

• • •
economical

20

20

.....

PUBLIC ACCOUNTABILITY
STATEMENT

.....

WHO WE ARE

At Economical, we understand that insurance is a people business, inside and out. Helping Canadians when they need us most is our entire reason for being. So it makes sense that giving back through volunteerism and charitable contributions, while being an inclusive employer and environmental steward, is woven into the very fabric of who we are. Whether we're helping a customer in need, supporting a great cause, being a sought-after employer, or putting boots to the ground after a disaster, we will always be there for those who count on us.

This commitment to “neighbours helping neighbours” has been at our foundation since writing our first Economical policy in 1871, becoming a Canadian success story through passion, innovation, and service. We've grown since those early days in Berlin (now Kitchener, Ontario), offering a full range of insurance solutions for homes, pets, farms, vehicles, and complex commercial operations. Under banners that include Economical, Sonnet, Petline, and Family Insurance Solutions, our more than 2,800 employees are proud to partner with brokers and serve customers from coast to coast.

The pioneering mindset behind our long history continues to inspire us as we prepare for the exciting prospect of life as a public company. With the anticipation of that historic transformation ahead, and our 150th anniversary activities well underway, we have much to celebrate. But through all the achievements and milestones, being the kind of corporate citizen Canadians can rely on has been our most important driver. We strive, always, to make a difference, and we share our public accountability statement with you in the humble confidence that it demonstrates exactly that.

This public accountability statement is about Economical Mutual Insurance Company and its affiliates Sonnet Insurance Company, Petline Insurance Company, The Missisquoi Insurance Company, Perth Insurance Company and Waterloo Insurance Company.

TABLE OF CONTENTS

A MESSAGE FROM ROWAN SAUNDERS, PRESIDENT AND CEO	4
OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY (CSR)	5
OUR CODE OF BUSINESS CONDUCT	5
CONTRIBUTING TO CANADA'S ECONOMY	6
HOW WE SERVE OUR CUSTOMERS	7
OUR COMMITMENT TO EMPLOYEES	9
PARTNERING WITH BROKERS	11
STRENGTHENING CANADIAN COMMUNITIES	12
ECONOMICAL FAMILY OF BRANDS	16
RESPECTING THE ENVIRONMENT	17
SUMMARY	18

A MESSAGE FROM ROWAN SAUNDERS, PRESIDENT AND CEO



Even with its world-shattering developments and life-changing implications, 2020 still managed to offer its own brand of silver linings. I believe that for Economical, the important lessons of the racial justice movement and the significant impacts of the COVID-19 pandemic have ultimately helped make us a stronger company, a better employer, and an even more compassionate and responsive champion for our communities. I'm incredibly proud of our employees, whose adaptability and generous spirit have made the results you see in this report possible.

Some of the new ways we demonstrated corporate social responsibility in 2020 may not have happened as swiftly as they did without the dramatic events that precipitated them. Our focus on equity-driven hiring and workplace practices was sharpened and formalized with the creation of a senior HR leadership position dedicated to facilitating inclusion, the development of our Anti-Racism Employee Group, and our partnership with the Canadian Centre for Diversity and Inclusion (CCDI), among other initiatives. We rapidly responded to the need to keep our workforce safe: within two weeks of COVID-19's arrival in March, 95% of our employees were securely and effectively working from home.

One thing that's never changed through a century and a half of serving Canadians is that we give back to our communities. There are significant figures throughout this report, but for us, each dollar amount and volunteer hour represents the real people and real lives we've had the privilege to be a part of, and that is the true power of corporate social responsibility (CSR) — and of our business.

The great teams who facilitate all these programs are the best you'll meet. But unique initiatives like "My Charity" put each and every one of our employees at the helm too, letting them decide where our contributions go through donation-matching. Have a look at the remarkable impact our employees continue to make on worthwhile causes across the country through this and other programs.

Though it was difficult and complex, 2020 couldn't help but forge an even stronger foundation for all the momentous events we're anticipating this year, including our 150th anniversary celebrations (our first policy was written on November 25th, 1871!) and the pending realization of us becoming a public company. Our position as a robust and public company-ready P&C insurer is only possible thanks to our hardworking team, dedicated broker partners, and loyal customers.

As we get ready to go public, our sustainability and accountability will continue to mature. A new Foundation independent from Economical will be allocated \$100 million of proceeds from our demutualization. We have also been sharpening our pencils as we craft a strategic and meaningful plan for our Environmental, Social and Governance (ESG) initiatives, which will breathe new life and metrics into our CSR programming.

The future of this company is brighter than ever, and I thank you for being part of it.

A handwritten signature in black ink that reads "R. Saunders". The signature is fluid and cursive, with a large initial "R" and a stylized "S".

Rowan Saunders
President and CEO



OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY (CSR)

Being a trusted partner means everything to us, whether that's as an insurance provider, a sought-after employer, or a supporter of deserving charitable organizations. We pay attention to the needs of our customers, employees, broker partners, and communities and respond in swift and meaningful ways. That's why there are so many wins reflected in the pages that follow, from long-standing partnerships with icons such as the Canadian Red Cross, to employee- and broker-driven contributions with organizations across the country, to a strengthened focus on diversity and inclusion in our hiring and workplace practices.

Doing the right thing is paramount for us, whether that's internally, in our communities, or for our environment. It's part of our everyday practices and our values — in fact, it infuses every aspect of our operation. That's because taking a comprehensive and action-oriented approach to corporate responsibility is good for everyone and everything, including, ultimately, how well our business performs.


