



Social Impact & ESG Report

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Reporting scope and boundary

Throughout this report, “IFC”, “Intact”, “we” or “our” refer to Intact Financial Corporation and, where applicable, its subsidiaries, for example where regional initiatives or particularities are reported. All currency is in Canadian dollars unless otherwise noted. This report covers non-financial performance across IFC’s global operations in the financial year January 1 to December 31, 2023, but does not intend to replace or supplement any mandatory report or disclosure vehicle as may be required in any jurisdiction where certain IFC subsidiaries operate and report in accordance with local legal requirements.

Cautionary note regarding forward-looking statements

This report is not required to be prepared or filed by IFC under Canadian securities laws. 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 regarding our social, economic and governance-related impacts, including our actions related to diversity, equity and inclusion, child poverty, climate change and adaptation and our netzero greenhouse gas (“GHG”) emissions reduction goals and targets and our interim emissions reduction targets. 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. These forward-looking statements represent our current expectations, estimates and projections regarding future events, but are not a guarantee of future performance. The climate-related forward-looking statements involve inherent risks and uncertainties and are based on various factors and assumptions, all of which are difficult to predict and many of which are beyond our control, including technological advancement, development of climate-related measurement

methodologies, varying decarbonization efforts across economies, governmental or regulatory action, geopolitical factors impacting global energy needs, challenges of balancing emission reduction targets with an orderly, just and inclusive transition, evolution of customer behaviour, our ability to gather and verify data, the participation of various stakeholders or our ability to implement various initiatives across our global operations within a specified timeframe. We may review our emissions reduction goals and targets if necessary and as appropriate, as data quality and methodologies improve and as best practices, regulations and climate science continue to evolve. For IFC to meet its target of achieving net zero GHG emissions by 2050, IFC may need to purchase carbon off-set instruments for residual emissions. The market for these instruments is developing and their availability may be limited. These instruments are also subject to invalidation, reversal, or changes to applicable regulations and standards that may impact the possibility to use such instruments. “Carbon neutral” and “net zero” GHG emissions legislation, regulations, taxonomies, standards, and definitions are evolving. As a result, IFC’s use of these terms may vary over time.

All of the forward-looking statements included in this report are qualified by these cautionary statements, those made in the section entitled Risk Management on pages 66 to 90

of our Management’s Discussion and Analysis for the year ended December 31, 2023 (“MD&A”) and the notes on our operations and investment GHG emissions estimates on [page 71](#) of this report. Unless otherwise indicated, all forward-looking statements in this report are made as at April 19, 2024, and are subject to change after that date.

No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained in this report.

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belairdirect.

 BrokerLink
Insurance

 [intact]
INSURANCE

 [intact] prestige
INSURANCE

 [intact] public
entities

 [intact] specialty
solutions
INSURANCE

 ON SIDE
RESTORATION.
Performance demonstrated.
Every day.

 RSA 

123.ie

About us

We're motivated by our purpose

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

We're driven by our values

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



Integrity

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



Respect

Be kind
See diversity
as a strength
Be inclusive and
collaborate



Customer-driven

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

We're guided by our core belief

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

What we do

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

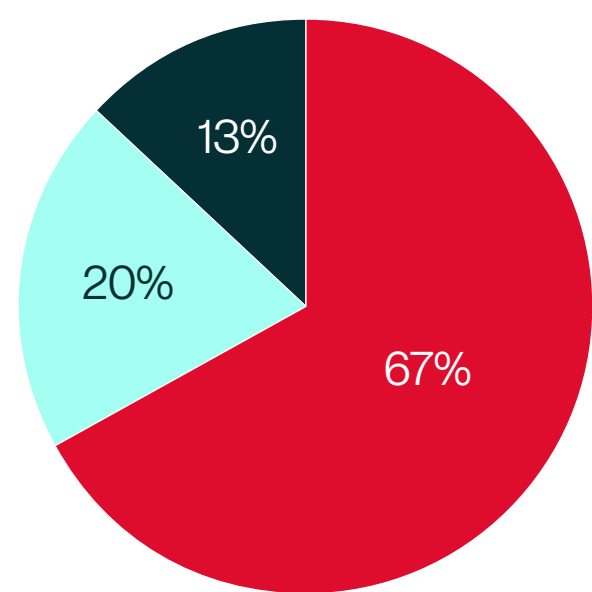
- ① Largest provider of P&C insurance in Canada
- ② Leading Global Specialty lines platform
- ③ U.K. & Ireland leading commercial lines insurer



We have a global team of more than **30,000 employees** delivering best-in-class service through over **350 offices**.

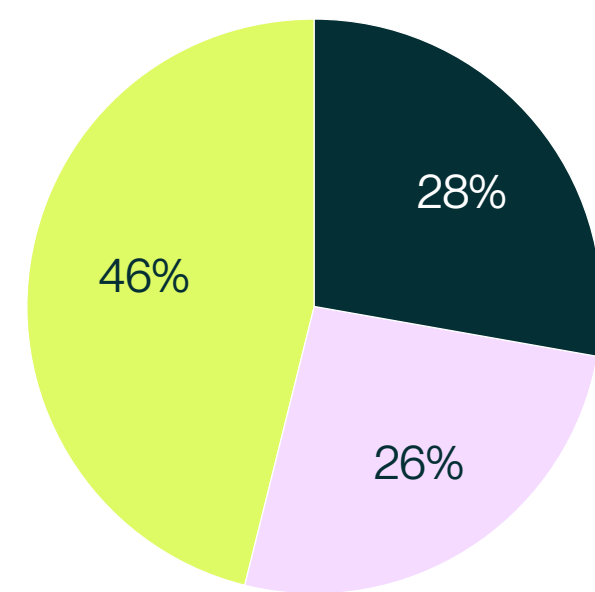
Our business has grown organically and through acquisitions to over **\$22 billion** of total annual operating Direct Premiums Written.¹

Our P&C Segments²



■ Canada ■ U.K.&I ■ U.S.

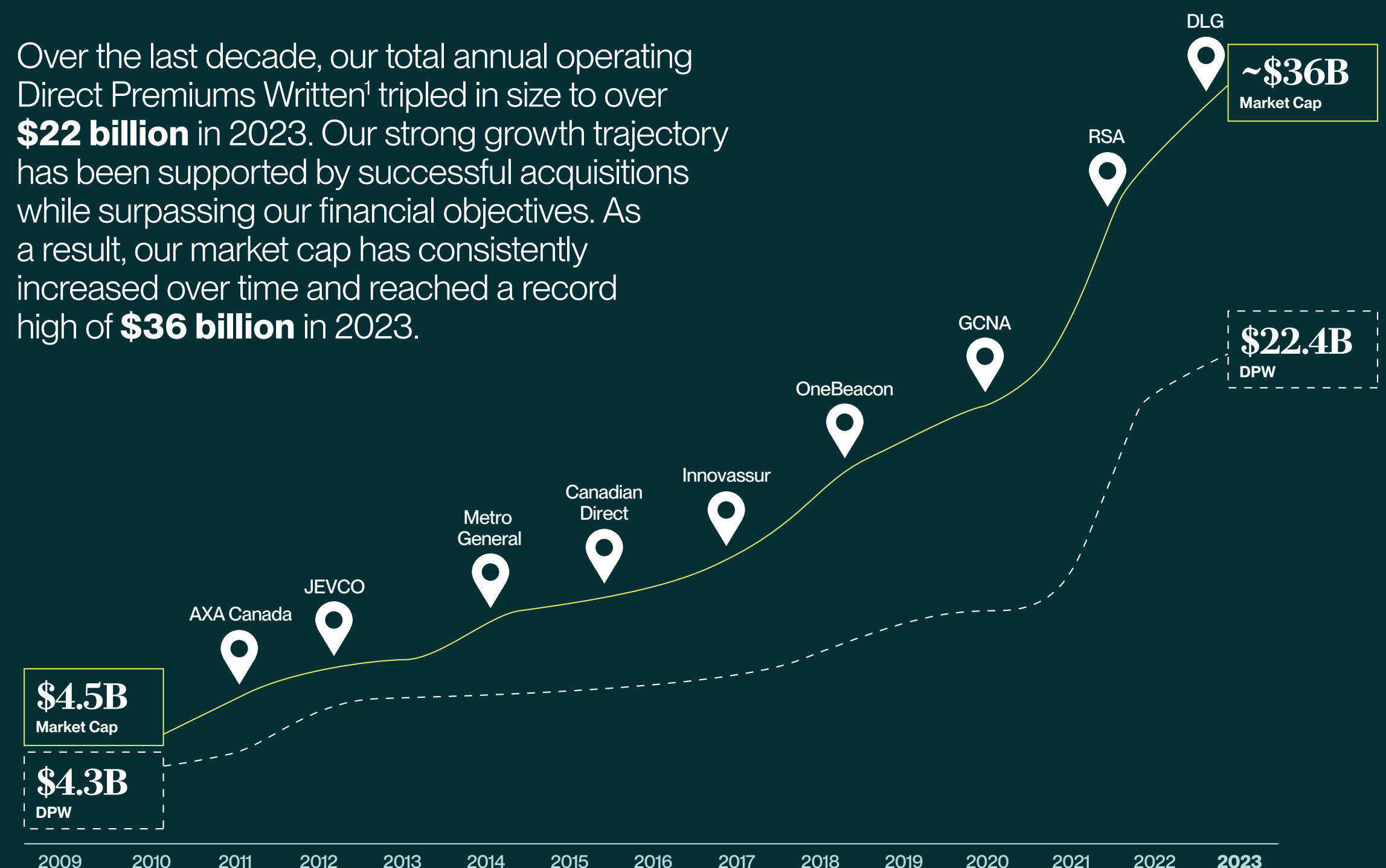
Our Lines of Business²



■ Personal lines ■ Commercial lines ■ Speciality lines



Over the last decade, our total annual operating Direct Premiums Written¹ tripled in size to over **\$22 billion** in 2023. Our strong growth trajectory has been supported by successful acquisitions while surpassing our financial objectives. As a result, our market cap has consistently increased over time and reached a record high of **\$36 billion** in 2023.



¹ See Section 31—Non-GAAP and other financial measures of the MD&A for more details.
² 2023 DPW (continuing pro-forma basis) reflects the impact of the DLG brokered commercial lines acquisition for a full year and excludes UK personal lines DPW, as this is a better indication of our future annual premiums. See Section 31—Non-GAAP and other financial measures of the MD&A for more details.

¹ See Section 31—Non-GAAP and other financial measures of the MD&A for more details.

What we aim to achieve

Intact's three strategic objectives steer the organization and ensure our 30,000 people are helping each other move in the same direction—with outperformance in mind. This is what we aim to achieve.



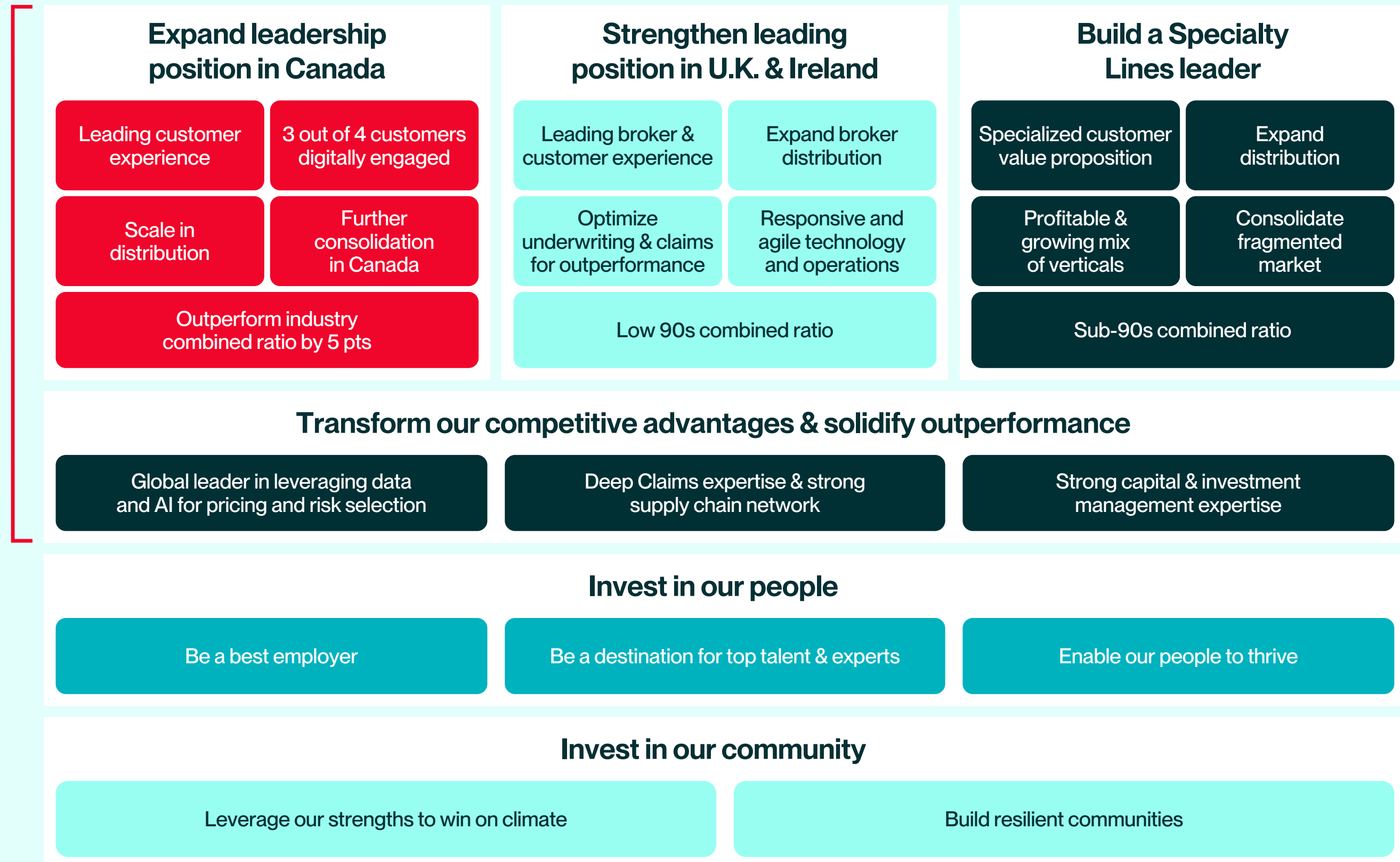
Our strategic roadmap

Many companies have a standalone Environmental, Social and Governance (ESG) strategy that sits alongside the corporate strategy. For Intact, ESG is embedded in the organization and integrated into our strategy. How do we accomplish this? We consider the world around us in the evolution of our strategy. We develop our strategic focus by first considering external factors and assessing significant societal and environmental issues that create both opportunities and considerations, such as:

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

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

10%
NOIPS
growth
annually
over time



500bps
Annual ROE
Outperformance*

*Based on a weighted-average ROE benchmark of leading P&C insurers in Canada, the U.S. and the U.K.

How we structure our report

Our 2023 Social Impact & ESG Report is structured in two halves:

1. Performance on our strategic objectives:

Intact has one set of global objectives, where financial and non-financial goals sit together, as we challenge ourselves to find the intersections of helping society and winning in the marketplace.

Intact's strategy is focused on three objectives—our customers are our advocates; our employees are engaged; and we are a most respected company.

The first half of the report outlines areas where we believe our business can have the greatest impact and how that is aligned to our overarching business strategy. It speaks to how each of our three objectives are guided by our Values and rooted in our purpose: to help people, businesses and society prosper in good times and be resilient in bad times.

2. ESG performance:

The second half of the report outlines ESG performance against critical focus areas relevant to our business.

ESG measures include data tables and metrics on ESG topics, a description of the frameworks that guide how we report, and the standards and policies with which we comply. These demonstrate how we live our Values across the value chain of our business.

In 2023, we refreshed our approach to stakeholder engagement to ensure we have a current understanding of the opportunities, risks and key social impact and ESG issues that concern important stakeholders and investors.

Details of our stakeholder research are available on [page 52](#).

Views from the top



Charles Brindamour, Chief Executive Officer, Intact Financial Corporation and **William (Bill) Young**, Chair of the Board of Directors, Intact Financial Corporation.

How is Intact navigating the social, political and environmental volatility that is such a feature of the world right now?

Charles: It's been a tough year for society, that's undeniable. We have to challenge ourselves on our role when complex issues such as the cost-of-living crisis are top of mind for our customers, when natural disasters are on their doorstep, and when conflict creates a difficult environment for political debate and decision making.

We must be practical. We cannot respond to every challenge, but we do pay close attention to deep trends, and we focus on where we can contribute our expertise to make a meaningful difference. Helping communities become more resilient, particularly in relation to extreme weather events is a great example. That's our job. We do it well. And we're challenging ourselves to be even better at helping communities to prepare for natural disasters.

What role does the Board play in advancing Intact's commitment to helping build resilient communities during difficult times?

Bill: The issues Charles highlights are wide ranging and affect all of society. That's why the Board is encouraged by just how much Intact is focused on achieving its three strategic objectives, where financial and non-financial performance sit side by side, because that's the way we will make the greatest difference.

Our role is to bring the Board's wide-ranging experience to the table in support of Intact's focus on building resilient communities, on being a best employer and on being a most respected company. These are not nice-to-haves, they are essential components of how we do business.

Looking after the customer remains Intact's number one priority. But looking to the future and helping customers, communities and our business be better prepared for the impacts of climate change is also critical. That's why we were involved this year in reviewing possible impacts on some key business segments of global warming scenarios above a 1.5 degree increase in temperature. It's about stewardship, it's about playing our part in ensuring that this business, which makes a vital contribution to society, is here long after us.

And what are the Board's priorities when it comes to Social Impact and ESG?

Bill: Our role is to ensure Intact achieves strong financial returns and realizes its purpose—to help people, businesses and society prosper in good times, and be resilient in bad times. Intact really delivered on its strategy and its purpose in 2023. That effort was recognized through financial and non-financial results, including through the increased Resilience Barometer score featured in the Social Impact & ESG report.

With climate change being a defining trend of the century, the Board takes a keen interest in Intact's focus on its climate strategy and in its partnerships with leading NGOs that are working to develop novel solutions to climate adaptation and resilience. This work meets an increasing need for education and preventative measures geared to both our customers and the wider community.

How have customers been affected by climate change and how are you responding?

Charles: We're in the business of helping customers get back on track,

and in 2023 we had many opportunities to do just that. We paid out more than \$1 billion in claims due to severe weather events and despite that maintained strong financial results. But this wasn't always the case. Over the last decade we've reshaped our products so that our business can continue to succeed despite changing weather patterns, and this allows us to keep helping communities at the same time. Through the transformation of our property product to recognize the increasing risk of flood damage, not only did we improve profitability, but we increased awareness and penetration of the product among our customers, closing insurance gaps.

It's finding those intersections between helping and winning that drove the creation of our Climate Strategy, which includes five big intentions that aim to leverage our strengths to make a difference. Through that strategy we have committed to achieve Net Zero, double down on adaptation, use our platform to shape customer behaviour, enable new and existing industries through the transition, and collaborate with government. We're proud of the progress we're making, which we have outlined in this report.

Building resilient communities will require support from employees across many sections of the business and across markets. What are you doing to invest in your employees?

Charles: There's no question—our people are our greatest strength. To build resilient communities, we'll need innovative thinking, dedication, and employees that are engaged in the work they do.

Our People Strategy aims to deliver three outcomes for our employees, to support them in delivering on our Purpose for customers. We will be a best employer by delivering on our Employee Promise. We will be a destination for the talent and experts who will help us be resilient to a changing future. And we will enable our employees to thrive through a variety of investments that will support their well-being and development.

And our employees tell us they appreciate the support. We measure engagement through Kincentric Best Employer surveys, and I'm proud that we've been named a Best Employer in Canada and the U.S., and our engagement levels have increased significantly in the U.K.&I since we introduced the survey there last year.

On the topic of people, Bill what is your perspective on the role of DEI in the governance and performance of the organization?

Bill: Bringing diverse perspectives to the table makes us stronger as an organization. It helps us to make better decisions, helps create an engaged workforce and ultimately leads to our success.

That's why we work hard to have our leaders and employees reflect the communities we serve. Having an environment where everyone can see themselves allows us to tap into the deepest talent pools and it reflects our company Values.

Through our regional Diversity Councils, we continue to invest in training and activities that will make our environment attractive and inclusive to all employees. Whilst it's great that we've achieved gender parity across our leadership roles globally, it's important that we continue to make progress in DEI.

And how is the Board responding to the heightened interest in social impact and ESG performance from investors in particular?

Bill: Investors have played a key role in driving levels of engagement with ESG. We regularly meet with them to understand their priorities and how we can best reflect those in our demonstration of performance. Last year we met with 10 of our 20 largest shareholders and our approach to Social Impact and ESG was a key topic through all those conversations.

We find it helpful to hear what our investors are thinking, to understand how they are responding to the big trends shaping society and to learn from how they are applying these principles in their own businesses and with other investees.

It's not a one-way conversation. We work to ensure our stakeholders understand the formula that Intact has pioneered in its business. Integrating social impact priorities with strategy, ensuring financial and non-financial performance sit alongside each other, making a signal commitment to building resilient communities—these are important components of an approach that is unique to Intact and one which we value.

Finally, Charles how is Intact responding to the big trends shaping society in 2024 and beyond?

Charles: Our own resilience relates to significant exploration of the deep societal trends impacting our customers, employees, and our business. The impacts of climate change top the list. And an increasingly digital economy, compounded by the acceleration of AI, and changing expectations of customers and employees are just some of the other topics we're debating at management and Board tables.

We are asking ourselves how we can use our competitive advantages to make the most of this changing environment. Our challenge as a business is to grow, de-risk the new realities, help society and continue to generate strong financial performance.

We need to rely on our strengths to succeed in a dynamic world that is changing as fast as it is today. By showing leadership in areas where we can both help society and win in the marketplace—as outlined in our Social Impact & ESG Report—that's the most effective way to outperform in my view.

“We need to **rely on our strengths to succeed** in a dynamic world that is changing as fast as it is today. By **showing leadership** in areas where we can both **help society and win in the marketplace** that's the most effective way to outperform.”

Highlights of our progress

For details of performance on our financial objectives please refer to our Annual Report available at www.intactfc.com.

Our customers are our **ADVOCATES**

3 out of 4 customers are our advocates¹

71%

of customers in Canada are our advocates.

64%

of customers in the U.K. are our advocates.

67%

of customers in Ireland are our advocates.

4 out of 5 brokers value our specialized expertise²

81%

of personal, commercial and specialty lines brokers in Canada value our specialized expertise.

86%

of specialty lines brokers in the U.S. value our specialized expertise.

84%

of U.K. commercial lines brokers value our specialized expertise.

Our people are **ENGAGED**

Being a best employer

2023 Kincentric Best Employer in Canada for the 8th consecutive year.

2023 Kincentric Best Employer in the U.S. for the 5th consecutive year.

Progression toward Best Employer in the U.K.&I: six point improvement in engagement this year.

Representative of the communities we serve

40%

of VP+ roles at Intact are held by women (global score encompassing Canada, U.S., U.K.&I).

14%

of VP+ at Intact³ are held by employees who identify as Black People and People of Color (BPOC) (global score encompassing Canada and U.S.).

³ Excludes On Side Restoration

Our company is one of the **MOST RESPECTED**

57%

of stakeholders in Canada believe that Intact is a leader in helping to build resilient communities, a three point improvement on 2022.⁴

16%

reduction in our overall operations emissions⁶ from a 2019 baseline.⁷

53%

of stakeholders globally recognize us as leaders in building resilient communities, the first time we have measured a global score.⁵

⁴ Results based on our 2023 Resilience Barometer.

⁵ Results based on our 2023 Resilience Barometer.

⁶ Including Scope 1, Scope 2, and Scope 3 (business travel, waste, water and paper)

⁷ Market-based.

¹ We track advocacy scores amongst personal lines customers only. Our commercial and specialty lines customers are not included in these scores.

For more information on how this is measured and tracked, see [page 19](#).

² We are working on alignment across geographies with a target to have our Ireland business adopt the same methodology in 2024. For more information on how this is measured and tracked, see [page 21](#).

Our customers are our advocates



We are a customer-driven organization with a goal to have at least three out of four customers as our advocates.

Helping people in difficult times is the reason we're here. 2023 was a challenging year as we continued to support our customers, particularly those who suffered the impact of natural disasters due to climate change.

In Canada, we handled over 30,000 claims due to natural catastrophes in 2023, striving to deliver exceptional service during historic events.

Getting our property customers back on track

“In Claims, our **collective focus** begins and ends with our customers. Through hurricanes, floods, ice storms or any situation, we remain **focused on helping our customers through difficult times.**”

— Etienne Berlinguet, Senior Vice President, Claims, Canada



Our claims experience: continually enhancing our customer service

Great customer service is possible when the team has the scale and capabilities to respond. This is why our claims team hired ambitiously to build a larger team in 2023. Today, our global claims team is made up of over 7,000 talented individuals, making up 23% of our global workforce.

