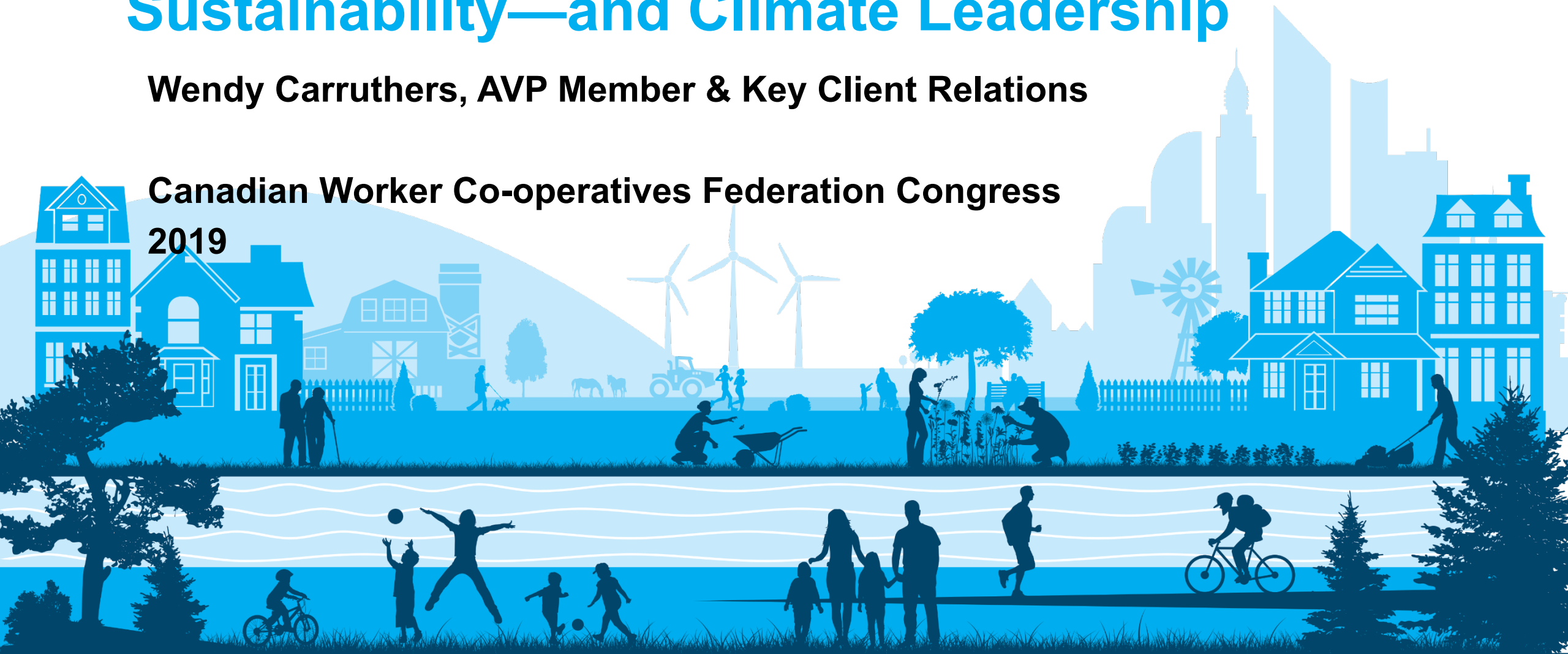


The Co-operators Journey to Environmental Sustainability—and Climate Leadership

Wendy Carruthers, AVP Member & Key Client Relations

Canadian Worker Co-operatives Federation Congress
2019



Agenda

1. Background & Motivations
2. Highlights from our Journey
3. Calls to Action

1. Background & Motivations

About The Co-operators



Mission

Financial security for Canadians and their communities



Protecting Canadians' homes, automobiles, farms, and businesses



Providing benefits to self-employed individuals



Protecting Canadians' lives, well-being and financial prosperity



Protecting employees through group insurance



Protecting Canada's credit unions and their members



Growing and protecting our clients' money