With 2020 being an especially difficult year for Canadians, we were grateful to be able to step up in new and more significant ways. We announced in excess of \$70 million in pandemic-related relief for our customers and \$1,050,958 in charitable contributions. But for us, behind each program summary, dollar figure, and column entry is a story — a person who was helped after they lost everything in a fire, a hardworking community group that got the resources they needed, an employee who was empowered to make Economical even better.

OUR CODE OF BUSINESS CONDUCT

At Economical, we work to protect and strengthen our reputation by acting with integrity in everything we do. The high standards of professionalism to which we hold ourselves are reflected in our Code of Business Conduct.

The Code sets specific standards by outlining our responsibilities when conducting business. Our employees and directors must review it and agree to comply when joining the company, as well as on an annual basis.

[You can find the full Code of Conduct on our website.](#)



CONTRIBUTING TO CANADA'S ECONOMY:

TAXES PAID

The following table shows the income and capital taxes paid or payable to federal and provincial governments in respect of 2020 (\$): (000's)

PROVINCE/TERRITORY	INCOME TAXES	PREMIUM AND FIRE TAXES	= 2020
Newfoundland & Labrador	16	129	145
Prince Edward Island	68	524	592
Nova Scotia	565	5,309	5,874
New Brunswick	500	3,740	4,240
Quebec	826	8,252	9,078
Ontario	2,309	51,707	54,016
Manitoba	58	498	556
Saskatchewan	26	396	422
Alberta	1,108	15,131	16,239
British Columbia	1,049	12,807	13,856
Yukon	2	12	14
Northwest Territories	2	13	14
Nunavut	1	14	15
Total Provincial/Territorial	6,530	98,532	105,062
Total Federal	12,474		12,474
Total	19,004	98,532	117,536

Debt financing – In 2020, we issued a total of \$4.8 million in loans to two brokers in Ontario, one for \$4 million and the other for \$0.8 million.

HOW WE SERVE OUR CUSTOMERS

CLAIMS

In the end, claims — and how we respond to them — are our most tangible “product” as an insurance company. When a customer experiences a loss, our policy with them represents a promise to be there when they need us the most. It’s our moment of truth and one where we continuously strive to excel. Our claims leadership and team members constantly look for better ways to make the process as efficient and stress-free for our customers as possible.

Serving as trusted advisors, our caring, engaged, and results-oriented claims specialists are talented at what they do. They’re capably trained and given the autonomy to make the best decisions for our customers. We support them with sophisticated technologies and digitized workflows to make the process efficient. Our goal is always to resolve claims without delay to minimize disruption to our customers’ lives. In fact, less complex losses can often be handled in a single phone call, thanks to our industry-leading approach in how we triage and process claims.

We’ve also started using drones to help with expediting simple assessments such as roof damage. Economical is actively reviewing strategic partnerships that will expand our capabilities and specialized services.

When large-scale events such as flooding or wildfires affect entire communities, Economical deploys our catastrophic loss team to provide immediate, on-site support to individuals, families, and business owners. In May 2020, our “CAT (catastrophe) response” team went to Fort McMurray to help Economical and Sonnet customers affected by the flooding there. As always, they worked diligently — and safely during the COVID-19 pandemic — to quickly process claims and provide meaningful relief.

SOME HIGHLIGHTS:



\$1.5 billion in claims
paid in 2020



24-hour service,
365 days a year



123 customer service
representatives offering
service in 38 languages



87% of Economical customers who use
one of our certified repair facilities are
satisfied with their claims experience

WORKMANSHIP WARRANTIES

Our auto insurance claimants enjoy lifetime guarantees on paint repairs and body parts through our hand-picked facility network, all accredited by the Collision Industry Accreditation Program (CIAP). For property claims, our contractors — who go through a rigorous accreditation process to become Certified Economical Quality Contractors — provide a two-year workmanship warranty on the repairs they make to an insured loss.

CLAIMS PREVENTION

We engage with customers to prevent or reduce the likelihood of claims in several ways, including providing access to professional service networks beyond the insurance experience. For example, our Advantage program in Quebec demonstrates how we care for our customers’ health and well-being all the time, not just when they have a claim. Advantage comes with complimentary support for practical services including counselling, home nursing, home improvement supplier referrals, and general legal information.

For our commercial insurance clients, we’re proud to extend complimentary assessments and safety strategies for eligible operations to help keep them running safely and without interruption. To this end, our Risk Services team offers:

- Hazard identification
- Loss-prevention action plans
- Claims trends analysis
- Fleet management programs

For customers, we understand that knowledge is power. That's why we produce a blog with helpful and actionable information on a range of subjects to keep Canadians informed, safe, and proactive. Winner of a 2018 Gold Quill Award from the International Association of Business Communicators, these articles (available as a shareable resource on our website and often promoted through our social media channels) offer clear insurance information and smart, simple ideas. With more than 250 entries and counting, it's become a popular resource for customers and brokers alike.

ACCESSIBILITY EFFORTS

Delivering on our commitment to accessibility means all our customers enjoy an equal, quality experience. We continue to do everything we can to remove barriers, both physical and digital, and we have several resources and processes in place to ensure accessibility.

Represented by members of various departments, our Accessibility Working Group meets quarterly to implement and update our Accessibility Plan and to identify key risks. We've also established a Digital Accessibility Centre of Excellence to promote consistency in the execution of accessibility compliance across our Communication and Marketing functions and address any remaining gaps in training, knowledge, or technology.