Investments in technology were another key focus area this year, as we worked to add value to the customer experience. This included providing customer service via text messages that offer two-way communication.

We are also deploying drones and satellite imagery to assess the scale of claims. Drones cover large areas capturing high-quality images and generate precise measurements which allow for quicker and more accurate damage assessments and claims processing.

This increased efficiency helps us reduce the time customers must wait for a resolution and leads to a smoother claims process for customers.

Assessing customer satisfaction throughout the claims process helps us to continually enhance our service, with multiple touchpoints for customers to share feedback throughout the process, from claims opening to mid-claims surveys once the appraisal is complete, and at the end of the claims process.

Key elements of the claims experience in Canada include:



A field-based loss adjusting team: creates a better end-to-end journey for customers who submit a property claim.



Rely Network: Our network of certified repair professionals handled 67% of auto claims and 59% of property claims.



On Side Restoration: This year On Side Restoration has helped over 35,000¹ business and residential customers get back on track. On Side's large-scale event response team responds quickly to disasters to help in times of need. Being on the ground with our customers and being able to provide direct support has improved the customer experience. Following an acquisition to enhance capacity, in 2023 On Side grew to nearly 50 locations and almost 2,000 employees across Canada to help get more property customers back on track.

Over \$14 billion

in claims paid globally in 2023.²

Over \$1 billion

paid out to get our customers back on track following a severe weather event.

¹ This includes both Intact and non-Intact customers.

² This figure comprises claims and other insurance service expenses paid and is net of reinsurance. It represents the new metric under IFRS 17. More information is available in our Consolidated Financial Statements available at www.intactfc.com.



Getting our U.K. customers back on track

- **Emergency Response Vehicles (ERVs):** In the U.K., our specialist team works with emergency services and local community groups during extreme weather events to provide vital, community level support when people are vulnerable. This specialist team works during surge periods with customers who have been affected by repeated weather events.
- **Claims roadmap:** This year we invested in “Claims Connect”, a new supplier management tool. Claims Connect allows our suppliers to share information and milestones with each other, a capability previously unavailable to them. This will ensure a more seamless journey for the customer and a reduction in the claim life cycle.
- **Claims operating system:** Moving our core claims system to Guidewire has allowed us to enable digital journeys for our customers, allowing them to check the status of their claim from any device and communicate with us, and upload pictures and documents directly to their claim file.

“Insurers play a **vital societal role** in facilitating recovery from the impact of weather events, whilst working to strengthen resilience to future events. We take this role incredibly seriously, giving our customers the care and support they need.”

— Karl Helgesen, Chief Operating Officer, RSA



Behind the scenes of a natural catastrophe response

With severe weather affecting more people every year, Intact's role in helping people become resilient to the impacts of climate change is more important than ever. This was especially true across Canada in 2023 as the country experienced multiple extreme weather events.

When a catastrophe strikes, our claims teams mobilize swiftly and effectively to support our customers. Our dedicated team deploys at the first sign of a large-scale or natural catastrophe event to assess the situation and determine what kind of response and support is needed. Adjusters are mobilized at evacuation centres and other community settings, providing quick solutions and offering clear guidance.

Our physical presence and availability to support residents (including those that are not Intact customers) with questions and first notice of loss has made a real difference. For instance, in the case of wildfire evacuations, we proactively let customers know that evacuation expenses are covered to ensure they have peace of mind.

We also believe in the importance of face-to-face contact to better support our customers during these vulnerable moments, which is why a team member visits the premises where the damage has occurred as soon as the claim is opened.

At the end of the process, we work closely with the customer during the restoration to provide the support they need to rebuild. Sometimes the support we provide goes beyond the standard claims process such as helping customers with the required documentation to apply for urgently needed provincial funding.

“I am overdue in expressing my **appreciation** for **the progression of the communication and handling process on this complex claim**. As a broker, I have been involved in several claims processes in the past, none of which are the size of this fire loss, and none that have been handled with the same coordination and mitigation of major issues that I have seen from Intact Public Entities.”

— **Sheldon Bos, Broker Partner, NFP**

Commenting on Intact Public Entities support for the recovery of Little Red River Cree Nation, a First Nation in northern Alberta, that was impacted by wildfire in 2023.

Getting our auto customers back on track

How our auto service centres got 32,000 auto customers back on track

Our Intact Service Centres are an example of how we are building on our claims expertise and strong supply chain network to achieve competitive advantage. These centres offer a simple, streamlined experience for customers to exchange their vehicle for a rental car at a single location.

Our now 31 centres, 15 of which opened in 2023, ensured a 30% faster cycle time and a 15-point higher customer promoter score than regular auto repair shops. Last year they helped 32,000 customers get back on track.

In 2023, as part of our efforts to foster reconciliation, prosperity and resilience with Indigenous Peoples, we opened a partner-operated Service Centre in Fort William First Nation that will serve customers in Fort William First Nation, Thunder Bay, and Northwestern Ontario regions.



“We see this partnership as an exciting opportunity that helps break down barriers and **paves the way for future business** between **corporations** and the **Indigenous community**. Partnering with Intact proves it’s possible to open minds while improving supply chains and the customer experience.”

—Roy Pelletier, owner and operator of Pelletier’s Autobody

Care for customers

We are focused on providing great customer service, and ensuring that fair treatment of our customers is an important aspect of our approach to service. This includes region-specific customer policies and internal systems for collecting and addressing customer feedback.

Setting the stage for service—our customer-driven policies

Our customer service policies outline how our strategy, decisions, products, processes and communications contribute to better customer outcomes. This includes our approach to safeguarding customer data and ensuring it is used appropriately, together with providing access to dispute resolution services where required. We are also driven to be fair and responsible when doing business with brokers, vendors, and other stakeholders.

For more information on our customer data privacy policy see [page 58](#).

Listening to our customers

Listening to our customers helps us better understand and respond to their needs and enhance their experience. Using advanced tools, such as speech analytics that track customer sentiment, allows us to better understand the challenges our customers are experiencing and to refine our approach. We also conduct focus groups, customer satisfaction surveys and a wide variety of market research techniques to uncover consumers' needs and expectations regarding the development of superior customer experience through digital and traditional channels.

Helping customers understand their policy

RSA has embarked on a three-year partnership with Plain Numbers, a U.K.-based organization that helps firms better support their customers who struggle with numeracy skills. According to initial research trials conducted in partnership with the Bank of England and leading firms and search partners, this approach has been shown to double the number of customers who understand vital information. We now have over 100 certified Plain Numbers employees across the business, 13 of which are accredited as practitioners and the rest as champions trained as part of RSA's innovative Plain Numbers Champions Programme.

The Plain Numbers approach is now embedded within RSA's new Communications Content Standards in support of the Consumer Duty regulation that came into force in the U.K. in July 2023. Under the Duty, firms have a heightened requirement to ensure good outcomes for customers, including those in vulnerable circumstances. RSA strives to achieve good customer outcomes including through improvements in both support for customers across its processes and by making our customer communications easier to understand. New Customer Understanding Support Principles and Communication Content Standards (including Plain Numbers) ensure RSA's commitment to the Consumer Duty is sustainable for the future.

Cost-of-living support

Fluctuating economic conditions are not only a source of significant stress for our customers, but also contribute to the broader cost-of-living crisis. We have responded with a range of solutions in different markets, such as flexible payment options that help prevent customers from becoming uninsured.



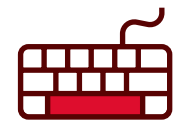
Enhancing the customer experience

Our customers want fast, secure and frictionless digital experiences. Our Intact Lab uses machine learning, data science, software engineering, artificial intelligence (AI), user experience and design thinking to provide exactly that.

Investments in implementing automated pricing and purchase, including chat facilities in the U.K. and chat and chatbot facilities in Canada, for example, are helping us to better serve our customers. This allows us to select the best products and provide rates to our customers based on their needs.

We've also enhanced our technology platforms across key business areas in the U.K. to further empower customers by providing them with digital tools to ensure they have a good online experience.

As a result of these enhancements, we can adjust prices as needed, accelerate repair times and improve the overall customer experience.



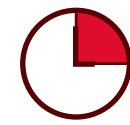
Responding to customer needs*

We continue to enhance our online self-service tools available to customers in the Client Centre and the Mobile App. In 2023, direct customers enjoyed the simplicity and ease of use of our Do-It-Yourself tools like “make a payment, file a claim, and change a policy,” with one in five policy transactions completed online in 2023. The volume of policy transactions completed online in 2023 was up 23% compared to 2022.



Creating a seamless online experience*

We hit a new record in 2023 and surpassed our target, with 58% of Intact customers now having an online account with us. By adding new value-added features to our app, and promoting our upgraded 4.0 Usage Based Insurance (UBI) in auto offering, we have seen 20% more app logins this year than last. Customers are seeing the benefit of our UBI product with one in two new customers in 2023 enrolling and activating UBI. In line with our strategic goal to have three out of four customers digitally engaged with us, our UBI clients do 31% more policy changes online and 150% more claims online.



Using AI to improve speed and efficiency*

Our Speech Analytics implementations this year have shown improvements in call effectiveness and efficiency for contact centres, sales agents and claims adjusters alike. Speed, accuracy, and the opportunity for coaching are some of the benefits this tool offers to help our contact centre agents become more efficient and effective. An AI tool was also rolled out for Personal Auto Total Losses to reduce appraisal times and improve customer experience.

58%

of Intact customers had an online account with us in 2023.

* We* or *our* in these sections refer to Canada only.

Canada

- In September 2023, a belairdirect customer purchased a car insurance policy online without the assistance of an agent for the first time, marking our company's first end-to-end automated sale. This automated experience has been a long-time in the making at Intact Lab, in collaboration with teams across the business, and reaffirms our commitment to give customers a simple and outstanding digital experience.
- By continuing to optimize UBI we have been able to better understand and engage with our customers and to calculate personalized premiums based on individual customer behaviours and driving habits. Our enhanced in-app experience offers helpful added-value features like eco-driving, fuel efficiency, and safety metrics, the first of its kind in the Canadian market.

For more information on the eco-driving feature of UBI see the Climate strategy section on [page 46](#).

U.K.

- We now have a member of the digital team fully trained as a Plain Numbers practitioner, to ensure that all online communications are inclusive and easy to understand for any customers who struggle with numeracy skills.
- We have invested in market leading tools to understand performance of the digital platforms and optimize them for our customers. This has led to improvements in the online journey for customers seeking quotes, together with implementing tools that enable us to quickly identify frustration areas for customers and help us to prioritize changes that will make the most difference.
- Our digital agile squad is now fully in place to support our commercial lines business providing dashboards across the business to understand platform performance, create user surveys to gather insights, and improve data collection. The percentage of enquiries online and conversion rate from enquiry to quote have both increased significantly this year.

Ireland

- In 2023, our Irish personal lines business focused its 123.ie Digital Strategy on improving customer advocacy and charting our path to have three out of four customers digitally engaged. Key elements included the development of an industry leading quote and purchase experience for our customers and the consistent improvement of our customer-centric products and services. 123.ie is committed to continuous focus on the development of our market-leading, digital first experience ensuring that we serve all our customers in the way they want to be served.

“Right from the start of our claim, we felt like we were **listened to**, and **our concerns were addressed**. We had never been through anything like this before and were quite overwhelmed when we first were able to return home after our two-week evacuation. Our adjuster **never rushed** or **pressured** us while we tried to come to grips with how to return our property to usable state. We both agreed that **knowing Intact had our back relieved much of the stress** caused by the wildfire.”

— Intact customer in Calgary, Alberta

Results from our customer-driven approach

We want our customers to be our advocates. By building great customer experiences and helping our customers get back on track quickly, we gain their trust. From the initial product design and development stage, to marketing and sales, to claims handling and beyond—at every touchpoint, we want customers to know that what matters to them, matters to us.

By measuring customer satisfaction, we uncover important insights on how we approach helping our customers. We survey thousands of our customers at the conclusion of a claim. In 2023, 71% of customers surveyed in Canada indicated that as a result of their experience with us, they are likely to recommend Intact to a friend or colleague.

This year we have been working to align our measurement methodologies used in our geographies. This ensures that in future we will have a coherent measurement of our strategic objective of having three out of four customers as our advocates globally.

Customer advocacy¹

71%

of customers in Canada are our advocates.

64%

of customers in the U.K. are our advocates.

67%

of customers in Ireland are our advocates.

¹ We track advocacy scores amongst personal lines customers only. Our commercial and specialty lines customers are not included in these scores.

Helping brokers provide excellent customer service

In 2023, the broker distribution channel was responsible for 80% of Intact's direct written premiums in Canada and 75% in the U.K.&I. Brokers are important partners in delivering great customer experience on behalf of Intact and RSA. When brokers are successful, we know that they are providing excellent customer service.

Recognizing how vital brokers are to serving customers, we equip them with several tools and programs, including:

Supporting Broker education

(Pathways): When brokers told us they needed help recruiting, developing and retaining talent, we developed Pathways in 2022 to help support their success. This education program, which includes 80+ courses exclusive to Intact brokers in Western Canada, Ontario and Atlantic Canada, is designed to build outperformers who understand and actively support the Intact value proposition. From foundational courses in P&C insurance to behavioural science-based courses on effective sales, working in smart teams, communications and more, Pathways equips brokers with the best-in-market skills they need to deliver great customer experience.

In Quebec, the Academy training offers more than 1,000 activities that support broker success and certification in both personal and commercial lines. Additionally, brokers can take advantage of an onboarding course that combines systems and product training, as soon as they achieve their certification. Brokers also have access to an education library with different pathways that help brokers develop technical knowledge and provide an exceptional customer experience.

A pathway for frontline managers is currently in development.

Broker Leader Programme:

Short-listed for the 2023 British Insurance Awards and the Insurance Times Awards, the Broker Leader Programme is a cornerstone of the broker experience and a key part of how we develop and grow talent within the broker community across the U.K. We are incredibly proud that the programme has and continues to meet the Chartered Insurance Institute (CII) Continuous Professional Development (CPD) accreditation standards.

Delivered by experienced industry trainers and a dedicated mentor from RSA's leadership group, the programme combines virtual discussions, group activities and networking opportunities and includes a deep dive into key business themes including strategy, talent management, financial and P&L skills, change management, managing a team and presentation skills. Over 100 future broker leaders have participated in this curriculum since its launch in 2015.

Providing brokers with financial solutions:

Broker Financial Solutions provides financial support to brokers in the form of loans or equity investments in their business. In 2023, we loaned \$94 million to brokers in Canada because we know that when brokers are well funded and financially sustainable, they will provide good customer service.

“Learning is the key to building confidence, and confidence is one of the keys to success. The more you learn and the more familiar you become with the nuances of the industry, its products and sales techniques, the better you get at addressing customer concerns, no matter how complex they are.”

— Anne Fortin, President, Intact Insurance

Helping brokers provide excellent customer service

2023 Voice of the Broker survey results

Feedback from and engagement with brokers is critical to understanding how to adjust our strategies to better support them. Our teams conduct Voice of the Broker surveys to examine broker satisfaction with our products, tools and service levels. Our management teams use the results to improve broker satisfaction with our products and services.

Our 2023 survey results clearly showcase that the key driver of broker satisfaction across all lines of business is relationships.

In Canada, broker feedback has fuelled our strategic priority to be the broker market of choice and to make it easier for brokers to do business with us—and to grow with us. In addition to the development and ongoing refinement of Pathways, our

broker education program, we provide brokers with customer-focused business development tools, co-branding opportunities, tailored education opportunities, cyber security support, succession planning and finance solution support. We also support their community giving activities through programs such as Better Communities. On the systems side, we've continued to improve the personal lines quoting platform, to help brokers achieve workflow efficiencies, and we've developed a quoting platform for commercial lines (launching in 2024), as well as interim tools designed to eliminate duplication of work by brokers.

In the U.K., in 2023, we refreshed the broker insight strategy to ensure that we had the most accurate view

of how brokers were feeling about their experiences with us. We used their feedback to develop our 'Leading Broker Service' project which was focused on three main areas—Contact, Responsiveness and Relationships. Throughout the year, we delivered a number of changes that enhanced these three areas, including simplifying the ways brokers can contact us, enhancing our online trading tool with new features and more straight through decision making, the launch of the 'Broker Promise' approach, and introduced new roles like our Digital Broker Managers who are there to support brokers. We also communicated with brokers much more through better marketing and face to face roadshows across the country.

81%

of personal, commercial and specialty lines brokers in Canada value our specialized expertise.

86%

of specialty lines brokers in the U.S. value our specialized expertise.

84%

of commercial lines brokers in the U.K. value our specialized expertise.



Our people are engaged



↑ Life at Intact: Chantal Harvey and Ashley MacNeil.
Photo credit: Michael Faubert.

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

We now have a global team of more than
30,000 employees.

Our people strategy

At Intact, people are at the heart of everything we do. This includes our employees who deliver on our purpose and help Intact outperform. It's why one of our strategic objectives is to ensure *our people are engaged* and *why investing in our people* is a key element of our strategic roadmap.

Through the three pillars of our People Strategy we will: Be a best employer, be a destination for top talent and experts, and enable our people to thrive. By delivering on these elements for our employees, they can in turn support the communities where we operate and help Intact achieve our goals.

Invest in our people



Be a best employer



Be a destination for top talent and experts



Enable our people to thrive

Our leadership success factors

Our leaders put our People Strategy into action. We know that how leaders behave has an influence on employee engagement. This is why we are committed to growing and supporting strong leaders who model our leadership success factors (LSFs), which include living our Values.



Live our Values

- Integrity
- Respect
- Customer-driven
- Excellence
- Generosity



Care for people

- Be supportive
- Provide candid feedback
- Recognize performance



Be open and honest

- Acknowledge challenging situations
- Invite different perspectives
- Trust and commit



Take accountability

- Focus on what's important
- Collaborate for solutions
- Own the outcome



Drive change

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



Be a best employer

Creating employee engagement: Our employee promise

To be a Best Employer, we must deliver on our Employee Promise. It's our commitment to provide employees with the support and opportunities that will help them Shape the Future, Win as a Team, and Grow with Us. Our employee promise informs our annual people priorities and investments. It helps us attract and retain the talent we need to continue outperforming. And it creates an environment where our employees can be engaged.



Shape the future

Help us lead an insurance transformation to better protect people, businesses and society.



Win as a team

Collaborate with inspiring people to do your best work every day and, together, stand up for what is right.



Grow with us

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

“Our employee promise **isn't just words on a wall**. It's a **genuine commitment** we've made to our employees because we believe they are our greatest strength. We're able to deliver peace of mind to our customers because our employees commit to being there when they are needed by our customers.”

— Tracy Laughlin, Senior Vice President & Chief Human Resources Officer, Intact Financial Corporation, Canada

Measuring employee engagement

For over a decade we have been measuring the engagement of our employees through an independent annual engagement survey benchmarked against other top employers. Using the same rigour we employ in managing our financial results, we develop and execute engagement action plans in response to the feedback provided by our employees. This dedication has allowed us to achieve and maintain high levels of employee engagement.

In 2023, Intact was once again selected as a Best Employer by Kincentric for the 8th consecutive year in Canada and in the U.S. for the 5th consecutive year. Employee feedback is stacked against the best organizations in Kincentric's robust database—the strongest in the industry, with data from nearly 15 million employees from across the globe. Having launched the survey in our U.K.&I region in 2022, we are already seeing improvements in engagement levels and are focused on achieving Best Employer status.

77%

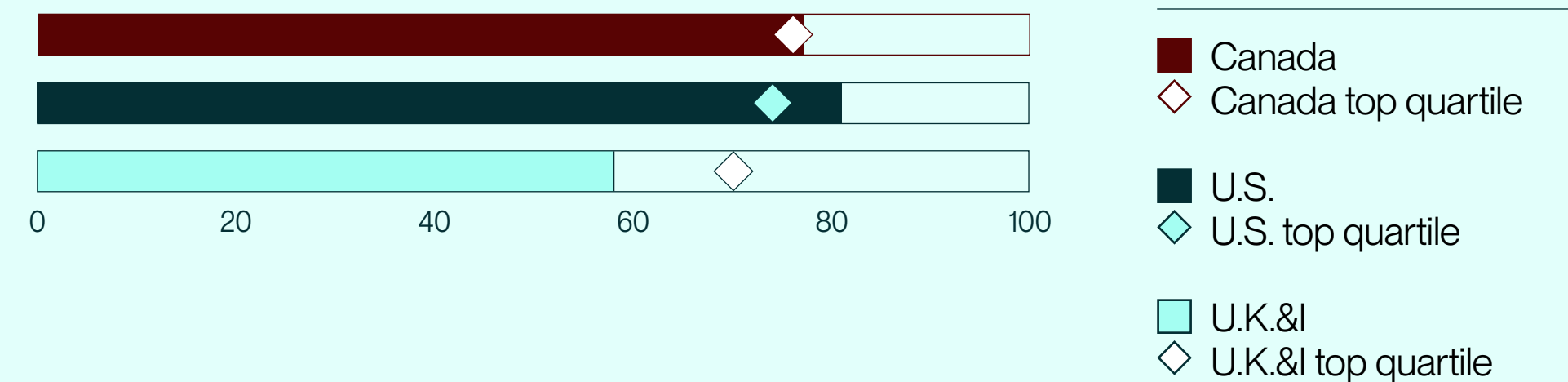
for Canada, Kincentric Best Employer for the 8th consecutive year.

81%

for U.S., Kincentric Best Employer for the 5th consecutive year.

58%

for U.K.&I, a six point improvement from the inaugural survey in 2022.



A destination for top talent and experts

To deliver on our strategy, we must grow our talent pool at the pace of our business ambitions. This is why it is essential that we invest in being a destination for the top talent and specialized experts who will help us to succeed today and into the future.

“We want everyone to feel that **RSA is a place where they can thrive** and feel confident that we will create the right environment and opportunities for them to outperform and grow with us.”

— Ken Norgrove, CEO, RSA

Strong leadership capabilities

In our 2023 engagement survey, our employees in all regions have told us they appreciate our leaders. By living our LSFs and continually investing in their leadership capabilities, our managers are outperforming.

Manager effectiveness

88%

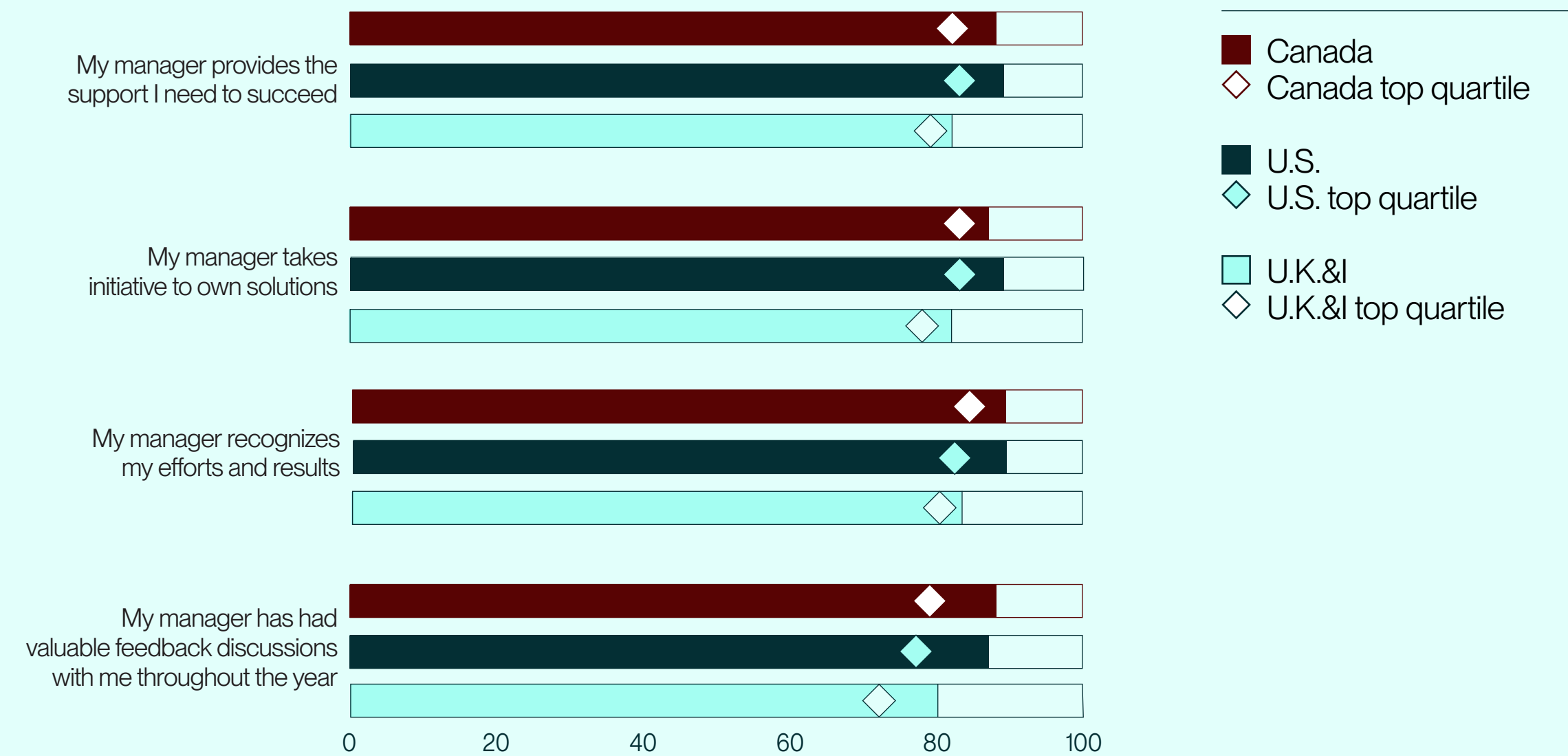
Canada

88%

U.S.

