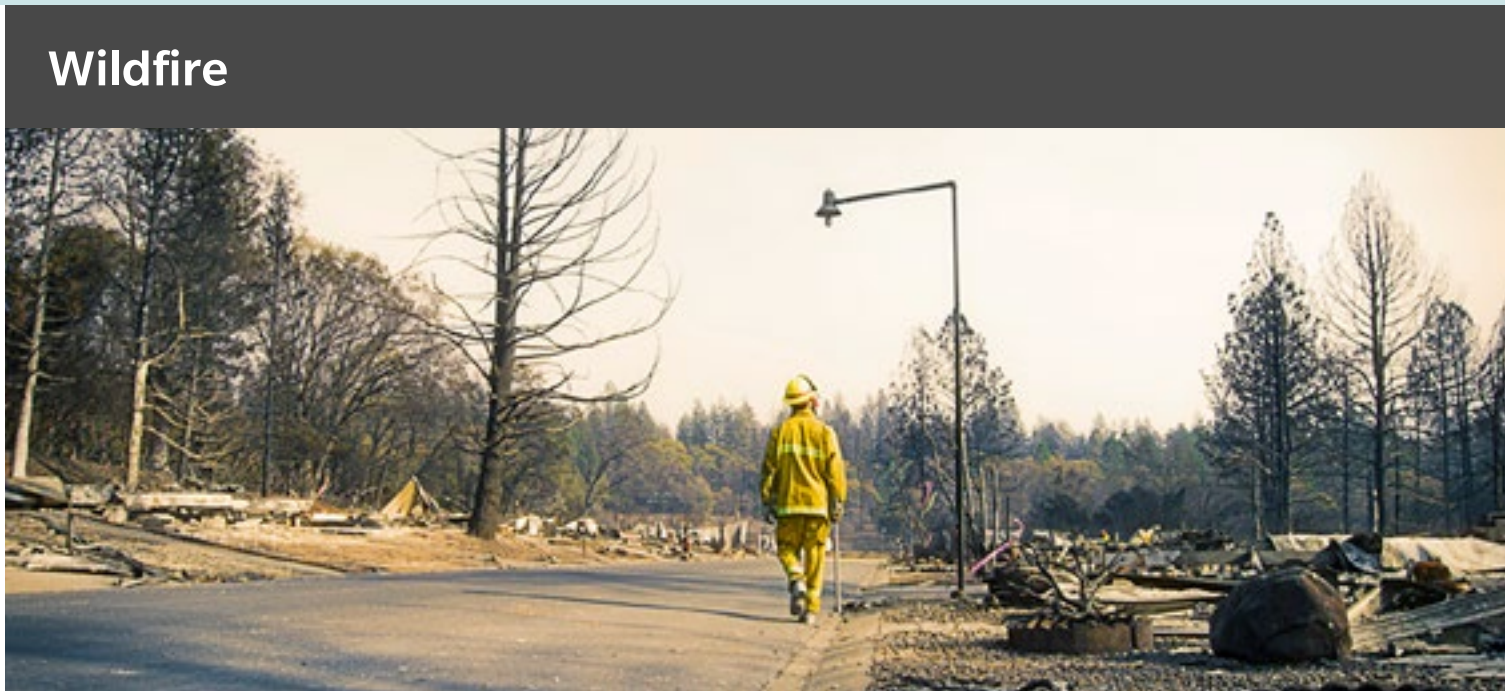
Objective: Reduce flood and erosion risk to individual homes, commercial real estate buildings and new and existing communities, up to the river basin scale

2021 Actions:

- Published an updated [report](#) examining the preparedness of 16 major Canadian cities to minimize the negative consequences of current and future floods
- Published [Rising Seas and Shifting Sands](#), with practical measures to protect Canada’s eastern and western coastal communities
- Launched a flooding and erosion online training curriculum for government staff and industry professionals
- Engaged municipalities on ways cities can adapt to protect themselves from floods

Next Steps:

- Publish [Treading Water: Impact of Catastrophic Flooding on Canada’s Housing Market](#) report
- Launch home climate-resilience training program for high-risk zones
- Develop [Municipal Flood Risk Assessment Framework](#) with Intact Public Entities
- Work with CSA Group to produce guidance for governments on “Managing Flooding and Erosion at the River Basin Scale”



Wildfire

Objective: Promote FireSmart™ Canada’s best practices to better protect Canadians from wildfires

2021 Actions:

- Partnered with FireSmart Canada and the Canadian Home Builders’ Association to develop a [checklist](#) for new homes and communities being built in forested areas
- Contributed wildfire home protection expertise to the *Atlantic Broker* and *Canadian Underwriter* publications

Next Steps:

- Launch wildfire-resilient home construction training pilot for builders, renovators and landscapers
- Develop training pilot program to support wildfire resilience in Indigenous communities

Extreme Heat



Objective: Guide Canadian communities in implementing practical actions to adapt and reduce risks associated with extreme heat

2021 Actions:

- Consulted with more than 60 subject matter experts to prepare extreme-heat risk reduction guidance for Canada, including practical actions to reduce extreme-heat risk for homes, multi-unit residential and commercial buildings and communities
- Participated in several print and radio interviews with major Canadian media outlets on extreme-heat adaptation

Next Steps:

- Publish Irreversible Extreme Heat: Protecting Canadians and Communities from a Lethal Future report
- Continue local and national stakeholder engagement
- Produce practical tools to encourage adoption of steps to adapt for extreme-heat resilience

Conservation and Restoration of Natural Infrastructure



Objective: Increase the uptake of natural infrastructure conservation and restoration initiatives in Canada to reduce climate risk

2021 Actions:

- Became a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum
- Worked with the Public Sector Accounting Board (PSAB) to help recognize natural assets in financial statements
- Contributed to two key reports on natural assets with Engineers & Geoscientists of BC, as well as the Greenbelt Foundation

Next Steps:

- Incorporate the benefits of natural infrastructure into extreme heat, coastal resilience and flood and erosion risk initiatives
- Contribute to a national standard on natural asset inventory with CSA Group Technical Committee
- Continue work to develop consistent natural asset disclosure guidance
- Continue work with the Municipal Natural Assets Initiative Advisory Group on a training roadmap for natural asset management

Capital Markets and Physical Risk



Objective: Develop a framework for factoring physical climate change risk into investment decision-making, consistent with the direction of the Task Force on Climate-related Financial Disclosures (TCFD) and Canada’s Expert Panel on Sustainable Finance (EPSF)

2021 Actions:

- Engaged the Bank of Canada, the Office of the Superintendent of Financial Institutions (OSFI), Canadian Institute of Actuaries and Chartered Professional Accountants Canada on ways to factor physical climate risk into financial valuation
- Completed a TEDx Talk on Extreme Weather: Canada’s Urgent Need to Adapt, which covered the physical climate risk on industry sectors
- Engaged CSA Group on establishing a technical committee for a physical climate risk taxonomy

Next Steps:

- Publish new climate risk matrices for banking, P&C insurance, hydroelectricity generation and wind electricity generation
- Engage Bank of Canada and OSFI on the physical risks of climate change and impact on various industry sectors, including the Canadian residential housing market
- Develop a Climate Risk Matrix for Canadian cities to help inform their physical climate risk disclosure and enhance credit rating analysis for municipalities

Elevating the Role of Journalism in Addressing Climate Change

It’s critical that we build awareness of the urgency of the climate crisis and mobilize people to mitigate its impacts and adapt. In 2021, Intact partnered with the Canadian Journalism Foundation (CJF) to create its first Award for Climate Solutions Reporting, recognizing excellence in reporting on what is being done in Canada and beyond to address the impacts of climate change.

The team of journalists behind the CBC Radio series *What on Earth* was the inaugural winner of the award in 2021.



“We must take immediate action on adapting to the extreme weather impacts of climate change we are experiencing right now. This doesn’t just fall on the shoulders of government. It requires an all-of-society approach that includes government, NGOs, businesses and individuals – we have concrete actions we can mobilize to make ourselves climate resilient.”



Charles Brindamour
CEO, Intact Financial Corporation

OUR STRATEGY IN ACTION

Helping Coastal Communities Build Natural Flood Resilience

Since 2017, we have been supporting charities exploring nature-based solutions to help Canadians adapt to climate change and strengthen our communities, our people and our economy. Through the Intact Adaptation Action Grant program, we have invested more than \$2.9 million to support 14 charitable partners over the past four years.

In 2021, through our three-year partnership with Coastal Action, we brought community leaders and residents together to increase awareness of coastal climate change risks and demonstrate how natural infrastructure can reduce flood vulnerability.

In Mahone Bay, a coastal harbourside town located in Nova Scotia, we’re funding a research project to showcase the effectiveness of wetland restoration and natural infrastructure techniques to buffer the current and future effects of coastal erosion, flooding and contaminated water runoff.



\$763,000
donated through the Intact Adaptation
Action Grant program in 2021



“The planting of native plants along our shorelines and restoration of our wetlands can play a critical role in protecting our coastal communities. Through the Intact grant funds we’re able to highlight the value of using natural assets by demonstrating their ability to reduce the volume of stormwater runoff entering the Mahone Bay harbour and to protect residents, infrastructure and shoreline from flooding caused by sea level rise, storm surge and increased precipitation.”



Samantha Battaglia
Climate Change Team Lead, Coastal Action, Canada

A Focus on Creating Opportunity

While we can't eliminate complex, deep-rooted societal problems overnight, we can take immediate and concrete actions to help find solutions. Children living in low-income households are more likely to have poor mental and physical health and to score lower on cognitive, social and behavioural development tests. Child poverty establishes a cyclical trend that leads to working-age poverty and pensioner poverty.

As a company whose purpose is to help people, businesses and society prosper in good times and be resilient in bad times, we work with several expert partners to create opportunity for children and families living in poverty. We focus on activating local solutions across three key areas: education and social mobility; employment and financial inclusion; and food poverty, health and wellbeing.




\$3.7M
donated to over 40 charities creating
opportunity for children and families
living in poverty in 2021

Employment and Financial Inclusion

When parents have secure employment, they can provide their children with stable housing, food and education. In 2021, our employees volunteered with our partner Windmill Microlending, an organization that provides low-interest, affordable loans and other resources to skilled immigrants and refugees to help them restart their careers. Since the charity began, it has loaned over \$41 million to more than 5,770 skilled immigrants and refugees, with a 98 per cent repayment rate. By the time clients repay their loans, more than 90 per cent are working in their fields and have tripled their income.

Mentoring is built into our people development approach at Intact. In 2021, 10 of our Canadian-based employees took part in the Windmill Mentorship Program, sharing their advice, experience and knowledge of the labour market with Windmill clients.

Through our 10-year partnership with the United Way, we address the root causes of poverty by helping parents access employment and essential care for their young children.

 For more information on this partnership, see **Community Generosity** on [page 38](#).

Food Poverty, Health and Wellbeing

Poverty can damage long-term health and wellbeing. Helping families meet basic needs, including food security, can help break the cycle of poverty and poor health.

In 2021 our belairedirect business renewed its partnership with the Breakfast Club of Canada for another three years at \$1.5 million. Our continued partnership is helping expand and sustain even more Breakfast Club programs across the country. A portion of our new investment is ensuring that local voices are heard and assist with the implementation of program strategies in the areas of greatest need, including Western Territories and Indigenous Communities. A major milestone achieved by the organization in 2021 was the mobilization of its national network of partners including 40 provincial and territorial government stakeholders and the federal government.

Intact became the founding corporate partner of UNICEF's One Youth Initiative in 2016, through a contribution of \$400,000. The objective of this partnership was to support the development of the first Canadian Index of Child and Youth Wellbeing, launched in 2019. In 2021, UNICEF kicked off a research plan for the next iteration of the Index with a specific focus on the impacts of the COVID-19 pandemic on children and youth.

In Ireland, our 123.ie business partnered with Barnardo's children's charity in 2021. Our donation of €17,800 supported the charity's critical work to advance the welfare of families across the country whose lives were affected by economic, social or other disadvantage or loss in 2021.

Education and Economic Resilience

Supporting inclusive education and skills development is important for our future talent pipeline and for society. Actions that help to level the playing field are vital.

High school dropout rates in low-income communities in Canada can reach 50 per cent or more, creating an achievement gap with significant and long-lasting economic, health and justice impacts. In 2021 we continued to work with Pathways to Education, a charity dedicated to providing youth from low-income communities across Canada the support and resources they need to graduate from high school and break the cycle of poverty. Our donation of \$350,000 helped more than 19,000 young people overcome barriers to education, with 77 per cent of Pathway graduates going on to post-secondary education or training in 2021.

In Ireland, RSA and 123.ie partnered with Trinity College's People with Intellectual Disabilities Programme (TCPID). TCPID provides people who have intellectual disabilities with opportunities to participate in higher education programs and work placements designed to enhance their capacity to fully participate in society as independent adults.



77%
of Pathway graduates went on
to post-secondary education
or training in 2021

OUR STRATEGY IN ACTION

Leveraging Our IT Upgrades to Tackle the Digital Divide

The COVID-19 pandemic has highlighted deep inequalities across society. As the pandemic forced schools, charities and community groups to move online, the digital divide became increasingly apparent and exacerbated existing inequalities faced by our young people and vulnerable communities.

As part of our UK-wide laptop upgrade, we worked closely with our information technology (IT) partners in 2021 to recondition and distribute 1,875 laptops and 7,500 items of IT equipment, including display screens, keyboards and docking stations, across 36 local charities and schools. The distribution of this equipment supports more than 7,200 young people and vulnerable individuals each week who otherwise would not have the means to connect with their teachers, friends and family online.



1,875
laptops donated to 36 local
schools and charities



7,200
people supported each
week by the charities
that received the laptops
and IT equipment



939 tCO₂e
saved by donating laptops
and reducing waste

“A huge thank you to RSA for their donation of 54 laptops to our homelessness centres in Devon, Wiltshire and Surrey. This donation supports our vulnerable or disadvantaged young people to access essential online training, employment opportunities as well as counselling, helping them move out of homelessness and unemployment into a bright, secure future.”



Stephen Ballantyne
Head of Fundraising and Communications
The Amber Foundation, UK





Community Generosity

Our Value of Generosity drives our efforts to help others, protect the environment and build resilient communities. Read about the collective impact of our community partnerships and the generosity of our employees.

Living our Value of Generosity

Being active in communities is a core part of our business. We enable and encourage our employees to give back to their local communities and support causes they care about.