Some additional actions include:

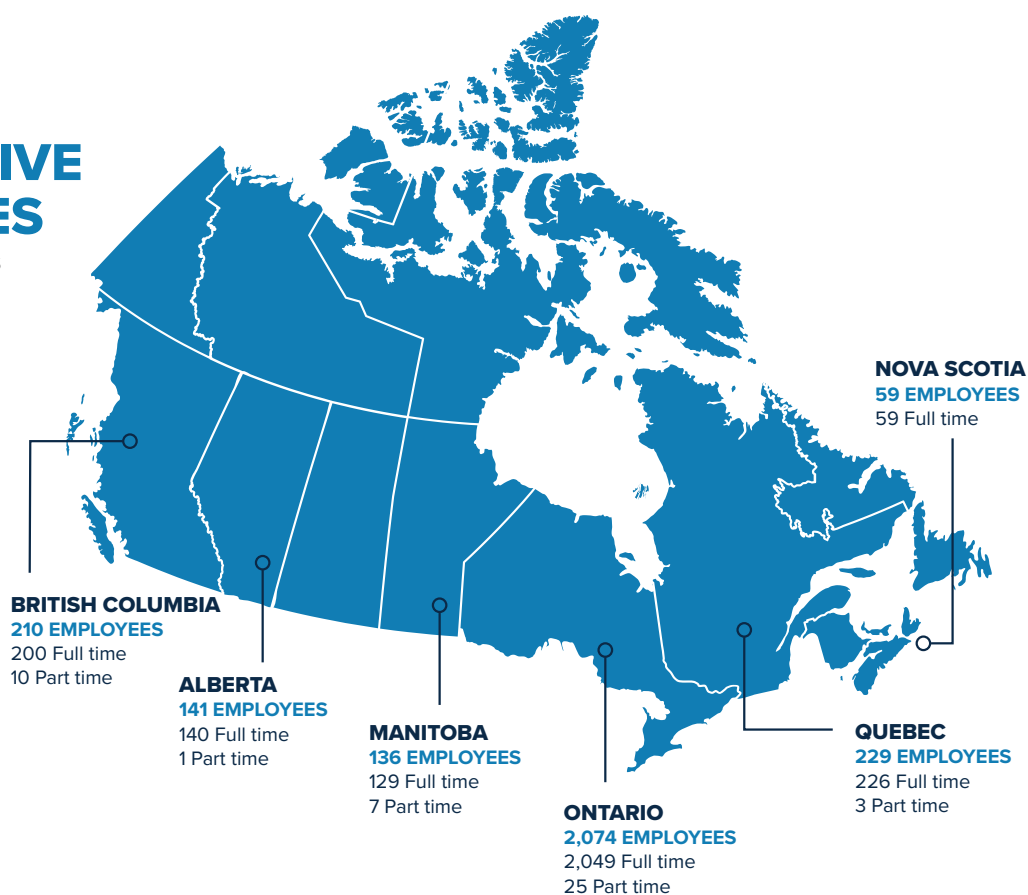
- Meeting all accessibility requirements when building or making major changes to public spaces
- Leveraging digital accessibility monitoring tools to identify and remediate accessibility compliance issues on our public-facing websites
- Procuring physical and digital solutions to incorporate accessibility requirements as an integrated step in sourcing and selection processes
- Implementing accessibility training for all employees (including new hires, ongoing), along with specialized training and tools for technical teams required to deliver accessible experiences

OUR EMPLOYEES

AS OF DECEMBER 31, 2020

2,849 ACTIVE EMPLOYEES

2,803 FULL TIME EMPLOYEES
46 PART TIME EMPLOYEES



OUR COMMITMENT TO EMPLOYEES

FOSTERING A HIGH-PERFORMANCE, HIGH-ENGAGEMENT CULTURE

Our culture helps us deliver on our business strategy, strengthens our brand, and encourages employees to bring their best every day. We invest in our people, who represent our greatest asset to provide our brokers and customers with knowledgeable and dependable service.

Economical offers a collaborative and caring culture, one where high-performance, high-engagement, and a customer-first philosophy are woven into everything we do. The contributions, creativity, and energy that employees bring to the table are sought-after and rewarded.

We prioritize a respectful, safe and inclusive workplace driven by our values.

**WE ARE ALL
OWNERS**



**WE INSPIRE
CUSTOMER
CONFIDENCE**



**WE WORK
TOGETHER
TO WIN TOGETHER**



ADVANCING DIVERSITY AND INCLUSION

We empower our employees to shape our culture to be truly reflective of our customers across Canada and the values we uphold.

In 2020, we took steps forward in our commitment to diversity and inclusion. We created a dedicated senior-leadership position - Director, Organization Development — to facilitate our efforts to advance diversity and inclusion as a company. With the support of our Diversity and Inclusion Advisory Committee (DIAC) and in response to what we were seeing in the world, we created an Anti-Racism Employee Group. With the establishment of this group, we now have four national employee groups including those supporting our LGBTQ+ community, the experience of immigrants to Canada, and women in leadership. These employee groups contribute to our strategy and are empowered with time and funds to promote employee awareness, identify barriers and opportunities for inclusion, and hold diversity and inclusion events. Events such as International Women's Day, Pride Month, and World Cultural Day bring our employees together to contribute to awareness, celebration, and a sense of belonging.

Other notable actions taken to foster an inclusive workplace include the launch of diversity and inclusion e-learning and the introduction of unconscious bias training for our leaders. We also initiated a partnership with the CCDI to offer more learning and resources to our employees.