82%

U.K.&I





We've implemented a variety of programs to continue to support and grow our leaders:

- 77% of manager and above vacancies were filled internally in 2023, which is a testament to our learning and development program and robust succession planning process.
- Our Leadership Development Program in Canada, delivered jointly with the Ivey School of Business at The University of Western Ontario, onboarded 30 executive leaders.
- In the U.S., our leadership team consists of seasoned experts with more than 13 years of tenure with Intact and 20+ years in their industry who are able to create followership, as proven by our 100% retention of top performers.
- In the U.K.&I, following the rollout of our Values in 2022, in 2023 we launched and embedded our LSFs through our key leadership programs: Welcome to Leadership at RSA and Licence to Lead and our new U.K. leadership development and coaching program (launched in Q4). We have created the LSFs intranet hub containing leader guidance, resources and videos, and have made it a key feature of our employee communication. The LSFs have been incorporated into our internal recognition programs and platforms aligning them to nominations for the 'Inspirational Leader' category.

Fostering our talent

Talent management goes well beyond recruitment and retention. We recognize the long-term strategic advantage of embedding practices that identifies talent and accelerates the professional development of our people. We leverage a combination of tactics including performance calibrations, regular feedback, robust development plans, and role changes designed to expand learning and experience.

Global highlights throughout 2023 include:

- 690 students were recruited across all our geographies and business units.
- Almost a quarter of our employees moved to a new role and progressed their career, enabling our people to grow with us, while deepening the global talent pool.
- In 2023, we launched a career centre in Canada, which provides easy access to self-assessment tools, information about career paths, goal setting guidance and access to career coaches.

- Our ethos is to equip leaders to support meaningful development. In the U.K., we continue to see success through our Bright Future programmes to grow our emerging talent pipelines. To foster collaboration and create further development opportunities, we have created internal graduate and apprentice networking groups. In addition, we successfully piloted our "U.K. Career Conversations" workshop, guiding leaders on supporting their team's development.

Cultivating specialized skills

Transforming our competitive advantage means cultivating specialized skills such as data and AI, digital and design, and specialty underwriting. By investing in the skillsets needed for sustained outperformance, we create opportunities for all employees to feel proud and optimistic about the future.

Specialty underwriting

In 2023, we began to harvest the benefits of having a global footprint in three highly specialized lines of business. Using marine as an example, we evolved our structure so that all our marine teams in all geographies report up through a single global marine leader. This will accelerate technical exchanges between underwriters, bring agility in analyzing complex underwriting files, and deepen our technical succession pipeline.

Data and AI

We are dedicated to serving customers by leading the way to next-generation insurance, including exploring the varied applications of AI.

Through our partnerships with key players in the innovation ecosystem, we develop digital solutions while answering some of the most complex and challenging questions. These partnerships also play an important role in building our talent pipeline by fostering relationships with students who may later become Intact employees.

These partnerships include:

IVADO: IVADO includes the University of Montreal, HEC Montreal and Polytechnique Montreal. We have contributed \$1 million since 2017 toward this partnership where renowned academics train Intact employees and managers in fraud detection, telematics, natural language processing and actuarial sciences.

Université Laval: Via a five-year commitment of \$2 million starting in 2018, Intact has been working in partnership with researchers at Université Laval to explore opportunities for AI applications in our day-to-day work. This collaboration includes the creation of two chairs (one in teaching and the other in research) dedicated to the study and deployment of the potential of AI and big data in the insurance field.

University of Waterloo: Starting in 2022 and valued at \$1 million, our collaboration with the University of Waterloo AI Institute, Waterloo.AI, is designed to engage engineering academics in solving some of our most challenging AI problems. Examples of what we have been able to achieve

include leveraging natural language processing techniques to accelerate the processing of large amounts of documents and correcting errors in the automatic speech recognition transcriptions of customer calls to our call centre.

Partnering with the Perimeter Institute

Quantum science and technologies are at the leading edge of research and innovation, with enormous potential for commercialization and game-changing advances, including better climate forecasting, improved navigation and innovations in clean technologies. Through a \$1.5 million investment in the Perimeter Institute, a theoretical physics research leader, we are supporting the continued growth of this emerging sector as it helps drive Canada's economy while developing highly skilled jobs.

This partnership is a direct example of how we will achieve our goal of being a global leader in leveraging data and AI for pricing and risk selection while improving operations. Intact will facilitate a knowledge exchange between Intact employees in our Data Lab and the Perimeter Institute's researchers and offer internships to key talent. This front-row seat to discovery is set to yield new insights to drive industry-leading innovation around causal inference, machine learning, AI and customer-centric service.

Enable our people to thrive

We believe all employees at Intact should be able to pursue their full potential and thrive. We put this belief into action by investing in opportunities for overall career growth and providing programs to support employee health and wellness.

Promoting employee resilience and wellness

We prioritize the overall well-being of our employees, including their financial, physical, social and mental health, by providing a variety of benefits:

Canada

- We successfully implemented a new integrated platform for both our Employee Assistance Plan and our telemedicine services aligning with our commitment to holistic well-being. We enhanced the coverage and provided more kinds of support.
- Our continued focus on mental health included emotional skills and resilience training.
- We recognized our first menopause awareness day and new workplace menopause guide.
- Starting in January 2024, we also introduced an expanded vacation entitlement policy for our employees.

U.S.

- We negotiated a flat rate on healthcare costs/benefit plans, which is counter to the industry trending at 8% increases. We also launched financial wellness webinars targeting

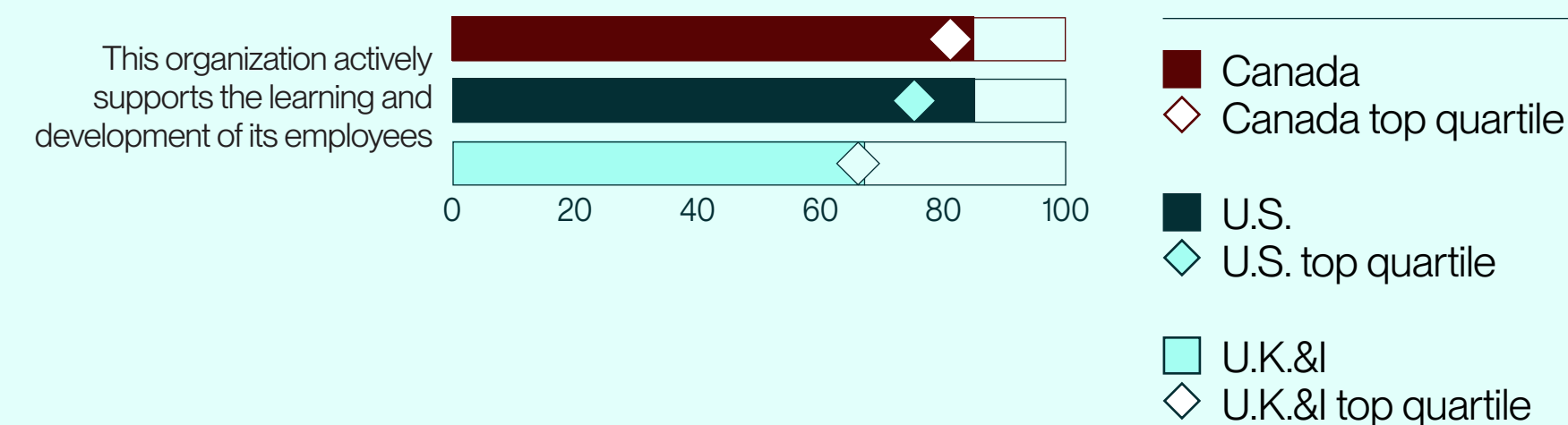
retirement planning, and mental health webinars focused on building healthy habits, dealing with social anxiety and sleep deprivation.

U.K.

- RSA's Menopause Policy, launched in 2022, was shortlisted for the 2023 British Insurance Awards category of "ESG: D&I Initiative of the Year". The policy aims to improve awareness, education and support on behalf of all employees.
- Our U.K. Carers Policy provides five days paid leave per year for employees caring for a disabled dependent. The U.K. also launched the "myStrength" app, which is a personalized well-being service for employees and their families.
- We implemented a new U.K. Domestic Abuse Leave Policy and launched leader and employee guidance.
- Starting in January 2024, RSA introduced an Equal Parental Leave Policy, offering all parents up to 52 weeks of equal leave, 26 of which will be fully paid.

Learning and development

In our 2023 engagement survey, employees told us they appreciate our learning and development support.



In 2023, we invested in the professional growth of our employees:

- ✓ We offered over 13,500 different courses across a wide variety of topics and learnings including leadership, business skills, technical underwriting topics and others.
- ✓ Our employees accomplished over 540,000 course completions through a combination of both in-person and online instruction.



Empowering employees to do their best work

One way we can help our employees to thrive is by providing them with tools to enable their work or make it more engaging. In 2023, we delivered on a number of these advancements for our employees. Some examples include:

U.S.

- Enabled several third-party data sources to auto-populate our underwriting systems in our Inland Marine and Specialty Property business units, improving the information they have access to and enabling faster, more precise analysis.

Canada

- Through system enhancements, we improved access to information for employees when customers engage through multiple channels (i.e., chat, SMS, online) enabling them to have a complete view and assist customers better in real-time.

U.K.&I

- Delivered enterprise Python/R tooling for 140 pricing employees, enabling code and models to be shared and unlocking cross-team collaboration.

Our employees and leaders are representative of the communities we serve

At Intact, our Value of Respect is founded on seeing diversity as a strength, being inclusive, and fostering collaboration. We value diversity and strive to create an inclusive workplace where all individuals feel valued, respected, and heard.

Diversity, equity and inclusion

In our 2023 engagement survey, our employees shared that our diversity, equity and inclusion efforts are having an impact.

88%

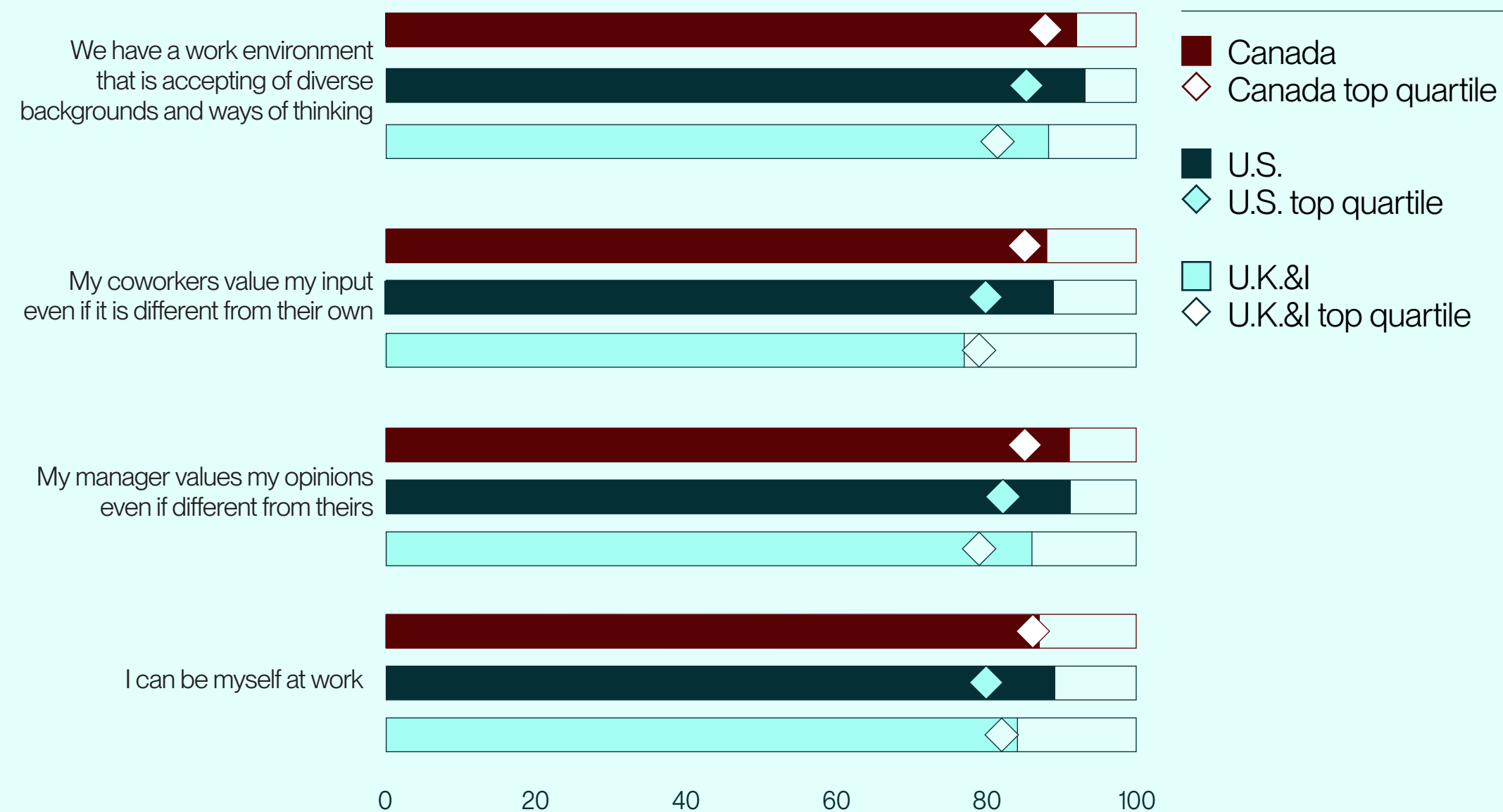
Canada

90%

U.S.

81%

U.K.&I



Employee Networks

Globally, we have 16 employee-led networks to celebrate and provide education about different diversity dimensions. We host focused DEI weeks to inspire and accelerate understanding and inclusion throughout our workplace. Some examples of our networks include:

- RSA REACH, championing an inclusive environment for colleagues from Black, Asian and other ethnic minorities.
- RSA Building Pride, shaping an inclusive, safe and confidential workplace environment for our LGBTQ+ colleagues and allies.
- In Canada, the Indigenous Circle of Inclusion, launched in 2023, aims

to foster inclusion and engagement for Indigenous employees and consult on Intact's Truth and Reconciliation actions.

- In Canada, our Young Professionals network aims to provide the support that employees in the early stages of their career need to develop fundamental networking skills and promote themselves in the workplace.
- Proud & Professional in the U.S., launched in 2023, whose mission is to support LGBTQIA+ Members & Allies. This network is committed to promoting a positive and inclusive work environment while providing support and opportunities for employees, thereby creating a safe space for open and honest discussions.

- Power of Women is the largest employee resource group in the U.S., whose mission is to encourage, engage and inspire women across the U.S. organization by building inclusion, thereby enabling women to thrive.

Our employees and leaders are representative of the communities we serve

Mobilizing our commitment: DEI councils and action plans

While we collaborate and share best practices globally, we also recognize that our DEI programs must reflect the unique communities and regions in which they take place. That is why each of our three regions is tasked with and empowered to implement customized local DEI strategies and action plans.

Canada

The Canada DEI Council was launched in 2006 with a mandate to ensure Intact was fostering an inclusive workplace that would appeal to a broad and diverse talent pool. Early initiatives centred on gender and the council is now also focused on the experiences of Black People and People of Colour, Indigenous reconciliation, fostering allies, and mental health.

We have seen positive progress over the years, with highlights including:

- Women in VP+ roles going from 29% in 2012 to 44.8% at the end of 2023.
- Black people and people of colour (BPOC) in VP+ roles now at 16.7%.
- In our overall employee population, we went from 14% BPOC representation in 2012 to 29.9% at the end of 2023.

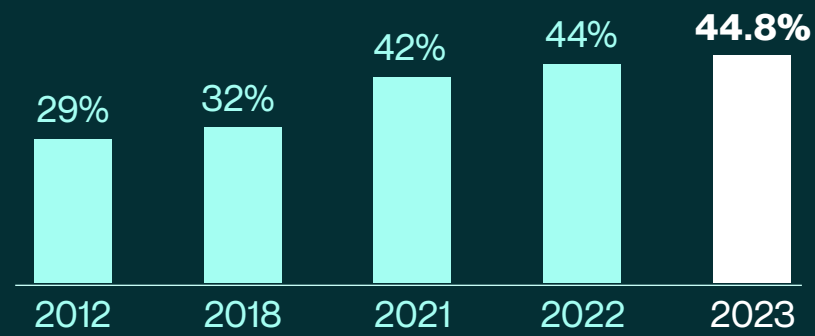
In 2023, some examples of how we advanced include:

- A partnership with Black Professionals in Tech and participation in their conference known as BFUTR to attract and hire diverse talent.
- Delivered training to the talent acquisition team to minimize bias in the recruitment process.
- 56% of our students hired in 2023 were BPOC, of which 7% were Black students, which was two points above our commitment on the Black North initiative.
- Launched “4 Seasons of Reconciliation” mandatory training in partnership with First Nations University as part of our reconciliation commitments. This program provides foundational knowledge on reconciliation and promotes a renewed relationship between Indigenous Peoples and Canadians through transformative learning about Truth and Reconciliation. Employees have until February 2024 to complete the modules.
- Achieved 90% completion of our Inclusive Leaders training program.

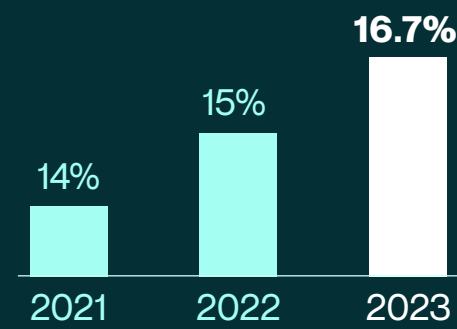
We continue the progress towards meeting our longer-term diversity goals for 2025. This includes achieving gender parity in leadership and increasing diversity across the organization to align with labour market availability by 2025.

In Canada, we have seen positive progress over the years, with highlights including:

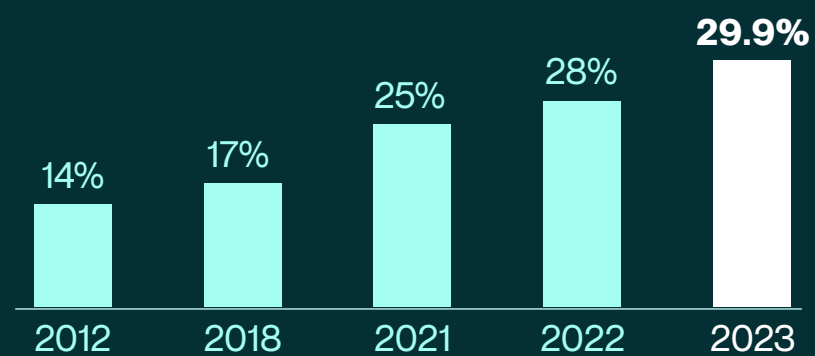
Women in VP+ roles



Black people and people of colour (BPOC) in VP+ roles



All employee stats: BPOC



For more information on our DEI progress, please see [page 55](#).



Our employees and leaders are representative
of the communities we serve



U.S.

The U.S. DEI Council was launched in 2021 to help establish a foundational framework for our DEI strategy. With a deliberate focus on staffing, enablement and communications, the Council gives a voice to otherwise marginalized communities by advocating for and modeling inclusive leadership and fostering a culture of belonging.

In 2023, we executed on a number of initiatives anchored to our foundational framework, such as:

- Successfully piloted our sponsorship program aligning high-potential diverse talent and Senior Vice Presidents for year-long visibility and coaching experience.
- Successfully extended our talent pipeline to underrepresented high-school youth, starting with an Actuarial internship program in Plymouth.
- Engaged in industry DEI programming and talent initiatives: Sponsored seven DEI conferences and/or industry associations and engaged with three DEI working groups.

- Deployed an online Inclusive Workplace training for all non-managerial staff with 92% participation.
- Established an accessibility working group, mapping our technology stack features enhancing accessibility for our 2024 awareness campaign.

Our momentum has been building over the past few years and our efforts are getting noticed. In 2023, our U.S. DEI Vice President was awarded the 2023 Diversity & Inclusion Individual of the Year award by the American Property Casualty Insurance Association. We are proud of our progress made to date and we will continue to foster a culture of inclusion through training, dialogue, and sponsorship.

Our employees and leaders are representative of the communities we serve

U.K.&I

Our U.K.&I DEI council has sponsorship from our executive team. The council represents each business function with a mandate to promote greater diversity in our organization and an inclusive culture which attracts, encourages and capitalizes on diverse perspectives, establishing a stronger foundation for RSA's success.

In 2023, we executed a number of initiatives focused on supporting diverse groups and creating a more inclusive environment, such as:

- Expanding RSA's new Parental Leave Policy to all parents, regardless of gender.
- Launching the U.K. Enable Me and Step Forward 2023 programmes providing ethnic minority and female sponsorship for non-executive talents.
- Introducing the Rise initiative in Ireland, which supports female talent through a variety of programs such as mentoring, leadership development, and visibility opportunities.
- Established partnerships with From Babies with Love, GAIN, and Stonewall, organizations that support children in need, young women and LGBTQ+.

Progress we've made in our first year:

- Achieving our objective of having 36% female representation at the VP and above level by the end of 2023, and are on track to achieve our objective of 40% by 2025.

- Advancing our data collection so we can better track our progress in the years to come, with 54% of employees disclosing their diverse dimensions so far in the U.K., and Ireland disclosure at 78%.
- We have also narrowed the gender pay gap throughout the region with the Ireland gap closing by 1% and U.K. by 1.4%.

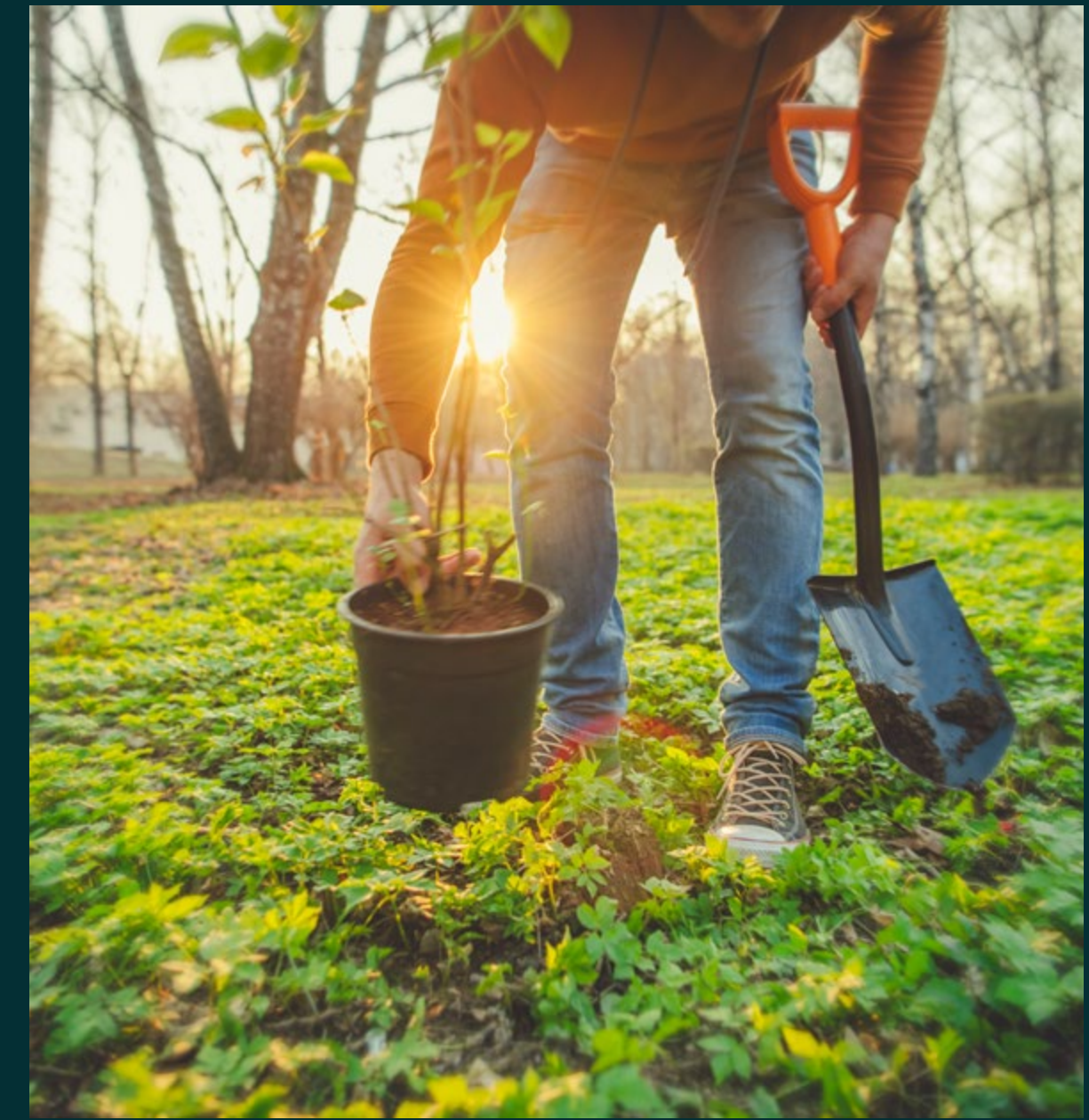
Our efforts are being recognized. In 2023:

- RSA U.K. was recognized at the Insurance Business U.K. "5 Star Best Diversity, Equity & Inclusion in the Workplace".
- Shortlisted in Ireland's Financial Services Awards DEI category.
- Recognized at the prestigious Insurance Times awards with two entries included in the Diversity and Inclusion Excellence Award: becoming the first insurer to receive Menopause Friendly accreditation, and our work with early careers and nurturing talent, the latter picking up the Bronze award.