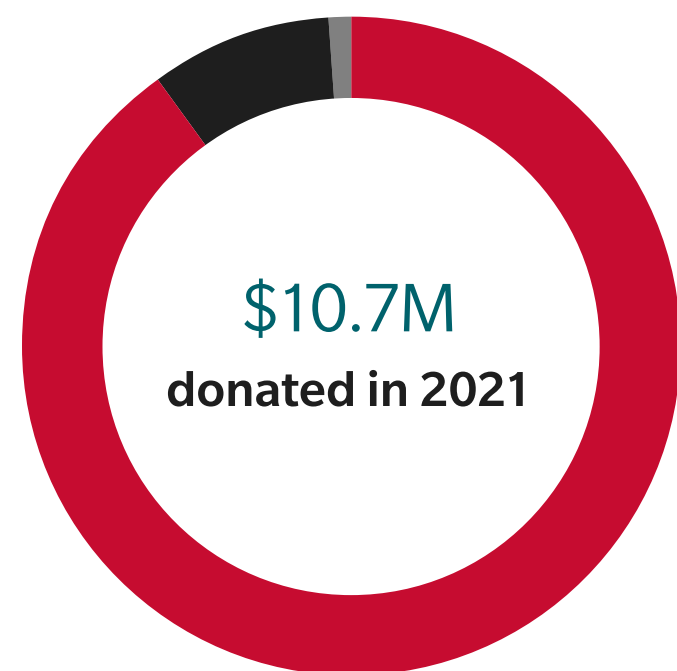
Our UK&I **Community Investment Policy** ensures these activities have a charitable purpose, are aligned with our business, employee and community needs, and are reported accurately and transparently.

Our businesses and our employees contribute to community-based organizations and initiatives through charitable cash donations, volunteering time, matched funding and in-kind donations of products and services.



\$10,730,385

invested in local communities through monetary, time and in-kind contributions in 2021



90% Cash donations
9% In-kind donations
1% Volunteering time

\$10.7M
donated in 2021



2,611

charities supported by our direct contributions and employee generosity programs in 2021

Nurturing Resilience Among Our Communities

Throughout 2021, we continued to support our long-standing community partnerships in line with our ambitions for climate adaptation and resilience and creating opportunity for children and families living in poverty. These partnerships are aligned with our objective to build resilient communities.

i Read more about these partnerships in the **Building Resilient Communities** section on [pages 24 to 33](#).



Encouraging Employee Volunteering

We recognize the positive impact community involvement can have on our employees' engagement, motivation and skills development, and we actively encourage them to volunteer during work hours. Across our regions, we offer employees flexible time away from their desks to volunteer with organizations they are passionate about.

With face-to-face volunteering opportunities limited in 2021 due to COVID-19, we actively encouraged skills-based virtual volunteering to support charities throughout the year.

To support our priority of creating opportunity, ten employees offered their professional expertise and advice to skilled immigrants and refugees in 2021 as part of the Windmill Mentorship program, helping newcomers achieve professional success in Canada.

"After living in France for 15 years, I witnessed first-hand the challenges skilled newcomers like my husband can face when job searching. I find it incredibly rewarding utilizing my professional expertise to help people update resumes, prepare for interviews and grow their professional networks and I'm always delighted to hear when one of my Windmill mentees successfully finds a job."



Laetitia Sorribes
Intact Marketing Director and Windmill Mentor, Canada



Our UK partnership with SkillsBuilder gave employees virtual volunteering opportunities designed to inspire and motivate students about the world of work. As part of a series of Imaginative Inventors virtual school workshops in 2021, our employees helped more than 140 students in seven schools develop essential workplace skills such as teamwork, leadership and problem-solving.

In Canada, Intact Underwriter Assistant Nneka Obiano volunteered as a marketing coach with Community Forests International, using her expertise to support their annual Forests Forever fundraising campaign. By enhancing the campaign message and improving the donor journey, Nneka helped the charity reach its \$16,000 fundraising target.

Our colleagues on the marketing team leveraged their skills and professional networks to help seven Canadian charities, working with them to identify and address their biggest marketing challenges. Over 200 volunteer hours were invested in this initiative.

In Canada, 14 per cent of our employees, including executives, volunteered with charities of their choice.




10,235
hours of practical and
skills-based employee
volunteering in 2021

In-kind Donations

We provide donations of products and in-kind professional services each year, contributing our business skills, expertise and resources.

Our employees continued to support the increased demand on food banks across their communities in 2021. In the UAE, employees collected and distributed food and toiletry packages to more than 100 vulnerable people.

In line with our creating opportunity and sustainable operation initiatives, we donated more than 9,300 items of IT equipment, including laptops, and over 2,800 items of furniture to charities, schools and other not-for-profit organizations. These donations helped the organizations apply their resources to help communities in other ways, avoiding the need to buy new equipment.

 For more information, see **Building Resilient Communities** on [page 33](#).

Empowering Employee Generosity

Raising money for charities is important to our employees, which is why we offer popular matched funding programs in the UK, US and Canada and payroll-giving schemes in the UK and Ireland. In 2021, employee fundraising totalled \$2.2 million.

In Canada, 15 per cent of our employees donated to our Community Impact Program, which provides a company match of up to \$1,000 to employee donations and volunteer time. Employees gave back to over 760 organizations across the country.

These activities, combined with our employees' contributions of time and strategic community partnerships, contributed to a total investment of \$12.9 million in 2021.

Supporting First Nations, Métis and Inuit Communities

As part of our commitment to take action in the Truth and Reconciliation process with the First Nations, Métis and Inuit Peoples of Canada, we committed \$300,000 to support Indigenous Works – a national social enterprise with a mandate to improve the inclusion and engagement of Indigenous Peoples in the Canadian economy. The organization works to build partnerships between corporations and these communities to advance Indigenous employment, workplace engagement and inclusion.

Community Generosity in the US

In 2021, the Intact Charitable Trust donated \$325,000 USD to 98 non-profit organizations. This number includes employee and producer volunteering, leadership and philanthropic efforts, as well as the matching gift program which matches employee donations to any tax-exempt private secondary

school, public or private junior college, college, university, or graduate or professional school in the US. Also included is our Intact Scholarship Program that awards 16 high school seniors and post-secondary students with college scholarships.

Beyond these contributions, we launched our Community Engagement Pilot Program to support local non-profits through employee volunteering and charitable giving. Our goal is to establish meaningful partnerships throughout the country with organizations that help create opportunities for children and families living in poverty. Our partner organizations include United South End Settlements in Boston, Massachusetts; Denver Kids, Inc. in Denver, Colorado; and UpTurnships in Minneapolis, Minnesota.

We also participated in the Insurance Industry Charitable Foundation (IICF) led Step Up Challenge and joined fellow insurance industry

colleagues in this friendly team competition to fundraise for the IICF’s COVID-19 Children’s Relief Fund. We had 35 teams and several individual contestants register, totalling 304 of our colleagues from across the country, business and service groups. The initiative raised \$70,000 USD.

The Better Communities Program

Enabling generosity extends beyond employees to brokers through the Better Communities Program, established in 2018 to partner with brokers to make an impact in their communities across Canada. The program supports organizations that help create opportunities for children and families living in poverty, and support youth development, leadership and education. In 2020, the program donated over \$600,000 to more than 50 organizations across Canada.



OUR STRATEGY IN ACTION

The Intact Generosity in Action Campaign and United Way

In Canada, our annual Generosity in Action Campaign – which empowers our employees to help others – is one way we live our Value of Generosity. An important element of our partnership with the United Way, the campaign helps create opportunities for children and families living in poverty.

This year, our employees boosted their generosity and raised \$1.9 million during the campaign, held in collaboration with the United Way. Intact matched every dollar donated by employees to United Way programs. Combined, we raised over \$4.2 million nationally. These funds are providing aid to families living in poverty and helping organizations support their communities during the pandemic.



5,800 employees donated to the 2021 Generosity in Action Campaign



Over 300 employees volunteered on Generosity in Action Campaign committees



\$1.9M raised for the United Way in 2021



Over 1,000 employees attended Generosity in Action Campaign virtual events



Q&A

Intact colleagues Riad Najm and Sarah Silva became Campaign Leads for the 2021 Generosity in Action Campaign:



Q: What encouraged you to become a Campaign Chair for the 2021 Generosity in Action campaign?

Riad: I love being part of initiatives that provide a chance to make a difference. I was motivated and inspired by individuals who were involved in the past campaign, and I couldn't pass up the chance to work with my peers in Calgary to support our community.

Q: What does the United Way mean to you and what motivated you to donate?

Sarah: To me the United Way means hope. There are too many people who don't have the things we take for granted like food on the table, a safe place to call home and someone who genuinely cares. The United Way makes an impact in our communities by helping to ensure these basic human needs are met. This is why I donate.

Q: What has been your favourite part of this year's Generosity in Action Campaign?

Sarah: I had the opportunity to collaborate with some colleagues who I wouldn't normally have a ton of interaction with, and networked with people from the IFC group of companies I likely would have never met. Building these relationships and meeting new people was really rewarding.

OUR STRATEGY IN ACTION

Preventing Accidents at Home with RoSPA

As experts in risk management, our UK business has supported the Royal Society for the Prevention of Accidents (RoSPA) since 2019. Falls are the single biggest cause of accidental injuries in the home, and sadly the largest cause of accidental death among over-65s in the UK. Our goal is to reduce the number of people who are seriously injured or killed in accidents at home or on the road. In 2021, we continued to raise awareness of the impact of accidental falls, with a particular focus on falls in the home affecting people over the age of 65.

Building on our 2020 Enabling Safety research report, and the Falls Prevention Hub, we developed and delivered a unique Fall Fighters program in 2021. Through a series of workshops, e-learning courses and virtual classroom sessions, the program provides an evidence-based, credible way to educate and empower individuals to become Fall Fighters. Certified RoSPA Fall Fighters raise awareness of fall hazards and help prevent falls in the home.



 Access the Falls Prevention Hub and become a Fall Fighter [here](#).



428
people became certified
RoSPA Fall Fighters in 2021,
sharing home safety and
fall prevention tips in their
communities



1,290
engagements with
RoSPA Fall Fighters
resources in 2021



62,855
social media impressions
from RoSPA Fall Fighters
campaign content in 2021



£100,000
donated to help prevent
accidents in the home and
raise fall risk awareness





Sustainable Investment and Underwriting

Where we invest our policy premiums and the types of risk we underwrite are important choices which can have a positive impact. Read more about how we embed environmental, social and governance (ESG) factors into our decision-making processes.

Integrating ESG into Investment Decisions

As signatories to the UN Principles for Sustainable Insurance (PSI), we have committed to incorporating ESG factors into our investing and underwriting. Across our Canadian, US and UK&I operations, our governance structures regularly bring together decision-makers from our Investment, Underwriting and Risk teams to assess key issues, recommend company positions and monitor the adoption of ESG factors into our policies and practices.

Advocating Climate Adaptation and ESG Engagement at Intact Investment Management

Intact Investment Management (IIM) is a wholly owned Intact subsidiary based in Montreal. Our growing team of in-house investment professionals manages more than \$30 billion in assets for institutional investors, including Intact and its subsidiaries’ and pension funds’ assets.

As active asset owners and managers, stakeholder engagement on ESG matters is an important part of our approach. It remains a fundamental part of our investment management process for all our investment portfolios.

In 2021, IIM joined Climate Engagement Canada (CEC), a Canadian investor-led collaborative engagement program designed to support the financial industry in its transition to a low-carbon economy. We strive to influence our investee companies through direct advocacy and our proxy voting policy and contributions to ESG working groups, including CEC and the Canadian Bond Investors’ Association.





Updated in May 2021, IIM’s **proxy voting policy** sets out our investment governance guidelines to align with best corporate standards and with Intact’s practices. In 2021, IIM voted on 253 shareholder proposals related to ESG matters.

OUR STRATEGY IN ACTION

Engaging with our investment portfolio on climate-related risks and opportunities

In 2021, our team of 14 portfolio managers and seven investment analysts engaged with 139 investee companies across 12 sectors to better understand their climate-related risks and opportunities. 55 per cent of investees identified at least one issue concerning extreme weather associated with climate change, such as increased frequency of flood, fire and snow events impacting their operations. 13 per cent of investees recognized climate-related opportunities while 31 per cent of investees didn’t identify climate change as an impact to their business.

In 2022, we will continue to engage with our investee companies, working to develop their climate-related risk management practices and helping them recognize and enhance climate-related opportunities.

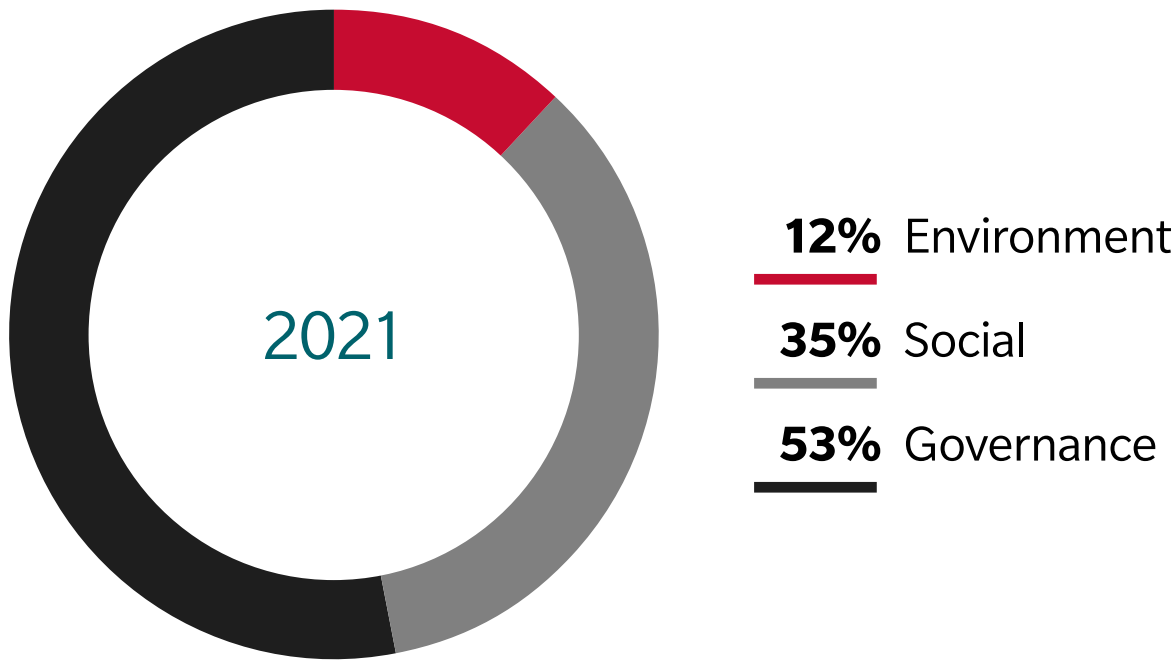
Distribution of extreme weather issues by sector					Total # Issues
	Water %	Fire %	Wind %	Other %	
Materials	49	10	13	28	39
Energy	43	43	0	14	14
Information Technology	33	0	33	33	3
Consumer discretionary	20	40	0	40	5
Financials	50	0	0	50	2
Consumer staples	33	0	0	67	3
Healthcare	33	0	67	0	3
Industrials	71	14	0	14	7
Utilities	50	0	50	0	2
Real estate	63	13	0	25	8
Communications	50	0	0	50	2

“By engaging with our investee companies on specific climate-related issues, we gain a comprehensive insight into the risk management approach of companies within our investment universe. Consequently, we can better support our investees to improve their climate resilience against increasing severity and frequency of extreme weather events and encourage companies to improve their ESG practices.”