We recently reshaped our DIAC, and as we look ahead to 2021, we are excited to update our strategy and build a plan to make even more meaningful progress.

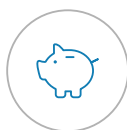
REWARDING OUR EMPLOYEES



Competitive pay



Flexible benefits



Retirement savings



Learning and
development opportunities

We offer competitive pay, great benefits, a defined contribution pension plan, company matched savings program (registered retirement savings plan (RRSP), spousal RRSP, after-tax account), a Tax-Free Savings Account, award-winning health and wellness programs, flexible working arrangements that include remote work, and learning and development opportunities.

Employees receive bonuses for completion of certain professional designations, as well as for successfully referring new employees.

Discounts on our home, auto, and pet insurance make it easier for employees to protect what matters most to them.

FOSTERING A CARING, HEALTHY WORKPLACE

We promote mental health awareness through our annual participation in the ‘Not Myself Today’ campaign. Through the services of our employee and family assistance program, employees and their families can seek help for what may affect any aspect of their health, including physical, financial, mental, or emotional wellbeing. Further, we run a campaign to support financial wellness during Canada’s Financial Literacy Month annually in the month of November.

Our semi-annual wellness challenges help to enhance employee awareness of healthy choices and to promote positive lifestyle changes. Employees who choose to participate can earn up to \$300 each year toward a broad range of products and services that support the mental, physical, and financial health of employees and their families.

Our paid Personal Needs Days help to ensure employees are supported when “life happens.”

EMPLOYEE HEALTH AND SAFETY

We are committed to ensuring the safety of our employees, in the workspace or out in the field. Whether it’s a workstation ergonomic analysis, the provision of personal protective equipment, or the implementation of measures to reduce the spread of COVID-19, our employees are given the tools and information needed to maintain their personal safety.

RECOGNITION AND A WHOLE LOT MORE

In 2020, a new employee recognition platform was launched, and it achieved an impressive activation rate of 95%. This recognition platform enables connections within and across teams throughout the organization. It’s the place where our work community interacts and shines, whether that’s saluting employee milestones, achievements, or putting a spotlight on outstanding performance and everyday excellence. Employees recognize each other for moments and contributions that are aligned to our company values. Accumulated recognition points can be redeemed for thousands of items — merchandise, gift cards, experiences, tickets, and so much more.

Our annual Employee Appreciation Week has been ongoing since 2008 and is a dedicated week of recognition and appreciation from peers and leaders. Teams spend time together (in-person or virtually) to celebrate in creative and meaningful ways that resonate with team members.

LEARNING & DEVELOPMENT

Continuous learning opportunities provide employees with the skills needed to succeed in their roles, deliver on business strategy, and meet the needs of our brokers and customers.

Employee learning opportunities include:

- On-site or virtual instructor-led technical training
- Cloud-based learning management system powered by artificial intelligence and designed to elevate the employee learning experience
- Self-directed, microlearning resources available 24/7 on targeted topics to support professional development
- Paid professional memberships
- Tuition reimbursement
- Financial rewards to employees who complete professional certifications
- ‘Learn at Work Month,’ a dedicated month of employee learning and development meant to inspire, connect, and grow employees’ curiosity and skills through carefully curated content to support a culture of learning
- Learning paths that support employees enhancing their skills that can lead to mastery in their current jobs, promotions, or transfers to new or different roles
- Development and onboarding programs to support culture, peer learning, on-the-job learning, and leadership development

OUR BROKERS

We partner with nearly 700 independent insurance brokers from coast to coast to ensure our customers receive first-rate service and personalized advice.

Our long-lasting, strategic relationships with brokers thrive on mutual respect and support. Every day we value the advice of our brokers as we continuously improve our broker value proposition and enable our brokers to deliver the service and products customers expect.

In 2020, we continued to refine our investments in technology and advanced analytics to enhance service delivery, product and pricing sophistication, and fraud detection capabilities.

Our broker partnerships are a key pillar of our growth strategy. We work together to win together in our relentless pursuit of excellence, helping our broker partners win new business, earn customer trust, and enhance customer retention.

SUPPORTING BROKER COMMUNITY GIVING REQUESTS

Community initiatives that matter to our broker partners matter to us.

Every year, a portion of our community giving budget is donated to local charities as requested by our broker partners. Brokers identify and champion causes that make critical change in their communities, while also aligning with Economical's community giving priorities: safety and security, youth and education, and health and wellness.

During 2020, \$87,167 was allocated to support 12 charities in response to requests from broker partners. From supporting hospital foundations and social service organizations with immediate COVID-19 response needs, to adjusted youth programming, our broker partners shared causes across the country that were important to them and their communities.

Here are some examples of what we funded in 2020 in partnership with our brokers.

Coldest Night of the Year	Humber River Hospital Foundation
NASA Share the Warmth	CAMH
MS Society of Canada	Children's Health Foundation
Rogers Insurance Run for L'Arche	REACH Centre Grey Bruce
McMaster Children's Hospital (Hamilton Health Sciences Foundation)	Campbellford Memorial Hospital
Air Cadet League of Canada	Lisa Brown Charitable Foundation (Programming at McMaster Children's Hospital)

Brokers were also invited to participate in Choose Your Charity in 2020, an Economical program typically reserved for employee participation only.

OUR COMMUNITIES

Beyond broker partners, we support charities and causes that help improve the communities and regions where we live and do business.






COMMUNITY GIVING

Our community giving program funds charitable causes that align with one or more of our giving priorities.

