

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.

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