Jean-Mathieu Gareau
Portfolio Manager, Equities, Intact Investment Management, Canada

ESG Voting by Topic



Sustainable Investments

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

Supported by our [thermal coal position](#), IIM assessed 19 ESG investee referrals in 2021 and declined six companies because they did not comply with our policy. IIM will continue to incorporate investments that address key environmental and social issues, with a view to advancing and enhancing its sustainable investment portfolio over time. IIM’s ESG committee, which reports to the Operating Investment Committee, will continue to develop approaches and policies to integrate ESG into decision-making.

Supporting the Energy Transition to a Low-Carbon Economy

The insurance sector can play an important role in understanding and responding to the risks presented by climate change. We’re committed to helping accelerate the transition to a low-carbon future and to limiting global temperature rise. We can do this by supporting the development of renewables and supporting high-emitting sectors to transition.

IIM’s position on thermal coal-related investments, adopted in October 2020, sets out our commitment to assess the transition plans of investments that generate or derive more than 25 per cent of their revenue from thermal coal. We review our investees annually and divest from those that do not have satisfactory transition objectives and governance in place. Our complementary [Climate Change and Low-Carbon Policy](#) commits our UK&I business to limit investment in carbon-intensive industries and to reduce our underwriting exposure to the sector.

To support the transformation of industries that are key to the transition, we developed a climate risk assessment survey for the underwriting process across commercial, personal and global specialty lines of business. This annual survey works with leaders to identify, assess, measure and monitor climate risks and identify opportunities in our insurance business.

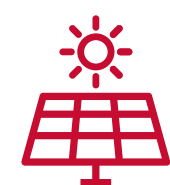

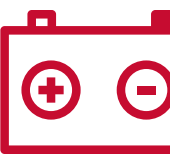
Now that the Intact-RSA transaction is complete, we will continue to evaluate, adapt and align our investment and underwriting policies and practices throughout 2022.



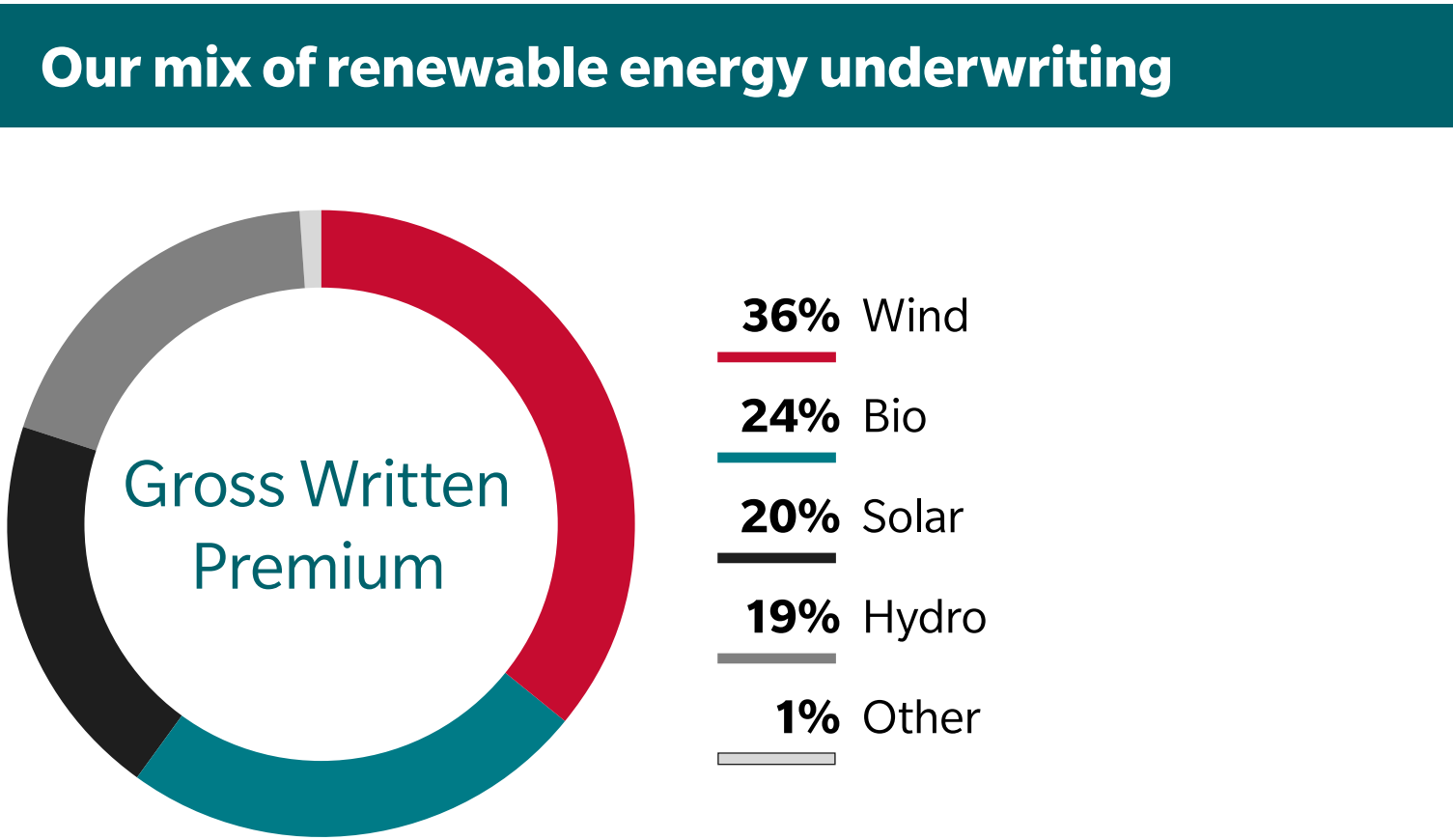
ESG and Underwriting Approach

Insuring Renewable Energy

With the acquisition of RSA in 2021, Intact’s product offering to support the renewable energy sector expanded. RSA is a key operator in renewable energy insurance, meaning we are well placed to support the expansion of renewable energy. In 2021, our renewables business continued to play a major role in projects around the world, providing cover for the construction and operation of wind farms, solar, hydro and bioenergy installations. We supported a diverse range of projects including:

- 
 - **A solar assets program** for one of the UK’s largest utility providers, aiding their transition to renewable energy
 - **A 220 megawatt (MW) solar site** in Chile containing 500,000 solar panels
- 
 - **A 100 MW windfarm in rural Kenya**, providing access to clean electricity
 - **Worked with clients looking to extend the lifespan of wind farms**, avoiding both disposal of equipment and continuing production of renewable power sites beyond the original planned end date
- 
 - **A series of four UK risk management workshops on battery storage** solutions designed to aid development of new renewable technology

Our UK&I Climate Change and Low-Carbon policy sets out our desire to ensure 50 per cent of our energy underwriting portfolio consists of renewable energy each year. In 2021 our UK&I region energy underwriting portfolio comprised 61 per cent (NWP) renewables through customized insurance products. Globally in 2021, we received \$85.7 million in policy premiums from our renewable energy business.



ESG Standards in Underwriting

We carefully evaluate the risks we underwrite and work with our customers to promote sustainable business practices.

For example, as part of the underwriting process we evaluate our energy customers’ ESG policies. Prior to consideration for renewal, our energy underwriters engage with our existing energy sector customers to understand their transition plans.

We also manage social risks through our processes to address financial crime, money laundering and sanctions compliance. In our UK&I operations, our High-Risk Country Framework provides guidance on when business or payment of claims should be referred. We also screen all transactions to ensure compliance with sanctions. Where human rights and modern slavery risks are considered high, an advisory note is provided to underwriters.



Integrating Physical Climate Risk Into Our Underwriting Decisions

Physical risks have an impact on our P&C business. We continue to adapt our business to the impacts of climate change. Over the years, we have implemented several actions to manage the potential impact of changing weather patterns including improved risk selection, pricing, product changes, supply chain enhancements and a greater emphasis on prevention.

We use our expertise to keep pace with an evolving climate. To accomplish this, we:

- Enhance segmentation to understand evolving risks. We input weather, climate and topographic data into machine learning models to develop risk maps to assess risk to weather perils such as flood and wildfire
- Review current personal and commercial line products, underwriting and pricing practices related to severe weather
- Continuously redefine how we select and price risk using data and predictive analysis, leveraging the expertise of 300 AI and machine learning experts. We set risk tolerances based on catastrophe model output and use it to determine pricing
- Implement rate changes in our property business to reflect recent trends in catastrophes and severe weather

i See our **2021 TCFD Report** on [pages 61 to 68](#) for more information on climate risk management.

Managing Climate-Related Financial Risk and Opportunities

We have a unique understanding of the impacts of climate change and we have embedded our response into our strategy. Climate risk is part of our Enterprise Risk Management Strategy, which is integrated into all business activities and strategic planning, including subsidiaries and operations. Our senior management team, including CEO Charles Brindamour, provides direct leadership on our climate change initiatives.

We understand the financial sector's need for enhanced assessment and disclosure of climate-related risks and opportunities. Building on our strong foundation in climate risk management and adaptation, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) reporting recommendations on governance, risk management, and business strategy to manage climate-related risks and low-carbon opportunities, targets and metrics.

i See our **2021 TCFD Report** on [pages 61 to 68](#).





Supply Chain Performance

Our supply chain is a critical partner in how we help get customers back on track. Read more about how we work collaboratively with our suppliers and partners to encourage them to adopt social and environmental standards.

Managing Our Supply Chain

We choose partners that share our high standards, deliver high-quality products and services and respect their communities and the environment in which they operate. We consider ESG factors when making purchasing decisions and endeavour to use our buying power to effect positive change.

To encourage best practice, our procurement framework comprises thorough supplier assessments, strong contractual terms and a continuous monitoring and engagement approach.

Our UK&I [Supplier Code of Conduct](#) outlines our expectations of suppliers on such issues as human rights, environmental management, business ethics and community investment. The code is included in new contracts and agreements and monitored through our due diligence system. In 2022, we plan to assess our supplier engagements in North American operations.

Protecting Human Rights and Addressing the Risk of Modern Slavery

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

In the UK, we continued to work with our partners the Slave-Free Alliance (SFA), Bird & Bird and Hellios to further improve modern slavery transparency and understanding across financial services supply chains. In addition, the SFA delivered training to all supplier managers and procurement teams across our UK and Ireland business, highlighting warning signs when engaging with suppliers.

OUR STRATEGY IN ACTION

Assessing Our UK and Ireland Supplier ESG Performance and Driving Best Practices

Our UK business is an active member of the Financial Services Qualification System (FSQS), an industry-wide initiative that has 45 financial sector peers collecting and sharing supply chain information. More than 500 of our UK and Ireland suppliers are registered on the platform, giving us enhanced insights into and understanding of their ESG performance. In early 2021, we participated in the Bank of England’s initiative to review and enhance FSQS questions, and in late 2021 we participated in the Hellios ESG working group that further developed the question set around environmental impact. This collective effort helped drive best practices across the network of more than 5,000 FSQS registered suppliers.

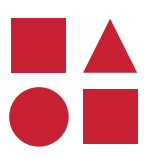
Our UK and Ireland third-party management process improves our ability to assess suppliers before we select them. It also monitors ongoing supplier relationships through our Third Party Oversight Committee. We gather information from suppliers to assess

their approach to environmental management, climate change, labour standards, human rights, anti-bribery and corruption, cybersecurity and customer treatment.

Of our UK suppliers:



86.9%
have confirmed
they comply with
our Supplier
Code of Conduct



76%
have a diversity,
equity and
inclusion policy
in place



83%
have a
whistleblower
policy in place



70%
have an
environmental
policy in place



42%
of UK suppliers have
a published modern
slavery statement

Safeguarding Data Privacy and Security

In addition to our internal efforts to protect our customers’ data, we work closely with third-party providers to review their information security and data protection capability in the UK. In 2021, we deployed new tools to help us assess how third parties manage our information and to ensure the controls they have in place are effective. We work with suppliers to provide relevant information and training to their teams to improve data security functions.

OUR STRATEGY IN ACTION

Delivering Sustainable Claims Solutions

Our sustainable claims roadmap helps us improve the ESG performance of our supply chain. The roadmap has four key elements: repair over replace; encouraging innovation; operational efficiency; and future resilience.



Repair Over Replace

In the UK, we encourage a repair-over-replace philosophy among our claims suppliers that encourages them, when possible, to fix and restore damaged goods instead of replacing them, reducing waste and using resources more efficiently:



Repairing 7,868 automotive windscreens in 2021 instead of replacing them, avoiding 114 tonnes of glass waste sent to landfill and 358 tCo₂e



Using smart repair techniques to fix damaged or scratched kitchen worktops, doors, furniture or bathroom basins instead of removing and replacing them



Using stain removal and re-dye techniques for carpet and flooring claims instead of replacing whole carpets

In Canada, we incentivize suppliers to repair parts instead of replacing them to help the environment by reducing:

- The need for local warehousing and logistics
- The use of raw materials
- Parts manufacturing
- Global shipping

When repair is not possible, we look to use recycled replacements.



280,000 + auto claim parts prevented from entering landfill through repair over replace



20% of customers' damaged vehicle parts were repaired by our Rely auto claims supplier network instead of being replaced









\$1.79 per auto claim paid to Quebec suppliers to encourage recycling and reuse of plastic waste from bumpers

Operational Efficiency



We encourage our suppliers to adopt better ways of working by re-engineering the claims process and minimizing travel, delays (and associated damage) and unnecessary work.

Examples include:


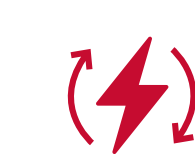

-  • **Improving communication** between field adjusters and suppliers at the local level
-  • **Adopting rapid-drying systems** to increase the speed of drying after a flood
-  • **Seeking on-site cleaning solutions** where possible
-  • **Reducing travel** associated with claims assessments
-  • **Encouraging the adoption of renewable energy sourcing**
-  • **Encouraging the adoption of electric vehicles** within the motor fleet
-  • **Fast-tracking customer restoration solutions**

Encouraging Innovation



We encourage our suppliers to innovate and support the development of sustainable technologies and management processes.