In 2020, we contributed more than \$1,000,000 to causes in our communities. Much of these funds went to support immediate COVID-19 response through capacity and emergency funding, as well as program pivots to bring content online and accessible to Canadians.

MAJOR DONATIONS AND SPONSORSHIPS EXCEEDING \$10,000

CHARITY	FUNDING	GIVING PRIORITY	DETAILS AND HIGHLIGHTS
	\$165,000	Safety and Security	We continued our long-standing partnership with Canadian Red Cross through our support of their National Emergency Preparedness Activation programming to ensure that Canadians had access to Preparedness sessions and information. Funding also increased their capacity for Community Mapping — an important activity to reduce Disaster Risk. This includes the Missing Maps program, an online mapping initiative that allows volunteers to create mapping projects for areas around the world where data is needed to help save or improve lives. Our funding provided recruitment and training opportunities for full-time employees to deliver the Preparedness program. This was imperative during crises such as the Fort McMurray flooding where both Economical and the Canadian Red Cross deployed resources to support residents and business owners.
	\$100,000	Health and Wellness	With Canadians indicating they were worried about a second wave of the virus and their mental health was deteriorating, and with our employees also identifying this as an area of concern and focus, we engaged with the Canadian Mental Health Association to make a donation to their BounceBack program. BounceBack is a free, guided self-help program that helps adults and youth 15+ learn to manage low mood, mild to moderate depression, anxiety, stress, or worry. Through telephone coaching and skill-building workbooks, participants can learn ways to overcome their symptoms and improve their mental well-being.
	\$55,000	Health and Wellness	We continued our longstanding partnership with the Canadian Cancer Society, shifting our funding as they pivoted around the pandemic. We supported their re-imagined “Relay at Home” (formerly, Relay for Life) and provided matching funds for their COVID-19 Holiday Campaign.
	\$50,000	Health and Wellness	We supported WICC as they pivoted to a virtual environment. Our support continued to go toward research and innovation in the fight against cancer through this organization, and we will support WICCs transition to engaging the insurance community on virtual platforms and initiatives.
	\$30,000	Health and Wellness	As most programming for Parachute Canada takes place inside classrooms, COVID-19 restrictions meant Parachute had to pivot quickly to an online environment. They arranged for materials to be sent to 19 sites. Ten local coordinators trained 207 volunteers in 113 classes, reaching 3,096 students.
	\$16,600	Safety and Security	We provided the final instalment of our six-year sponsorship to Crime Stoppers Halton in April while they were in the midst of determining the impacts of the COVID-19 pandemic. Our support went toward their goal of keeping the community safe, which can be challenged during times of distress and economic downturn as presented by the pandemic.

CHARITY	FUNDING	GIVING PRIORITY	DETAILS AND HIGHLIGHTS
 <p>Food Banks Canada Banques alimentaires Canada SPECIAL APPEAL APPEL SPÉCIAL COVID-19 Response Fund Fonds de réponse COVID-19</p>	\$15,000	Safety and Security	In March, our first giving initiative in response to COVID-19 was a donation-matching campaign for Economical employees in support of Food Banks Canada. Economical provided an initial donation of \$15,000 with a matching component. Through 137 employee matching applications, we matched an additional \$11,293 of funds.
<p>Children's Aid Foundation Teddy Bear UnGala</p>	\$12,000	Youth and Education	With the Teddy Bear Gala not able to take place due to COVID-19, Economical directed a donation for the equivalent amount for a "table" for their 2020 Teddy Bear Affair UnGala initiative.
	\$10,000	Safety and Security	Economical continued our support of Feed Ontario by providing a financial donation to their meal program. Every \$1 donated provides the equivalent of three meals, which means our donation provided 30,000 meals in 2020.
	\$10,000	Safety and Security	Shelter Movers supplies an essential service by providing free moving services to those who have suffered abuse. This donation specifically went towards funding the inception of their Waterloo chapter and will support their growing capacity as demand for their service unfortunately has increased during the pandemic.
	\$10,000	Safety and Security	With the local onset of the COVID-19 pandemic, we were not able to host the planned campaign with our employees but contributed the committed funds to United Way to fulfil immediate community needs.
<p>Child and Youth Advocacy Centre (CYAC)</p>	\$10,000	Youth and Education	Economical made this one-time donation to support the CYAC and its Child Witness Program, ensuring strong support for victims, witnesses, and their families.
	\$5,000	Youth and Education	Economical Insurance supported The Youth Employment and Skills Strategy (YESS) in its security upgrade project. YESS requested support to upgrade their security systems and software at the Armoury Resource Centre. This has allowed staff to monitor the physical space as well as potentially dangerous incidents without having to put themselves in harm's way and has allowed them to operate effectively and ensure the safety of staff and youth.

EMPLOYEE GROUP DONATIONS

In addition to COVID-19, 2020 was a year when social justice and anti-racism were brought to the forefront. To support and enhance our diversity and inclusion initiatives, we worked with our four employee groups to identify organizations in their communities that focused on their cause and facilitated a \$20,000 donation to each group, for a total contribution of \$80,000.

- The anti-racism group selected: [Black Youth Helpline](#)
- The women's leadership impact group selected: [Canadian Women's Foundation](#)
- The LGBTQ+ group selected: [Rainbow Railroad](#)
- Connexion (the group supporting newcomers to Canada) selected: [Canadian Council for Refugees](#)

CHOOSE YOUR CHARITY

We quadrupled our funding for our Choose Your Charity initiative to award funds to organizations experiencing immediate need and had direct impact in communities where we live and work. For the first time, we expanded the program to brokers, in addition to employees, to get a fulsome response to communities in need. As a result of this enhanced support, the program received more than 2,400 votes, double that of 2019's program.