We are proud of the progress made to date on executing our U.K.&I DEI strategy. The strategy, launched in 2023, includes an ambition to lead the insurance sector by 2026 and lead more broadly across all sectors by 2030.



Being a most respected company



Being a most respected company involves both financial outperformance and a focus on helping society. We are doubling down on our work in climate adaptation in Canada and scaling to our regional markets, as we continue to reduce our own impacts through our climate strategy.

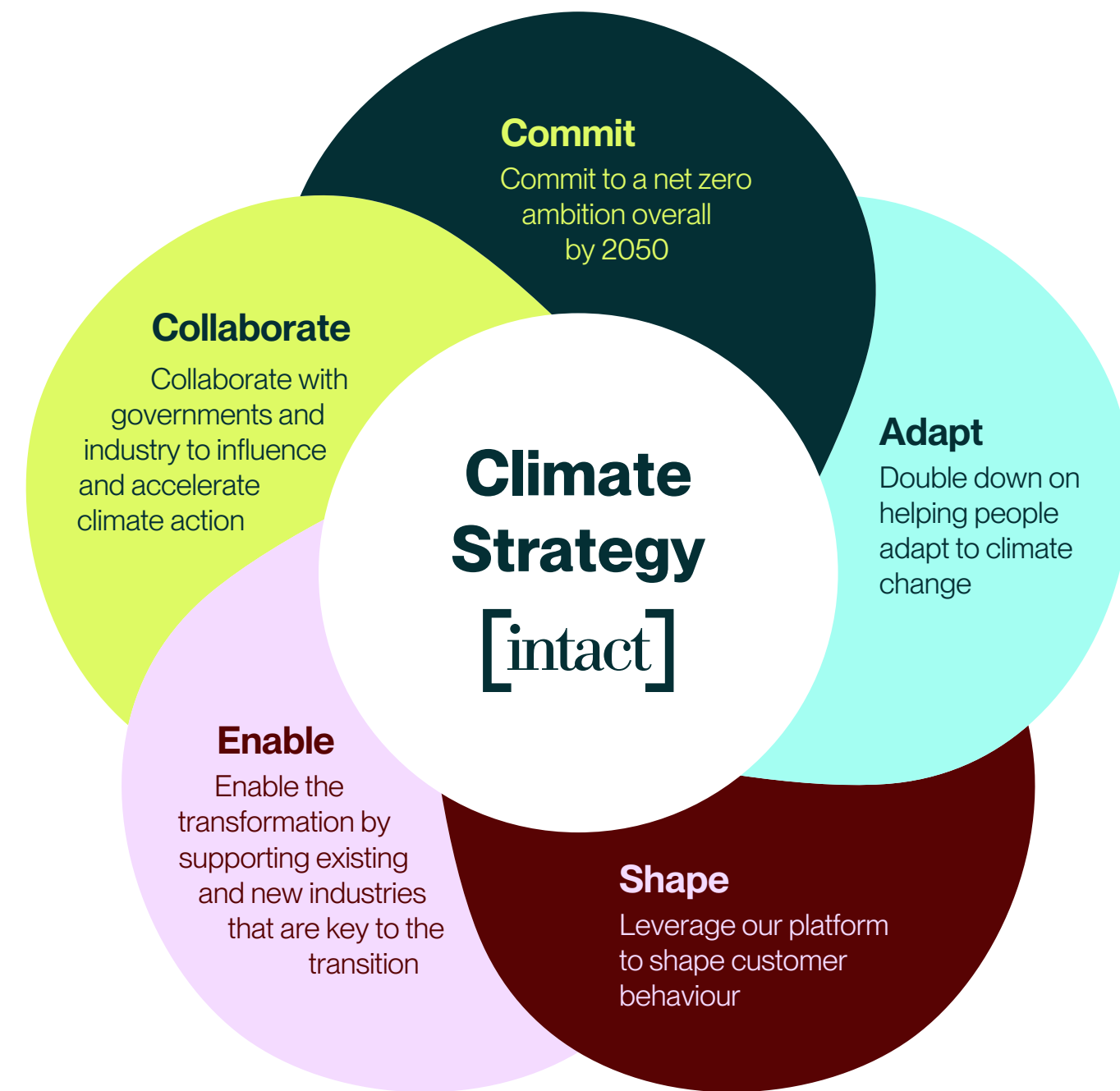
Since 2010 we have committed
\$26.4 million
in funding for climate adaptation action.

Building climate resilient and economically resilient communities

Our goal of being a most respected company is accomplished through our approach to climate and social impact:

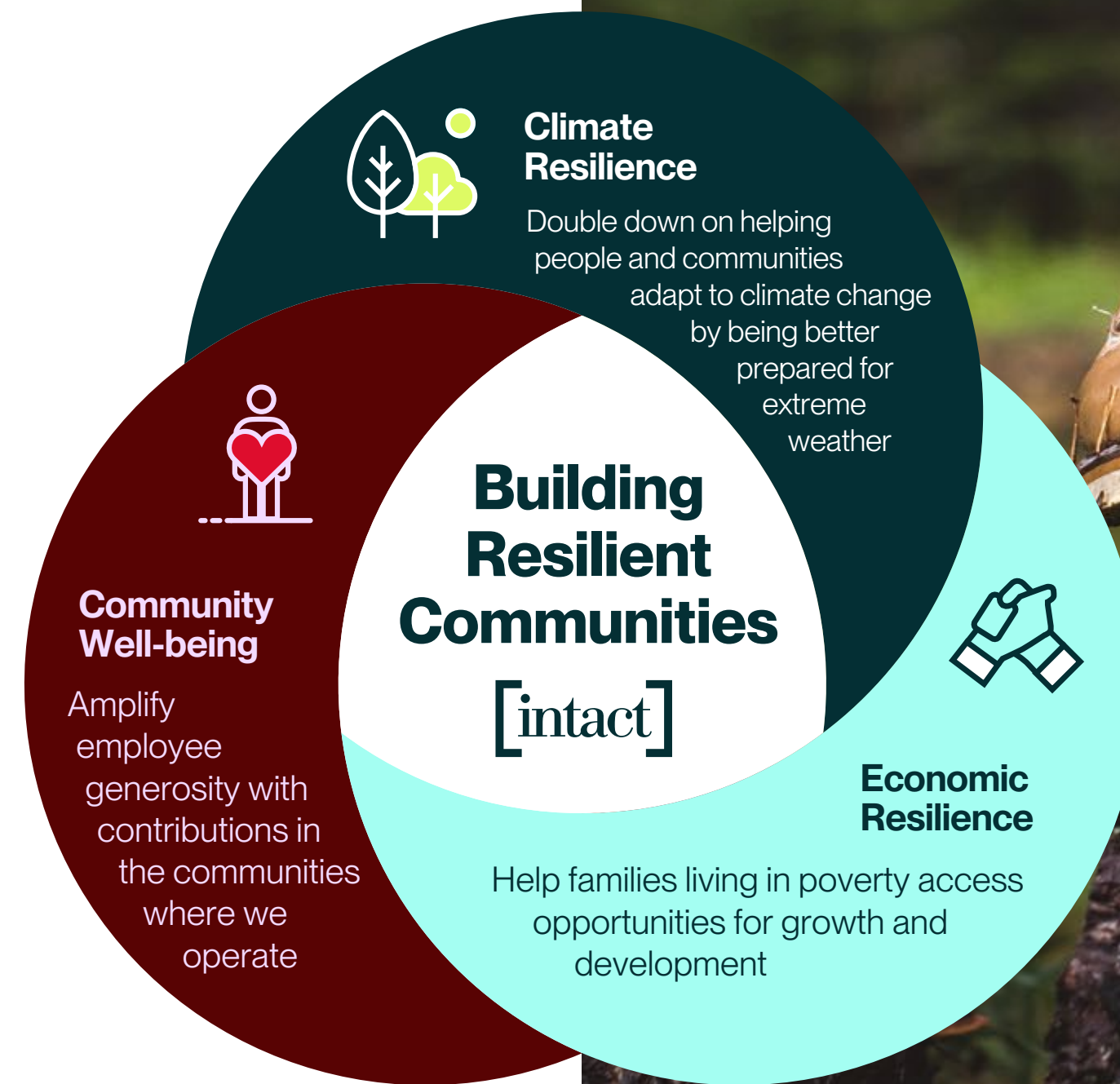
1. Our approach to climate:

Our five-point strategy focuses on managing our own business impacts and supporting the transition to a low GHG economy.



2. Our approach to social impact:

This focuses on building climate resilient and economically resilient communities along with accelerating employee generosity.



The section that follows outlines our key performance on these two strategies.

Highlights of our progress

57%

stakeholders in Canada believe that Intact is a leader in helping build resilient communities.¹

16%

reduction in our overall operations emissions² from a 2019 baseline.³

¹ Results based on our 2023 Resilience Barometer survey.
² Includes Scope 1, Scope 2, and Scope 3 business travel, waste, water and paper.
³ Market-based.

Our Resilience Barometer

Measurement is a critical component to the success of any strategy. Our performance target—“three out of four stakeholders recognize us as leaders in building resilient communities”—centres on understanding the experience of the very people we aim to support. Our unique Resilience Barometer monitors progress toward our target by testing levels of awareness of our approach to social impact amongst our stakeholders and their assessment of our leadership.¹

In 2021, we set our performance target and since then we’ve tracked and measured stakeholder feedback across four specific dimensions of our ability to support resilient communities:



Helping communities adapt to climate change.



Reducing greenhouse gas (GHG) emissions.



Creating opportunity for families living in poverty.



Contributing to community well-being through generosity.

¹ The Resilience Barometer is a measurement tool used internally by Intact, which was developed in partnership with market research agency Ipsos.



We engaged six stakeholder groups across our regions that are critical to our success and asked for their feedback on how they perceive our performance in achieving our social impact objectives:

- Customers
- Employees
- Brokers
- Investors
- Governments
- NGOs and industry associations

In 2022, we released the results from our first survey in Canada, and in 2023 we expanded the Barometer’s geographic representation to include U.S., the U.K. and E.U. stakeholders.

Results

57%

of stakeholders in Canada recognize us as leaders in building resilient communities, up from 54% in 2022.

53%

of stakeholders globally recognize us as leaders in building resilient communities, the first time we have measured a global score.

89%

of stakeholders believe Intact has the responsibility to help communities become more resilient.

Building climate resilient communities



“It is critical that we advocate for **investments in adaptation** as an industry and as a society. No matter what we do, we must evolve to deal with the higher frequency and severity of catastrophic events. One of the roles we can play is to advocate for investment, whether by government or by consumers themselves, to try and **build up our resilience.**”

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

Building climate resilient communities by helping people adapt to climate change has a dual purpose in our most respected company objective: both bolstering community resilience and advancing our climate strategy.

As a result of our experience and expertise and because of the role of insurance in society, we are uniquely positioned to both help advance and lead climate adaptation measures that will support community resilience to climate change impacts.

Since 2010 we have committed \$26.4 million in funding for climate adaptation action.

A key component of our strategy is to engage in partnerships focused on practical actions that build community resilience to increasingly severe weather events. This includes accelerating and scaling research to continue to find solutions to challenges brought on by flood, wind, heat and wildfire.



“We must continue to limit the production of greenhouse gases. But we also have to recognize that the most that can be done is to slow, but not reverse, climate change. Adapting to extreme weather, rapidly, is non-negotiable. **Every day we don’t adapt is a day we don’t have.**”

—Dr. Blair Feltmate, Head of the Intact Centre on Climate Adaptation, University of Waterloo

Developing concrete adaptation solutions: the Intact Centre on Climate Adaptation at the University of Waterloo

The Intact Centre on Climate Adaptation (Intact Centre) is an applied research centre within the Faculty of Environment at the University of Waterloo funded by Intact. The Intact Centre is guided by an ambition to make communities more climate resilient by developing tools that can be deployed by individuals, organizations, municipalities and communities, while also extending their influence through advocacy and thought leadership.

In 2023, the Intact Centre engaged in a number of climate-focused research and knowledge mobilization efforts, including:

Delivering user-friendly information through infographics: These infographics focused on flooding, extreme heat and natural infrastructure have been widely distributed by various municipalities and companies to over 500,000 households

across Canada. Infrastructure Canada has approached the Intact Centre to submit a proposal to develop a series of infographics focused on resilient public buildings and housing.

Providing adaptation training: The Intact Centre is the primary advisor to the Vice President (Academic) at Mohawk College, in support of developing professionally accredited climate adaptation training programs for a range of sectors.

Developing resilience to flooding in New Brunswick: As part of the New Brunswick Climate Change Action Plan, the Government of New Brunswick appointed the Intact Centre to lead development of flood education and awareness materials for both the public and local governments.

A robust thought leadership program to showcase Intact Centre’s climate adaptation expertise: The Intact Centre secured over 250 dedicated media stories, delivered over 120 presentations and have had team members present at House of Commons Standing Committees and serve

on over 60 advisory boards, solidifying its position as the “recognized authority” on climate adaptation.

Releasing impactful reports: In 2023, the Intact Centre released three reports: “Transitioning from Rhetoric to Action: Integrating Physical Climate Change and Extreme Weather Risk into Institutional Investing,” which offers a practical tool, called a Climate Risk Matrix, for portfolio managers to assess the exposure of investee companies to extreme weather; “Wildfire-Ready: Practical Guidance to Protect Canadian Homes and Communities from a Growing Threat,” which presents a user-friendly synthesis of best practice guidance from the National Research Council Canada, and FireSmart™ Canada; and “Managing Flooding and Erosion at the Watershed-Scale”, which defines how governments can support the use of nature-based solutions to reduce flood risk.

The Intact Centre received a total of 1,849 media hits, 4,720 report downloads, and saw over 200,000 impressions on social media in 2023.

“We’re no strangers to flooding here in Gloucestershire, so it’s fantastic to be able to demonstrate to individuals and communities the role they can play in tackling the impacts of climate change. We want people to take action for nature at home, to recognize that they have a part to play. **Each individual action helps us all,** and ultimately builds more **resilient places** where communities can enjoy a closer relationship with nature.”

— Andrew McLaughlin, CEO, Gloucestershire Wildlife Trust

Using nature to manage flood risk: Gloucestershire Wildlife Trust

Through its partnership with Gloucestershire Wildlife Trust, RSA has invested £400,000 to help limit the impact of flooding, support homeowners, improve the resiliency of local communities and help protect local habitats.

Over the next four years, we are investing in nature-based interventions to help limit the impact of flooding on

local habitats and improve the resilience of local communities. Recognizing the importance of individual interventions, the project will demonstrate how activities such as driveway de-paving, rain gardens and green-roofed bus shelters inspire communities to be resilient to climate change in ways that are kind to wildlife. Our support is also contributing to local education awareness programs designed to help both children and adults learn more about flooding and the steps they can take to reduce flood risk in their area.





Nature as a First Line of Defense: The Nature Conservancy of Canada (NCC)

Intact's partnership with NCC is focused on wetland protection and restoration, a nature accelerator to measure and quantify the biodiversity, financial, social and downstream benefits of wetland conservation while also developing a wetland carbon protocol.

Wetland Protection and Restoration: Wetlands play a crucial role in combating and adapting to climate change, both by storing carbon, acting as a cool island during heat waves, and by helping to mitigate flooding risks for neighbouring communities by absorbing large quantities of rainfall. According to the Intact Centre on Climate Adaptation, preserving wetlands can reduce flood damage costs by almost 40%. Through this partnership with NCC Intact has helped protect more than 10,000 hectares of critical ecosystems including 1,251 hectares of wetlands.

Wetland Carbon Protocol: We are also working with the NCC to explore the development of an avoided conversion carbon offset protocol for peatlands. In 2023, NCC created a technical working group of subject matter experts who are assessing the viability of whether this protocol will be a helpful tool to encourage private capital to protect and conserve peatlands.

Resilience action in the community

We partnered with Intact Public Entities (IPE) in 2022 to invest \$1 million in 10 communities across Canada to develop practical solutions to help municipalities address extreme weather events including flooding and wildfires. One year later, we have mobilized this funding through our Municipal Climate Resiliency Grants program, funding the following projects:

Preparing residents to be flood-ready: To help residents prepare for storms, IPE and Intact provided \$80,000 to fund the City of Charlottetown in Prince Edward

Island's rebate program to install flood prevention and protection plumbing and to the City of Fredericton to develop a portal with property-specific flood risk information for homeowners.

Reducing the risk of wildfire in local communities: With more than 18.5 million hectares of land in Canada burned by wildfires this year alone, the Region of Wood Buffalo in Alberta, the Confederacy of Mainland Mi'kmaq in Nova Scotia, and the Town of Whitecourt are taking action to further protect their residents. These regions used their grant funding to offer FireSmart home assessments and rebates to make fire-resistant

home improvements and to create firebreaks in the community to slow down the spread of wildfires.

Fighting back with nature-based solutions: Grant recipient Nature-Action Quebec mapped out the priority areas and proposed solutions to focus their adaptation efforts in the Rivière à la Raquette watershed in Quebec. Once implemented, these solutions will help stabilize the banks and coastlines, and reduce the risk of floods to downstream communities.



Building economic resilience in our communities

At Intact, we define resilience as being climate proof and economically thriving. Economic resilience is about creating opportunities for those that need them most. Building resilient communities involves both financial support and hands-on efforts to improve conditions in our communities. In addition to our strategic partnerships, we make charitable donations across our operations and support our employees' community engagement.

Our key partnerships

United Way and Centraide: Delivered in partnership with the United Way, our annual Generosity in Action campaign's main objective is to provide employees with the opportunity to rally behind our Value of generosity by making local communities more resilient and providing essential support to the most vulnerable members of our communities.

As part of this campaign, we match every dollar of employee contributions to a charity of their choice with programs focused on creating opportunities for children and families living in poverty. In 2023, and in consultation with United Way, we allocated the \$2.3 million match to programs addressing food insecurity and economic resilience.

Breakfast Club of Canada: Since 2018, we have partnered with the Breakfast Club of Canada to deliver on a \$3 million commitment to help expand and sustain children's breakfast programs across Canada to ensure more children have access to the nutrition required to succeed.

Indigenous Works: As part of our ongoing commitment to reconciliation in Canada we have committed \$300,000 to support Indigenous Works, a national social enterprise with a mandate to improve the inclusion and engagement of Indigenous Peoples in the Canadian economy.

Dallaire Institute for Children, Peace and Security: At the end of 2022, we renewed our partnership with the Dallaire Institute for another five years at \$1.25 million to support work in ending the use of children in armed violence. Since then, the Institute has been able to successfully expand its global footprint by launching their Latin American Centre of Excellence—establishing their permanent presence across Latin America and the Caribbean.

U.K. Youth: We have committed to a two-year partnership supporting young people in the North West of England to build their employability skills and boost social mobility. Our 'Building Aspirations' programme will target those not in formal education and furthest from the job market empowering them to set goals, gain confidence and plan for the future.

Our partnerships in Ireland: We have made strategic charitable donations of €71,500 distributed between The Trinity Centre for People with Intellectual Disabilities and Business in the Community Ireland's EPIC programme, to provide educational and employment opportunities to marginalized groups and further support our DEI agenda in Ireland.

Our partnerships in the U.S.: Our U.S. community engagement program now involves teams in eleven offices across the country, with a particular focus on social mobility and economic resiliency. Additionally, we continued to affirm our Value of generosity by supporting individual employee and producer-partner volunteerism, while enabling post-secondary education through our college scholarship program. Overall, the Intact Charitable Trust donated USD\$450,000 to 107 nonprofit organizations in support of our various programs, including becoming a key partner to the Insurance Industry Charitable Foundation, a global association uniting the industry in giving back to communities in need.



Community well-being



\$11.7 million

donated by Intact to **3,000 organizations** across Canada, the U.S. and our U.K.&I operations.¹

Employees donated **\$2.9 million** globally.

25,500 hours volunteered by our employees to over **400 organizations**.

¹ Includes employee matching schemes.

Employee Generosity

Employee charitable giving: This year, RSA U.K. directly contributed £1.24 million to charitable initiatives, supporting causes such as food poverty, education and mental and physical health.

We harness the generosity and enthusiasm of employees to support some of the most vulnerable in society by providing a charitable donation matching facility from RSA.

336 RSA U.K. employees are signed up to our Give As You Earn (GAYE) benefit, which allows our people to give to charity in a tax efficient way. RSA provides matched donations of up to £10/month per employee contribution. In total, RSA U.K. donated £130,000 in match funding to support GAYE donations and employee fundraising. Our team in Ireland donated a total of €5,750 employee contributions, matched by RSA, to their charity partner Barnardos.

In Canada, employees donated over \$2.4 million to charities addressing urgent needs in their communities such as food poverty, housing and mental health—their donations were channelled through our Community Impact Program, our employee giving program aiming to amplify their impact in their communities, and our annual Generosity in Action Campaign.

Employee volunteering: In November we brought together colleagues from across the RSA business to celebrate their involvement in building resilient communities at our annual

Generosity Summit. Collectively our colleagues raised over £260,000 and have volunteered over 8,600 hours in support of local communities, a 150% increase in participation.

In Canada, our employees volunteered 16,500 hours with 300 organizations. Through their volunteer efforts we donated over \$200,000 to those organizations, helping support essential initiatives.

DEI considerations in donations

We have made progress in the areas identified as part of a racial equity assessment conducted in 2022:

- We enhanced our social impact decision-making framework by introducing DEI considerations:
 - ✓ We improved our due diligence process by including checkpoints to allow us to understand how and if our potential partners consider DEI in their own organization and projects.
 - ✓ We updated our decision-making scorecard to ensure the projects we funded clearly demonstrate their potential to impact vulnerable communities, particularly racialized communities.
- We kicked-off the process to develop a principle-based company-wide giving policy to align our community investment practices across brands and include DEI practices in funding decisions.

More work will continue in 2024 as we establish DEI-focused partnerships.

Climate strategy

We have been on the front lines of climate change for decades and understand that it is one of the biggest systemic risks of our time.

From wildfires and floods to extreme heat and drought, the impacts of extreme weather caused by climate change are occurring at an accelerating pace. Helping to mitigate such

impacts is fundamental to our role as a P&C insurer, from advising on how to be better prepared for extreme weather events, to helping our customers recover when the worst happens.

To prepare for the future, we are focused on the threats and opportunities that climate change presents, while carefully considering how to both help our customers mitigate risk and to facilitate the changes in behaviour that

are needed to progress toward net zero and climate resilience.

As we look to the future, we are building on over a decade of climate adaptation work while focusing on transitioning to be net zero by 2050, with an interim target to cut GHG emissions in our corporate operations in half by 2030 (compared to our 2019 baseline year).

“Climate change needs to be **at the centre of our strategy** because it’s the defining issue of the century. We also recognize that we need to **play offence to grow in this environment** and to focus at the **intersection between helping and winning as an organization**. That’s the Intact spirit when it comes to climate. We also feel a responsibility to share and leverage the knowledge we have gained through our work. That’s why we funded the creation of the Intact Centre on Climate Adaptation.”

— Charles Brindamour, Chief Executive Officer, Intact Financial Corporation

Progress on our climate strategy

Our climate strategy is rooted in five big intentions with climate adaptation being a common goal shared between our approach to social impact (from [page 37](#)) and our approach to climate.