Examples include:



-  • **Supporting our UK rental car providers’ Institute for Renewable Fuels**
-  • **Supporting our UK rental car providers’ research on alternative fuel technologies**, which explores the potential of oilseed crops, algae and bioenergy grasses as sources of sustainable bioenergy to fuel cars, vans and aircraft within their fleets
-  • **Implementing virtual appraisal of claims** with adjusters in Canada, reducing the number of vehicles utilized in our fleet
-  • **Training adjusters to use drones to safely inspect personal property claims** in Canada

Future Resilience



We share our expertise in risk management and product development with our partners and suppliers to help customers and society adapt and respond to the impacts of climate change.

For example:

-  • **We work with our suppliers to adopt flood-resilient solutions** to claims handling, including installing electric outlets higher up in houses that have experienced a flood claim, reducing the risk of electrical damage in future floods
-  • **Offer an incentive towards the installation of a sewer back-up loss prevention device** (sump pumps with a back-up power source or backwater valve) after a covered sewer back-up loss in Canada
-  • **Invest in identifying practical solutions to mitigate the impacts of climate change** through the Intact Centre on Climate Adaptation at the University of Waterloo in Canada



ESG Governance and Business Integrity

We build trust and respect when our interactions are honest, open and fair. Read more about how we uphold the highest level of business ethics and are committed to creating a respectful workplace, preventing fraud, bribery and corruption and enhancing tax transparency.

ESG Governance

At Intact, ESG is not a stand-alone strategy. It is fully integrated into our objectives and our strategic roadmap and embedded throughout our Values, which guide us in execution.

Governance Framework

Our Board of Directors have responsibility to ensure ESG risks and issues are integrated into corporate strategy. The Group Operating Committee has primary accountability for ESG and climate-related risk management, opportunities and disclosures, with accountability for performance embedded across our global operation at all levels of management.

ESG-Related Accountabilities		2021 ESG Engagement
Board of Directors		
Board of Directors	<ul style="list-style-type: none"> Oversees and monitors our ESG and social impact initiatives Approves our strategic plan and corporate objectives, and ensures ESG performance is accounted for in our strategy Oversees the identification and monitoring of our principal risks, including ESG-related risks, and ensures we have effective risk management programs and practices aligned with our risk appetite framework Ensures that the appropriate structures and programs are in place to meet and maintain the highest rules of ethics, compliance and conduct Oversees our focus and approach to social impact Develops our general approach to corporate governance, including principles and objectives Oversees our general approach to human capital management, including our compensation philosophy and programs, succession planning and talent development, including diversity, equity and inclusion 	<ul style="list-style-type: none"> Each quarter – ESG discussed in the MD&A, which is reviewed by the Board Climate change, child poverty and employee generosity designated as social impact areas of focus in Q4 2020 strategy discussion presentation at the February 9, 2021 Board meeting “Transition to Net Zero” and how Intact can help discussed as part of the Board strategy presentation at its meeting on May 11, 2021 2022 climate initiatives, which include i) commit to net zero, ii) helping people adapt to climate change, iii) shape customer behaviour, and iv) transformation of industries, presented to Board as part of strategy discussion at Board meeting on November 9, 2021 New diversity objectives for 2025 included in the Q1 2021 Performance Review presentation on May 11, 2021, and further discussed as part of strategy discussion as an enterprise priority at subsequent Board meetings including the addition of a mentorship program (November 9, 2021) ESG included in the annual Board questionnaire to assess the effectiveness of the Company’s strategy (Q4 2021)

ESG-Related Accountabilities		2021 ESG Engagement
Audit Committee	<ul style="list-style-type: none"> The integrity, fairness and completeness of our financial statements and other financial disclosure The quality and integrity of our internal controls and procedures Our actuarial practices, ensuring pricing and segmentation practices are adapted to address our risks including those related to climate change and trends in catastrophes and severe weather events 	<ul style="list-style-type: none"> Reviewed on a continuing basis best practice in relation to new laws and rules that apply to the Company Reviewed financial disclosure documentation, including interim and annual financial statements, Management’s Discussion and Analysis, press releases and Annual Information Form Reviewed the audited financial statements of Canadian P&C companies of IFC as at December 31, 2020 Reviewed the Corporate Finance updates, which include investment results Reviewed the Chief Risk Officer and Group Chief Actuarial Officer and Canadian Appointed Actuary reports Reviewed the actuarial peer review report based on data as of December 31, 2020 Reviewed the Regulatory Inspections and Investigations Report Reviewed OSFI’s annual supervisory letter and related action items Reviewed reports on fraud and whistleblower investigations from the Group Chief Internal Auditor
	Compliance Review & Corporate Governance Committee	<ul style="list-style-type: none"> Our governance framework and programs, including the “Living our Values” document The monitoring of market conduct practices, ensuring fair customer treatment The monitoring of potential conflicts of interest Our director recruitment and nomination process, including integration of diversity, equity and inclusion considerations The assessment process of the Board, its Committees and the directors Our directors’ compensation program, ensuring alignment with shareholders’ interests Our shareholder engagement strategy IIM’s proxy voting guidelines
		<ul style="list-style-type: none"> Reviewed and approved the Board of Directors and committee assessment and conflict of interest questionnaire process for 2021 Conducted assessments of the Board of Directors, the Chair of the Board of Directors and committee Chairs and their individual members Reviewed the Chief Internal Auditor’s report on Directors and Officers questionnaires on conflicts of interest and identified no concerns in this regard Recommended to the Board of Directors the appointment of the members and Chairs of the Board and committees Reviewed best practices and benchmarking and assessed policies in light of the Company’s public company status Reviewed the 2021 Management Proxy Circular, report of the CRCG Committee and statement of corporate governance practices Reviewed IFC Shareholder Engagement Plan Reviewed a report on IIM’s 2021 Proxy Voting season and reviewed changes made to the IIM Proxy Voting Policy Reviewed the Company’s system of governance following the closing of the RSA Acquisition Reviewed amendments to the Corporate Disclosure and Insider Trading Policy Reviewed compliance reports such as: related party transactions; matters related to litigation, regulatory inspections and investigations; annual report to OSFI and to the AMF on the activities of the CRCG Committee; key ongoing compliance risks, key incidents and key main issues; Officer of Market Conduct report; report on Political Donations; Annual Report on Outsourcing Reviewed the Compliance Action Plan, including with respect to regulatory compliance management

ESG-Related Accountabilities		2021 ESG Engagement
Human Resources & Compensation Committee	<ul style="list-style-type: none">• Our policies and initiatives related to human capital management, including on diversity, equity and inclusion• Our policies and initiatives related to workplace culture and inclusion• Our executive compensation programs• Our policies and programs related to succession planning, talent development and management• The suitability of the executives and senior executives’ conduct, in line with our Values	<ul style="list-style-type: none">• Reviewed and approved the Senior Executives’ Short-Term Incentive Plan (STIP), Long-Term Incentive Plan (LTIP) and total compensation, as well as their 2021 objectives• Reviewed the CRO Report on the application of risk management policies to the STIP and LTIP• Reviewed the Compensation Policy Statement• Reviewed current and emerging market trends and best practices, as well as related regulatory developments and proxy voting guidelines and reports issued by various institutional investors and proxy advisory firms• Reviewed the succession plans of IFC CEO, the Region CEOs, and the Chief Operating Officer• Reviewed the talent pool available for succession at Management and Executive levels• Reviewed quarterly reports on respect in the workplace and the 2021 people plan, including steps taken to manage the COVID-19 pandemic• Reviewed the Company’s 2021 People Strategic Priorities, including to be a best employer, to be a destination for top talent and experts, and to future-proof our people to succeed
Risk Management Committee	<ul style="list-style-type: none">• The assessment and monitoring of the principal risks affecting our business, including ESG-related risks• The development of strategies to manage these risks• Our initiatives to promote awareness of the potential impact of climate change and to provide practical solutions for our communities• Our reinsurance programs, ensuring they adequately limit our losses in the event of significant weather-related losses and other catastrophic events	<ul style="list-style-type: none">• Reviewed the Quarterly Enterprise Risk Management Reports as well as the reports of the CRO on risk management, reinsurance programs and implementation plans, including on a continual basis the risk matrix identifying the top enterprise and emerging risks• Reviewed the revised Enterprise Risk Management Policy, including amendments reflecting changes to the Company’s structure and risk profile following the RSA Acquisition• Reviewed the market and economy risks that could affect the Company• Reviewed a report on the key risk management considerations of the acquisition of RSA, namely key valuation risks, execution risks and mitigation, and the resulting impact on IFC’s top enterprise risks• Reviewed an IT risk management report• Reviewed the Company’s positioning in respect of climate change risk, including investment management considerations• Reviewed a report on operational risk with regards to cybersecurity• Reviewed stress tests and discussed potential remediation measures• Reviewed the 2021 Reinsurance programs and a preview of the 2022 Reinsurance programs• Reviewed a report on reinsurance coverage benchmarking• Reviewed a report on earthquake risk and mitigating measures• Reviewed a report on solar storm risk assessment

ESG-Related Accountabilities		2021 ESG Engagement	
Management			
Group Operating Committee	<ul style="list-style-type: none">Oversees all aspects related to Intact operations, including climate change strategies and ESG performance management	<ul style="list-style-type: none">Discussed and approved enhanced climate strategy and net zero target developmentReviewed Diversity and Inclusion strategy and performanceReviewed employee engagement strategyDiscussed and approved enhanced Social Impact strategyDiscussed Canadian Federal Flood Insurance Program proposal	<ul style="list-style-type: none">Discussed ESG disclosure in annual corporate reportingDiscussed and approved enhanced COVID-19 customer reliefDiscussed catastrophe response strategyReviewed customer digital experienceHybrid workplace and COVID-19 safetyReviewed employee recognition plans
Enterprise Risk Management	<ul style="list-style-type: none">The Enterprise Risk Committee evaluates our overall risk profile, aiming for a balance between risk, return and capital, and approves risk policiesThe Enterprise Risk Committee is mandated to:<ul style="list-style-type: none">(i) identify risks that could materially affect our business(ii) measure risks in terms of the impact on both financial resources and reputation(iii) monitor risks; and (iv) manage risk in accordance with the risk appetite statement determined by the Board of Directors	<ul style="list-style-type: none">Developed risk matrix of top risks in the enterpriseReviewed and discussed the results of the Bank of Canada/OSFI Climate Scenario Pilot	<ul style="list-style-type: none">IIM ESG strategy reviewReviewed solar storm stress test assessmentReviewed natural weather CAT risk
Disclosure Committee	<ul style="list-style-type: none">Ensures all disclosures are complete, accurate and timely	<ul style="list-style-type: none">Reviewed Social Impact ReportReviewed Management Proxy Circular Review	<ul style="list-style-type: none">Discussed ESG disclosure trendsDiscussed regulatory ESG trends
Cyber Security Governance Committee	<ul style="list-style-type: none">Oversees IT security-related risks and reviews IT security-related matters	<ul style="list-style-type: none">Evaluation of security controls	<ul style="list-style-type: none">Cybersecurity posture review
Operational Investment Committee	<ul style="list-style-type: none">Reviews investment strategies and performance, discusses investment risks, oversees IIM ESG committee	<ul style="list-style-type: none">Reviewed climate change engagement plans with investeesUpdate on climate advocacy results	<ul style="list-style-type: none">Review and update coal policyReview and approve oil and gas policyApprove net zero commitment
Diversity, Equity and Inclusion Councils	<ul style="list-style-type: none">Oversees the implementation of Intact’s DEI strategy. Councils are located in Canada, the US and UK&I	<ul style="list-style-type: none">Establishing new long-term leadership and overall diversity objectives2022 DEI action planning	<ul style="list-style-type: none">Defining the approach to anti-Black and Indigenous racismIntegrating RSA into DEI strategic initiativesImplementation of the DEI Council renewal
Data and Ethics Steering Committee	<ul style="list-style-type: none">Oversees the ethical use of data and models, in line with Intact’s Data Principles	<ul style="list-style-type: none">Ethical review of Data Lab Projects	

ESG Performance Ties to Executive Compensation

Intact aligns the compensation of Executives and Senior Executives with the achievement of our financial and strategic objectives, which includes ESG performance. Abiding by our Living our Values document is a necessary condition for career advancement and pay progression at all levels of the Company.

Our Executives’ Short-Term Incentive Plan (STIP) has objectives and priorities derived from both our Living our Values document, as well as from our strategic roadmap – including ESG priorities. Some ESG-related enterprise-level strategic priorities in 2021 included developing an enhanced enterprise-level climate strategy, elevating IFC’s role in society, continuing to manage the impacts of COVID-19 on our employees and customers, executing employee engagement actions, and diversity and inclusion initiatives.

New ESG-related STIP goals have been introduced in 2022 for all executives (Vice President and above), focused on people, climate and society, including goals focused on diversity and inclusion, social impact and supporting Intact’s net zero ambition.

Detailed information on our approach to executive compensation can be found in our [2022 Management Proxy Circular](#).

ESG Risk Management

Intact has a robust centralized framework for identifying and managing risks, including ESG-related risks. Risks are incorporated into our overall Enterprise Risk Management framework, which is integrated into business activities and strategic planning, including subsidiaries and operations. The framework includes the identification, assessment, monitoring and reporting of risks.

We disclose top and emerging risks that may affect future results in our [Q4 Management Discussion & Analysis \(MD&A\)](#). This includes identifying the risks and mitigation tactics for key ESG risks such as:

Risk	Description	Q4, 2021 MD&A page number
Climate change risk	Physical, transition and liability risks that face our business and society due to the impacts of climate change.	Page 80
Catastrophe risk	The impacts of natural events, such as severe weather, and non-natural events, such as humanitarian disasters.	Page 81
Cyber-security failure	The increasing risk of cybersecurity attacks from criminal organizations, hackers and external actors.	Page 89
Fraud/abuse	The risk of being subject to internal or external fraud by employees and/or external actors.	Page 90
Customer satisfaction	From time to time, unsatisfied customers, consumer advocacy groups and/or the media may generate negative publicity related to claims and/or underwriting practices.	Page 91
Social unrest	The potential implications of social unrest related to the pandemic, social justice, climate change, economic downturns and supply chain issues to our business and society.	Page 92
Third party	The increase of digitization and employees working from home places new emphasis on telecommunications infrastructure.	Page 92
Employee defined benefit pension plan	Longevity risk that employees covered in a defined pension plan live longer than expected and the Company’s ability to keep its commitments to employees.	Page 93

Detailed information on these ESG risks can be found in our [Q4, 2021 MD&A](#).