CHOOSE YOUR CHARITY RECIPIENTS	AMOUNT
<u>Alberta Council of Women's Shelters</u>	\$15,000
Sport Central	\$15,000
<u>Canadian Cancer Society</u>	\$15,000
<u>Children's Hospital of Eastern Ontario</u>	\$15,000
<u>Children's Rehabilitation Foundation</u>	\$15,000
<u>VON Sakura House</u>	\$15,000
<u>Nutrition for Learning</u>	\$15,000
<u>Nova Scotia SPCA</u>	\$7,500
<u>Adsum for Women & Children</u>	\$7,500
<u>The Humane Society of Kitchener and Waterloo</u>	\$7,500
<u>Women's Crisis Services of Waterloo Region</u>	\$7,500
<u>Childcan</u>	\$7,500
<u>Ronald McDonald House Southwestern Ontario</u>	\$7,500
The Village of Hope	\$7,500
<u>McMaster Children's Hospital</u>	\$7,500
<u>Sickkids Foundation</u>	\$7,500
<u>City Dream Centre</u>	\$7,500
<u>BC Children's Hospital Foundation</u>	\$7,500
<u>Black Youth Helpline</u>	\$6,250
<u>Black Legal Action Centre</u>	\$6,250

iCARE

iCare is a digital platform that connects employees with our community giving program, 'My Charity,' and our employee volunteer program. Employees can make donations online and have their donations matched by Economical automatically. They can also sign up for or create their own volunteer opportunities, fundraise for their favourite causes, track volunteer hours, and apply for volunteer grants.

MY CHARITY

We match our employees' personal donations to Canadian registered charities throughout the year to an annual maximum of \$500 per employee.

2020 was such a unique year, and many employees wanted to give back through our matching program to support organizations in their communities that provided important immediate services. This resulted in the funds directed for this program tripling. A total of over \$34,000 matching donations were made to 107 different charitable organizations.

VOLUNTEER GRANT

With the COVID-19 pandemic moving non-essential workers to work from home, charitable organizations altering their programming, and in-person events moving online or being cancelled entirely, volunteer opportunities across Canada changed significantly. Our employees overcame these challenges head on, and we received applications from 11 employees in 2020 resulting in 310 hours tracked and matching funds of \$2,300 issued through our volunteer matching grants. As charitable organizations build on learnings from 2020, we anticipate volunteer opportunities will continue to evolve, likely in an increasingly virtual, skills-based format with reduced in-person capacity.

PAID DAYS OFF TO VOLUNTEER

As part of our overall volunteer program run through Human Resources, IMPACT, employees continue to be eligible to take time off from work to volunteer individually or as a team. This year 75 employees took over 500 hours off from work to volunteer via IMPACT.

Here are some of the places where our employees volunteered:

Calican Rescue Foundation

Girl Guides of Canada, Ontario Council

Pound Dog Rescue — Ontario

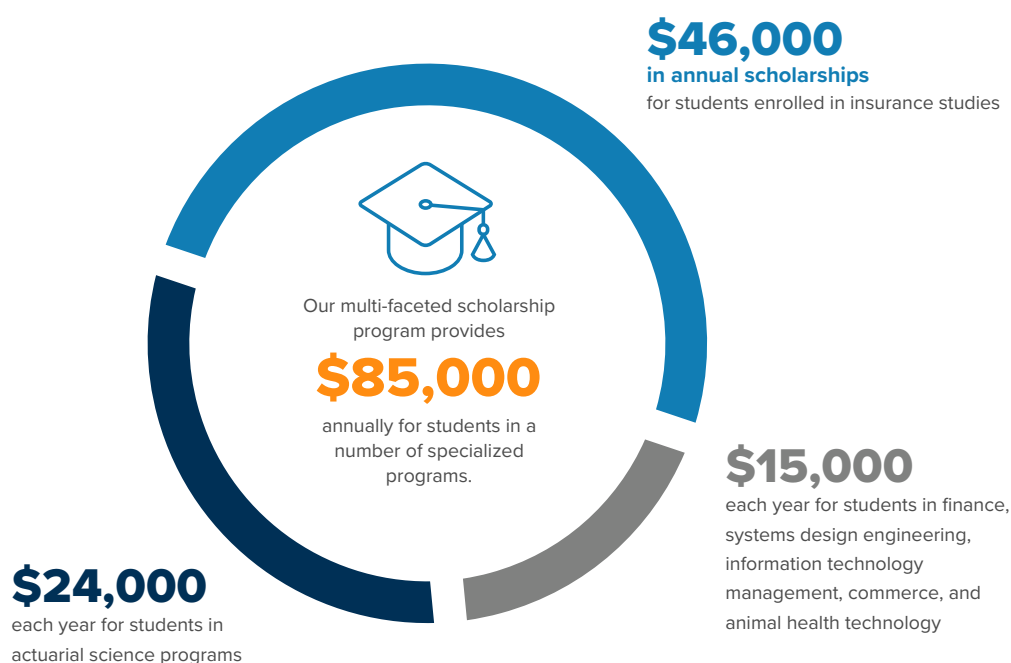
Kitchener-Waterloo Counselling Services Incorporated

Oakville Chamber Orchestra

Georgetown Bread Basket

SCHOLARSHIPS

By funding scholarships at select post-secondary institutions and programs, we support our talent management program and attract new employees to meet the needs of the business. We're proud to encourage and help to equip the next generation to imagine bigger and better things and unleash their potential.