Commit to net zero by 2050 and halve emissions from our operations by 2030

We are committed to implementing thoughtful strategies to reduce our impact and track performance over time. Our net zero by 2050 commitment applies across our business, and is in alignment with the relevant principles of the Paris Agreement.¹

Emissions from our operations²

As expected in the first full year post-COVID, emissions from our operations increased from 2022. Despite this increase, we remain on track towards our interim target of halving our operations emissions by 2030 (compared to our 2019 baseline year). Our total 2023 emissions from our operations are 16% lower compared to 2019 (market-based).

See detailed data and notes on interpreting this metric on [page 71](#).

Our progress to date includes:

- Action across our fleet of nearly 2,000 vehicles globally, by beginning the transition to electric vehicles. 26% of our global fleet is now comprised of hybrid-, plug-in or full battery-electric vehicles and in the U.K., 71% of vehicles are plug-in electric or full battery electric.
- Reduced office space by a global average of 17% through consolidation of offices and reduction of underused office space.
- Reduced emissions from our global corporate travel, with an average

global reduction of 14% compared to our 2019 baseline. We are continuing to explore measures to reduce travel emissions, while considering the region-specific transportation alternatives that vary across the regions in which we operate.

- In the U.K. and Ireland, nearly 100% of our procurement of office-based electricity is with Renewable Energy Guarantees of Origin (REGOs), which are market-based tools that support greening the electricity grid by increasing the proportion that is sourced from renewable electricity. We continue to explore opportunities to reduce emissions in our office portfolio, which includes the procurement of renewable electricity for our locations in North America.

Emissions from our investment portfolio³

We worked with a third-party consultant to conduct a Scope 3 GHG emissions materiality assessment and determined that Investment Emissions are the most material category of Scope 3 emissions.⁴

In 2022, we disclosed our Investment Emissions for the first time, covering our common shares, preferred shares and corporate bonds portfolio. These emissions were estimated in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology for calculating GHG emissions.

In 2023, we recorded a 35% reduction in Investment Emissions intensity (common shares, preferred shares and corporate bond portfolio) from our 2019 baseline⁵ (see detailed data on [page 56](#), and notes on interpreting this metric on [page 71](#)).

We have set interim targets for this portfolio, and are progressing in achieving them:

- Engage with the top 20 emitters among our investees which currently represent more than 50% of the common shares, preferred shares and corporate bond portfolio's emissions intensity, by 2025.
- Minimum of 40% reduction in the emissions intensity of our investments portfolio (common shares, preferred shares and corporate bonds) by 2030, compared to our baseline year of 2019.

For more information see the ESG considerations in investments section on [page 56](#) and the targets and metrics table on [page 70](#).

Emissions associated with our insurance portfolio and supply chain⁶

Insurance-associated and supply chain emissions are also important to our business and are being incorporated into our emissions measurements.

Parallel to this work, we are evolving our underwriting guidelines and requirements for suppliers. More information is outlined in the Shape and Enable sections that follow.



¹ According to the relevant principles of the Paris Agreement, in order to limit global temperature rise to 1.5C, emissions need to be reduced by at least 45% by 2030, and net zero by 2050. See <https://www.un.org/en/climatechange/net-zero-coalition> for more information.
² Operations emissions include Scopes 1 and 2, and Scope 3 emissions from corporate travel, waste, water and paper.
³ Investment emissions fall into category 15 of the GHG Protocol's Scope 3 categories.
⁴ Investment emissions fall into category 15 of the GHG Protocol's Scope 3 categories.
⁵ In 2023 we worked on improving the accuracy of emissions data from our investees. Work is ongoing on improving accuracy of emissions data, in collaboration with our third party data provider.
⁶ Insurance-associated emissions fall into the GHG Protocol's Scope 3 category 15 (Investments). Supply chain emissions include the GHG Protocol's Scope 3 categories 1 (purchased goods and services) and 2 (capital goods).

Leverage our platform to shape customer behaviour



Meaningful climate action will require people and businesses to change their behaviours and alter how they travel, the products they consume and how they consume them. We recognize our opportunity to help influence these behaviours through the following actions.

Understanding climate risk

Our Centre for Climate and Geospatial Analytics (CCGA) supports assessment and management of climate risk, leveraging the expertise of 500 specialists across artificial intelligence (AI), machine learning, actuarial science, climate science and data science. Examples of contributions the CCGA has made to understanding climate risk include:

- Using data and AI to identify properties at risk of roof collapse from snowfall accumulation. Intact then uses this intelligence to offer subsidies that incentivize snow removal for loss prevention.
- Conducting spatial risk mapping to allow us to identify high-risk areas. This supports our approach to social impact when selecting locations that may benefit from climate adaptation and resilience measures.
- Providing technical support to enhance our understanding of future climate scenarios through provision of data related to climate change projections for selected perils.

For more information see the [Task Force on Climate-related Financial Disclosures section on page 61](#).

Applying climate considerations in energy underwriting

The transformation of existing industries is key to achieving global ambitions of net zero. To promote sustainable business practices, Intact will continue to focus on our renewable energy business, insuring a range of projects around the world. We will also review the transition plans of energy clients, focusing on their emissions disclosure, net zero ambitions and strategies, and climate governance. We will engage with energy customers with unsatisfactory transition plans.

For more information see the [ESG considerations in energy underwriting section on page 56](#).

Leverage our platform to shape customer behaviour

Building a circular economy in claims

We recognize the importance of reducing the environmental impact of our claims process. As such, we have implemented initiatives focused on building a circular economy in claims including adopting a *repair over replace* approach.

Dry in Place (DIP) through On Side Restoration: Following water damage, our DIP program reduces the amount of time it takes to complete the restoration process and the building materials needed to repair water damage. By using specialized instrumentation, we are able to map moisture levels throughout a building, identify damaged areas and determine severity. In 2023, we deployed a total of approximately 5,000 DIP projects and are continuing to invest in this service.

Sustainability guidelines for property restoration within

On Side Restoration: Our Sustainability Guidelines for Property Restoration allow us to introduce circular economy principles into the property claims process by optimizing the use of materials and prioritizing the purchase of recycled/recyclable, durable and locally-made materials, as well as repurposing and refurbishing of materials where possible.

Increasing climate knowledge among stakeholders

As a business that is fundamentally affected by climate change, we believe we have a responsibility for educating and creating awareness of climate change's impacts among our most important stakeholders.

These are just some of our stakeholder-specific highlights:

- **Customers:** We rolled out an eco-driving feature for our Usage Based Insurance (UBI) customers that enables them to learn how they can improve their fuel efficiency with changes to their driving style.
- **Employees:** Approximately 22,000 employees, or over 70% of our people globally, completed an introductory module on climate change. We also launched a second module to enhance our employee's climate knowledge. This is part of a broader climate change education journey for our employees to understand climate change and its impacts on our business and communities.
- **Brokers:** In 2023, we began providing climate change training support for brokers in partnership with the Intact Centre on Climate Adaptation in Canada.



Supporting local government capacity

IPE is investing over \$125,000 in a new partnership with Natural Assets Initiative (NAI) to sponsor the Natural Asset Management Roadmap Program for municipalities in Ontario and Atlantic Canada. The program, led by NAI, provides direction, support and guidance to local governments as they develop high-level plans to account for nature in their asset management strategies. IPE will sponsor municipal clients to participate in this highly beneficial program.

“Healthy natural assets—like forests and wetlands—**provide clean air, clean water, mitigate floods**, and many critical services we rely on every day. With climate resilience a priority across Canadian communities, the support from IPE to expand our program means more local governments will understand, manage, and **rely on nature** and its **invaluable services** as part of their climate and sustainable development goals.”

—Roy Brooke, Executive Director, NAI



Enable the transformation by supporting existing and new industries that are key to the transition



As new industries are created and existing industries transform, Intact can play an important role in de-risking and enabling companies that are key to the transition.

Insuring the Transition

With our product offering and expertise, we are well positioned to support the growth of clean technologies critical to a low-GHG-emissions future such as renewable energy production.¹

- In 2023, we provided insurance coverage for a wide range of low-GHG energy projects around the world, including:
 - ✓ Operations of a bioenergy plant in the U.K., with the capacity to produce 1,000m³ of renewable natural gas to grid and 1MW of electricity every hour.² This plant is expected to save 95,000 tonnes of food waste from landfill each year, which equates to the food waste produced by roughly 380,000 homes in the U.K. annually.³
 - ✓ Construction and operations of a 145MW wind farm in Alberta, Canada, which would support the annual electricity needs of approximately 60,000 households in the province.⁴

- ✓ Construction of a wind facility and supporting transmission lines in the U.S., capable of delivering over 3,500MW of clean power to 3 million residents in the Western U.S.⁵

- We are further pursuing our objective to support companies delivering critical transition technologies by appointing a President of Renewable Energy with responsibility for further building and strengthening our renewable energy capabilities globally.

Applying climate considerations in investments⁶

As investors, we can support the transition of existing industries and the economy-wide transition to net zero.

- We assess the transition plans of companies in our investment universe that are estimated⁷ to generate more than 25% of revenue from thermal coal mining or derive more than 25% of energy generation, revenue or net income from thermal coal. We have advanced the deployment of our coal

policy, and we will divest from all investees targeted under the policy who do not have a plan to be fully divested of coal assets by 2035. We may continue to invest in green bonds issued by these companies.

- We apply our Oil and Gas (O&G) position to support the transition to net zero, and engage with investee companies who do not have satisfactory transition plans⁸ and expect tangible improvements.
- We also engage with investees through Climate Engagement Canada (CEC) as a founding participant, to drive dialogue with Canadian issuers about climate risks and opportunities in the transition to a net zero economy.

¹ Renewable energy here is defined as biofuel, biogas, biomass, geothermal, hydro, hydrogen, wind, solar, and tidal.

² Information provided by the customer.

³ Average household waste: [Household Food and Drink Waste in the United Kingdom 2021-22 | WRAP](#).

⁴ Information provided by the customer.

⁵ Information provided by the customer.

⁶ In this section, "we" and "our" refer to Intact Investment Management (IIM), a subsidiary of Intact.

⁷ Based on a third party dataset covering over 15,000 companies globally.

⁸ With consideration of factors such as available sectoral transition pathways, country-level targets, and IIM's interim targets.

Collaborate with government and industry to accelerate climate action

Addressing climate change requires partnership and collaboration between government and industry. At Intact, we seek to leverage our expertise to influence policies and accelerate action.

Climate change adaptation

This stream of collaboration initiatives is aimed at developing and improving opportunities for adaptation and resilience through building for the future and in the right places, addressing present day risk with retrofits and retreat programs, future-proofing critical infrastructure and investing in nature-based solutions as a first line of defence. In 2023, we collaborated with governments and industry, including:

- Our participation in Climate Proof Canada's National Adaptation Summit Day, at which we met with key government officials to deliver climate adaptation recommendations and discuss critical funding for the National Adaptation Strategy.
- Bilateral engagements with federal and provincial governments on Climate Adaptation and key priorities.
- Contributions to Canada's National Adaptation Strategy through the Intact Centre on Climate Adaptation's advocacy efforts.

Sustainable finance

The focus of this collaboration stream is about unlocking capital for climate action, which includes data to allow for capital allocation and climate disclosures, and capacity building needs to accelerate sustainable finance systems. In 2023, this work included taking leadership roles and providing climate expertise to a number of key sustainable finance organizations, including Sustainable Finance Action Council in Canada and ClimateWise in the U.K.

In Ireland, RSA acted as Co-Chair of the Central Bank of Ireland Climate Risk & Sustainability Finance Forum Capacity Building Working Group. The working group completed its work in 2023 by identifying a roadmap of recommended practical actions that can support Ireland's financial services sector fast track sustainable finance training and capacity building.

Sustainability of insurance products

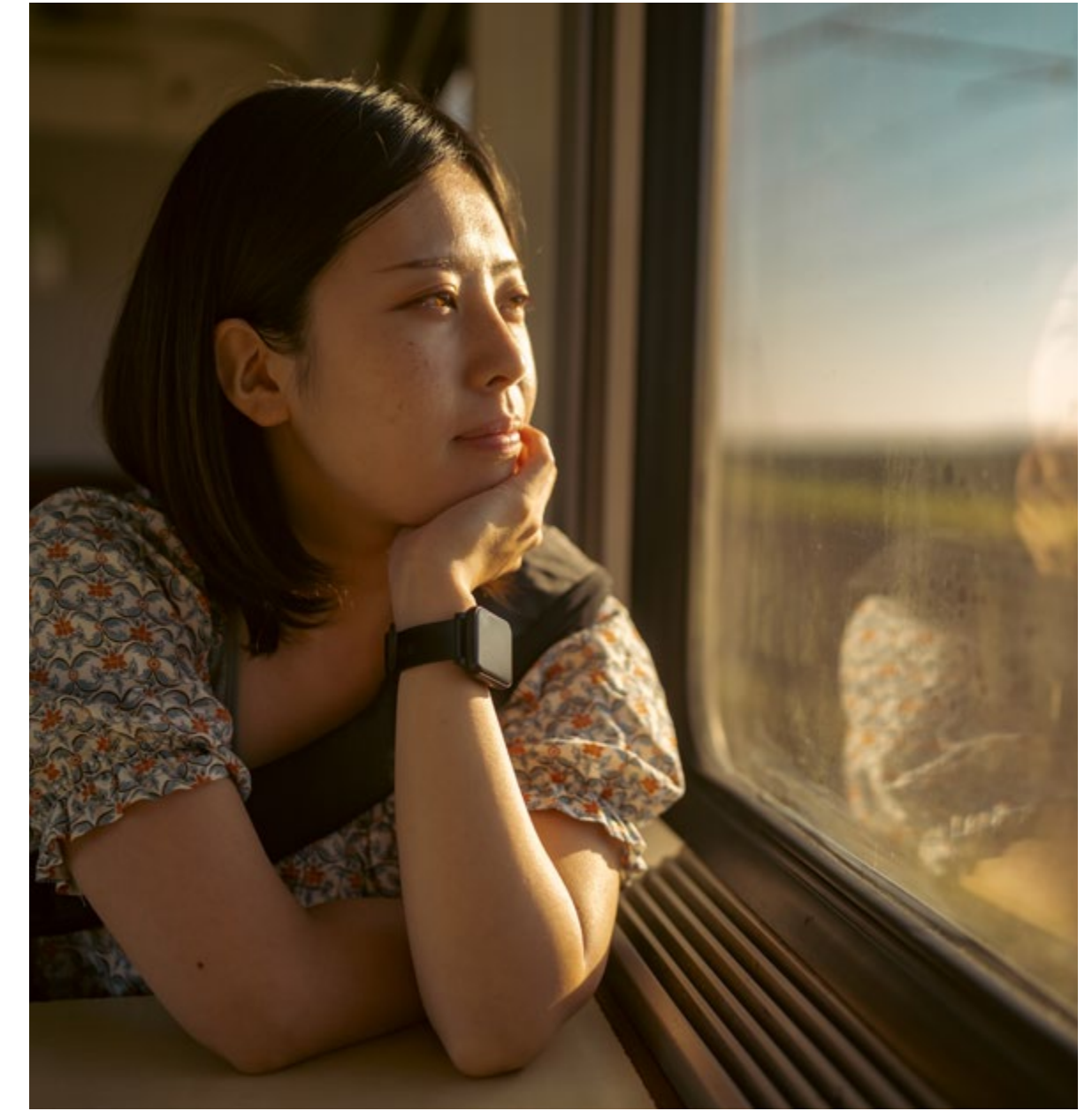
As part of our work to build resilient communities, we are focused on addressing the protection gap that exists within areas where insurance is either unavailable or unaffordable through the private market. This includes collaboration with:

National Flood Insurance Program in Canada: We have engaged in ongoing discussions to develop a high-risk national flood insurance program and address gaps in natural disaster protection.

Insurance Bureau of Canada (IBC): As an active member of IBC, the national industry association for Canada's P&C companies, Intact works closely with IBC and governments on the challenges facing Canadians and our industry, the importance of a competitive and sustainable market and how to influence meaningful public policy change, including addressing the growing effects of climate change.



ESG Performance



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

Governance

Board ESG Oversight

The Board of Directors ensures key ESG issues are overseen and ESG performance is reviewed. In this regard, the Board is supported by the Governance and Sustainability Committee (GSC), which is formally delegated with the responsibility to oversee Intact's ESG framework, including the overall approach, stakeholder engagement, disclosure and communication strategies related to ESG.

The Board also delegates certain specific ESG oversight functions to its other Committees related to their respective areas of expertise.

For comprehensive details on the responsibilities of the Board and Committees of the Board, please see our 2024 Management Proxy Circular.

For details on the role of the Board in climate risk management, see our [Task Force on Climate-related Financial Disclosures report on page 62](#).

Management ESG Oversight

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

Our priorities related to people, climate change, and social impact are integrated into our strategy and reviewed on an annual basis by business unit leaders in partnership with our Chief People, Strategy, and Climate Officer and Social Impact team. Progress on key initiatives is reviewed and monitored by the Operating Committee.

Our Senior Management team, including our CEO, provides direct leadership on our approach to ESG and advocates publicly for climate action, including climate adaptation to build resilient communities, with industry associations, government officials, and regulators.

Examples of our approach to these matters in 2023 can be found in the [Collaborate](#) section of our climate strategy update on [page 49](#).

ESG links to executive compensation

Our executive compensation package aims to align the compensation of Senior Executives with the achievement of Intact's financial and strategic objectives, including ESG performance, and with the long-term interests of shareholders and other stakeholders, such as our employees, customers and communities. As such, our Senior Executives' individual/personal goals in the Short-Term Incentive Plan (STIP) include goals directly linked to people, society, and climate to align compensation with our ESG-related strategic objectives.

For instance, the STIP goals of the CEO and other Senior Executives include employee engagement, diversity, equity and inclusion, and customer-driven initiative goals. Certain Senior Executives overseeing IIM's operations have specific STIP goals regarding the development and implementation of ESG initiatives within IIM's portfolio management strategy. ESG-related STIP goals are also included for certain Senior Executives regarding Intact's climate strategy. Furthermore, Intact also incentivizes Senior Executives eligible for a car under its perquisites to select plug-in hybrid and fully electric vehicles.

"Living our Values" is core to Intact's culture and also a necessary condition for career advancement and pay progression at all levels. It is fully considered in Intact's succession planning program when appointing and assessing Senior Executives.

More details on our approach to executive compensation can be found in our [2024 Management Proxy Circular](#).

ESG risk management

Management of risks related to ESG are embedded in our enterprise risk management framework (ERM). Our ERM framework and internal control procedures are designed to

identify, assess, respond to, monitor and report on various risks, including ESG risks. Our ERM strategy is designed to provide the link between our strategies and our risk appetite and to articulate how we manage risk to achieve our strategic objectives. Accountability for the management of ESG risks is clearly allocated to members of senior management.

A shared risk taxonomy is maintained across the jurisdictions in which we operate to ensure a consistent approach to risk identification, assessment and reporting. Governance of insurance risk was enhanced by developing the guiding principles for underwriting governance in 2023, to be implemented in 2024 for all territories.

ESG-related risks are identified and mapped to our top enterprise risks and incorporated in ongoing risk assessment, management, and reporting. For more information on top enterprise and emerging risks, including climate risk, their potential impacts and how we manage these risks, including our risk appetite, please see our Q4-2023 Management's Discussion & Analysis (MD&A).

For more information on climate risk management, see our [Task Force on Climate-related Financial Disclosures report on page 65](#).

UN Principles for Sustainable Insurance

Intact has been a signatory to the United Nations Environment Programme Finance Initiative's Principles for Sustainable Insurance (PSI) since July 2018. Intact embeds ESG into the organization's strategic objectives and the four principles from the PSI are integrated in our disclosures of this report as applicable. The Board of Directors ensures key ESG issues are overseen and our Group CEO and Operating Committee develop and oversee the action plans related to our strategy.

Stakeholder engagement

At the end of 2023, we conducted research to validate the social and environmental issues that our stakeholders believed were most relevant to executing our strategy and where they felt we could have the greatest impact. Stakeholders were also given the opportunity to identify new issues they felt were important for us to consider.

Interviews and surveys were conducted by an independent research firm with representatives of our leadership team and external stakeholders including investors, government, NGOs

and industry associations, together with potential customers and employees.

The following illustrates the most relevant ESG domains where our stakeholders believe Intact can make an impact. This research validates that our strategic approach of focusing on our customers, enabling our people to thrive and helping society build resilience is in line with stakeholder expectations of Intact.



Customer service

- Accessible insurance
- Transparent customer service



Climate change and biodiversity

- Helping society adapt to climate change
- Collaborating with governments and industry to respond to climate change
- Supporting customers and suppliers to reduce GHG emissions
- Addressing biodiversity loss



Cyber security and data privacy

- Protecting customer data
- Managing cyber security risks



Employee well-being

- Employee mental and physical well-being
- Competitive salaries and benefits
- Career opportunities and training



Diversity, equity and inclusion

- Diversity, equity and inclusion in our workforce



Artificial intelligence

- Transparency on our use of AI
- Sharing AI knowledge and how it impacts society



Economic stability

- Investing to improve economic resilience of our communities
- Helping families living in poverty
- Helping our communities access equal opportunities to education

Human capital management

Human resources policies

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

- Data governance and cyber security.
- Fair treatment of customers.
- Respect in the workplace.
- Speaking up and whistleblowing.
- Hybrid and flexible working arrangements.

HR rewards and benefits

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

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

Examples of benefits we offer our employees include:

- In Canada, our voluntary Employee Share Purchase Plan matches 50% of net shares at the end of each calendar year. In the U.K., our Sharebuild and Sharesave plans provide the opportunity to buy Intact shares in a tax efficient way. In Sharebuild, for every four shares purchased, we award our employees one free share.
- Matching of charitable donations.

- Physical and mental well-being benefits, including competitive vacation and personal days, Wellness accounts, virtual health care, employee and family assistance program and a flex benefits program.

Gender and racial equity

Intact is committed to having a fair and inclusive workplace and we have a solid framework and standardized processes to support objectivity at all stages of the compensation process.

We monitor compensation outcomes closely to assess pay equity. In 2023 after adjusting for level, location and role, we observed throughout our Canadian insurance operations that:

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

Beyond compensation, we assessed existing frameworks, policies and procedures in Canada from a racial equity perspective. We used internal and external sources to conduct the assessment, which indicated that we have strong rates of attraction and retention for BPOC employees and representation is improving at all levels in line with our objectives.

There are strong processes and frameworks in place for each of the following areas—employee attraction, promotion, retention and pay equity—and we continue to identify areas to strengthen further.



Human capital management

Following the integration of RSA, we are now in a position to access and report HR data on a more comprehensive scale which enabled us to not only update our reporting scope in 2023 to encompass all regions and entities, but also to redefine our metrics to ensure alignment, inclusion, and consistency across all regions.

Data has been grouped into three regions, each encompassing sub-regions and entities as follows:

- Canada includes: IFC Canada, Intact Public Entities (IPE), BrokerLink (BL), On Side Restoration (On Side) and Intact Lab Hong Kong office (Hong Kong).
- U.K.&I includes U.K., Ireland, Europe, and the Middle East and Asia.
- U.S. includes U.S. only.
- DEI metrics pertaining to Black People and People of Color (BPOC) will only include Canada (except On Side Restoration) and U.S., due to data being unavailable in the other regions. The proportion of BPOC is based on voluntary self declaration through our Count Me In Campaign, and is calculated against our total number of employees, which may be underrepresenting this population.

General employee data

Metric/target population	Region	Global	Canada	U.S.	U.K.&I
All employees	Globally	30,035	22,938	1,590	5,507
All full-time employees	Globally	28,412	22,138	1,573	4,701
All part-time employees	Globally	1,623	800	17	806
All temporary employees	Globally	448	362	5	81
All employees in technology	Globally	3,518	2,636	251	631
Voluntary turnover	Globally	11.4%	11.8%	5.2%	11.6%
Longest serving employee (years of service)	Globally	50	50	50	50
Total number of employees promoted + Lateral	Globally	7,139*	6,364*	224	551
% employees experienced a job change (Lateral or promotion)	Globally	25.4%*	30.3%*	14.1%	10.0%
% of management+ roles filled internally	Globally	77.0%	79.0%	57.0%	74.0%
Employee engagement survey participation	Globally	n.a.	86%	82%	84%
Employee engagement survey rating	Globally	n.a.	77%	81%	58%

*Excluding On Side Restoration due to unavailability of data.

