

The Co-operators Sustainability Policy

The Co-operators recognizes that our business, our communities and the global economy exist within the closed system of the Earth, which provides irreplaceable resources and support for all forms of life. We recognize that the capacity of the Earth to continue to provide these resources and supports is threatened by the degradation of natural and social systems. We also believe that there is a socio-economic foundation below which no human should be allowed to fall — be it into poverty or isolation.

To us, sustainability is a future state where individuals, communities and the economy thrive within the cycles of nature and a healthy society. Acting on sustainability is about taking care of tomorrow, today. Doing so aligns naturally with co-operative values.

As a co-operative, an insurer, employer, investor, and a community partner, The Co-operators believes that we can and must lead the way in ensuring a sustainable future. Our staff and financial advisors are catalysts in advancing sustainability at work, at home and in the community. Our co-operative identity creates unique opportunities for them to demonstrate such leadership.

The most important way we can advance sustainability is by meeting the needs of our clients. We must help them prevent, mitigate and adapt to new risks and seize new opportunities that arise from sustainability challenges. Meeting their emerging and unmet needs is fundamental to our co-operative purpose and enables our clients to contribute to a sustainable future. It also ensures we have the financial strength to continue meeting their needs in the future.

Working together, we are committed to minimizing any negative effects that our activities could have on the environment and society at large and, further, to performing a restorative function through innovation in business practices, product development, public engagement and partnerships with our stakeholders. We are committed to catalyzing collaboration for sustainability, which is required to address systemic challenges. We are committed to the ongoing pursuit of alignment of our business with these four sustainability principles:

- > In a sustainable society, nature is not subject to systematically increasing concentrations of substances extracted from the Earth's crust.
- > In a sustainable society, nature is not subject to systematically increasing concentrations of substances produced by society.
- > In a sustainable society, nature is not subject to systematically increasing degradation by physical means.
- > People are not subject to conditions that systematically undermine their capacity to meet their needs.

Step by step, The Co-operators will strive to align everything we do with these fundamental sustainability principles in ways that advance the financial security of Canadians and their communities.

The Co-operators long-term sustainability goals to 2020

Our long-term sustainability goals express how The Co-operators believes we will become a catalyst for a sustainable society, demonstrate our commitment to bringing the co-operative principles to life, and guide how we embed sustainability into our governance, operations, products and relationships.

Our clients & members

We enable and encourage our clients and members to contribute to a sustainable future through our products, services and all interactions.

To us, this means that:

- a) Our clients and members recognize us as the sustainable choice for insurance and financial services and consider it an important part of our value proposition. Sustainability is woven into the experience of all clients.
- b) Our loss prevention initiatives and business practices reflect our commitment to sustainability.

Our people

Our dynamic, progressive workplace attracts and develops personal champions of sustainability.

To us, this means that:

- a) Our staff, financial advisors and financial advisors' staff champion sustainability.
- b) Our sustainability commitment helps make us an employer of choice.
- c) We encourage and support diversity in our workforce, our Agencies and in our governance bodies.

Our governance & operations

We model responsible, accountable and transparent governance. Our operations help foster a more sustainable society and economy and are a source of pride for our people. Others seek to follow our example.

To us, this means that:

- a) We have aggressively reduced our greenhouse gas emissions.
- b) Our operations demonstrate our commitment to sustainability.
- c) We are recognized leaders in sustainability governance.

Our investments

We are responsible investors and leverage our assets to contribute to a more sustainable future.

To us, this means that:

- a) The Co-operators assets are invested in ways that advance sustainability.
- b) The Co-operators engages companies in which it invests in policies and practices that advance sustainability.
- c) We offer and promote our sustainable investment options to clients.

Our public voice

We are strong and effective public advocates for sustainability and inspire others to take action.

To us, this means that:

- a) We collaborate with our partners to influence public opinion and public policy on sustainable development, climate change and safe and healthy lifestyles.

Our relationships

We are advancing sustainability through a systems-based approach, collaborating with industry partners, the co-operative sector, suppliers, communities, governments and non-governmental organizations.

To us, this means that:

- a) Through our strategic, results-oriented partnerships and insurance industry and co-operative sector collaborations, we have advanced sustainability, particularly related to climate change.
- b) Our community investment program has helped to build resilient, sustainable Canadian communities.

Sustainability-related insurance and wealth products and services

Our sustainability-focused product and service offerings include the following:

Socially responsible/sustainable investments: We provide a range of socially responsible investment options for clients who seek to invest their funds in ways that achieve both competitive financial returns and generate social returns. Social criteria upon which companies are evaluated include excellence in environmental management, positive labour practices, human rights, and the avoidance of tobacco, weapons, alcohol or nuclear power as major sources of revenue. We also provide a range of sustainable investing options that integrate consideration of environmental, social and governance (“ESG”) matters into investment and stewardship activities with the objective of enhancing long-term investment performance.