EMPLOYEE DEPENDENT CHILDREN'S SCHOLARSHIPS

The Dependent Children's Scholarship program is for children of Economical employees who are enrolled in an accredited Canadian college or university as a full-time student with a minimum average of 75%. Recipients of the scholarships are awarded \$2,000 for degree programs and \$1,000 for diploma programs.

In 2020, we received 37 applications (32 degree and 5 diploma) and awarded scholarships to 16 students (15 degrees at \$2,000 each and 1 diploma at \$1,000).

ECONOMICAL FAMILY OF BRANDS:

Petline

ORGANIZATION	AMOUNT	DESCRIPTION
BC SPCA	\$114,940	<p>Petline has partnered with the BC SPCA for several years and has supported a number of campaigns. Petline donated \$50,800 towards the Medical Emergency Campaign to help five abused or abandoned animals get emergency surgery and urgent veterinary care.</p> <p>We also supported the Emergency Preparedness matching campaign with \$15,000 to raise awareness of the importance of evacuation preparedness in emergencies such as wildfires, floods, or earthquakes.</p> <p>Petline contributed \$17,500 to the Lock-in for Love: Home Edition campaign as the presenting sponsor of Top Animal Questions, hosted by Dr. Hatley. These and our other donated funds help to ensure the BC SPCA can continue to care for and protect vulnerable animals when it's needed the most.</p>
Calgary Humane Society (CHS)	\$15,000	<p>Since 2003, Petline has supported the CHS through sponsorships and donations every year to help support vulnerable animals in need. In 2020, we contributed \$5,000 to the Annual Dog Jog virtual event in June to help end animal cruelty.</p> <p>In October, we donated \$10,000 to the "Rescues on the Runway" portion of the online 18th annual Cocktails for Critters Gala.</p>
Winnipeg Humane Society	\$15,000	<p>In 2020, Petline sponsored three events for \$5,000 each. We were the email sponsor for the 1,001 Donations online pledge drive and created a video to highlight a few reasons why we love the Winnipeg Humane Society.</p> <p>Petline was the prize sponsor for the PAWS in Motion pet-friendly walkathon campaign in June. For every \$50 raised, participants were entered to win a Care Package worth \$1,000.</p> <p>We were also the Silver sponsor for the Winnipeg Humane Society Bow Wow Ball online silent auction campaign. All funds raised from these events went directly to provide food, shelter, and medical care to more than 10,000 animals annually.</p>
Langley Protection Society	\$2,500	<p>Since 2015, we have supported the Langley Protection Society in British Columbia. In 2020, Petline made a contribution as the Inspiration Sponsor for the Dreams Do Come True online fundraiser in September.</p>
Humane Canada	\$2,500	<p>With support from our partners, Petline donated \$2,500 to Humane Canada as part of the #GivingTuesday campaign. Giving Tuesday is a global movement for giving and volunteering, taking place each year after Black Friday.</p>

Family Insurance Solutions: (\$500 and over)

ORGANIZATION	AMOUNT
BC & Alberta Guide Dogs	\$3,275
WICC BC	\$3,160
Lower Mainland Christmas Bureau	\$750
Richmond Christmas Fund	\$500

Sonnet

ORGANIZATION	AMOUNT
Donation for Hockey ice time through NHLPA Goals and Dreams programs: Let Kids Play Foundation (Hockey 4 Youth)	\$37,500
Donation for Hockey ice time through NHLPA Goals and Dreams programs: HEROS	\$37,500

RESPECTING OUR ENVIRONMENT

Our environmental sensitivity efforts continue to yield progress in year-over-year reduction in our overall CO2 emissions. Our objectives are to raise awareness of environmental sustainability within the company nationally, while also identifying, investigating, and acting to reduce pollution, waste, and consumption of resources.

Our processes and procedures outlined below support environmentally friendly business practices.

In 2020, the Vendor Selection and Facilities Management team implemented several energy management initiatives to our owned buildings. For example, we replaced motors and two inefficient 30-year-old boilers in our Waterloo location, switched out aging hot-water tanks, resealed several windows at our Kitchener location and fitted metal flashing around them, installed a building automation system at both our Kitchener and Waterloo locations, and eliminated the use of in-office water coolers and water fountains in favour of water-bottle refill stations.

Our team also was proud to:

- Consider the environmentally friendly practices of potential vendors in our selection process
- Work with general contractors on all construction projects to ensure waste materials were separated and recycled properly
- Maximize the amount of materials to be reused while planning construction projects
- Work with movers who ensured office waste was responsibly discarded and/or reused wherever possible
- Continue to purchase furniture made from recycled materials, while working to ensure that any surplus furniture was donated or disposed of responsibly
- Mandate the use of environmentally friendly cleaning products by our contracted carpet cleaners and cleaning vendor
- Work toward full offsets on our buildings' lighting and heating settings during non-business hours, while adjusting for seasonal variations
- Reduce overall utilities consumption (gas, hydro, water) with the pandemic-related decrease of employees in office
- Consider the environmental practices of property management companies when determining new space
- Continue to offer an Electric Vehicle charging station at our location in Kitchener
- Select fleet vehicles with Auto Start-Stop to reduce emissions when stopped in traffic and at lights

PAPER AND PRINT MANAGEMENT

We continued to reduce the number of mailings to our broker partners, with more communications now being made available digitally. Our paper usage overall decreased, with invoices reduced by 50% and internal reports reduced by 100%. When marketing material needed to be printed, it was on paper that used recycled content, while also using envelopes manufactured from Forest Stewardship Council certified material.