Our Approach to Engaging Stakeholders

We engage with a range of stakeholders that are important to the success of Intact and our ability to deliver second-to-none customer experiences. In our interactions with key stakeholders, we gain feedback on progress on key ESG priorities.

In 2021, Management and the Board of Directors approved a new measure under “Our company is one of the most respected” objectives – “3 out of 4 stakeholders recognize us as a leader in building resilient communities”. We are finalizing the development of a new “resilience barometer” to measure our success and impact on society in 2022.

Our key stakeholders include:

	Why We Engage	How We Engage	
Customers	We are committed to going beyond expectations and delivering a second-to-none customer experience. We listen to our customers, understand their needs, make it easy to find solutions and deliver on our promises.	<ul style="list-style-type: none">• Customer surveys – we listened to 446,000 of our customers through surveys in 2021	
Employees	<p>We promise our people support, opportunities and performance-led financial rewards in a flexible work environment where they can:</p> <ul style="list-style-type: none">• Shape the future – Help us lead an insurance transformation to better protect people, businesses and society• Win as a team – Collaborate with inspiring people to do their best work every day and together, stand up for what is right• Grow with us – Refresh and reinvent their skills, learn from our diverse teams, lift others up and grow	<ul style="list-style-type: none">• Annual engagement survey• Employee networks• Pulse surveys	<ul style="list-style-type: none">• Discussions with senior management• Employee webcasts• Intranet
Shareholders	We create long-term value for our shareholders through our continued commitment to outperformance.	<ul style="list-style-type: none">• Direct engagement• Meetings with the Chair and Directors of the Board• Annual General Meeting	<ul style="list-style-type: none">• ESG survey of institutional investors• Quarterly earnings conference calls• Investor Days
Governments	We use our risk management expertise to help governments protect our communities and our economy from the impacts of climate change.	<ul style="list-style-type: none">• CEO Charles Brindamour joining the Canadian government delegation to COP26• Executive Advisor Alain Lessard joining the federal government Disaster Resilience Advisory Table, which will contribute to the development of a National Adaptation Strategy	<ul style="list-style-type: none">• CFO Louis Marcotte is Chair of the data task force of the federal government’s Sustainable Finance Action Council, which aims to build a sustainable financial system in Canada
Industry Associations	We work with insurance industry associations in Canada, the UK, the US and globally on issues facing the industry including climate change, government and regulator relations.	<ul style="list-style-type: none">• Partnering with the Insurance Bureau of Canada on accelerating climate resilience in Canada• Collaborating with the global insurance industry think tank The Geneva Association on climate risk management research	<ul style="list-style-type: none">• Member of the Association of British Insurers Climate Change Working Group exploring the application of the ABI climate change roadmap to our sector• Reporting to global climate change and insurance industry leadership group ClimateWise to promote transparency, share best practices and contribute to research
Society	We invest in making the communities where we live and work more resilient.	<ul style="list-style-type: none">• Supporting non-governmental organizations through the Intact Foundation, Intact Charitable Trust and corporate donations	<ul style="list-style-type: none">• Employee Generosity – employee volunteering and donations• Participation in multi-stakeholder initiatives• Annual survey of charitable partners

Our Approach to Business Integrity

Our Values guide how we work with customers, colleagues and stakeholders, and define our role in society. When consumers choose to do business with us, they trust that we will treat them with honesty, integrity, openness, fairness, and in compliance with the law.

Intact Financial Corporation, including employees, directors and officers, always strives to act with integrity and to demonstrate the highest ethical standards of conduct. Integrity and ethical behaviour are essential to our reputation, and to our success as a customer-driven organization.

Our policies and processes ensure we maintain our standards and abide by all relevant laws and regulations. All Intact employees complete regular compliance training to ensure they understand the policies and correctly implement them. In Canada, all policies are encapsulated in our [Living our Values](#) document.

Anti-Bribery and Corruption

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

We maintain policies to manage personal conflicts of interest and offers of gifts and hospitality.

In our UK&I business, we maintain a specific Anti-Bribery and Corruption Policy which outlines the controls in place to mitigate risk, and our procedures for recording and escalation. Our anti-bribery tool kit includes a Recognizing Bribery and Anti-Corruption e-learning module and other materials to support employees. Those in higher-risk roles receive additional training and are subject to vetting for financial probity and criminality.

Preventing Fraud

We have a robust strategy and stance to prevent insurance and non-insurance fraud. We invest in fraud-detection tools to protect our business and keep the cost of customers' premiums down.

Our Fraud Prevention and Management Committee, which meets quarterly, oversees Intact's Fraud Prevention and Management Policy and monitors prevention and detection activities.

In the UK&I insurance market, we support the Insurance Fraud Bureau and General Insurance Fraud Committee, which work with prevention agencies, the police and other insurers to investigate cases across the insurance industry.



6,198
UK&I employees completed sanctions,
anti-money laundering and fraud e-learning
in 2021

Protecting Human Rights and Preventing Modern Slavery

We are committed to human rights and strive to identify, assess, prevent and mitigate any human rights impacts associated with our operations. We provide guidance to our Human Resources, Procurement and Underwriting teams to ensure they follow the processes that help identify and address modern slavery concerns.

In line with the requirements of the Modern Slavery Act (2015), our [Annual Modern Slavery Statement](#) details the steps our UK operations take to prevent slavery and human trafficking in our business or supply chain. In 2021, no cases of human rights issues were reported through RSA's formal channels.

Speaking Up and Whistleblowing

Our Values commit us to maintaining an environment where our employees feel comfortable speaking up, knowing their concerns will be taken seriously, without fear of repercussions.

Whistleblowing procedures across our regions enable our employees to confidentially report any breaches of Living our Values, controls or policies, laws or regulations, business misconduct or any ethical concerns. Through our intranet engagements, we regularly communicate to all IFC employees about our whistleblower hotline. Supported by our UK&I Speaking Up and Whistleblowing Policy, our annual whistleblowing training encourages UK employees to report any breaches via dedicated hotlines, which they can use to report concerns online, via email or by phone in their own language.

Tax Transparency

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

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

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

Read our **Public Accountability Statement** (Canada) on [page 76](#) and **RSA UK Tax Strategy** (UK) on our RSA [website](#).



Cyber Information and Security

Data plays a huge and growing role in our daily lives. We implement controls and processes to ensure the security and resilience of our systems, the safeguarding of our confidential information and the integrity of our information and databases. These include firewalls, access control systems and comprehensive incident response plans.

In Canada, our Information Technology Security Committee, made up of senior leaders, oversees all information security initiatives. The Enterprise Risk Management Committee oversees cyber risk and cybersecurity at the strategic level and monitors the progress of mitigation action plans. At the Board level, the Risk Committee establishes our cybersecurity strategy and monitors the progress of our action plans. Our expert information security employees regularly monitor external trends in cybersecurity to ensure we can rapidly mitigate known vulnerabilities.

Our cybersecurity approach has four key attributes:

1. We make it hard to get in

Only authorized people have access to systems. Employees have to pass through two-factor authentication and can only access data via Intact certified computers and mobile devices.

2. It's hard to get out

We prevent data leakage. Malicious websites, external USB devices, webmail and major public cloud storage access are blocked, and malware and viruses are detected and removed.

3. Employees only have access to the data they need

Employees who do not serve customers directly have no access to customer data.

4. All data at Intact leaves a signature

We log and keep a trace of activities. Every second, over 31,000 events are collected.

Audit and Training

With most of our employees continuing to work from home, we put even greater attention on cybersecurity. We have built a robust cybersecurity framework based on the National Institute of Standards and Technology (NIST), an internationally recognized risk-based approach to managing cybersecurity risk. Our system is best-in-class, outperforming our North American insurance peers in 14 of 15 security domains based on an independent 2021 audit of our cybersecurity posture. This ranks Intact in the first quartile of financial industry peers. In North America we also conduct tabletop exercises simulating a threat to our cybersecurity posture with a third-party facilitator, which provides feedback on improvements to make. All relevant teams are involved in these simulations, including IT security, risk management, communications and management.

Dedicated teams plan, test and execute our cybersecurity plans. Threat and vulnerability assessments and quick mitigation actions are carried out. IT security teams consistently monitor systems and intervene if an incident occurs.

Comprehensive and ongoing employee training on cybersecurity awareness is conducted to avoid points of entry for cyber-attacks.

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

In Canada, we increased efforts on conducting phishing test campaigns. In 2021, we increased the total number of phishing test campaigns to 18 across the organization, which included sending over 100,000 test emails, resulting in identifying additional training opportunities for staff.

We also introduced new awareness content and tooling which allowed us to:

- **Conduct a cyber knowledge assessment** in May to identify opportunities for providing additional training on various security awareness topics, resulting in 3 out of 4 employees voluntarily participating across the enterprise
- **Highlight the importance of data loss prevention** at Intact by publishing two special email communications to all employees in June and September
- **Reinforce the importance of cybersecurity** as part of our new employee onboarding process via the introduction of a new learning module in July
- **Conduct Annual Security Awareness training** as part of the Cyber Awareness Month initiatives in October



6,326
UK&I employees completed
Information and Cybersecurity
e-learning in 2021



6,449
UK&I employees completed
Data Protection e-learning
in 2021

How We Use Customer Data

Our Values of Integrity, Excellence and being Customer-driven guide the ways we protect and handle our customer and employee data.

In Canada, we abide by all privacy legislation, including the Personal Information Protection and Electronic Documents Act and the Act respecting the protection of personal information in the private sector. We adopted an Internal Personal Information Policy in connection with the collection, use and disclosure of personal information.

- We only collect information from current and potential customers that we need to deliver our products and services
- Only Intact employees who have a legitimate business need can access customer data, where applicable and where informed consent has been obtained
- When personal information is no longer needed, we dispose of it in a secure manner. This applies to any personal information we collect from employees, brokers, suppliers, service providers, consultants, shareholders or any third party
- We notify customers, employees, regulators, third-party vendors, and law enforcement of data breaches as required by regulation and privacy laws
- To the extent possible, such notification to customers includes enough detail to understand how their information has been affected, as well as steps they can take to minimize potential risk

We publicly disclose our [Customer Privacy Promise](#), which outlines what data we collect, how we use it, how we dispose of it and how customers can either correct information or withdraw their consent for us to use it. We use customer information for several reasons, including to:

- Verify their identity and property
- Assess and underwrite insurance risks

- Determine prices, fees and premiums
- Investigate and adjust insurance claims
- Settle or arrange for the settlement of insurance claims
- Promote products and services offered by us, our affiliates or strategic partners
- Conduct market research
- Detect, prevent and suppress fraud, unauthorized or illegal activities

Our UK & International business is required to comply with all applicable local laws and regulations regarding personal data. This includes the GDPR and UK GDPR. The business operates under our Personal Data Protection Policy, which sets out the framework for how we manage our customer, employee and third-party personal data. The policy is underpinned by standards that are required of the business. It also contains a series of controls which are tested and subject to assurance by our compliance function.

Data Governance Principles and Ethical Review Processes

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

- **Security:** We use leading security measures to protect the personal data of our customers
- **Helping society:** We use our data skills to create solutions that contribute to society’s wellbeing
- **Data quality:** We use high-quality data to create solutions that are right for our customers

- **Scientific excellence:** We uphold high scientific standards of excellence in order to ensure our solutions are accurate and effective
- **Accountability:** We consider the impact that our products and services have on our customers and promote responsible solutions, processes and models

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

Our Data and Ethics working group and steering committees ensure Intact is following the data governance principles. The committee oversees how the business leverages data and models to create and offer the best solutions for the customer, while treating customers and their data with respect, integrity and the highest degree of ethics.

Ethical assessments of models are structured around three pillars:

- **Framing (What and Why):** We review both the algorithm and the data to challenge what we are trying to accomplish with the model and ensure compliance with laws and regulations, as well as our data governance principles
- **Purpose and Consent:** We question the purpose of the model, ensure proper consents are in place, and confirm that the model does not rely on factors that are discriminatory and that any proxies used in testing models are grounded in real-world concepts
- **Fairness and Bias:** We ensure that social concepts, such as fairness and bias, that cannot be reconciled through mathematical solutions are brought forward and addressed

Political Involvement and Contributions

In Canada, Intact takes a responsible, proactive and transparent approach to working with governments and regulators on matters that impact our customers, brokers, employees and communities. Throughout 2021, we continued to strengthen our relationships with government, by providing risk management expertise and reinforcing our ongoing commitment to working with them to help our customers and communities manage this ongoing period of uncertainty. We believe it is important for us to be a good partner to government in both prosperous and challenging times.

How We Are Working With Governments:

- We are an active participant in the Government of Canada’s Task Force on Flood Insurance and Relocation, which is considering options to protect homeowners at high risk of flooding and the viability of a low-cost national flood insurance program
- Our Group CFO Louis Marcotte participates in the federal government’s Sustainable Finance Action Council, which aims to build a sustainable finance system in Canada
- We are a member of the National Adaptation Strategy’s Disaster Resilience and Security Advisory Table
- CEO Charles Brindamour was invited to be a member of the Government of Canada’s official delegation to the COP26 United Nations Climate Change Conference
- We continued to support government efforts to manage the ongoing pandemic by sharing our risk management expertise through various forums, including the federal government Minister of Health’s COVID-19 Expert Working Group
- We also regularly engage with all levels of government through our memberships and associations, such as The Geneva Association, Insurance Bureau of Canada and the Business Council of Canada, including as Co-Chair of the BCC’s Working Group on Climate Change and Energy Transition

Our Key Advocacy Issues With Government Include:

- Ensuring that consumers have access to affordable, innovative and sustainable auto insurance products in Alberta, Ontario and Atlantic Canada
- Encouraging flexible regulatory frameworks which keep pace with consumer expectations in a modern world, like the sharing economy and digital commerce
- Ensuring Canadians, their families and communities are adequately protected from extreme weather events by proposing climate change adaptation solutions at the government and homeowner levels
- Working with government stakeholders on ensuring Canadians and our economy are protected from the impacts of a major earthquake

Statement on Political Contributions

Our [Living our Values](#) document outlines how and why political contributions are made. Any political contributions are made within prescribed legal limits. Contributions are made as an expression of responsible citizenship, not to gain an improper advantage. Intact complies with all laws, regulations and principles of ethics when offering items of value to any political party, candidate or public official at all levels of government. All contributions made on behalf of the Company are approved by the Head of Government Relations.

Our UK&I RSA business does not make political contributions. RSA contributes to policy dialogue and discussions through our membership of the Association of British Insurers (ABI), Confederation of British Industry (CBI) and CityUK, and did not carry out any direct lobbying activities in 2021. All engagements with government or political officials are recorded and conducted in line with our Anti-Bribery and Corruption and Conflict of Interest Policies.