Providing specialized protection for businesses and individuals



Providing specialized protection to Canadians

Definition

Sustainability is

a future state where

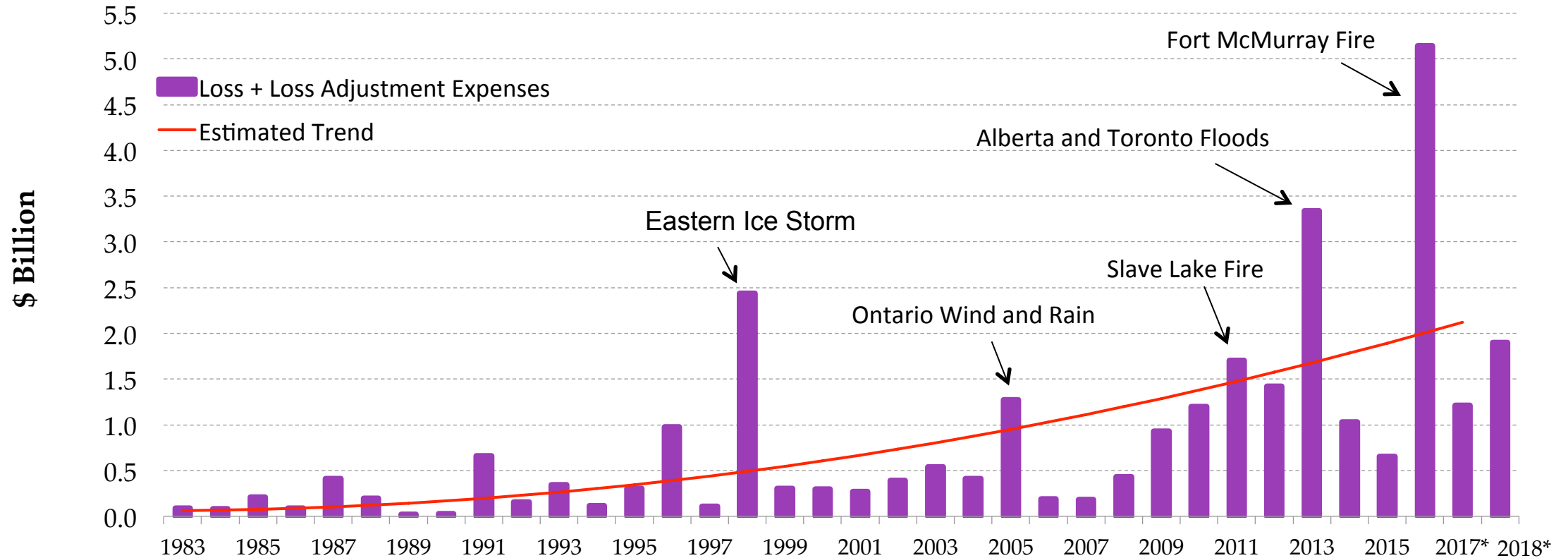
individuals, communities and the economy thrive

within the cycles of nature and a healthy society.





Insured Losses are Increasing in Canada



Sources: Insurance Bureau of Canada; CatIQ

* Preliminary results

Note: Cost to government and homeowners 3-4X that of private insurers

Motivation #1: Co-operative Responsibility



Motivation #2: Business Imperative



2. Highlights from our Journey

Our Sustainability Journey

Phase 1
(2008-2010):



**'Get our House
in Order'**

Phase 2
(2011-2014):



**'Catalyze a
sustainable society'**

Phase 3
(2015-2018):



**'Embed
sustainability in all
we do'**

Phase 4
(2019-2022):