We also recycled used toner cartridges and batteries, while continuing to offer recycling programs for pens, eyeglasses, and pop-tabs in offices across Canada. As per our usual practice, we returned cardboard boxes, paperclips, and elastics to our local print vendor for reuse.

WASTE SORTING AND DIVERSION

In Kitchener-Waterloo, where our head office is located, we continued to divert operational waste from landfills. To accomplish this, we began collecting all organic waste in compostable bags for conversion through anaerobic digestion to biogas, fertilizer, and livestock bedding.

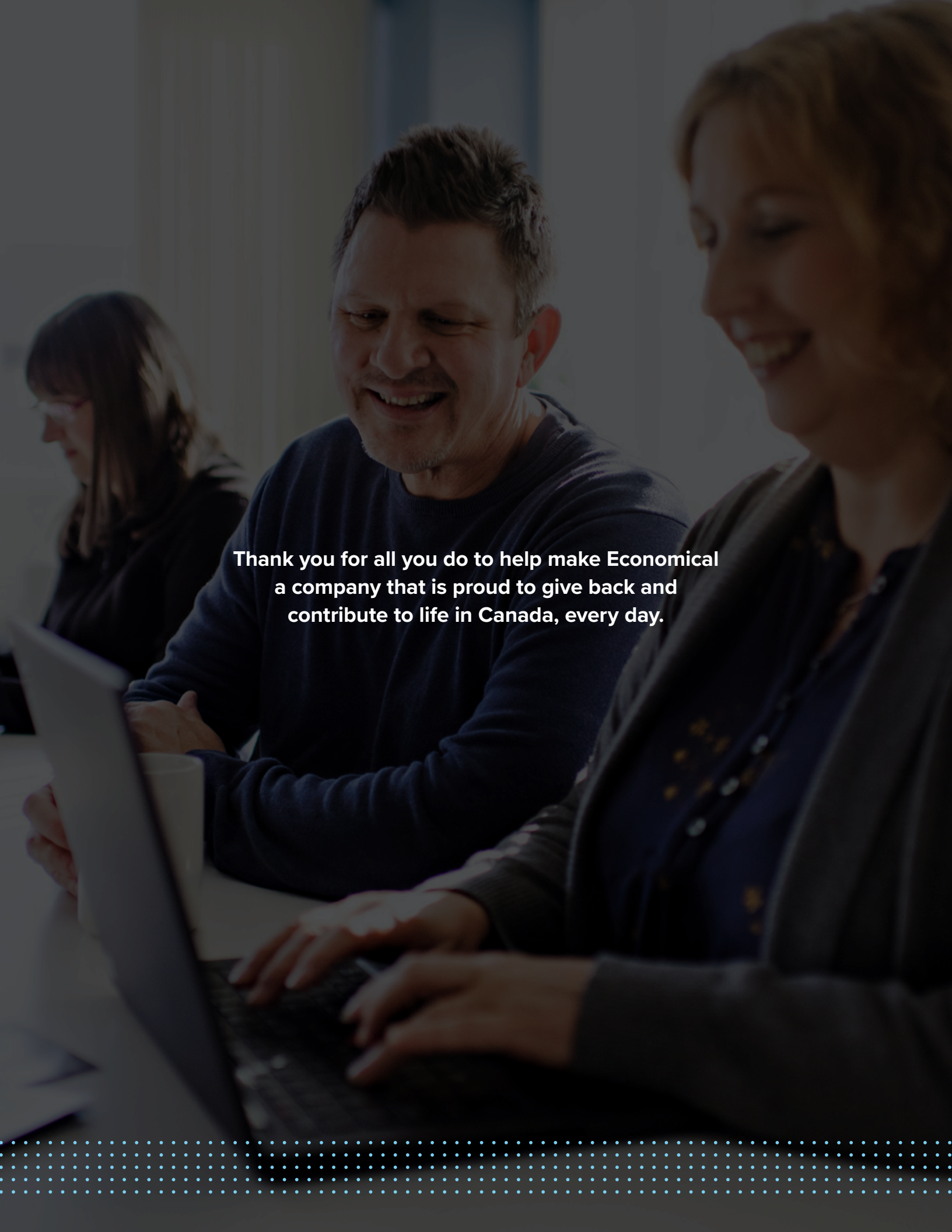
We also:

- Donated \$20,000 worth of food and products to a local soup kitchen, diverted from landfill
- Ordered reusable masks for our employees to reduce usage of single use masks

SUMMARY

An annual public accountability statement is an opportunity for a company like ours to shine a spotlight on the activities and achievements that demonstrate our commitment to corporate social responsibility. It's also a chance to publicly acknowledge the people we get to work with, whether that's our employees, board members, customers, brokers, or community partners. None of the investments, social innovations, economic enhancements, and environmental initiatives outlined in these pages would be possible without their bold vision and continued generosity.

In the end, it's all the people we get to interact with that made this weighty and impressive report what it is, the same individuals and groups who will help to make the exciting year ahead — featuring our 150th anniversary and anticipated transition to becoming a public company — one for the books.



**Thank you for all you do to help make Economical
a company that is proud to give back and
contribute to life in Canada, every day.**



HEAD OFFICE

111 Westmount Road South
P.O. Box 2000, Waterloo, ON N2J 4S4
T 519 570 8500

economical.com