Standards and Frameworks

Task Force on Climate-related Financial Disclosures

Sustainability Accounting Standards Board

Public Accountability Statement

Task Force on Climate-Related Financial Disclosures

Over the past decade, we have made significant progress in preparing Intact for and helping society anticipate the consequences of climate change. As natural disasters have increased by a factor of four in the past 30 years, this effort is existential. Despite the inherent challenges, there are also tailwinds. Climate change presents an opportunity to both help society manage its impacts and for Intact to win in the marketplace with innovative products and services.

Governance

Board of Directors Oversight

The Board of Directors is ultimately responsible for overseeing the strategic direction and initiatives of the Company in regard to climate change risks. Climate change is an integral accountability of the Board's Risk Management, Audit and Compliance Committees. These committees oversee the assessment and monitoring of the risks related to climate change, including the potential impact of insured losses resulting from damage to property and assets arising from climate-related natural catastrophe events, and the development of strategies to manage these risks. The Board is fully engaged in shaping the approach to Enterprise Risk Management, including setting our risk appetite where appropriate and ensuring governance structure and policies are effective.

The Board oversees climate risk management largely through the work of its committees.

Management Oversight

Climate risk is incorporated into our Enterprise Risk Management Strategy, which is integrated into all business activities and strategic planning, including subsidiaries and operations. This framework includes the identification, assessment, response, monitoring and reporting of risks. Climate risks are regularly discussed with the leadership of commercial, personal and specialty lines of business to ensure proper risk assessment and mitigation plans are in place.

Our Group CEO, along with our Senior Management team, provides direct leadership on our climate change initiatives and advocates publicly for climate adaptation with business associations, government officials, regulators and globally in his recent role as the Board Chair of The Geneva Association.

The role of Chief People, Strategy and Climate Officer was created in 2021 to ensure ongoing integration of climate change and climate risk management into our central strategy. This role reports directly to the Group CEO.

There are a number of Senior Management committees and operational teams that have climate risk management accountability. See [page 62](#).





Climate Change Oversight

IFC Board of Directors

- Oversees the integration of the enhanced climate change strategy into the strategic objectives and 10-year strategic roadmap. In addition, it oversees Intact Investment Management’s climate change risk initiatives aiming to support the transition to a low-carbon economy, including its policy on thermal coal-related investments and its oil and gas policy

Risk Management Committee

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

Compliance Review and Corporate Governance Committee

- Oversees corporate disclosure on climate risk management

Audit Committee

- Ensures that our segmentation, pricing and financial disclosure practices are adapted to address climate change risks and trends in catastrophes and severe weather events

Enterprise Risk Committee

- Headed by our Chief Risk Officer, this committee oversees risk management priorities, assesses the effectiveness of risk management programs, policies and actions of each key function of the business and reports quarterly to the Board Risk Management Committee. The Committee is mandated to identify risks that could materially impact the business, measure risks in terms of impact on financial resources and reputation, monitor risks and manage risks in accordance with our risk appetite statement
- The Enterprise Risk Committee has identified climate change as one of our top 10 risks for the Company

Operating Committee

- Oversees all operations of IFC. Oversees the group-level climate change strategy, net zero target progress, climate adaptation initiatives and climate risk management approaches

Operational Investment Committee (OIC)

- Reviews investment strategies, monitors performance and discusses investment risks. The OIC oversees climate change engagement strategies with investees, commitments to climate initiatives such as Climate Engagement Canada and progress on investment in achieving net zero targets

Disclosure Committee




- Ensures all disclosures are complete, accurate and timely. Oversees all corporate disclosures, including the Social Impact Report and responses to regulators and supervisory entities on climate change topics

Strategy


Throughout 2021, we evolved our approach to develop an ambitious response to climate change and the transition to a low-carbon economy. By using our expertise, scale and resources to address all aspects of climate change, we believe we can effectively manage risks, take advantage of market opportunities and help society.


Our strategy to manage climate change focuses on our expertise, scale and resources to address all aspects of climate change including our strategy to achieve net zero. We play an integral role in enabling innovation and the pathway to a sustainable future continues to be an opportunity for us to help facilitate a prosperous and climate-resilient economy.


Our plan for the transition to a low-carbon economy focuses on the following principles:


- 
 - We will help people, businesses and society** de-risk the transition to a sustainable future by leveraging our strengths
- 
 - We will take an inclusionary approach** to supporting our stakeholders, not an exclusionary one
- 
 - We will focus our actions** on areas that maximize the overlap between helping and winning


We will leverage our strengths and help society by:

- 

COMMIT to net zero by 2050, including an accelerated goal to halve corporate emissions by 2030 from a 2019 baseline
- 

Double down on helping people and society ADAPT to climate change
- 

Leverage our platform to SHAPE behaviour
- 

ENABLE the transformation of industries key to the transition
- 

COLLABORATE with governments and industry to help accelerate climate action

Risk Management

Climate change is a challenge that has been faced by the P&C insurance industry for decades. The risk is constantly evolving and has increased in importance as many global industries and societies address the shift to a low-carbon economy.

We have a proven ability to manage climate risks in our operations. Beyond the short-term nature of insurance contracts, which enables us to respond to a dynamic weather environment, we take a number of actions to protect our business and our customers.



Description	Potential Impact	How We Manage This Risk
Physical Risk		
Physical risk has been affecting our property insurance business due to changing climate patterns and an increase in the number and cost of claims associated with severe storms and other natural disasters. Changing weather patterns have resulted in hotter, drier weather in some areas and more humid, wetter weather in other areas. The result has been more unpredictability in weather and increasingly severe storms.	<p>Weather patterns could continue to change and impact on the likelihood and severity of natural catastrophes, such as wildfires and flooding in the west and heavy precipitation and hurricanes in the east. The impact of climate change may result in increased earnings volatility and negatively affect our property and automobile insurance results, which collectively contribute to a majority of our total annual premiums.</p> <p>Severe weather could disrupt our operations, if severe weather events affect our premises or the premises of any outsourced business functions.</p>	<p>Risk Pricing and Selection</p> <ul style="list-style-type: none">• Maintain an adequate capital margin to ensure that we are sufficiently capitalized to withstand an acceptable level of insurance and/or market shocks• Use enhanced segmentation to understand evolving risks. We input weather, climate and topographic data into machine learning models to develop risk maps to assess risk to weather perils such as flood and wildfire• Expand use of deductibles and sub-limits, segmentation refinement, and the introduction of depreciation schedules in personal property insurance across Canada• Review current personal and commercial line products, underwriting and pricing practices related to severe weather• Continuously redefine how we select and price risk with data and predictive analysis, leveraging the expertise of 300 AI and machine learning experts. We set risk tolerances based on catastrophe model output and use it to determine pricing• Implement rate changes in our property business to reflect recent trends in catastrophes and severe weather• For 2021, our weather-related CAT losses were 3.0 per cent, mainly reflecting the impact of severe weather events across Canada, flooding in the UK and Hurricane Ida• Reinsure certain risks to limit our losses in the event of a catastrophe or other significant weather-related losses. Below our catastrophe cover, we purchase specific treaties for business that are more exposed to major events and use facultative and per risk reinsurance to limit exposure to any one risk <p>Product Innovation</p> <ul style="list-style-type: none">• Continually evolve our products to account for new climate realities, such as unbundling our enhanced water damage product to make protection more accessible• Transform our business to adapt to evolving climate risks. For example, we redesigned our personal property business to account for an increased risk of flood <p>Supply Chain and Claims</p> <ul style="list-style-type: none">• Employ nearly 5,000 claims professionals in Canada, dedicated to helping customers get back on track – we manage at least 95 per cent of customers’ claims in-house.• Capitalize on opportunity in climate change by expanding our supply chain capacity through the acquisition of On Side Restoration, one of the largest players in restoration in Canada• Use actuarial tools and have actuaries in claims support operations to quickly assess CATs (including the number of claims, nature of claims, geocoded maps and supply chain requirements)

Description	Potential Impact	How We Manage This Risk
Physical Risk		
		<div><div>Prevention</div><div><ul style="list-style-type: none">Invest in a global loss prevention team with vast backgrounds, including engineers, fire protection experts, sprinkler designers, brokers, claims adjusters and underwritersInclude weather alerts in our apps to proactively inform clients on preventive measures they can take to protect their homes and avoid potential automobile accidents caused by bad weather conditionsIncrease our customer and distribution partner education and awareness efforts, including providing climate-related tips featured in our BrokerLobbyCommunicate specific tips on climate resilience to customers in high-risk locationsUse data to help prevent losses from occurring. For example, we have developed a forecasting system that automatically detects which customers are at risk of roof collapse after a significant snowfall. We provide subsidies to our customers to remove snow and prevent damageWork with partners, such as the University of Waterloo, our industry association the Insurance Bureau of Canada and the global insurance industry think tank The Geneva Association, to promote climate change adaptation initiatives at all levels of government</div></div> <div><div>Investments</div><div><ul style="list-style-type: none">Engage with investees on climate change resiliency and the integration of climate change into strategy and governance measures.Discuss the impacts of extreme weather events on financial performance and ensure management is accounting for climate change as a key riskIn 2021, we engaged 139 investee companies across 12 sectors to better understand their climate-related risks and opportunities. 55 per cent of investees identified at least one issue concerning extreme weather associated with climate change, such as increased frequency of flood, fire and snow events impacting their operations.Voted on 253 shareholder proposals related to ESG matters in 2021, of which 12 per cent were focused on climate change disclosure and GHG emissions</div></div>

Description	Potential Impact	How We Manage This Risk
Transition Risk		
<p>Transition risk is the risk inherent in the transition to a low-carbon and more climate-resilient economy, involving changes in government policies, the legal environment, technologies and financial markets. Awareness of the potential risk continued to increase this year with several examples of large institutional investors shifting away from carbon-intensive sectors.</p>	<p>Every sector contributes to the transition and the financial impact on some sectors might be significantly negative while other sectors may benefit. To take advantage of the transition, it is important to fully understand the impact of this changing environment. It could lead to a contraction of market demand in certain sectors and an increase in losses for certain lines of business such as surety.</p> <p>Investments</p> <p>The risk could lead to a decline in the valuation of assets we hold in certain sectors that are vulnerable to transition risk. Furthermore, the exposure to carbon-intensive sectors or companies could result in the perception of disregard towards a greener economy and increase reputational risk for insurers who underwrite these risks.</p>	<p>Underwriting</p> <p>We are assessing underwriting risks and opportunities that can emerge in the transition to a low-carbon economy and acting accordingly, such as providing electric vehicle discounts.</p> <p>Investments</p> <ul style="list-style-type: none">• We joined Climate Engagement Canada as a founding member, to drive dialogue with Canadian issuers about climate risks and opportunities• IIM adopted and implemented positions on coal in 2020 and oil and gas in 2021, focused on supporting the energy sector’s transition to a low-carbon economy• IIM will assess the climate disclosure and transition plans for all companies in our investment universe that:<ul style="list-style-type: none">– generate more than 25 per cent of revenue from thermal coal mining– derive more than 25 per cent of energy generation, revenue or net income from thermal coal– are included in the top GHG emitters from the oil and gas sector• We will engage with investee companies that do not have satisfactory transition plans but expect tangible improvements• We will remove companies that are non-responsive or do not provide evidence of progress on their transition plan from our investment universe within a communicated timeline
Liability Risk		
<p>Liability risk is the risk of climate-related claims under liability policies.</p> <p>Key stakeholders, including investors, have increasing expectations of net zero commitments. Lack of progress on publicized net zero targets poses a liability risk.</p>	<p>Net zero commitments are contingent on many variables, including the role of governments and their ability to meet climate commitments. There is a risk that companies have overstated their ability to meet their target and may miss their interim net zero targets.</p> <p>Compensation could be sought for losses resulting from the physical or transition risks outlined above.</p> <p>Although in its very early stages globally, climate-related litigation could increase with implications for certain liability coverages.</p>	<p>We will apply our leading financial disclosure practices to our net zero commitment, disclosing our progress in a timely manner. We will be transparent with any changes to our strategy or ambition in our targets.</p>

Following the RSA acquisition, the Company has harmonized its risk management practices globally. While some processes differ based on local regulatory requirements, the general risk management principles and risk appetite are aligned across the Company. This enables consistent identification, assessment and management of top and emerging risks.

Opportunities

Our enhanced climate strategy focuses on helping manage risks but also looks to capitalize on opportunities to advance society’s transition. There are a number of opportunities that could have a potential impact on our business, including:

- **Increased demand for home restoration services** – managed by our acquisition of On Side Restoration, one of the largest home restoration companies in Canada
- **Increased investment in renewable energy technologies, increasing demand for renewable energy insurance and increasing revenue (transition, short/medium-term)** – managed through product/service offering
- **New product and service offerings to provide insurance for new technologies or infrastructure, such as electric vehicles, rail (transition, short/medium-term)** – managed through product/service offering, customer engagement and ongoing market analysis
- **Increased demand for insurance as changes to weather patterns increase public awareness of the need for insurance products** – managed through product/service offering and customer engagement

Scenario Analysis

We operate in an environment that can be highly unpredictable and volatile, and we are disciplined in protecting ourselves against the impact of extreme events, including the impacts of climate change. We develop scenarios and measure their aggregate effects on our business. We then take action to limit these effects, whether by limiting our exposures or by transferring risk to others. In doing so, we help ensure our ability to get customers back on track won’t be compromised even when extreme events occur.

Intact and RSA were asked to participate in pilot projects with central banks and regulators to use our expertise in risk management to contribute to the development of scenario analysis tools and resources.

Bank of Canada and Office of the Superintendent of Financial Institutions (OSFI) Climate Scenario Pilot

In Canada, we were invited to collaborate with the Bank of Canada and OSFI, along with five other financial institutions, to help further our and the industry’s understanding of transition-related climate risks and develop an approach for industry use. The project concluded in Q4 2021 and results of the pilot project were released on January 14, 2022.

Scope of Analysis

- **Objective:** Focus on potential transition impact on assets
- **Scenarios for capital purposes:** Baseline (policies already in place), 2°C immediate policy action and 2°C delayed policy action
- **Variables:** Direct emission costs, capital expenditure costs, indirect costs, revenue
- **Time Horizon:** 30 years projection to 2050
- **Intact Exposure:** Credit risk (e.g. fixed income and loans) and market risk (e.g. preferred and common shares)
- **Sectors:** Top 10 most emission-intensive sectors in the Canadian economy

Approach

The Bank of Canada developed a set of global climate transition scenarios to capture a range of risk outcomes that could impact the Canadian economy. Scenarios were consistent with global commitments to limit warming to below 2°C and relied on significant industry changes.

