THE CO-OPERATORS CORPORATE SUPPLIER CODE OF CONDUCT

Background:

The Co-operators is committed to conducting its business in accordance with its Sustainability Policy. Our Supplier Code of Conduct (SCC) defines the minimum standards of social and environmental conduct for suppliers. The Code applies to all new and existing suppliers. It is a requirement that all companies in The Co-operators Group adhere to this Code.

1. The Co-operators Expectations

The Co-operators Supplier Code of Conduct (SCC) promotes and articulates a framework of consistent performance standards for our business partners. As an organization that is committed to being a catalyst for a sustainable society, The Co-operators seeks to maximize positive environmental, social and ethical impacts through our business. To accomplish this we will actively seek business partners who:

1. share similar and compatible values and a commitment to accountability and compliance with our standards as outlined in this Code of Conduct
2. seek opportunities for continuous improvement throughout the supply chain
3. strive to maintain the high level of integrity represented by The Co-operators brand.

2. Legal and Ethical Expectations

The Co-operators suppliers and their sub-contractors will comply with:

1. all contract provisions and legal requirements under local, regional and national laws
2. regulations of the countries in which the suppliers and sub-contractors are doing business
3. national and other applicable law of the country of manufacture of products including those related to labour, worker health and safety, and the environment.

Where the provision of law and the SCC address the same issue, higher standard will apply.

The Co-operators business partners will comply with applicable customs importing laws, and in particular, will establish and maintain programs and documentation to support country-of-origin production verification, to prevent illegal transhipping of merchandise.

3. Health and Safety Standards

The Co-operators suppliers and their sub-contractors will:

- provide their workers with safe and healthy work environments, which, as a minimum standard, is in compliance with country and local health, safety and environmental laws and regulations.
- take adequate steps to prevent accidents or injuries to health arising out of, associated with, or occurring in the course of work or as a result of the operation of employer facilities.
- identify, evaluate and control worker exposure to chemical, biological and physical agents. When hazards cannot be adequately controlled by engineering and/or administrative means, workers are to be provided with the appropriate personal protective equipment.
- provide written health and safety guidelines for employees in terms of equipment, training, management and work practices in the working language of employees.

4. Environmental Standards

The supplier shall work to minimize its environmental impact. The suppler will comply with all applicable environmental laws and regulations and take reasonable measures to prevent damage to the environment.

The Co-operators suppliers and their sub-contractors will ensure that they comply with the following environmental standards:

- Environmental Permits and Reporting:
  - All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.
- Pollution Prevention and Resource Reduction:
  - Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling, and re-using materials.
- GHG Emission Reduction:
  - The supplier should monitor, measure and reduce greenhouse gas emissions.
- Hazardous Substances:
  - Chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling, re-use and disposal.
- Wastewater and Solid Waste :
  - Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.
- Packaging:
  - The supplier should minimize the use of packaging and use materials that utilize post consumer waste content that can be reused, recycled or recovered by commonly available methods in Canada and will, at their own expense, where required by The Co-operators, take back any excess or non-compliant packaging related to the products and services provided. For example, the use of polystyrene should be avoided as it cannot easily be recycled or reused.
- Air Emissions:
  - Air emissions of volatile organic chemicals, aerosols, PBDEs, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

Suppliers and sub-contractors will have a written environmental policy, and a plan to identify and minimize the impact of their activities on the environment.

5. Labour Standard

I. Freely Chosen Employment

The Co-operators suppliers and their sub-contractors will not:

- use forced, illegal, or prison labour, including indentured or bonded labour, or any form of compulsory labour to manufacture our products.
- require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.
- require any foreign contract worker to remain in employment for any period of time against his or her will and will pay any required agency recruitment commissions.

II. Employment Relationship

The Co-operators suppliers and their sub-contractors will notuse labour-only contracting arrangements, consecutive short term contracts, and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

III.Child Labour Avoidance

The Co-operators suppliers and their sub-contractors will not:

- hire people under the age of 15 (or 14 where the International Labour Organization (ILO) exemption for developing countries allows), unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply, as defined by the International Labour Organization. Where local laws do not exist or where they set lower standards than the ILO the ILO standards shall prevail. Where a child worker must be displaced, adult family members should have the opportunity to assume the child's position in order to maintain family earnings
- expose children or young workers to any situations in – or outside the workplace – that are hazardous or unsafe to their physical and mental health and development

The Co-operators suppliers and their sub-contractors will:

- acknowledge that according to the United Nations Convention on the Rights of the Child, a person is a child until the age of 18. Suppliers and their sub-contractors will ensure young workers in the age group 15-17 are employed according to the protective restrictions prescribed by local laws

IV. Freedom of Association and Collective Bargaining

The Co-operators suppliers and their sub-contractors will:

- recognize and respect that workers, without distinction, have the right to form or join trade unions of their own choosing and to bargain collectively
- effectively inform personnel that they are free to join an organization of their choosing and that their doing so will not result in any negative consequences to them, or retaliation from, the company
- allow parallel means for independent, free association and bargaining where the right of freedom of association and collective bargaining is restricted under law
- ensure that worker representatives are not discriminated against and have reasonable access to carry out their representative functions in the workplace

V. Non-Discrimination

The Co-operators suppliers and their sub-contractors will:

- consider employees for positions on the basis of their qualifications and abilities.
- not work with suppliers or sub-contractors who discriminate on the basis of gender, age, race, nationality or ethnic origin, disability, family responsibilities or parental status, marital status, the occupation of spouse or partner, medical or irrelevant criminal record, political convictions, pregnancy or potential pregnancy, religious beliefs or activities, sexual preference or sexuality, industrial activity or union membership, physical appearance, social origin or carers responsibility.
- ensure that pregnant workers are assigned work tasks appropriate for, and not threatening to, their condition.

VI.Disciplinary Practices

The Co-operators suppliers and their sub-contractors will:

- treat workers with respect and dignity. No employee shall be subject to any form of physical, sexual, psychological or verbal harassment or abuse.
- ensure workers are free to express their concerns about workplace conditions without fear or retribution of losing their jobs. Workers should have access to a formal avenue to express concerns directly to factory management or The Co-operators representatives.

VII. Wages and Benefits

The Co-operators suppliers and their sub-contractors:

- will meet national and legal requirements, whichever is higher, for wages and benefits within the country of manufacture, irrespective of special status.
- will provide all legally mandated benefits.
- meet industry standard benchmarks for prevailing wages and benefits where such benchmarks are readily available.
- recognize that wages are essential to meeting employees' essential needs and will make every effort to ensure that workers receive wages that meet essential needs by local standards.
- will pay workers directly and provide workers with clear, written accounting of hours worked, deductions, and regular and overtime wages in a language they can understand.
- ensure that deductions from wages not provided for by the laws of the countries where goods are mad are not permitted without the express permission of the employee.

VIII. Hours of Work/Overtime

The Co-operators suppliers and their sub-contractors will:

- ensure regular working hours do not exceed 48 hours per week, and that the combination of regular hours and required overtime hours do not exceed 60hours per week except in exceptional unforeseen circumstances.
- ensure that employees are not required to work more than the regular and overtime hours allowed by the law of the manufacturing country. In any event the normal work week, not including overtime, shall not exceed 48 hours. All overtime work shall be voluntary, shall not exceed 12 hours per week, nor be requested on a regular basis.
- ensure that when overtimes is needed, workers are compensated either according to the law, or where the law is silent, at a premium rate.
- ensure workers are provided at least one day off during every 7 day period.

6. Employee Communication and Engagement

This Supplier Code of Conduct shall be communicated to all employees and posted in the working language of the employees in an area accessible to all employees.

7. Supplier Code of Conduct Review

The Sustainability and Corporate Citizenship Department will be responsible for annually reviewing The Co-operators Supplier Code of Conduct, including assessing new items that may warrant inclusion under the umbrella of this Code. Findings will be communicated to the Sustainability Steering Committee, The Co-operators Management Group and the Board of Directors Sustainability Committee. The Sustainability and Corporate Citizenship Department will work in collaboration with Facilities Management to identify and recommend revisions to the Supplier Code of Conduct.

8. Implementation, Compliance and Continuous Improvement

The Co-operators will implement this Code incrementally over time as it works towards full implementation, starting with our strategic suppliers and migrating across the total supply chain. The Co-operators is committed to a process of continuous improvement and ongoing upgrading of this Code. We expect all our suppliers to respect this SCC and to actively do their utmost to achieve our standards. We believe in co-operation and are willing to work with suppliers to improve performance where necessary.

We may require that suppliers provide details on factory and production facility locations of suppliers and subcontractors and may make this information publicly available.

We reserve the right to ask for proof of compliance with all applicable labour, health, safety and environmental laws, and may inspect working conditions, at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the SCC and The Co-operators may ask that they are independently verified at the suppliers' expense.

The Co-operators may discontinue business with suppliers who are not responsive to requests to address concerns around workplace practices.

9. Governance and Accountability

The Manager of Sustainability and Corporate Citizenship will be responsible for overseeing the implementation and reviews of the Code. The Corporate Sustainable Purchasing Committee is responsible for the development and implementation of the Supplier Code of Conduct, including policy development, implementation plans, consultation, communication and training plans, target setting and annual reviews. The Committee recommends policies and targets to the Sustainability Steering Committee for approval by The Co-operators Management Group, and the Board of Directors, as required.

Department staff, including buyers and staff with discretionary spending authority, will be expected to implement this Code with The Co-operators suppliers.

Suppliers and sub-contractors are expected to abide by this Code and to implement corrective action plans when in non-compliance.