Human capital management

Employee diversity by level, region, age

Metric/target population	Region	Global	Canada	U.S.	U.K.&I
Total number of Board Members	Globally	13	n.a.	n.a.	n.a.
# Women in Board Members	Globally	6	n.a.	n.a.	n.a.
% Women in Board Members	Globally	46.2%	n.a.	n.a.	n.a.
# BPOC in Board Members	Globally	1	n.a.	n.a.	n.a.
% BPOC in Board Members	Globally	7.7%	n.a.	n.a.	n.a.
Total Number of employees who shared diversity information	Canada and U.S. only*	18,004	16,522	1,482	n.a.
% of employees who shared diversity information	Canada and U.S. only*	79.8%	78.8%	93.2%	n.a.
Total number of Executive Officers	Globally	17	n.a.	n.a.	n.a.
# Women in Executive Officers	Globally	6	n.a.	n.a.	n.a.
% Women in Executive Officers	Globally	35.3%	n.a.	n.a.	n.a.
# BPOC in Executive Officers	Canada and U.S. only*	0	n.a.	n.a.	n.a.
% BPOC in Executive Officers	Canada and U.S. only*	0%	n.a.	n.a.	n.a.
Total number of VP+	Globally	343	192	38	113
# Women in VP+	Globally	136	86	9	41
% Women in VP+	Globally	39.7%	44.8%	23.7%	36.3%
# BPOC in VP+	Canada and U.S. only*	31	30	1	n.a.
% BPOC in VP+	Canada and U.S. only*	14.2%	16.7%	2.6%	n.a.
Total number of Management+	Globally	4,355	2,950	346	1,059
# Women in Management+	Globally	2,278	1,634	161	483
% Women in Management+	Globally	52.3%	55.4%	46.5%	45.6%
# BPOC in Management+	Canada and U.S. only*	617	579	38	n.a.
% BPOC in Management+	Canada and U.S. only*	19.7%	20.8%	11.0%	n.a.

Metric/target population	Region	Global	Canada	U.S.	U.K.&I
Total number of non-management	Globally	25,680	19,988	1,244	4,448
# Women in non-management	Globally	15,164	11,941	744	2,479
% Women in non-management	Globally	59.0%	59.7%	59.8%	55.7%
# BPOC in non-management	Canada and U.S. only*	5,956	5,688	268	n.a.
% BPOC in non-management	Canada and U.S. only*	30.7%	31.3%	21.5%	n.a.
Total number of employees globally	Globally	30,035	22,938	1,590	5,507
# Women in all employees	Globally	17,442	13,575	905	2,962
% Women in all employees	Globally	58.1%	59.2%	56.9%	53.8%
# BPOC in all employees	Canada and U.S. only*	6,573	6,267	306	n.a.
% BPOC in all employees	Canada and U.S. only*	29.1%	29.9%	19.2%	n.a.
Number of employees per age group:	Globally	30,035	22,938	1,590	5,507
# of employees < 25	Globally	1,698	1,165	51	482
% of employees < 25	Globally	5.7%	5.1%	3.2%	8.8%
# of employees 25 – 45	Globally	17,108	13,431	671	3,006
% of employees 25 – 45	Globally	57.0%	58.6%	42.2%	54.6%
# of employees > 45	Globally	11,229	8,342	868	2,019
% of employees > 45	Globally	37.4%	36.4%	54.6%	36.7%

*Excluding On Side Restoration due to unavailability of data.

Underwriting and investments

ESG considerations in energy underwriting

With our product offering and expertise, we are well placed to support the growth of clean technologies critical to a low-GHG future such as renewable and other low-emissions energy production.

To that end, our risk control teams help clients manage the physical risks associated with technologies critical to the transition such as solar panels, wind turbines, and battery energy storage systems.

Globally in 2023, our renewable energy business supported a wide range of projects around the world, details of which can be found in the climate strategy section on [page 48](#).

The following activities remain outside of Intact's risk appetite¹ for the energy insurance portfolio:

- Arctic oil and gas exploration, extraction, and production.
- Standalone oil sand accounts.
- Thermal coal mining.
- Utilities with greater than 25% revenues from coal power generation.²

The transformation of existing industries is key to achieving global ambitions of net zero. We recognize the complexity that the energy industry faces in charting a course towards net zero. To that end, Intact will continue to support energy clients, within our risk appetite, that demonstrate a commitment to reducing their GHG emissions. For example, we are insuring the installation of a customer's 700MW battery energy storage system in New South Wales, Australia that is adjacent to its retiring coal plant, which will support the region's transition towards renewable energy.

We will review the transition plans of energy clients, focusing on their emissions disclosure, net zero ambitions and strategies, and climate governance. We will engage with energy customers with unsatisfactory transition plans.

ESG considerations in investments

Intact Investment Management (IIM) is a wholly owned Intact subsidiary based in Montreal. IIM's growing team of in-house investment professionals manages assets for institutional investors, including Intact, its subsidiaries and pension fund assets.

Investment emissions³

In accordance with Partnership for Carbon Accounting Financials (PCAF) methodology, IIM estimated the absolute emissions and weighted average carbon intensity (WACI⁴) of our investment portfolio. These estimates cover emissions attributable to the common shares⁵, preferred shares and corporate bonds held by Intact group as of December 31st each year. This portfolio represents approximately 36% of our total invested assets.

IIM has estimated that the absolute Investment Emissions (common shares, preferred shares and corporate bonds) have decreased 13% and the WACI has decreased 35% in 2023 from our 2019 baseline.

We have set interim targets for this portfolio, and are progressing in achieving them:

- Engage with the top 20 emitters among our investees which currently represent more than 50% of the common shares, preferred shares and corporate bond portfolio's emissions intensity (WACI), by 2025. We will focus our engagement on emissions disclosure, net zero ambitions and strategies, and climate governance.
- Minimum of 40% reduction in the WACI of our investments portfolio (common shares, preferred shares and corporate bonds) by 2030, compared to our baseline year of 2019.

Over time, we plan to estimate the emissions attributable to additional asset classes, through approaches such as application of new or recently released methodologies and enhanced data capture methodologies.

For more information on our Investment Emissions, see the Task Force on Climate-related Financial Disclosures report on [page 70](#).

For more information about how these emissions are calculated, refer to the Notes on Investment Emissions estimates on [page 71](#).

Engaging investees on climate change mitigation

ESG engagement remains an important part of IIM's investment management process for all investment portfolios. IIM conducts engagements using multiple channels, including a collaborative industry initiative and bi-lateral engagements with investees. We are taking several actions to engage our top emitting investees on their transition and net zero ambitions:

- Continue to progress our engagement of investees through Climate Engagement Canada (CEC) as a founding participant, to drive dialogue with Canadian issuers about climate risks and opportunities in the transition to a net zero economy. Six of IIM's portfolio managers and analysts were active participants in four of CEC's collaborative engagements in 2023.
- Continue assessing the transition plans of companies in our investment universe that are estimated⁶ to generate more than 25% of their revenue from thermal coal mining or derive more than 25% of their energy generation, revenue or net income from thermal coal.
- Advancing the deployment of our Coal policy. We will divest from all investees targeted under the policy who do not have a plan to be fully divested of coal assets by 2035. We may continue to invest in green bonds issued by these companies.
- Continue to apply our Oil and Gas (O&G) position to support the transition to net zero, and engage with investee companies who do not have satisfactory transition plans⁷ and expect tangible improvements.

¹ As of October 1, 2023 the brokered commercial lines portfolio of Direct Line Group was transferred to Royal & Sun Alliance Insurance Limited (RSA), a subsidiary of IFC, and may include policies outside of Intact's risk appetite. Upon full integration, these policies will be re-underwritten in accordance with RSA's risk appetite, including RSA's Climate Change and Low Carbon Policy.

² 25% in Canada; 30% in U.K. & I. Below this threshold, Intact may underwrite clients that are committed to reducing their GHG emissions.

³ "We" and "Our" in this section refers to Intact Investment Management (IIM), a subsidiary of Intact.

⁴ Calculated in tCO₂e/\$M company revenue.

⁵ Long strategies only of common shares held within Intact's investment portfolio were considered (i.e. excludes short positions or mixed long and short positions held in common shares).

⁶ Based on a third party dataset covering over 15,000 companies globally.

⁷ With consideration of factors such as available sectoral transition pathways, country-level targets, and IIM's interim targets.

Underwriting and investments

Engaging investees on climate change adaptation

In 2023, IIM's team of investment professionals directly engaged with 77 investee companies across ten sectors on climate change resiliency. In addition to IIM's investment analysis of investees' physical risk management, the objective of these meetings is to raise awareness of climate-related weather issues and the importance of adaptation efforts.

Our advocacy efforts are part of a growing movement promoting the necessity to adapt to climate-related events. IIM has observed an improvement in the awareness of investee companies regarding climate-related physical risks compared to when this program began three years ago.¹

Among the climate-related issues identified by investees, the biggest risk is attributed to water. Fire and wind related issues are perceived as important risks, but to a lesser extent. The remaining issues are related to snowfall, hailstorms, and high temperatures. Information provided in the tables below is inclusive of three years of climate-related risk engagement results with investees.²

Identification of perceived climate-related issues

Water	40%
Fire	15%
Wind	13%
Other	32%

Identification of perceived climate-related issues by sector

Sector	Water	Fire	Wind	Other	Total issues
Materials	44%	11%	11%	35%	123
Energy	32%	36%	8%	24%	50
Real Estate	48%	12%	5%	35%	35
Industrials	39%	9%	17%	35%	23
Utilities	26%	11%	37%	26%	19
Consumer Discretionary	36%	21%	7%	36%	14
Information Technology	40%	10%	20%	30%	10
Healthcare	22%	0%	33%	44%	9
Financials	86%	14%	0%	0%	7
Consumer Staples	29%	0%	29%	43%	7
Communications	50%	0%	0%	50%	4

Proxy voting policy and results

IIM's Proxy Voting Policy sets out its investment voting guidelines to align with best corporate standards and Intact's practices. Updated in 2022 and again in 2023, changes to IIM's Proxy Voting Policy includes the appointment of directors that add to the diversity in skills, experience and background among the directors (including gender diversity (at least 30% gender diverse) and representation of visible minorities, Indigenous Peoples, persons with disabilities and LGBTQ+) and the adoption and disclosure of measures fostering such diversity (such as policies, targets, skills and diversity matrix, etc.).

In 2023, IIM voted on 347 shareholder proposals related to ESG matters with the breakdown as follows:

Environment-related proposals	Social-related proposals	Governance-related proposals
96	158	93

For more information on the Proxy Voting Policy see our [Statement of Policy on Proxy Voting](#).

¹ Based on data gathered through investees' questionnaires or interviews and analyzed internally by IIM conducted between 2020 and 2023.

² Data provided is cumulative from late 2020 (when engagements began) to end of 2023 and represents a weighted average in data collected during this period.

AI and model governance, cyber security and data privacy

AI and model governance principles and ethical review processes

We have devised a balanced and responsible approach to the development, use, and oversight of data and algorithmic models (including AI) that protects privacy. We have established a set of five principles in the following areas:

Security: We use leading security measures to protect the personal data of our customers.

Helping society: We use our data skills to create solutions that contribute to society's well-being.

Data quality: We use high-quality data to create solutions that are right for our customers.

Scientific excellence: We uphold high scientific standards of excellence in order to ensure our solutions are accurate and effective.

Accountability: We consider the impact that our products and services have on our customers and promote responsible solutions, processes and models.

Our Ethical Model & Data Governance Working Group and Steering Committee ensure our Canadian operations are following our data governance principles as they develop and deploy models throughout our operations. The committee oversees how the business leverages data and models to create and offer the best solutions internally and 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: We review both the algorithm and the data to challenge what we are trying to accomplish with the model and ensure compliance with laws and regulations, as well as our data governance principles.

Purpose and consent: We question the purpose of the model, ensure proper consents are in place and confirm that the model does not rely on factors that are discriminatory and that any proxies used in testing models are grounded in real-world concepts.

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

Underwriting processes and practices

In 2023 we continued to expand the ethical oversight framework's application to process and practices in our underwriting and claims departments:

- Ethical assessment of current and proposed underwriting rules and practices continued, including through a racial and socio-economic equity lens.
- Underwriting and claims leadership and key staff have received training on identifying ethical questions for escalation to the Working Group and Steering Committee.

We are continuously developing our learning programs and training to promote inclusive and fair practices and will continue to do so in 2024.

Cyber security

In Canada an external party conducts an independent review of Intact's cyber security posture every two years, with the last one conducted in 2022.

- In 2022, Intact's cyber maturity was assessed to have met industry standard capabilities. Further investments are continuously made to strengthen Intact's security posture and protection of client data controls.
- Regulators perform periodic reviews of our cyber security processes and controls. Under the leadership of the CISO (Chief Information Security Officer), Information

Security resources also assess control effectiveness and compliance. We perform internal compliance assessments to support best practices, including emerging requirements. Our Board Risk Management Committee oversees our cyber security strategies and regularly reviews our controls.

- Corporate audit services (CAS) develop an annual audit plan that includes coverage of cyber security risks. CAS conducts audit mandates covering cyber risks providing independent and objective assurance by evaluating and improving the effectiveness of risk management, control, and governance processes. Audit quality is reviewed every five years and attested by the Institute of Internal Auditors.
- Tabletop exercises to test Intact's readiness with respect to cyber security are conducted by a third-party firm. The Chief Operating Officer leads the response which includes various teams: Information Technology, Legal & Compliance, Communications, Human Resources, Risk Management. The CEOs and members of the Board are briefed during and after the exercise. Training simulations include data breach and ransomware exercises. In the U.K. these exercises also include our key IT partners.
- In the U.K., our security controls have been at the forefront of ensuring the protection of critical information and systems in the region. Achievements this year have included further improvements to our security framework that boost our ability to counteract potential threats. We have revamped and optimized playbooks that act as guides for our team, outlining steps to swiftly disable compromised accounts and block potential threats.
- Adapting to the evolving digital landscape is crucial and as such in the U.K. & I we have expanded our vulnerability management efforts to ensure comprehensive protection. This has also included responding to the changing shape of the digital perimeter of our business through the successful migration and decommissioning of former RSA regional businesses across Scandinavia, Canada, the U.S. and the Middle East.

Employee cyber security training

- Phishing exercises are conducted monthly to test employee awareness and provide real-time learning. We report our 12-month success average as of year-end 2023—with users correctly identifying the phishing attempt 96% of the time at Intact Canada and 95% in the U.K. Testing is done globally and targets specific groups such as privileged access users and senior leadership.
- Cyber security awareness training is mandatory for all of our people, including full time employees and contractors. The training is comprehensive in nature and must be undertaken annually. We continuously improve our training programs to ensure employees are enabled to protect sensitive data, recognize phishing attacks, and report suspicious activity. In the U.K., our commitment to education and awareness included conducting five cyber roadshows in offices nationwide. With 300 attendees, these sessions had high engagement, fostering a more resilient security posture across the organization.

Customer data privacy

- We abide by all privacy legislation applicable to our business, including Canada's *Personal Information Protection and Electronic Documents Act* and the U.K. and E.U. GDPRs.
- We have implemented data protection-related policies in connection with the collection, use and disclosure of personal information or data.
- We only collect personal information that we need to develop and deliver our products and services. Only employees who have a legitimate business need can access customer data.
- When we dispose of personal information or data, we do so in a secure manner.

AI and model governance, cyber security and data privacy

- We notify customers, regulators, third-party vendors, and law enforcement of data breaches as required by regulation and privacy laws. Where appropriate, notification to customers includes enough detail to understand how their information has been affected, as well as steps they can take to minimize potential risk.

Customer data rights

We reviewed, simplified, and re-published our Customer Privacy Promise in Canada, which outlines what data we collect, how we use it, how we dispose of it and how customers can exercise rights under applicable privacy legislation. In the U.K.&I these principles are encapsulated in our Privacy Notice. In the U.S., these principles are set out in our Customer Privacy Policy and related Privacy Notices.

We use customer information for several reasons, including to:

- Verify their identity and property.
- Assess and underwrite insurance risks, including analytics.
- Determine prices, fees and premiums.
- Investigate, adjust and settle insurance claims.
- To design new products and services, including improving existing products and services.
- Promote products and services offered by us, our affiliates or strategic partners.
- Conduct market research.
- Comply with all applicable laws, including tax requirements.
- Detect, prevent and suppress fraud, unauthorized or illegal activities.

Customers can notify us to withdraw or revise permissions to use their data in certain circumstances. However, it may prevent us from renewing policies, providing coverage, or administering claims.

Business ethics

Code of Conduct

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

Our policies and processes ensure we maintain our standards and abide by all relevant laws and regulations. Regular communication, training and/or awareness on compliance are provided to Intact employees to ensure they understand Intact's Values and policies and correctly implement them.

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

For more information on our Values see the Our people are engaged section on [page 22](#).

Supplier Code of Conduct

Our U.K.&I Supplier Code of Conduct outlines our expectations of suppliers on issues such 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.

RSA is also a subscriber to the Financial Services Qualification System (FSQS) operated by Hellios—a community of over 50 financial institutions collaborating to agree on a single standard for gathering supplier information to support compliance, including ESG policy areas such as modern slavery and environmental impact. 470 RSA suppliers (58% of in scope supplier base) are members of the FSQS system. Our aim is to raise awareness of relevant issues, understand supplier

management practices and procedures in place to prevent breaches, and conduct appropriate due diligence.

Protecting human rights and preventing modern slavery

We are committed to protecting human rights. In line with the requirements of the U.K. Modern Slavery Act (2015), our Annual Modern Slavery Statement details the steps our U.K. operations take to prevent slavery and human trafficking in our business or supply chain. In 2023, no cases of modern slavery were reported through RSA's formal channels.

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

Anti-bribery and corruption

We do not tolerate bribery or corruption. We strive to avoid real and perceived conflicts of interest and we seek to 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. We maintain Anti-Bribery and Corruption Policies which outline the controls in place to mitigate risk as well as our procedures for recording and escalation.

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

Whistleblowing program

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

The Whistleblower Hotline helps to ensure we live our Values to the fullest—and that includes honouring the integrity of our whistleblowers and protecting them.

Each investigation is unique and the process depends on a variety of factors. When an incident is reported, the Compliance team starts a preliminary investigation. If it reveals a possible breach of our Values, policies, or laws or regulations, we conduct a more thorough, confidential investigation. Our senior leaders and the Board of Directors are committed to living our Values and protecting everyone who comes forward with a good faith complaint.

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. The Head of Tax for each region has overall responsibility for the day-to-day operation of the tax function in their respective jurisdictions. Changes to tax legislation are actively monitored and communicated to senior management and other business areas affected. When laws are introduced that affect the organization, we proactively manage the risk and impacts to ensure we comply with the new legislation.

For more details, see the [Public Accountability Statement \(Canada\) section on page 78](#) and the [RSA U.K. Tax Strategy](#).

Compliance with International Sanctions

Intact strives to comply with all national and international laws relating to financial and trade sanctions as they apply to our businesses around the world.

Intact will not knowingly engage in any business or transactions that are contrary to any applicable sanctions laws or regulations. We deploy our comprehensive risk-based group wide sanctions program which includes:

- Sanctions screening tools which screen all of our customers, policies, claims, and payments against all of the sanctions lists applicable to those transactions.
- Taking all reasonable steps to identify and avoid transactions which are contrary to applicable trade and activities-based sanctions.

- Our group wide high-risk countries framework ensures additional precautionary measures are taken where transactions include exposure to countries and regions more likely to be the subject of international sanctions measures.

Political involvement and contributions

We believe it is important for us to be a good partner to government in both prosperous and challenging times. Throughout 2023, we continued to strengthen our relationships with government, by providing risk management expertise and reinforcing our ongoing commitment to working with government in ways that help our customers and communities manage through periods of uncertainty.

Statement on political contributions

Any political contributions are made within prescribed legal limits. Contributions are made as an expression of responsible citizenship. Intact complies with all laws, regulations and principles of ethics when offering items of value to any political party, candidate or public official at all levels of government. All contributions made on behalf of Intact are approved by the Head of Government Relations.

Canada

In Canada, Intact works closely with the Insurance Bureau of Canada and through direct engagement with governments on the challenges facing Canadians and our industry. These include:

- Ensuring that consumers have access to affordable, innovative and sustainable auto insurance products.
- Encouraging flexible regulatory frameworks that keep pace with consumer expectations.

- Ensuring Canadians are adequately protected from extreme weather events by proposing climate change adaptation solutions at the government and homeowner levels.
- Working with government stakeholders on ensuring Canadians and our economy are protected from the impacts of a major earthquake.

U.K.&I

Our RSA business contributes to policy dialogue and discussions primarily through our membership of the Association of British Insurers, Insurance Ireland, the International Underwriters Association and TheCityUK.

Within RSA, all engagements with government or political officials are recorded and conducted in line with our Anti-Bribery and Corruption and Conflict of Interest policies.

U.S.

Intact Insurance Specialty Solutions in the U.S. pays dues to the American Property Casualty Insurance Association (APCIA), a portion of which the APCIA uses for lobbying and contributions to its political action committees (PACs). In addition, Intact Insurance Specialty Solutions participates in public policy dialogues through our membership in the APCIA.

Intact Insurance Specialty Solutions is also a member of the Council of Insurance Agents & Brokers (CIAB), the Surety & Fidelity Association of America (SFAA), and the Wholesale & Specialty Insurance Association (WISA). A portion of our dues to those organizations support lobbying activities. No Intact Insurance Specialty Solutions employees were registered lobbyists or engaged in significant lobbying activities in 2023. All engagements with government officials are reported in accordance with Intact Insurance Specialty Solutions' Lobbying policy.

Task Force on Climate-related Financial Disclosures (TCFD)¹

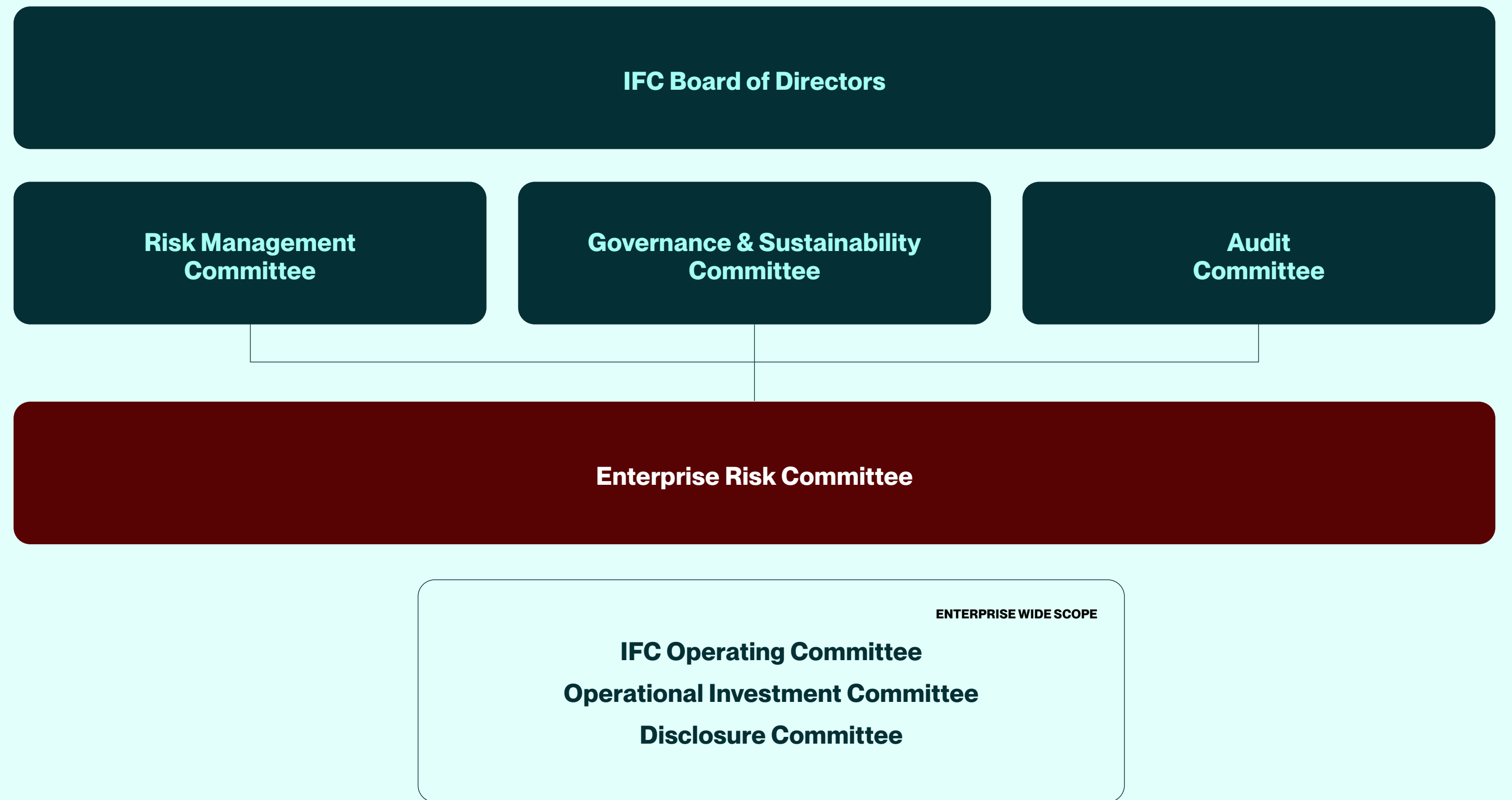
Our enterprise-wide strategic objectives, governance systems, Enterprise Risk Management (ERM) process, and climate strategy demonstrate our focus on managing climate-related risks to our business while capturing climate-related opportunities.

Governance

Our strategic objectives include our commitment to become net zero by 2050 across our business, to halve our emissions from our operations by 2030, relative to our 2019 baseline, and to be recognized by three out of four stakeholders as being a leader in building resilient communities.