Using our 2019 year-end balance sheet (excluding RSA), we applied the methodologies of the Bank of Canada and reassessed the probability of defaults in our corporate bond portfolio. We also applied severe shocks to common and preferred share investments in the high-emitting sectors targeted.

Conclusions

The impact of climate scenarios on Intact remains manageable. The pilot confirms the benefits of our diversified, high-quality portfolio as well as our investment policy to invest in companies with strong transition plans. Furthermore, the short-term nature of our business allows us to quickly take actions with limited impact and adjust accordingly our security selection, sector/segment allocation and asset mix when we see evolving climate risk trends.

Overall, the pilot reinforces the need to favour companies that will address the climate transition with urgency. It sheds light on the risks of significant macroeconomic impacts, in particular for commodity-exporting countries like Canada.

Bank of England Climate Biennial Exploratory Scenario (CBES)

RSA joined 18 financial services firms to participate in the Bank of England’s Climate Biennial Exploratory Scenario (CBES), which explored risks posed by climate change and tested the resilience of the financial services sector. Insurance sector participants focused on physical and transition risk impacts on assets and insurance liabilities.

RSA completed a detailed scenario analysis to determine the material financial impact of climate risk. The process of completing the CBES submission validated our climate change action plan.

The Bank of England will release aggregated industry results of the pilot in May 2022.

Metrics and Targets

In line with our strategic objectives, we measure the impact of our work in climate change and building resilient communities. We developed the next phase of our enhanced climate plan throughout 2021, detailed on [pages 25 and 26](#). This commitment includes addressing the carbon impacts of our operations, including:

- Achieving carbon neutrality in corporate operations by 2025
- Cutting corporate operations emissions in half by 2030
- An ambition of net zero by 2050

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

Area	Metric	2021 Performance
Risks		
Catastrophe Losses	Weather CAT losses	\$483M
	Weather loss ratio	3.0%
External Commitments	Meeting the requirements of the UNEP FI Principles for Sustainable Insurance	Met
Building Climate Resilient Communities	Dollar value of partnerships focused on climate change adaptation	\$2,343,693
Opportunities		
Operations	Carbon neutrality	Set ambition – carbon neutral corporate operations by 2025
	Net zero corporate operations	Set ambition – halve emissions by 2030 from a 2019 baseline
	Net zero value chain	Set ambition – net zero by 2050
	Scope 1 and 2 emissions	24,313 tonnes CO ₂ e
	Scope 3 emissions	6,050 tonnes CO ₂ e
Underwriting	Enhanced water damage coverage penetration	89%
	Net premiums in renewable energy	\$85.7M
Supply Chain	Expanded capacity to respond to increases in severe weather impacts	Completed acquisition of On Side Restoration in 2021 to meet increasing demands for home restoration

Sustainability Accounting Standards Board (SASB)

SASB Metric	Issue	Category	Metric	Response
FN-IN-270a.1	Transparent Information & Fair Advice for Customers	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	<p>In management’s opinion, we have made adequate provisions for, or have adequate insurance to cover, all insurance claims and legal proceedings instituted against us.</p> <p>Consequently, any settlements reached should not have a material adverse effect on our consolidated future operating results and financial position.</p> <p>For more information, please see page 28 of our 2022 Annual Information Form – Legal Proceedings and Regulatory Action.</p>
FN-IN-270a.2	Transparent Information & Fair Advice for Customers	Quantitative	Complaints-to-claims ratio	The number of customer complaints submitted to our ombudsman for 2021 is 1,748. The number of claims filed in 2021 is 903,923.
FN-IN-270a.3	Transparent Information & Fair Advice for Customers	Quantitative	Customer retention rate	<p>Our most relevant key performance indicator is Direct Premiums Written (DPW), as it effectively shows our ability to retain and attract new customers. Our DPW for 2021 was \$17.9 billion, a 45 per cent increase from 2020. Most of this growth is attributed to the recent acquisition of RSA Group, but also to healthy organic growth in commercial lines.</p> <p>More information can be found in our Q4 Management Discussion & Analysis – Performance Section, page 8</p>
FN-IN-270a.4	Transparent Information & Fair Advice for Customers	Discussion and Analysis	Description of approach to informing customers about products	<p>We have an omni-channel distribution model, which enables customers to access the right products and services that meet their needs.</p> <p>We work with thousands of independent insurance brokers to provide products and services to customers. The brokers we select to work with are insurance professionals – they have the knowledge and experience to assess personal and commercial insurance needs to make a recommendation of the right coverage. They help customers navigate the complex world of insurance to make sure customers have the right coverage.</p> <p>In Canada, we disclose publicly the compensation, commissions and profit-sharing programs for our Intact Insurance brokers to ensure transparency with customers.</p> <p>Through our direct distribution channels, insurance products and services are provided direct to customers, either through licensed agents or through digital distribution channels. Customers can receive detailed quotes in a few clicks through online quote tools through desktop or mobile applications, or can call our agents directly for expert advice and guidance on the right coverage for their needs.</p> <p>We publicly disclose our Customer Privacy Promise, which outlines what data we collect, how we use it, how we dispose of it and how customers can either correct information or withdraw their consent for us to use it.</p>

SASB Metric	Issue	Category	Metric	Response
FN-IN-410b.1	Policies Designed to Incentivize Responsible Behavior	Quantitative	Net premiums written related to energy efficiency and low carbon technology	<p>Our UK&I Climate Change and Low-Carbon policy sets out our goal to ensure 50 per cent of our energy underwriting portfolio consists of renewable energy each year. In 2021, renewables made up 61 per cent (NWP) of our UK&I energy underwriting portfolio mix.</p> <p>We received \$85.7 million in policy premiums from our renewable energy business globally in 2021.</p>
FN-IN-410b.2	Policies Designed to Incentivize Responsible Behavior	Discussion and Analysis	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	<p>In Canada, we offer products and discounts to customers to reduce their risk and have a positive impact on ESG issues, including:</p> <ul style="list-style-type: none">• my Identity™ product provides cyber protection and helps customers protect themselves against identity theft• Our apps provide safe driving and weather alerts to our customers. The belairdirect app also offers Crash Assist, detecting accidents in real time, and our Intact Insurance app lets our customers know when there is an official recall made by their vehicle manufacturer• Our vertical farm product offers coverage for vertical farm operations that produce fruits, vegetables and herbs using aeroponic or hydroponic growing practices• A program of roof snow removal to prevent roof collapse on certain types of buildings: we pay up to \$1,000 per targeted building in specific areas• EV discounts for personal lines customers in a number of provinces <p>For personal lines customers, we help them build back better and offer incentives in the following areas:</p> <ul style="list-style-type: none">• In Western Canada, Ontario and the Atlantic provinces, we offer up to \$1,000 for sewer back-up coverage for loss mitigation devices after a covered sewer back-up loss to help protect customers from future water damage losses• In Alberta, we provide customers up to \$2,500 to replace siding with weather-resistant material following a covered loss <p>For commercial and specialty lines in North America, as part of our standard property insurance, our package extension includes coverage for environmental green upgrades to help cover additional costs to repair property to accepted environmental standards (i.e. LEED) after a loss.</p>

SASB Metric	Issue	Category	Metric	Response
FN-IN-450a.1	Environmental Risk Exposure	Quantitative	Probable Maximum Loss of insured products from weather-related natural catastrophes	<p>We increased our expectations for annual catastrophe (CAT) losses (net of reinsurance) to \$600 million, reflecting our reinsurance program in place.</p> <p>Our estimates reflect longer-term trends, our growing premium base, concentration and management of risk, product mix and geographic mix.</p> <p>We generally expect approximately two-thirds to impact personal lines, and about one-third of the annual estimate in each of the second and third quarters.</p> <p>Catastrophe claims are any one claim, or group of claims, equal to or greater than a predetermined CAT threshold, before reinsurance, related to a single event. Reported CAT losses can either be weather-related or not weather-related and exclude those from exited lines. Effective July 1, 2021, our CAT thresholds are as follows; P&C Canada: \$10 million, P&C UK&I: £7.5 million and P&C US: US\$5 million.</p> <p>For more information, please see page 39 of our Q4 Management Discussion & Analysis, Section 16 – CAT losses and weather conditions</p>
FN-IN-450a.2	Environmental Risk Exposure	Quantitative	Total amount of monetary losses attributable to insurance payouts from 1) modeled natural catastrophes and 2) non-modeled natural catastrophes, by type of event and geographic segment	<p>In 2021, weather-related CAT losses were \$483 million, mainly reflecting the impact of severe weather events across Canada, flooding in the UK and Hurricane Ida.</p> <p>For more information, please see page 39 of our Q4 Management Discussion & Analysis, Section 16 – CAT losses and weather conditions</p>
FN-IN-450a.3	Environmental Risk Exposure	Discussion and Analysis	Description of approach to incorporation of environmental risks into 1) the underwriting process for individual contracts and 2) the management of firm-level risk and capital adequacy	<p>Underwriting Processes</p> <p>Physical risks have an impact on our P&C business. We continue to adapt our business to the impacts of climate change. Over the years, we have implemented several actions to manage the potential impact of changing weather patterns including improved risk selection, pricing and product changes, supply chain enhancements and a greater emphasis on and investment in prevention.</p> <p>For Intact, our response to climate change has long been embedded in our strategy and our approach to risk management. We use our expertise to keep pace with an evolving climate. To accomplish this, we:</p> <ul style="list-style-type: none">• Enhance segmentation to understand evolving risks. We input weather, climate and topographic data into machine learning models to develop risk maps to assess risk to weather perils such as flood and wildfire• Review current personal and commercial line products, underwriting and pricing practices related to severe weather• Continuously redefine how we select and price risk with data and predictive analysis, leveraging the expertise of 300 AI and machine learning experts. We set risk tolerances based on catastrophe model output and use it to determine pricing• Implement rate changes in our property business to reflect recent trends in catastrophes and severe weather

SASB Metric	Issue	Category	Metric	Response
FN-IN-450a.3	Environmental Risk Exposure	Discussion and Analysis	Description of approach to incorporation of environmental risks into 1) the underwriting process for individual contracts and 2) the management of firm-level risk and capital adequacy	<p>Firm-Level Risk and Capital Adequacy</p> <p>The amount of capital in any particular company or country depends upon Intact’s internal assessment of capital adequacy in the context of its risk profile and strategic plans, as well as local regulatory requirements. Intact’s objective is to maintain the capitalization of its regulated operating subsidiaries above the relevant minimum regulatory capital requirements in the jurisdictions in which they operate (referred to as regulator supervisory minimum levels).</p> <p>Regulatory capital guidelines change from time to time and may impact Intact’s capital levels. Intact carefully monitors all changes, actual or proposed.</p> <p>Annually, Intact performs capital adequacy testing to ensure that it has sufficient capital to withstand significant adverse event scenarios. These scenarios are reviewed each year to ensure appropriate risks are included in the testing process. The 2021 results indicated that Intact’s capital position is strong. In addition, the target, actual and forecasted capital positions of Intact are subject to ongoing monitoring by management using stress and scenario analysis to ensure its adequacy.</p> <p>For more detailed information, please see Note 23 – Capital management in our Q4 2021 Financial Statements starting on page 65.</p>
FN-IN-550a.1	Systemic Risk Management	Quantitative	Exposure to derivative instruments by category: 1) total potential exposure to non-centrally cleared derivatives 2) total fair value of acceptable collateral posted with the Central Clearinghouse, and 3) total potential exposure to centrally cleared derivatives	<p>Under current applicable regulation, Intact is not required to post collateral with the Central Clearinghouse.</p> <p>For more detailed information, please see Note 8 – Derivative financial instruments in our Q4 2021 Financial Statements on page 32.</p>
FN-IN-550a.2	Systemic Risk Management	Quantitative	Total fair value of securities lending collateral assets	<p>We participate in a securities lending program to generate fee income. This program is managed by our custodian, a major Canadian financial institution, whereby we lend securities we own to other financial institutions to allow them to meet their delivery commitments. We loaned securities, which are reported as investments in the consolidated financial statements, with a fair value of \$3,036 million as of December 31, 2021 (\$1,054 million as of December 31, 2020).</p> <p>Collateral is provided by the counterparty and is held in trust by the custodian for our benefit until the underlying security has been returned to us. The collateral cannot be sold or re-pledged externally by us, unless the counterparty defaults on its financial obligations. Additional collateral is obtained or refunded on a daily basis as the market value of the underlying loaned securities fluctuates. The collateral consists of government securities with an estimated fair value of 104 per cent of the fair value of the securities loaned as at December 31, 2021 (105 per cent as at December 31, 2020).</p>

SASB Metric	Issue	Category	Metric	Response
FN-IN-550a.3	Systemic Risk Management	Discussion and Analysis	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<p>Intact’s credit risk exposure is concentrated primarily in its debt securities and preferred shares and, to a lesser extent, in its premiums receivable, reinsurance assets, and structured settlement agreements entered with various life insurance companies. Intact is also subject to counterparty credit risk arising from reinsurance, over-the-counter derivatives, as well as securities lending and borrowing transactions. A counterparty is any person or entity from which cash or other forms of consideration are expected to extinguish a liability or obligation to Intact.</p> <p>Structured Settlements</p> <p>Intact has obligations to pay certain fixed amounts to claimants on a recurring basis and has purchased annuities from life insurers to provide for those payments. If the life insurers are in default, Intact may have to assume a financial guarantee obligation. Therefore, the net risk to Intact is any credit risk related to the life insurers. This credit risk is reduced since Intact deals with registered life insurers. In addition, the credit risk is further mitigated by an industry compensation scheme which would assume a significant majority of the remaining outstanding obligations in case a life insurer defaults.</p> <p>Credit Quality</p> <p>Intact’s risk management strategy is to invest in debt securities and preferred shares of high credit quality issuers and to limit the amount of credit exposure with respect to any one issuer by imposing limits based upon credit quality. Intact’s investment policy requires at least 97 per cent of the public fixed income investments portfolio to be rated investment grade and at least 57 per cent of the preferred shares portfolio to be rated P2 (low) or better. This credit quality restriction excludes indirect investments through debt funds. In the case of funds, specific policy limits apply to manage the overall exposure to these investments. Management monitors subsequent credit rating changes on a regular basis.</p> <p>Credit Risk Concentration</p> <p>Concentration of credit risk exists where several borrowers or counterparties are engaged in similar activities, are located in the same geographic area or have comparable economic characteristics. Their ability to meet contractual obligations may be similarly affected by changing economic, political or other conditions. Intact’s investments could be sensitive to changing conditions in specific geographic regions or industries.</p> <p>Investments</p> <p>Intact has a significant concentration of its investments in the financial sector and in Canada. These risk concentrations are closely monitored. To enhance sector diversification, Intact holds investment grade non-financial US corporate bonds. The recently acquired RSA investment portfolio helps Intact diversify out of Canadian financial issuers.</p>

SASB Metric	Issue	Category	Metric	Response
FN-IN-550a.3	Systemic Risk Management	Discussion and Analysis	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<p>Liquidity risk</p> <p>Intact’s liquidity management is governed by establishing a prudent policy that identifies oversight responsibilities as well as by setting limits and implementing effective techniques to monitor, measure and control exposure to liquidity risk. Given the nature of Intact’s P&C insurance activities, cash flows may be volatile and unpredictable. Intact uses internal liquidity metrics to monitor and control liquidity risk within its insurance subsidiaries.</p> <p>Intact’s liquidity needs are rigorously managed by matching asset and liability cash flows and by establishing forecasts for cash inflows and outflows. Intact invests in various types of assets to match them to its liabilities. This method maps the obligations to insured clients for asset life and performance. Intact reviews the matching status on a quarterly basis. To manage its cash flow requirements, a portion of Intact’s investments is maintained in short-term (less than one year) highly liquid money market securities. A large portion of the investments are unencumbered and held in highly liquid federal and provincial government debt to protect against any unanticipated large cash requirements. In addition, Intact has an unsecured committed credit facility.</p> <p>For more detailed information, please see Note 10 – Financial risk in our Q4 2021 Financial Statements starting on page 36.</p>
FN-IN-000.A	Activity metric	Quantitative	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	We have 9,648,442 personal lines policies in force.