Solutions for the non-profit and co-operative sectors: As a co-operative itself, The Co-operators understands the unique insurance needs of co-operative organizations in Canada. This is why we’ve developed Co-op Guard® — to provide co-operative sector-specific products and services that are customizable to suit each co-operative’s unique insurance needs. We also recognize and respect the unique challenges facing the voluntary non-profit sector in Canada. Our Community Guard® insurance program provides sector-specific insurance coverage focused on affordability, accessibility, insurability and customization, and promises rate stability to assist with the planning and budgeting process. Both programs are marketed through specially trained financial advisors who know these sectors and are committed to them.

Green policy endorsements: Our Enviroguard® home policy endorsements allow clients to consider more environmentally friendly building and energy options. For an additional premium, this endorsement gives clients an additional amount to restore with environmentally responsible options. Enviroguard® is included in our Prestige Plus (high value home) product.

Green policy discount: Our Envirowise® discount offers a 10 per cent savings for eligible Leadership in Energy and Environmental Design (LEED) certified dwellings.

Hybrid and electric vehicle discount: To reward more sustainable vehicle choices, clients in Ontario, Quebec, Newfoundland/Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Alberta, Saskatchewan, Yukon and Northwest Territories who drive hybrids are eligible for an automatic 5 per cent discount on their auto insurance premium. This discount has been extended to include electric vehicles in select provinces, and is in the process of being extended to all provinces.

Telematics: The en-route Auto Program™ is a usage-based insurance program that uses telematics technology to collect information about driving behaviour, including braking and acceleration; distance travelled; travel time; and environmental impact. Drivers automatically receive a 5 per cent discount for signing up, which can grow to as much as 25 per cent based on driving results. Currently available in Ontario only.

Offering solutions for the wind energy industry: The Sovereign General’s Windsurance® product has been tailored for the small to mid-size wind energy industry. From site preparation through grid hook up and beyond, our product provides comprehensive and continuous coverage. There is no longer the need to seek markets for construction coverage, operations or the production phase.

Fire Sprinkler Discount: Fire sprinklers can limit property damage and save lives. They are also less harmful to the environment because they reduce fire damage by up to 97 per cent and water damage by up to 90 per cent. Clients of Co-operators General Insurance Company whose homes are protected by automatic fire sprinkler systems may be eligible for a discount of 10 per cent. Clients who also have heat detectors and water sensors may be eligible for additional discounts.

Complete, all-in-one water coverage: Until 2015, Canada was the only G7 nation without home insurance for overland flood damage. Our new Comprehensive Water coverage provides just that. It takes the worry out of where the water came from, or how it got into your home, and provides financial protection from virtually every type of sudden and accidental water damage, such as: sewer, sump or septic backup; flood caused by an overflow of a creek, river or lake; accumulation of water from heavy rainfall and extreme storms.

Community Investment Vision

The Co-operators seeks to strengthen communities through a focused Community Investment Vision (CI Vision). The CI Vision highlights our co-operative roots and values and aligns with our core mission — “financial security for Canadians and their communities”.

The CI Vision outlines three focus areas to achieve impact in the community and leverages other opportunities in The Co-operators group of companies to increase that impact in a more integrated approach. The concept of our ‘Social Signature’ permeates how we look at community investment, considering the overall impact of our actions and influence.

These three areas build on the current strengths of The Co-operators as a national investor in communities, a well-respected and innovative leader, and a co-operative provider of financial security products and services.

Environmental sustainability – protecting our communities: As a co-operative insurance provider, we know the degradation of our natural environment is a serious problem that impacts our health, our homes, our businesses and our communities. We are committed to working with our stakeholders to find solutions to these issues, to decrease our negative impact and support the creation of more resilient communities for generations to come.

Economic sustainability – building a co-operative economy: As a co-operative, we understand that values-based organizations have an important role in creating a just and sustainable economy. We are committed to supporting the growth of co-operatives, social enterprises and strengthening the charitable non-profit sector in order to build a community-focused, values-based economy that will contribute to a more inclusive and resilient society.

Social sustainability – creating a resilient, safe, and healthy future: As a co-operative insurance provider, we seek that all individuals in our communities have the opportunity to lead healthy, safe and secure lives. We are committed to helping individuals protect their assets through financial planning and to supporting programs that promote individual health and safety, and contribute to more resilient communities.