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

The governance of our strategic objectives, climate strategy and ERM is integrated into our organizational structure, at both the Board and management levels. The figure to the right shows the key committees that have a governance role over climate-related matters at Intact. In all cases, their mandate is enterprise-wide.



See our 2024 Management Proxy Circular for more details.

¹ RSA Insurance Group also publishes a mandatory climate-related financial disclosures report as part of its annual report and accounts. More information available at the RSA Insurance Group website.

Task Force on Climate-related Financial Disclosures (TCFD)

Board of Directors oversight

The Board of Directors is ultimately responsible for overseeing the strategic direction and initiatives of Intact including our strategy related to climate change. Climate change risk is a shared accountability of the Board’s Risk Management Committee (RMC), Audit Committee (AC) and Governance and Sustainability Committee (GSC). The RMC oversees the assessment and management of the risks related to climate change and the development of strategies to manage these risks. The AC oversees the integrity, fairness and completeness of our climate-related financial disclosures. The GSC oversees our climate-related corporate disclosure and supports the Board in overseeing our climate strategy and objectives. The Board as a whole is engaged in shaping the strategy as well as oversight.

Climate change risks include physical risks, such as the potential impact of insured losses resulting from physical damage to property and assets arising from climate-related natural catastrophe events. It also includes transition risks, such as the risks associated with the transition to a net zero and climate-resilient economy, potentially leading to a decline in the valuation of assets we hold in certain sectors that are vulnerable to such risks.

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

Committee	Climate-related roles and responsibilities
Board of Directors	<ul style="list-style-type: none"> Oversees the delivery of the Intact climate strategy and achievement of Intact’s strategic objectives (which include climate change focused objectives), as well as overall management of climate change risks and opportunities.
Risk Management Committee	<ul style="list-style-type: none"> Oversees the assessment and management of physical and transition risks (including liability risks) related to climate change. Reviews risk monitoring (including climate change risk) programs and receives quarterly reports on risk monitoring activities, including investment risk monitoring. Reviews the adequacy of Intact’s reinsurance program relative to weather-related catastrophe risk exposure. Establishes Intact’s risk tolerance for natural catastrophe risk.
Governance & Sustainability Committee	<ul style="list-style-type: none"> Supports the Board in overseeing Intact’s climate strategy and objectives and monitors its progress, initiatives and performance on such matters. It also stays abreast of emerging trends, standards and best practices with respect to climate change. Oversees corporate disclosure on climate change and climate risk management.
Audit Committee	<ul style="list-style-type: none"> Oversees the integrity, fairness and completeness of our financial statements and other financial disclosure, including climate-related financial disclosures. Oversees the quality and integrity of our internal controls and procedures, including management and disclosure of climate risk. Oversees our actuarial practices, ensuring reserving practices are adapted to address our risks including those related to climate change and trend in catastrophes and severe weather events.

Task Force on Climate-related Financial Disclosures (TCFD)

Management oversight

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

The ERM team meets quarterly with risk owners within the company, including Intact Investment Management (IIM), Chief Underwriting Officers and senior executives, to investigate top enterprise and emerging risks and ensure risk management plans are in place. Regional risk management teams report on regional, top risks and continued and emerging risks to the Chief Risk Officer, who manages Intact’s Enterprise Risk Management Policy on behalf of the ERC.

Our Senior Management team, including our CEO, provides direct leadership on our strategy and advocates publicly for climate action within industry associations, for example the Geneva Association, and through collaboration with governments and regulators, including bilateral engagements with multiple levels of government.

The Chief People, Strategy and Climate Officer leads our climate strategy to drive ongoing integration of climate change into our central strategy. This role reports directly to the Group CEO. Additionally, delivery of our climate strategy is directly tied to executive compensation for executives at Intact.

Details about how the achievement of our climate strategy links to executive remuneration can be found in the ESG links to executive compensation section on [page 51](#).

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

Committee	Climate-related roles and responsibilities	Action in 2023
Operating Committee	<ul style="list-style-type: none"> ▪ The Intact Operating Committee oversees the climate strategy, net zero target progress, climate adaptation initiatives and climate risk management approaches. ▪ This Committee includes Intact’s Group Chief Executive, Chief Risk, and Chief People, Strategy and Climate Officer, among other C-suite level executives. ▪ Climate-related risks and/or opportunities that could impact Intact at the enterprise level, or that require strategic/operational intervention, are presented and discussed with this committee. 	<ul style="list-style-type: none"> ▪ Reviewed and discussed climate strategy progress updates throughout 2023. ▪ Reviewed and approved climate strategy priorities for 2024.
Enterprise Risk Committee	<ul style="list-style-type: none"> ▪ 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 RMC of the Board. ▪ The RMC is mandated to identify risks that could materially impact the business, assess material risks to determine their significance and impact on financial resources and reputation, manage and monitor risks in accordance with our risk appetite statement, and report on risks to the RMC of the Board. 	<ul style="list-style-type: none"> ▪ Analyzed emerging risks related to climate change. ▪ Engaged quarterly with leadership of commercial, personal and speciality lines as well as with IIM leaders of the business to ensure proper risk assessment and mitigation plans are in place. ▪ Continually evaluates the reinsurance program and program coverage. ▪ Reviewed results of predictive models and climate indices to assess shorter term impacts of weather patterns. ▪ Consulted with regulators on climate-related disclosures. ▪ Reviewed catastrophe risk and weather-related perils and plans to further strengthen our modelling capabilities.
Operational Investment Committee	<ul style="list-style-type: none"> ▪ Committee assists the Company’s management in developing, implementing and monitoring investment objectives and strategies which consider ESG factors, including climate risk. ▪ Reviews investment strategies, monitors performance and discusses investment risks. The OIC oversees the climate change engagement strategies with investees, commitments to climate initiatives such as Climate Engagement Canada and oversees progress on investment net zero targets. ▪ IIM reports regularly and directly to this committee on all ESG matters related to investment management. 	<ul style="list-style-type: none"> ▪ Reviewed investment strategies to confirm alignment with the climate strategy, identify gaps, and work to close them. ▪ Oversaw investee engagement and quantification of Investment Emissions. ▪ Oversaw the setting of the Investment Emissions intensity reduction target.
Disclosure Committee	<ul style="list-style-type: none"> ▪ Oversees all corporate disclosures, including the Social Impact & ESG Report. 	<ul style="list-style-type: none"> ▪ Discussed emerging climate disclosure regulation in Intact operating geographies. ▪ Reviewed the Social Impact & ESG Report, including the TCFD section.

Strategy

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

More information on our climate strategy can be found on [page 43](#).

Climate change scenario analysis

Global temperatures have risen by 1.1 – 1.2°C since industrialization, and we have seen the impact of a changing climate, with an estimated five-fold increase in natural hazards over the past five decades.¹ In 2023 we conducted a climate scenario analysis to evaluate the impact of a 3 – 5°C global warming scenario on our underwriting business in Canada, deploying a multidisciplinary team of specialists in meteorology, geomatics, data science, climate science, and actuarial science. This scenario aligns with the Intergovernmental Panel on Climate Change’s (IPCC) RCP8.5² model projections, or worst-case scenario.

Using this RCP8.5 scenario, our team assessed projections for a 2040 view of potential losses due to both catastrophic (CAT) and non-catastrophic (non-CAT) weather events. This timeline was chosen as a prudent measure to understand the potential impacts and mitigation opportunities for our property insurance business.

The analysis was conducted on a peril-by-peril basis, starting with our Canadian personal lines business. We assessed several perils including severe convective storms, winter storms, hurricane, wildfire and flood, and looked at the potential impacts of climate change on each of these perils.

Our analysis indicates that the anticipated increase in weather-related losses due to climate change is projected to be manageable, in aggregate, and in the context of Intact’s corporate strategy and business model. Despite the upward trajectory of weather-related events in the recent past, our corporate strategy and business model have allowed us to consistently achieve favourable financial results and meet the needs of our customers. This gives us confidence in our ability to maintain our commitment of helping and winning through to 2040 in our Canadian personal lines business, and that our products will continue to meet the needs of our customers into the future.

The foundation of our resilience lies in our corporate strategy, the robust structure of our business model, the diversity and adaptability of our product offerings, and our 12-month re-pricing cycle.

Scenario analysis is a helpful tool to assist us in understanding and planning for future climate-related risks and opportunities. Over time, we expect it will be updated and improved, including the expansion of additional geographies and lines of business. The outcomes of these analyses will continue to be integrated into pricing and risk selection, product innovation, and claims and supply chain planning.



¹ WMO atlas of mortality and economic losses from weather, climate and water extremes (1970–2019).

² Representative Concentration Pathways.

Task Force on Climate-related Financial Disclosures (TCFD)

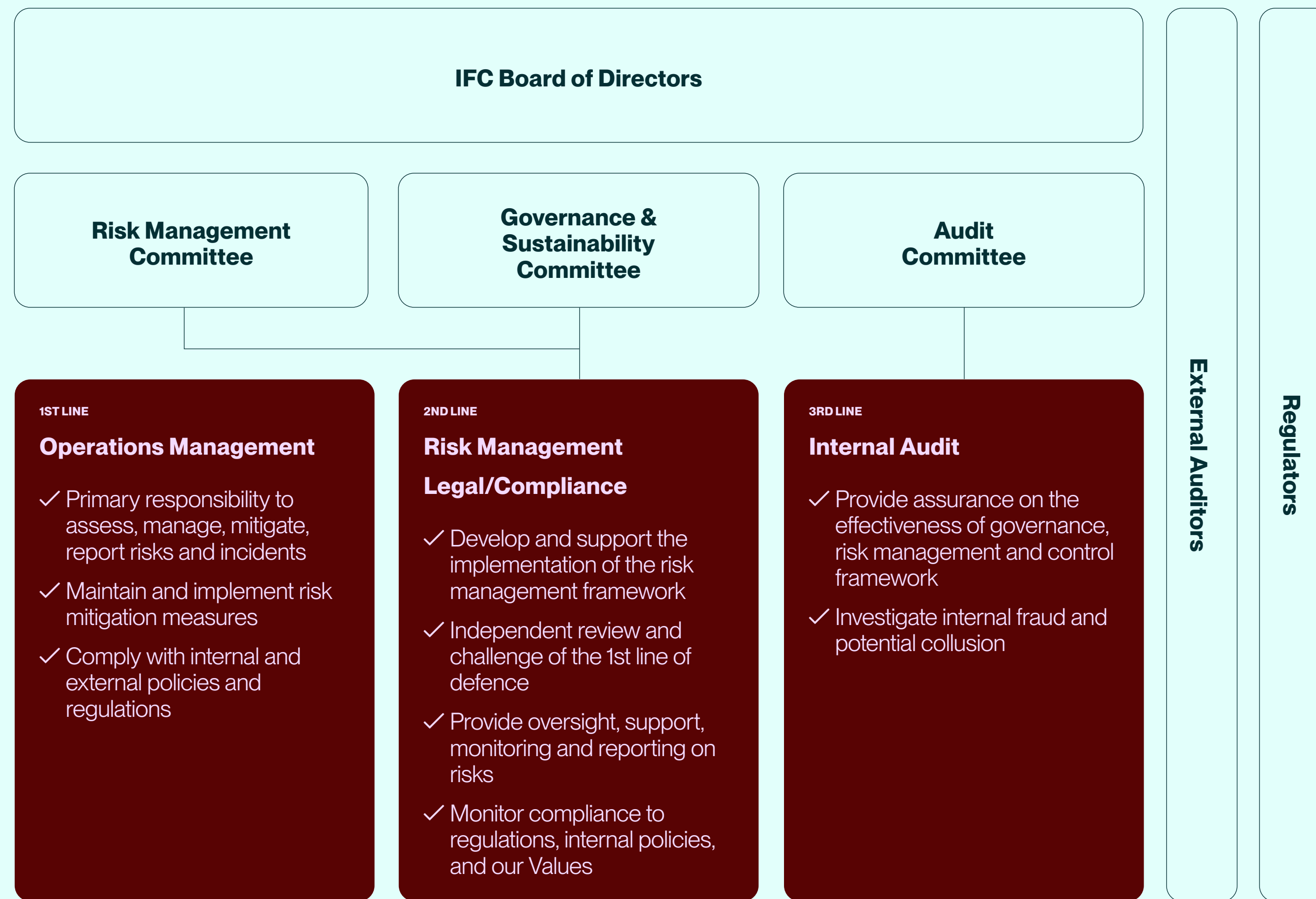
Climate-related risks

As a P&C insurer, assuming physical risk from our customers is our business. Risk management is thoroughly integrated into our Governance strategy at both the Board and Management level. Our risk management and underwriting expertise have enabled strong financial performance even in lines heavily impacted by severe weather. In the Personal Property Canada business line, we have shown long-term resiliency with an average combined ratio below 90% in the last 10 years.

In the context of climate, physical risk within our business relates in particular to the risk of increasing number and cost of claims associated with various weather perils.

Transition risk is the risk inherent to the transition to a low-GHG and more climate-resilient economy, including changes in government policies, the legal environment, technologies and financial markets. This includes potential negative impacts to certain businesses, adding risk to the assets we hold and customers we insure in certain sectors.

Physical and transition risks may also lead to liability risk, stemming from the risk of climate-related claims under liability policies, as well as the risk arising from other climate-related litigation or direct actions against Intact, such as climate change activism. Physical, transition and liability risks relevant to our business are presented below, along with the time horizon for which these risks may be most impactful and the ways in which we are managing these risks.



Managing risk is a shared responsibility at Intact. The three lines of defence model is employed to clearly identify the roles and responsibilities of those involved in the risk management process and ensure accountability. On-going collaboration and clear communication across the lines of defence are paramount to fostering alignment and optimal risk management.



Physical risk

Frequency and severity of weather-related claims

Short- to long-term

Climate change impacts our property insurance business due to changing weather patterns and an increase in the number and cost of claims associated with severe storms and other natural disasters. Weather patterns could continue to change and impact the likelihood and severity of acute and chronic natural catastrophes, such as severe convective storms, winter storms, hurricane/cyclone, wildfire, flood (acute) and/or cumulative gradual climatic changes (chronic)—for example, rise in sea level. This could impact our own operations due to physical damage to our premises, as well as those of our customers.

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

How we manage physical risk

Pricing and risk selection

- Maintaining an adequate capital margin to ensure we are sufficiently capitalized to withstand an acceptable level of insurance and/or market shocks.
- Using enhanced segmentation to understand evolving risks. We input weather, climate and topographic data into machine learning models to develop risk maps to assess the risk of weather perils such as flood and wildfire. We have begun enhancing the risk models to include climate change projections for temperature and precipitation, to get a better understanding of risk profiles under a changing climate. This allows us to plan for the medium- and longer-term time horizons. In 2023 we completed a climate scenario exercise to try to understand how resilient our Canadian personal lines book will be to climate change in the future (see [page 64](#) for more information).

- Reviewing products, underwriting and pricing practices related to severe weather. New flood maps were deployed in Canada in 2023 to reflect the most recent science. Product, underwriting and pricing practice reviews are conducted annually.
- Continuously invest in and redefine how we select and price risk with data and predictive analysis, leveraging the expertise of 500 experts across AI, machine learning, actuarial science, and data. To get the full benefits of our pricing sophistication, we have account level pricing governance metrics for new business and renewals that are monitored closely to ensure execution of the pricing strategies.
- Expanded use of deductibles and sub-limits, segmentation refinement, the introduction of depreciation schedules in personal property insurance across Canada.
- Implementing rate changes in our property business to reflect recent trends in catastrophes and severe weather.
- Most of our products are 12 months in duration and we re-price as necessary. This allows for our charged prices to be responsive to the latest weather-related trends which we assess and action in our property business quarterly.

Product innovation

- Transforming our property lines of business and continually evolving our products to account for new climate realities, such as:
 - Individualizing coverages by peril;
 - Bundling and enhancing our water damage product to improve penetration rates of flood protection for our customers;
 - Implementing the latest hazard maps to most accurately reflect exposure;
 - Implementing coverage endorsements that respond to changing risk; and

- Educating customers on protective measures against flood and wildfire and inform them of grant opportunities for climate-resilience measures taken.

Supply chain and claims

- Pursuing opportunities for growth by expanding our supply chain capacity through the acquisition of On Side Restoration, one of the largest restoration firms in Canada. On Side maintains expertise in clean-up and restoration, enabling us to mobilize our emergency response in impacted regions.
- Employing over 7,000 claims professionals dedicated to helping customers get back on track.
- Using actuarial tools to support the claims operations for rapid CAT assessment including the number of claims, nature of claims, geo-coded maps and supply-chain requirements.

Risk control and loss prevention

- Investing in a global risk control team with deep technical expertise, including engineers, fire protection experts, sprinkler designers, brokers, claims adjusters and underwriters.
- Using data to prevent losses. For example, our proprietary forecast system identifies properties at risk of roof collapse after snowfall. We offer customer subsidies to incentivize snow removal for loss prevention.
- Digitally engage with customers through our mobile app to proactively provide weather and seasonal alerts, while offering preventive tips to protect and maintain their homes and cars.

Task Force on Climate-related Financial Disclosures (TCFD)

- Continued efforts to raise broker awareness on climate adaptation and ways to increase climate resilience through multiple avenues, including climate-related content in newsletters and industry magazine articles, and sharing resources (courses and tools).
- Working with partners, such as the University of Waterloo, our industry association the Insurance Bureau of Canada and the global insurance industry think tank The Geneva Association, to promote climate change adaptation initiatives at all levels of government.

Enhanced Loss Modelling

- Enhancing segmentation to understand evolving risks. Within Intact's Data Lab, the Centre for Climate and Geospatial Analytics (CCGA) uses weather, climate, and topographic data along with machine learning models to develop risk maps to assess risk to our underwriting portfolio.
- Combining specialized actuarial talent within the company with that of our CCGA (meteorology, climate science, geomatics, and data science) in pricing, segmentation and risk selection.
- Leveraging the expertise of our internal catastrophe modelling teams to assess major peril risk inherent within underwriting portfolios, provide catastrophe risk advisory and pricing guidance to the business, and set risk appetite thresholds for extreme events.

Risk Transfer

- Reinsuring certain risks to limit our maximum loss in the event of weather-related catastrophe losses or other significant losses. The placement of ceded reinsurance is mainly on an excess-of-loss basis (per-risk or per-event), with the primary objective of capital protection.

Engaging with Investees

- IIM engages with investees on climate change resiliency to assess the awareness of climate-related weather issues and investees' adaptation efforts. We discuss the impacts of extreme weather events on financial performance and assess how investees' management integrates climate change risk into their overall risk management.
- In 2023, IIM portfolio managers held 77 meetings where we engaged on investees' climate resilience.



Transition risk

Shifting market demand:

Medium-term

In some sectors, the transition could lead to contraction of market demand and has the potential to negatively impact certain businesses, adding risk to the assets we hold and customers we insure in certain sectors. We also expect new industries to emerge and market demand for certain sectors to increase.

Shifting Cost of Claims:

Medium-term

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

Shifting Asset Valuations:

Medium-term to Long-term

A decline in the valuation of assets we hold in certain sectors that are vulnerable to transition risks. There is more pressure on companies to disclose their transition pathways to continue attracting capital from investors. Furthermore, the investment in and exposure to GHG-intensive sectors or companies could increase the reputational risk associated with public perception. We also expect some assets to appreciate and be viewed favourably as supporting the transition.

Climate-related litigation:

Short- to medium-term

Physical and transition risks may also lead to liability risk, such as the risk of climate-related claims under liability policies, as well as the risk arising from other climate-related litigation or direct actions against Intact. Such litigation or direct actions may also pose reputational risk.

How we manage transition risk

Investments Emissions reductions

- We track the emission intensity of Intact's investment portfolio of common shares, preferred shares and corporate bonds, and have developed interim targets for this portfolio.

For more information see the ESG considerations in investments section on [page 56](#).

Transition Risk Assessment for Investments¹

- We enhanced our internal analysis and understanding of potential impacts of transition risk on specific industries within our asset portfolio, building on Intact's participation in regulator scenario analysis pilot projects to explore the risks posed by climate change and test the resilience of the financial services sector.
- We recognize the need for continued investment in data and modelling to continuously refine our analysis given the stochastic and uncertain nature of climate risk.
- We confirmed the benefits of our diversified, high-quality portfolio as well as our policies to review our investees' transition plans and remain ready to adjust our security selection, sector/segment allocation, and asset mix—as appropriate—when we see evolving climate risk trends.

Engaging with Investees²

- We continue to progress our engagement of investees through Climate Engagement Canada as a founding participant, to drive dialogue with Canadian issuers about climate risks and opportunities.
- We engage with high emitting investees, with a view to helping support the energy sector's net zero transition.
- We engage with investees on the integration of climate change into strategy and governance measures.
- Through deployment of our position on oil and gas, engage with investee companies who do not have satisfactory transition plans³ and expect tangible improvements.

Investment and Proxy Voting Policies⁴

- We continue to evolve and enforce our positions on coal and oil and gas, with a view to helping support the energy sector transition towards a low-carbon economy. This involves assessing the climate disclosure and transition plans for all companies in our investment universe that:
 - Are estimated⁵ to generate more than 25% of revenue from thermal coal mining.
 - Derive more than 25% of energy generation, revenue or net income from thermal coal.
 - Are included in the top GHG emitters from the oil and gas producers within our portfolio.
 - We will remove companies from our investment universe who are non-responsive or do not provide a satisfactory plan.⁶
- We vote in alignment with our proxy voting policy, to have a say on climate-related issues.

- In 2023, we voted on 347 shareholder proposals related to ESG matters, of which 96 were environment-related.

For more information, see the ESG considerations in investments section on [page 56](#).

Underwriting

- We are assessing underwriting risks and opportunities that can emerge in the net zero transition, such as our commitment to support companies delivering critical transition technologies. We have appointed a President of Renewable Energy with strategic responsibility for strengthening our renewable energy capabilities globally.
- We leverage our internal climate risk management framework for the underwriting process across commercial, personal and global specialty lines of business.
- We are assessing existing exposure to high-emitting sectors such as energy, producing an inventory of current underwriting guidelines, and overlaying them with strategic, regulatory and market considerations to produce recommendations for our business leaders.

¹ "We" or "our" in this section refers to Intact Investment Management (IIM), a subsidiary of Intact.

² "We" or "our" in this section refers to Intact Investment Management (IIM), a subsidiary of Intact.

³ With consideration of factors such as available sectoral transition pathways, country-level targets, and IIM's interim targets.

⁴ "We" or "our" in this section refers to Intact Investment Management (IIM), a subsidiary of Intact.

⁵ Based on a third party dataset covering over 15,000 companies globally.

⁶ With consideration of factors such as available sectoral transition pathways, country-level targets, and IIM's interim targets.

Climate-related opportunities

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

Opportunities related to physical risks

Leverage our AI capabilities to outperform:

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

Provide leadership in helping to build resilient communities:

Investing in climate resilience in our communities, and promoting research and development.

For more information, see the [Building climate resilient communities section on page 37](#).

Capitalize on increased demand for home restoration services:

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

Capitalize on increased demand for insurance coverage:

As weather patterns shift and public awareness for the need for insurance cover expands, we expect to see an increase in demand for insurance products and services.

Opportunities related to transition risk

Support new and transition-critical technology and industries:

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

Shape behaviours of investees and customers:

We can help accelerate the transition by influencing investee behaviour through our investment decisions and engagement. We engage with investee companies who do not have satisfactory transition plans¹ and expect tangible improvements. We will remove companies from our investment universe who are either non-responsive or do not provide evidence of progress on their transition plan. The opportunity also exists to adopt a similar approach to underwriting with enhanced customer engagement, enhanced transition plan reviews and using premium incentives to shape behaviours.

Enable existing industry transformation:

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

Provide thought leadership and contribute to climate policy development:

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

Enhance our supply chain:

Using circular economy principles, we can enhance our supply chain by reducing our materials demands, including via our repair over replace approach and embedding climate-related considerations in procurement processes.

Overall Resilience to Climate Change

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

- Leveraging operational planning processes that consider changing weather patterns. Using up-to-date catastrophe models and building identifiable trends into our weather planning, technical pricing and exposure management are key parts of our underwriting guidance. As part of this we:
 - Re-price our products with weather trends annually at renewal, given most of our policies are 12 months in duration.
 - Use weather peril models, risk maps and geolocation tools to support risk assessments and underwriting of residential and commercial properties, especially in relation to impacts related to flood and wildfire risks.
 - Continuously invest in and redefine how we select and price risk with data and predictive analysis.
 - We conduct stress-testing with internally developed scenarios and measure their aggregate effects on our business. We then take action to limit these effects, whether by limiting our exposures or by transferring risk to others. In doing so, we help ensure that our ability to get customers back on track won't be compromised even when extreme events occur.