Public Accountability Statement

Intact Financial Corporation’s 2021 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, 2021. All dollar amounts are expressed in Canadian currency.

Comments regarding this document may be forwarded to:

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

- Belair Insurance Company Inc.
- Intact Insurance Company
- Novex Insurance Company
- The Nordic Insurance Company of Canada
- Jevco Insurance Company
- Trafalgar Insurance Company of Canada
- On Side Restoration Services Ltd.
- Canada BrokerLink Inc.
- Johnson Inc.
- Royal & Sun Alliance Insurance Company of Canada
- Intact Public Entities Inc.



Community Involvement and Donations

In 2021, Intact donated over \$10 million across Canada, the United States and its UK&I operations to over 2,629 organizations. Our employees volunteered more than 10,235 hours to over 400 organizations in 2021. Details about our charitable donations can be found on [pages 34 to 39 and 81](#).

Our Social Impact Priorities are Focused on Three Areas:

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

Workforce Demographics

Number of employees per geographic region

	Full-time	Part-time	Total 2021	2020	2019	2018
Canada						
Alberta	2,501	74	2,575	1,988	1,926	1,835
British Columbia	1,137	25	1,162	656	649	668
Manitoba	119	3	122	60	60	61
New Brunswick	235	2	237	74	69	71
Newfoundland and Labrador	977	21	998	236	229	172
Nova Scotia	720	21	741	441	407	382
Ontario	7,607	131	7,738	5,610	5,448	4,723
Prince Edward Island	10	0	10	0	0	0
Quebec	5,417	385	5,802	5,177	4,902	4,531
Saskatchewan	1	0	1	0	0	0
Yukon	0	0	0	0	0	0
Total (Canada)	18,721	662	19,383	14,241	13,690	12,443
US	1,372	16	1,388	1,246	1,124	1,106
UK&I	4,936	974	5,910	N/A	N/A	N/A
Total	25,032	1,652	26,684	15,487	14,814	13,549

Economic Impact

Taxes paid by province (in thousands)

	Income taxes (\$)	Premium and fire taxes (\$)	Total taxes (\$)				
	2021	2021	2021	2020	2019	2018	2017
Federal	303,801	–	303,801	203,220	115,934	39,547	170,980
Newfoundland and Labrador	8,069	17,959	26,028	17,073	14,279	12,204	14,404
Prince Edward Island	351	837	1,188	764	549	381	522
Nova Scotia	6,664	14,995	21,659	15,146	12,284	9,417	13,183
New Brunswick	2,466	5,809	8,275	5,455	4,386	3,378	4,796
Quebec	73,673	120,998	194,671	146,115	112,678	90,550	116,608
Ontario	89,665	151,935	241,600	193,016	152,215	118,381	160,823
Manitoba	1,860	4,321	6,181	5,021	4,301	3,351	4,269
Saskatchewan	457	1,828	2,285	1,610	1,275	1,036	1,186
Alberta	26,438	79,099	105,537	85,954	76,618	62,834	83,939
British Columbia	15,582	38,783	54,365	41,346	36,390	29,903	34,199
Yukon	149	406	555	226	185	138	229
Northwest Territories	158	434	592	491	436	360	521
Nunavut	-4 ⁽¹⁾	180	175	127	93	80	120
Total Provincial	225,527	437,584	663,112	512,342	415,690	331,019	434,804
Total	529,328	437,584	966,912	715,562	531,624	370,566	605,784

⁽¹⁾ Expected income tax refund

Debt Financing

Intact and its subsidiaries provided 32 new loans amounting to \$116,550,520 million in debt financing to firms in Canada in 2021. The information has been consolidated to protect the identity of the individual firms that might otherwise be identifiable.

	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 & greater	Total
Total (\$)	0	49,510	173,934	2,924,840	819,379	33,234,446	79,348,411	116,550,520
Total firms	0	1	1	8	1	14	7	32

Locations

Our key locations and service centres in Canada include:

Calgary

2220, 32nd Avenue NE, Calgary, AB T2E 6T4
321 6th Avenue SW, Calgary, AB T2P 3H3

Dorval

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

Edmonton

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

Etobicoke

64 Fordhouse Boulevard, Etobicoke, ON M8Z 5X7

Montreal

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

Ottawa

1837 Woodward Drive, Ottawa, ON K2C 0P9
200 – 1111 Prince of Wales Drive, Ottawa, ON K2C 3T2
1200 St. Laurent Boulevard, Unit 004A, Ottawa, ON K1K 3B8

Quebec City

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

Toronto

700 University Avenue, Toronto, ON M5G 0A2

St. John’s

10 Factory Lane, St. John’s, NL A1C 6H5

Vancouver

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

ESG Data Tables

ESG Data Tables

Publicly reporting on ESG metrics is important to show progress in delivering on our strategy. By being open and transparent through our reporting we can have a positive impact on society and the environment.

Following the Intact-RSA transaction completed in June 2021, we are developing the metrics we use to track progress against all parts of our strategy and expect these to continue to evolve. As part of our effort to improve our ESG disclosures, we are reporting a number of metrics for the first time in 2021.



Building Resilient Communities

As at December 31, 2021	2021
Number of partnerships/campaigns focused on climate adaptation and resilience	10
Value invested in climate adaptation and resilience (CAN \$)	\$2,343,693
Number of partnerships/campaigns focused on creating opportunity for children and families living in poverty	12
Value invested in creating opportunity for children and families living in poverty (CAN \$)	\$3,656,371

Community Generosity

As at December 31, 2021		2021	2020	2019	2018
Value invested in local communities	Cash donations (\$)	9,658,981	32,874,053	7,622,151	7,828,540
	Volunteering time (\$)	103,570	135,958	513,089	372,233
	In-kind donations (\$)	967,833	310,602	253,736	15,761
	Total investment (\$)	10,730,385	33,320,613 ⁽¹⁾	8,388,976	8,216,534
	Employee fundraised (\$)	2,210,874	1,954,422	1,863,478	1,805,091
Number of hours of employee volunteering time		10,235	8,220	28,136	12,293

* Data reported in line with **Business for Societal Impact Framework**
⁽¹⁾ In 2020, we made a stand-alone £10.9M cash donation to the ABI COVID-19 Support Fund, contributing considerably to the increased total investment this year



Investing in Our People

As part of our journey to improve our ESG disclosures, we are reporting a number of metrics for the first time in 2021. Historical 2020-2019 data does not include UK&I as this was pre-acquisition.

As at December 31, 2021			2021	2020	2019
Human capital management	Total number of employees	Total	26,684	15,487	14,818
		Full-time Employees	25,032	14,867	14,145
		Part-time Employees	1,652	620	673
	Average length of service (years)		9	–	–
	Employee voluntary turnover (%)		13	6	9
	Number of years for longest serving employee		49 ⁽¹⁾	–	–
Diversity, equity and inclusion	Average age of workforce		42	–	–
	Age diversity in workforce (%)	<25 yrs old	5	4	5
		25-45 yrs old	55	56	54
		>45 yrs old	40	40	42
	Gender diversity of the workforce (%)	Male	41	39	38
		Female	59	61	62
	Roles held by women (%)	Operating Committee	31 ⁽²⁾	34 ⁽³⁾	–
		Vice President or above	40 ⁽⁴⁾	37	36
		Managerial positions	52	54	54
		Non-management	60	63	63
	Employees who identify as visible minority (%)	Total	24	15	–
		Operating Committee	0 ⁽⁵⁾	3	–
		Vice President and above	12 ⁽⁶⁾	11	–
		Managerial positions	19 ⁽⁶⁾	13	–
		Non-management	25 ⁽⁶⁾	16	–

⁽¹⁾ Does not include Europe
⁽²⁾ Includes IFC Canada, US and UK&I
⁽³⁾ Includes IFC Canada and US

⁽⁴⁾ Includes IFC Canada and US
⁽⁵⁾ Data includes IFC Canada and US
⁽⁶⁾ Includes IFC Canada and US



As at December 31, 2021			2021	2020	2019
Learning and development	Employees receiving regular performance and career development reviews (%)		100	–	–
	Total number of training hours completed by employees		126,262 ⁽⁷⁾	–	–
	Number of training courses completed		222,133 ⁽⁸⁾	–	–
	Number of courses focused on leadership and management training available in 2021		88 ⁽⁹⁾	–	–
	Number of employees completing courses focused on leadership and management training in 2021		1,420 ⁽⁹⁾	–	–
	Team leader, manager and director positions filled internally (%)		74 ⁽¹⁰⁾	–	–
	Percentage of individual contributors promoted to managerial roles (%)		10 ⁽¹¹⁾	–	–
	Number of employees in technology		2,276 ⁽¹²⁾	–	–
	Workforce graduates and apprenticeships		656 ⁽¹³⁾	–	–
Wellbeing, health and safety	Number of mental health first aiders		178	–	–
	Number of mental health training sessions		372	–	–
	On Side Restoration – days lost to injuries		0		
	On Side Restoration – reduction of reportable injuries (%)		24		
	On Side Restoration – reduction of injuries requiring first aid (%)		16		
Recognition and engagement	Employee engagement (%)	Canada	77 ⁽¹⁴⁾	–	–
		US	79	–	–
		UK	74	–	–
		Ireland	81	–	–
		Middle East	79	–	–
		Europe	76	–	–
	Employee participation in annual peer recognition plans (%)		43 ⁽¹⁵⁾	–	–
	Number of colleagues using peer-to-peer recognition portals		11,584 ⁽¹⁶⁾	–	–
	Number of nominations to UK and Ireland Shining Stars awards		3,600	–	–

⁽⁷⁾ Data includes UK
⁽⁸⁾ Data includes IFC Canada, BrokerLink and UK
⁽⁹⁾ Includes IFC Canada and UK
⁽¹⁰⁾ Does not include On Side and Intact Public Entities (IPE)
⁽¹¹⁾ Does not include UK&I, IPE and On Side

⁽¹²⁾ Does not include UK&I
⁽¹³⁾ Does not include Ireland, Middle East and Europe
⁽¹⁴⁾ Does not include On Side
⁽¹⁵⁾ Includes IFC Canada, US, UK, Europe and Ireland
⁽¹⁶⁾ Does not include Middle East, IPE, On Side and BrokerLink



Sustainable Investment and Underwriting

As at December 31, 2021			2021	2020
Underwriting	Low-carbon energy underwriting portfolio (Net Written Premium %)	Group-wide	56	32.5
		UK&I (target >50%)	61	37
	Premiums received from our renewable energy business (\$M)		85.7	40
	Number of ESG referrals related to underwriting portfolio		26 ⁽¹⁾	42 ⁽¹⁾
	Weather-related losses (\$M)		483	205
	Weather loss ratio (%)		3.0	1.8
Investment	Percentage of IIM’s total investment portfolio made up of sustainable assets		1	1
	Number of investees portfolio managers engaged with on their climate resiliency		139	40
	Number of ESG-related shareholder proposals IIM voted on		253	292
	ESG-related IIM shareholder proposals breakdown (%)	Environment	12	7.5
		Social	35	31.5
		Governance	53	61

⁽¹⁾ Data includes UK

Supply Chain Performance – UK only

As at December 31, 2021			2021	2020
Suppliers assessed on ESG issues (%)			91	86
Suppliers agreeing compliance with Supplier Code of Conduct (%)			87	72



Sustainable Operations

As at December 31, 2021		2021	2020	2019
Total carbon emissions (tonnes CO ₂ e)	Scope 1	13,594	11,815	15,192
	Scope 2 (location-based)	11,592	13,101	14,151
	Scope 2 (market-based)	10,719	12,013	13,833
	Scope 3	6,050	6,146	14,650
	Scope 3 waste, water and paper*	315	347	390
	Scope 3 business travel	5,735	5,799	14,260
	Total (location-based)	31,236	31,062	43,994
Total (market-based)		30,363	29,973	43,676
Carbon intensity (gross tonnes CO ₂ e/FTE)	Location-based	1.23	1.50	2.33
	Market-based	1.20	1.44	2.31
Energy consumption (MWh)	Electricity, district heating and cooling	90,122	89,838	98,048
	Gas consumption	50,415	39,469	43,185
	Transportation – vehicles	17,982	18,837	29,419
	Total energy use	158,518	148,143	170,653
Share of renewable electricity consumption (%)	Total	7.8%	8.5%	7.8%
	UK&I (target 100 per cent by 2025)	52%	55%	44%
Business travel (million passenger km)		23	27	70
Waste*	Waste generated (tonnes)	875	1,097	1,049
	Diverted from landfill (%)	79%	89%	84%

Footnotes

- Organizational boundary – The scope of this report encompasses all of Intact Financial Corporation’s wholly-owned operations and activities
- GHG emission sources – All known sources of Scope 1 and 2 GHG emissions have been included in our carbon emissions. Scope 3 emissions include employee business travel.
- Use of estimation techniques – Some data sources were incomplete or unavailable, such as utility usage data at specific real estate locations. In these instances, we used estimation techniques to approximate utility usage using data from locations of a similar size and energy usage.
- In line with the GHG protocol, all years of emissions data have been re-stated to take account of the emissions from acquisitions, including On Side Restoration and RSA
- The increase in our 2021 Scope 1 emissions is a result of the increase in people returning to offices and COVID fresh air settings in buildings, requiring more heating to meet space temperatures.

* UK&I only

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