- Reinsuring certain risks to limit our maximum loss in the event of weather-related catastrophe losses or other significant events. Our reinsurance program for catastrophe protection is mainly on an excess-of-loss basis (per-risk or per-event) and is primarily designed as a capital safeguard against large catastrophic events. Our catastrophe reinsurance covers flood, windstorms, hurricanes, wildfires and other severe weather events.
- Working with our customers to promote adaptation measures that improve resilience to extreme weather.

In addition to the activities described above, in 2023 we evaluated the impact of a 3 – 5°C global warming scenario, using the IPCC's RCP8.5 scenario on our Canadian personal lines business. In this exercise, we developed peril-by-peril projections through to 2040. The results indicate that the projected increase in weather-related losses in this segment are likely manageable for Intact, based namely on our diversified business segments, the current design of our products and pricing, as well as anticipated future management actions to further mitigate physical risk.

The outcomes of our scenario analysis, internal stress-testing, climate-related peril modelling, and operational planning, support the conclusion that climate risks are well-managed within our business.

¹ With consideration of factors such as available sectoral transition pathways, country-level targets, and IIM's interim targets.

Task Force on Climate-related Financial Disclosures (TCFD)

Targets and metrics

We recognize the importance of understanding, measuring and managing the impact of our own operations, across our business and our progress on our climate strategy priorities. Our climate strategy outlines our commitment to:

- Achieve net zero emissions across our business by 2050.
- Halve operations emissions by 2030, compared to our baseline year of 2019.

Greenhouse gas (GHG) emissions

We report a reduction of 16% in our total GHG emissions when comparing our 2023 data (market-based) to our baseline year of 2019. In 2023, the first full year post-COVID, business activities have stabilized into a pattern more consistent with life before the pandemic. As expected in the first full year post-COVID, our emissions increased from 2022. Nevertheless, we are making progress on our goals and remain on track towards our interim target of halving our operations emissions by 2030.

As at 31 December 2023		2023	2022	2021	2020	2019
Total GHG operations emissions (tonnes CO₂e)¹	Scope 1	17,865	17,380	15,854	14,999	18,441
	Scope 2 (location-based) ²	9,328	8,845	10,098	12,046	13,515
	Scope 2 (market-based) ³	8,363	7,928	9,395	11,032	12,949
	Scope 3	12,415	8,838	3,010	4,337	14,484
	Scope 3 waste ⁴ , water and paper	454	484	453	530	542
	Scope 3 business travel	11,962	8,353	2,558	3,806	13,943
	Total (location-based)	39,609	35,062	28,961	31,382	46,440
Total (market-based)	38,644	34,145	28,259	30,368	45,874	
GHG intensity (Gross tonnes CO₂e/employee)	Location-based	1.32	1.21	1.09	1.27	1.93
	Market-based	1.29	1.18	1.07	1.23	1.91
Energy consumption (MWh)	Electricity, district heating and cooling	74,168	72,335	78,884	85,223	94,869
	Gas consumption	35,970	40,752	42,762	39,206	44,434
	Stationary Liquid Fossil Fuels	7,315	8,618	11,793	11,799	13,617
	Transportation—vehicles	56,572	48,605	37,890	38,127	53,982
	Total energy use	174,025	170,310	171,329	174,355	206,902
Business travel (million passenger km)⁵	36.4	24.9	5.3	11.0	50.8	
Waste⁴	Waste generated (tonnes)	1,099	1,374	1,405	1,482	1,509
	Diverted from landfill (%)	81.3%	79.9%	75.2%	84.5%	80.0%

As at 31 December 2023		2023	2022	2021	2020	2019
Investment Emissions⁷	Gross GHG emissions (tonnes CO ₂ e)	688,841	665,727	686,979	640,337	795,320
	GHG intensity (WACI) ⁸	160	168	188	193	248
Catastrophe losses	Weather CAT losses	\$1,141M	\$717M ⁸	\$483M	\$205M	\$326M
	Weather loss ratio (%)	5.6%	3.7%	3.0%	1.8%	3.2%

As at 31 December 2023		2023
Building climate resilient communities	Dollar value of partnerships focused on climate change adaptation in 2023	\$3.0M
Investments	Number of IIM engagements with investees re: climate resilience in 2023	77

1 For more information about how our operations emissions are calculated, please refer to the Notes on our operations emissions estimates on [page 71](#).

2 The location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using primarily grid-average emission factor data). For more information see The Greenhouse Gas Protocol Scope 2 Guidance.

3 The market-based method takes into account emissions from electricity that companies have purposefully chosen; it takes into account emissions factors from contractual instruments, including contracts for the purchase of renewable energy certificates and similar environmental attributes. For more information see The Greenhouse Gas Protocol Scope 2 Guidance.

4 Includes UK&I data and partial data coverage for Canadian locations. Efforts are being made to increase actual data coverage for future years. For more details, see the Notes on our operations emissions estimates on [page 71](#).

5 Includes commercial air and rail travel.

6 In tCO₂e/\$M company revenue.

7 These estimates cover emissions attributable to the common shares (long strategies only of common shares held within Intact's investment portfolio were considered, i.e. excluding short positions or mixed long and short positions held in common shares), preferred shares and corporate bonds held by Intact group as of December 31st each year (the "Investment Emissions"). For more information about how our Investment Emissions are calculated, please refer to the Notes on Investment Emissions estimates on [page 71](#).

8 The 2022 CAT loss value has been restated based on IFRS17, which will be our basis moving forward.

Task Force on Climate-related Financial Disclosures (TCFD)

Notes on operations emissions estimates:

- The data on our operations emissions estimates encompasses IFC and its wholly-owned subsidiaries' operations and activities, subject to limitations on the availability of data and/or relevant proxies, as further described below.
- Operations emissions is defined herein as known sources of Scope 1 and 2 GHG emissions, and specified sources of Scope 3 GHG emissions (business travel, waste, water and paper). Estimates of these operations emissions were prepared with reference to The Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard, Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard (collectively, the "GHG Protocol").
- Some data sources were incomplete or unavailable, such as utility usage data at specific real estate locations (e.g., certain IFC Canada locations). In these instances, we used estimation techniques and/or proxy data. For example, in the case of missing utility data, proxy data from buildings of a similar profile in the same region may be used. Efforts are being made to increase actual data coverage, where possible and material, for future years.
- Standards, methodologies and data sources for estimating operations emissions are evolving. In line with the GHG protocol, and where material, all years of emissions data may be re-stated from time to time to take account of annual changes in emissions from acquisitions and/or divestments, or improvements in data and/or data calculation methodologies.

Notes on Investment Emissions estimates:

- In preparing our GHG emissions estimates, IIM uses the S&P Global Trucost database as the primary data source for investment emissions. Although we believe this database is reliable, it contains data from other third-party sources (such as public disclosures). IIM has not independently verified data from S&P Global Trucost, or any other third-party data sources (e.g., data reported in investees' disclosures) on which they rely, for accuracy or completeness. The data may therefore be of varying quality.
- Based on S&P Global Trucost's identification of the data quality in relation to PCAF scoring system, data used for our GHG emissions estimates for years 2019 to 2023 is currently evaluated to be equivalent in average to a PCAF data quality score of approximately 2.4 to 2.5.
- The data used by IIM in estimating our Investment Emissions is frequently updated, including as data sources restate their historical emissions and as data quality and accuracy is improved. Such changes may result in changes to IIM's estimates of Investment Emissions and/or restatements of prior years' Investment Emissions. As such, data reported in the 2022 Social Impact & ESG report regarding both the absolute Investment Emissions and their weighted average carbon intensity (WACI) has been restated within this report.

- Due to lags in reporting of data by investees, there are also lags in the subsequent incorporation of this data into S&P Global Trucost and other third-party data sources that IIM uses in estimating our Investment Emissions. Consistent with PCAF guidance, where data from the relevant reporting year is unavailable, IIM sometimes needs to use data from the most recent previous year.
- Our reported absolute Investment Emissions and WACI related to our investments may not capture the full extent of investees' actions affecting their GHG emissions, in part due to the above-mentioned lags in data availability. Therefore, we may need to restate the absolute reported emissions and WACI of our portfolios as more recent data becomes available.
- We believe that WACI is a useful metric in comparing investments across different asset classes and sectors. However, because WACI is determined with reference to company revenue, it can be sensitive to external market factors, such as commodity prices, resulting in fluctuations in WACI that are not necessarily a product of emissions performance.
- Comparisons of our reported Investment Emissions to other companies' corporate disclosures cannot be carried out accurately, due to factors such as variability in investees' data, market forces (e.g., currency conversions) and changes in market capitalization.
- In estimating our Investment Emissions, IIM relied on PCAF guidelines. The methodologies are frequently changing in response to the evolving global response to climate change. As new methodologies are adopted, or as existing methodologies are enhanced or revised we may need to restate our reported Investment Emissions.
- In line with the GHG Protocol, estimated Investment Emissions associated with RSA Insurance Group (which Intact acquired in 2021) have been included in all reported years of Investment Emissions data.



Sustainability Accounting Standards Board (SASB)

The following provides our response to the [SASB sector standards](#) that are most relevant to our industry.

Transparent information and fair advice for customers

SASB Metric	Metric	Response
FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.	<ul style="list-style-type: none"> In 2023 Intact recorded no material losses related to litigation associated with marketing and communication of its products to new and returning customers. <p>A discussion on the risks we face with respect to legal proceedings can be found in section 29.7—Other risk factors that may affect future results of our Q4-2023 Management’s Discussion & Analysis and Note 35.2 of the 2023 Consolidated Financial Statements.</p>
FN-IN-270a.2	Complaints-to-claims ratio.	<ul style="list-style-type: none"> In 2023, we had over one million personal lines claims and 2,709 complaints registered with Ombudsman services in Canada, the U.K. and Ireland.
FN-IN-270a.3	Customer retention rate.	<p>Our most relevant key performance indicator is Operating Direct Premiums Written (DPW), as it effectively shows our ability to retain and attract new customers.</p> <p>In 2023, our business has grown organically and through acquisitions to over \$22 billion of total annual operating DPW. Reported growth in constant currency of 5%, with an organic growth of 6%.</p> <p>Market share:</p> <ul style="list-style-type: none"> Canada: remain the largest player with an estimated market share of 19% in 2022. 2023 market share update will be available in the Q1-2024 MD&A. U.K.&I: In the U.K. commercial lines, we have a 5% market share. In Ireland, we hold a top five position overall. <p>More information can be found in our Q4-2023 Management’s Discussion & Analysis.</p>
FN-IN-270a.4	Description of approach to informing customers about products.	<ul style="list-style-type: none"> We have an omni-channel distribution model, which enables customers to access the right products and services that meet their needs. We work with thousands of professional independent insurance brokers to provide knowledge, products and services to customers. <p>For more information on brokers, see page 20.</p> <ul style="list-style-type: none"> Through our direct distribution channels, insurance products and services are provided direct to customers, either through licensed agents or through digital distribution channels. Customers can receive detailed quotes through online tools, on mobile applications, or by phone to connect with one of our experienced agents. <p>For more information on how we are continuously improving our digital experience, see page 18.</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 exercise rights under applicable privacy legislation. In the U.K.&I these principles are encapsulated in our Privacy Notice. In the U.S., these principles are set out in our Customer Privacy Policy and related Privacy Notices. For more information, see page 58.</p>

Incorporation of ESG factors in investment management

SASB Metric	Metric	Response																																																																																																
FN-IN-410a.1	Total invested assets, by industry and asset class.	<p>Below is the net sectoral exposure by asset class, excluding cash, short-term notes and loans.</p> <p>More information can be found in Section 21—Investments and capital markets of our Q4-2023 Management’s Discussion & Analysis.</p> <table border="1"> <thead> <tr> <th>Fixed-income securities</th> <th>Q4 2023</th> <th>Common shares</th> <th>Q4 2023</th> <th>Preferred shares</th> <th>Q4 2023</th> <th>Total portfolio²</th> <th>Q4 2023</th> </tr> </thead> <tbody> <tr> <td>Government</td> <td>38%</td> <td>Energy</td> <td>12%</td> <td>Financials</td> <td>70%</td> <td>Government</td> <td>32%</td> </tr> <tr> <td>Financials</td> <td>24%</td> <td>Financials</td> <td>23%</td> <td>Energy</td> <td>11%</td> <td>Financials</td> <td>30%</td> </tr> <tr> <td>ABS and MBS¹</td> <td>15%</td> <td>Materials</td> <td>8%</td> <td>Utilities</td> <td>12%</td> <td>Energy</td> <td>2%</td> </tr> <tr> <td>Other Sectors</td> <td>23%</td> <td>Communications Services</td> <td>7%</td> <td>Communications Services</td> <td>6%</td> <td>ABS and MBS</td> <td>12%</td> </tr> <tr> <td>Total</td> <td>100%</td> <td>Consumer discretionary</td> <td>7%</td> <td>Industrials</td> <td>1%</td> <td>Other sectors</td> <td>24%</td> </tr> <tr> <td></td> <td></td> <td>Consumer staples</td> <td>10%</td> <td>Total</td> <td>100%</td> <td>Total</td> <td>100%</td> </tr> <tr> <td></td> <td></td> <td>Industrials</td> <td>10%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Utilities</td> <td>13%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Information technology</td> <td>3%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Healthcare</td> <td>7%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Total</td> <td>100%</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p><small>1 Asset-backed securities (ABS) and mortgage-backed securities (MBS). 2 Excluding cash, short-term notes and loans.</small></p>	Fixed-income securities	Q4 2023	Common shares	Q4 2023	Preferred shares	Q4 2023	Total portfolio ²	Q4 2023	Government	38%	Energy	12%	Financials	70%	Government	32%	Financials	24%	Financials	23%	Energy	11%	Financials	30%	ABS and MBS ¹	15%	Materials	8%	Utilities	12%	Energy	2%	Other Sectors	23%	Communications Services	7%	Communications Services	6%	ABS and MBS	12%	Total	100%	Consumer discretionary	7%	Industrials	1%	Other sectors	24%			Consumer staples	10%	Total	100%	Total	100%			Industrials	10%							Utilities	13%							Information technology	3%							Healthcare	7%							Total	100%				
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FN-IN-410a.2	Description of approach to incorporation of ESG factors in investment management processes and strategies.	<p>ESG is integrated into Intact Investment Management’s (IIM) investment policies and procedures and is part of the investment management process for all our investment portfolios.</p> <p>For more information on IIM’s involvement in climate-related matters, see page 56 and the Task Force on Climate-related Financial Disclosures section page 61.</p> <p>For more information on how we manage Climate transition risk, see Section 19.2—Impact of climate change on our business of our Q4-2023 Management’s Discussion & Analysis.</p>																																																																																																

Policies designed to incentivize responsible behaviour

SASB Metric	Metric	Response
FN-IN-410b.2	Discussion of products or product features that incentivize health, safety or environmentally responsible actions or behaviours.	We offer products to customers to reduce their risk, enhance their resilience and have a positive impact on climate change. For more information, see the Task Force on Climate-related Financial Disclosures section page 66.

Physical risk exposure

SASB Metric	Metric	Response
FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.	With the assistance of third-party models, we model a range of natural catastrophes across all the main jurisdictions in which we operate. The modelled aggregate 1-in-100 year probable maximum loss (PML), net of reinsurance and taxes has an incremental impact of -6.4% of BVPS above our expected annual catastrophe losses. For more information, see Section 29.6—Top and emerging risks that may affect future results of our Q4-2023 Management’s Discussion & Analysis.
FN-IN-450a.2	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance).	We reported current year CAT losses of \$1,339 million (CAT loss ratio of 6.6%), well above expectations, driven by a multitude of weather events this year. Weather losses totalled \$1,141 million in 2023, and most were in our Canadian segment and attributable to multiple hailstorms, thunderstorms, and wildfires. Although we have a comprehensive catastrophe reinsurance program in place, no individual catastrophe event reached our reinsurance retention threshold in 2023. For more information, see Section 10—CAT losses and Seasonality of our Q4-2023 Management’s Discussion and Analysis.
FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy.	For information on the incorporation of environmental risks into the underwriting process, see the Task Force on Climate-related Financial Disclosures section page 68. Additionally, see Section 19, Climate Change, and Section 29.6, Top and emerging risks that may affect our future results, of the Q4-2023 Management’s Discussion and Analysis. Firm-Level Risk and Capital Adequacy: The amount of capital in any particular company or country depends upon the Company’s internal assessment of capital adequacy in the context of its risk profile and strategic plans, as well as local regulatory requirements. The Company’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). Operating targets for each jurisdiction are selected at a level that reflects our current risk appetite, market conditions, or regulatory considerations. Capital levels are managed around the operating target, and it is expected that actual results will vary above or below that target for any single reporting period. For more information, see Section 24—Capital management of our Q4-2023 Management’s Discussion & Analysis.

Systemic risk management

SASB Metric	Metric	Response
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives.	Under current applicable regulation, Intact is not required to post collateral with the Central Clearinghouse. For more information, see Note 8—Derivative financial instruments in our Q4-2023 Financial Statements.
FN-IN-550a.2	Total fair value of securities lending collateral assets.	We participate in a securities lending program to generate fee income. This program is managed by our custodian, a major Canadian financial institution, whereby we lend securities we own to other financial institutions to allow them to meet their delivery commitments. We loaned securities, which are reported as investments in the Consolidated financial statements, with a fair value of \$2,631 million as at December 31, 2023 (\$3,616 million as at December 31, 2022). Collateral is provided by the counterparty and is held in trust by the custodian for our benefit until the underlying security has been returned to us. The collateral cannot be sold or re-pledged externally by us, unless the counterparty defaults on its financial obligations. Additional collateral is obtained or refunded on a daily basis as the market value of the underlying loaned securities fluctuates. The accepted collateral consists of government securities representing approximately 105% of the fair value of the securities loaned as at December 31, 2023 (105% as at December 31, 2022).
FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.	Intact's liquidity management is governed by establishing a prudent policy that identifies oversight responsibilities as well as by setting limits and implementing effective techniques to monitor, measure and control exposure to liquidity risk. Given the nature of the Intact's P&C insurance activities, cash flows may be volatile and unpredictable. Intact uses internal liquidity metrics to monitor and control liquidity risk within its insurance subsidiaries. Intact's liquidity needs are rigorously managed by matching asset and liability cash flows and by establishing forecasts for cash inflows and outflows. Intact invests in various types of assets to match them to its liabilities. This method maps the obligations towards insured clients to asset life and performance. Intact reviews the matching status on a quarterly basis. To manage its cash flow requirements, a portion of the Intact's investments is maintained in short-term (less than one year) highly liquid money market securities. A large portion of the investments are unencumbered and held in highly liquid federal and provincial government debt to protect against any unanticipated large cash requirements. In addition, Intact also has an unsecured committed credit facility. For more information, see our Q4-2023 Financial Statements.

Activity metric

SASB Metric	Metric	Response
FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance.	We have 9,363,000 personal lines policies in force. ¹

¹ Full-year 2023 Personal auto and Personal property PIF in Canada, as well as Q3 year-to-date PIF for U.K. Personal lines (the U.K. Personal lines operations were exited effective Q4-2023)

Public accountability statement

Intact Financial Corporation's 2023 Social Impact & ESG Report is also produced and filed as a consolidated public accountability statement required under applicable regulations. 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, 2023. All dollar amounts are expressed in Canadian currency.

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

- Belair Insurance Company Inc.
- Intact Insurance Company
- Novex Insurance Company
- The Nordic Insurance Company of Canada
- Jevco Insurance Company
- Trafalgar Insurance Company of Canada
- On Side Developments Ltd.
- Brokerlink Inc.
- The Johnson Corporation
- Royal & Sun Alliance Insurance Company of Canada
- Intact Public Entities Inc.
- Unifund Assurance Company
- Western Assurance Company
- Canadian Northern Shield Insurance Company
- Equisure Financial Network Inc.
- Quebec Assurance Company

Comments regarding this document may be forwarded to:

Juan Camilo Rendon
Manager, Social Impact, North America
Intact Financial Corporation
Juan.Rendon@intact.net
1 877-341-1464, Ext. 45016





Community involvement and donations

In 2023, Intact donated \$11.7 million across Canada, the United States and its U.K.&I operations to 3,000 organizations. Our employees volunteered 25,500 hours to 400 organizations in 2023. Details about our charitable donations can be found on [page 42](#).

Our social impact priorities are focused on three areas:

- Ensuring our most vulnerable and climate-affected communities are climate-resilient.
- Building economically resilient communities.
- Accelerating the generosity of Intact employees.

Workforce demographics: Canada

Number of employees per province

	Full-time	Part-time	Total 2023	2022	2021
Alberta	3,197	74	3,271	3,003	2,575
British Columbia	1,332	24	1,356	1,247	1,162
Manitoba	149	5	154	140	122
New Brunswick	307	0	307	280	237
Newfoundland and Labrador	1,061	19	1,080	811	741
Nova Scotia	852	18	870	1,097	998
Ontario	8,834	166	9,000	8,612	7,738
Prince Edward Island	14	0	14	10	10
Quebec	6,365	494	6,859	6,357	5,802
Saskatchewan	0	0	0	0	1
Yukon	0	0	0	0	0
Total	22,111	800	22,911	21,557	19,383

More data on our global employees is available on [pages 54](#) and [55](#).

Economic impact

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

	Income taxes (\$)	Premium and fire taxes (\$)	Total taxes (\$)	Total taxes (\$)
	2023	2023	2023	2022
Federal	277,465	–	277,465	113,004
Newfoundland	9,771	22,874	32,645	26,092
Prince Edward Island	492	1,334	1,826	1,147
Nova Scotia	5,316	18,768	24,084	20,941
New Brunswick	2,577	7,829	10,406	9,202
Quebec	58,327	123,774	182,101	147,722
Ontario	72,896	197,812	270,708	209,850
Manitoba	2,114	5,585	7,699	5,259
Saskatchewan	401	2,881	3,282	2,439
Alberta	34,101	93,580	127,680	103,502
British Columbia	17,179	48,280	65,459	51,592
Yukon	81	480	561	506
Northwest Territories	139	619	758	602
Nunavut	43	210	252	181
Total Provincial	203,435	524,025	727,460	579,036
Total	480,900	524,025	1,004,925	692,040

Debt financing

Intact and its Canadian subsidiaries provide financial support for insurance brokers in the form of loans to and/or equity investments in their business. In 2023, we issued new loans of approximately \$94 million to brokers across Canada. The information has been consolidated to protect the identity of the individual firms that might otherwise be identifiable.

	Total (\$)	Total firms
\$0 – \$24,999	0	0
\$25,000 – 99,999	0	0
\$100,000 – \$249,999	0	0
\$250,000 – \$499,999	0	0
\$500,000 – \$999,999	3,166,157	4
\$1,000,000 – \$4,999,999	22,485,160	10
\$5,000,000 & greater	68,389,527	4
Total	94,040,843	18

Our key locations and Service Centres in Canada include:

Alberta

Calgary:

2220 32nd Avenue NE,
Calgary, AB T2E 6T4

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

Edmonton:

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

British-Columbia

Vancouver:

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

Victoria:

246-2401C Millstream Rd.,
Victoria, BC V9B 3R5

Manitoba

Winnipeg:

386 Broadway Ave., Suite 400,
Winnipeg, MB R3C 3R6

Ontario

Aurora:

23 Allaura Blvd,
Aurora, ON L4G 3N2

Etobicoke:

64 Fordhouse Blvd,
Etobicoke, ON M8Z 5X7

Hamilton:

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

London:

1052, Brydges St.,
London, ON N5W 2B4

Oakville:

1291, Speers Rd.,
Oakville, ON L6L 2X5

Ottawa:

1837 Woodward Dr.,
Ottawa, ON K2C 0P9

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

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

Pickering:

955 Alliance Rd.,
Pickering, ON L1W 3M8

St. Catharines:

21 Neilson Ave.,
St. Catharines, ON L2M 5V9

Toronto:

700 University Avenue,
Toronto, ON M5G 0A2

Thunder Bay:

950 Chippewa Rd, Thunder Bay
(Fort William First Nation), ON P7J 1B6

Waterloo:

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

Quebec

Boucherville:

1450 Coulomb St.,
Boucherville, QC J4B 7K2

Dorval:

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

Gatineau:

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

Laval:

2480 Curé-Labelle blvd.,
Laval, QC H7T 1R1

Montreal:

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

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

9227 Charles de la Tour St.,
Montreal, QC H4N 1M4

11 700 Sherbrooke St. East,
Montreal, QC H1B 1C4

Quebec City:

8131 Wilfrid Hamel Blvd.,
Québec, QC G2G 0H5

1380 Central blvd.,
Québec, QC G1P 3Y4

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

Sainte-Hyacinthe:

17 550, Saint-Louis Av.,
Saint-Hyacinthe, QC J2T 3H1

2450 Girouard St. West,
St-Hyacinthe, QC J2S 3B3

Trois-Rivières:

1750 Charbonneau St.,
Trois-Rivières, QC G9A 5C9

Val-David:

2020 route 117,
Val-David, QC J0T 2N0

Newfoundland

St. John's:

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

Nova Scotia

Dartmouth:

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

Locations



Intact Financial Corporation

700 University Avenue
Toronto, Ontario M5G 0A1

belairdirect.



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