**'Embed
sustainability 2.0'**

Our Sustainability Journey

**Phase 1
(2008-2010):**



**‘Get our House
in Order’**

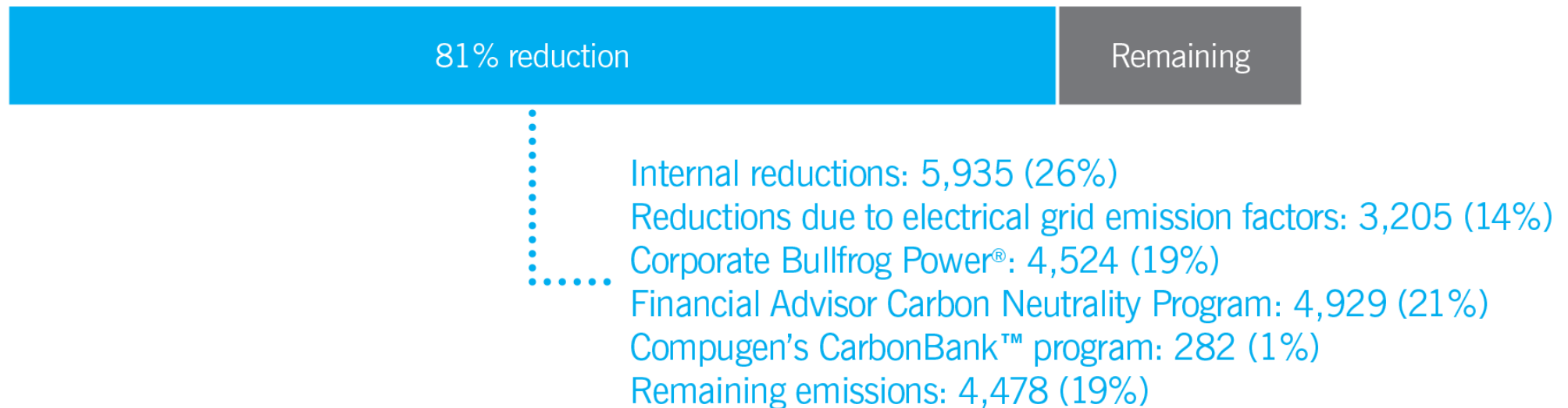
Governance Structure



Carbon Footprint

81% reduction since 2010 → carbon neutral equivalent by 2020

How we achieved the 81% net reduction in 2018



Our Sustainability Journey

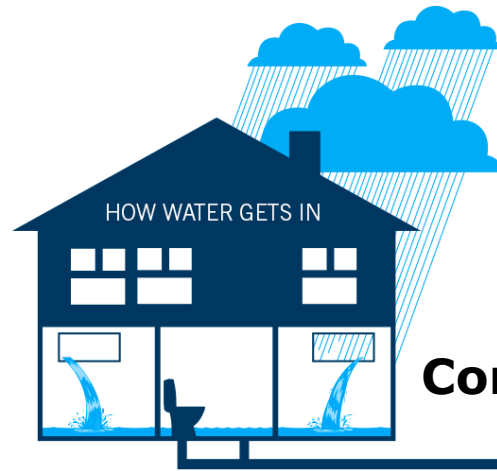
Phase 2 (2011-2014):



**'Catalyze a
sustainable society'**

Products Enabling Climate Mitigation or Adaptation

**Fire Smart
discount**



**Comprehensive
Water**

**Hybrid and
Electric
Vehicle
Discount**



Convening Partners & Advocating for Change



Expert panel on sustainable finance



Advisory Council on Flooding



Issues & Practices

e.g., carbon pricing, flood resiliency, green bonds, investment practices

Diverse Sectors

Financial System

e.g., banking, insurance and asset management

Our Sustainability Journey

**Phase 3
(2015-2018):**



**‘Embed sustainability in
all we do’**

Integrated Reporting & Our Climate Commitment



OUR CLIMATE COMMITMENT

We strive to be a champion and catalyst of a sustainable, climate-resilient society. Sustainability and citizenship are fully integrated within our governance model, including active Board oversight. We have established the following climate commitments, through the lens of our roles as a business, an insurer, an investor and a co-operative:



As a business:

1. We will be carbon neutral equivalent by 2020.
2. We support the Paris Agreement and its aim to keep global temperature rise this century below 2 degrees Celsius.
3. We acknowledge the urgency of transitioning to a low-carbon economy, and support initiatives to incentivize greenhouse gas ("GHG") reductions through carbon pricing.
4. We will further integrate climate change into our governance and risk management processes, building on the established mandates of our Board and management committees.
5. We support and will systematically adopt the recommendations of the Financial Stability Board-sponsored Task Force on Climate-related Financial Disclosures, including disclosures of our climate change governance, strategy and risk management practices and related metrics and targets as they are developed.

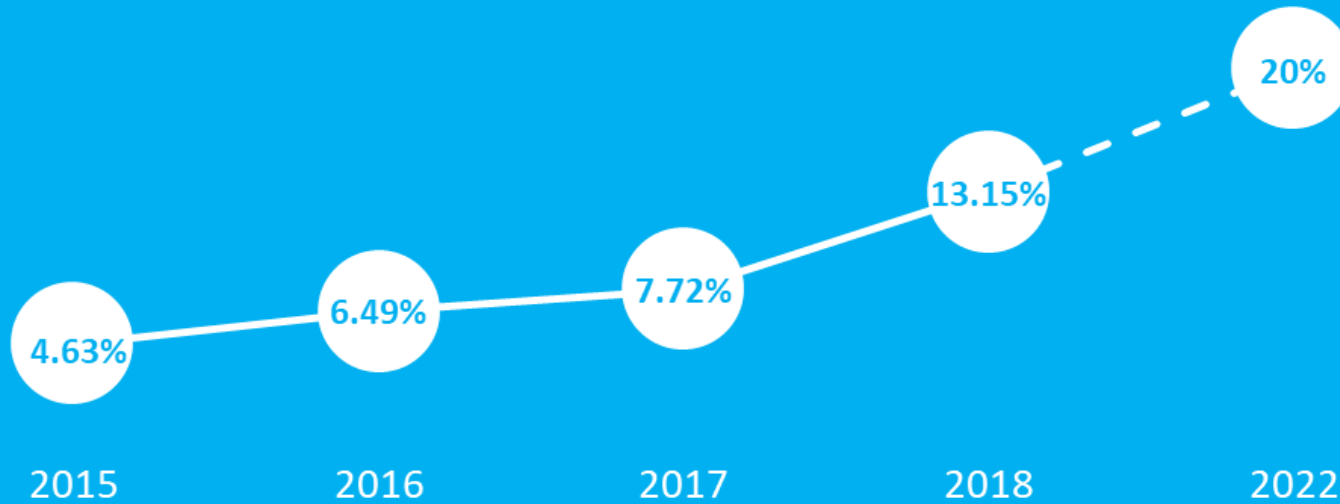



As an insurer:

6. We will help our clients understand and manage their climate-related risks and impacts and offer incentives to lower their risk exposures.
7. We will continue to develop innovative products and services to address gaps in climate-related

Impact Investing

Total Asset Portfolio Invested in Impact Investments



229 million MWh of renewable energy generated. =  **8 million** homes powered for one year.

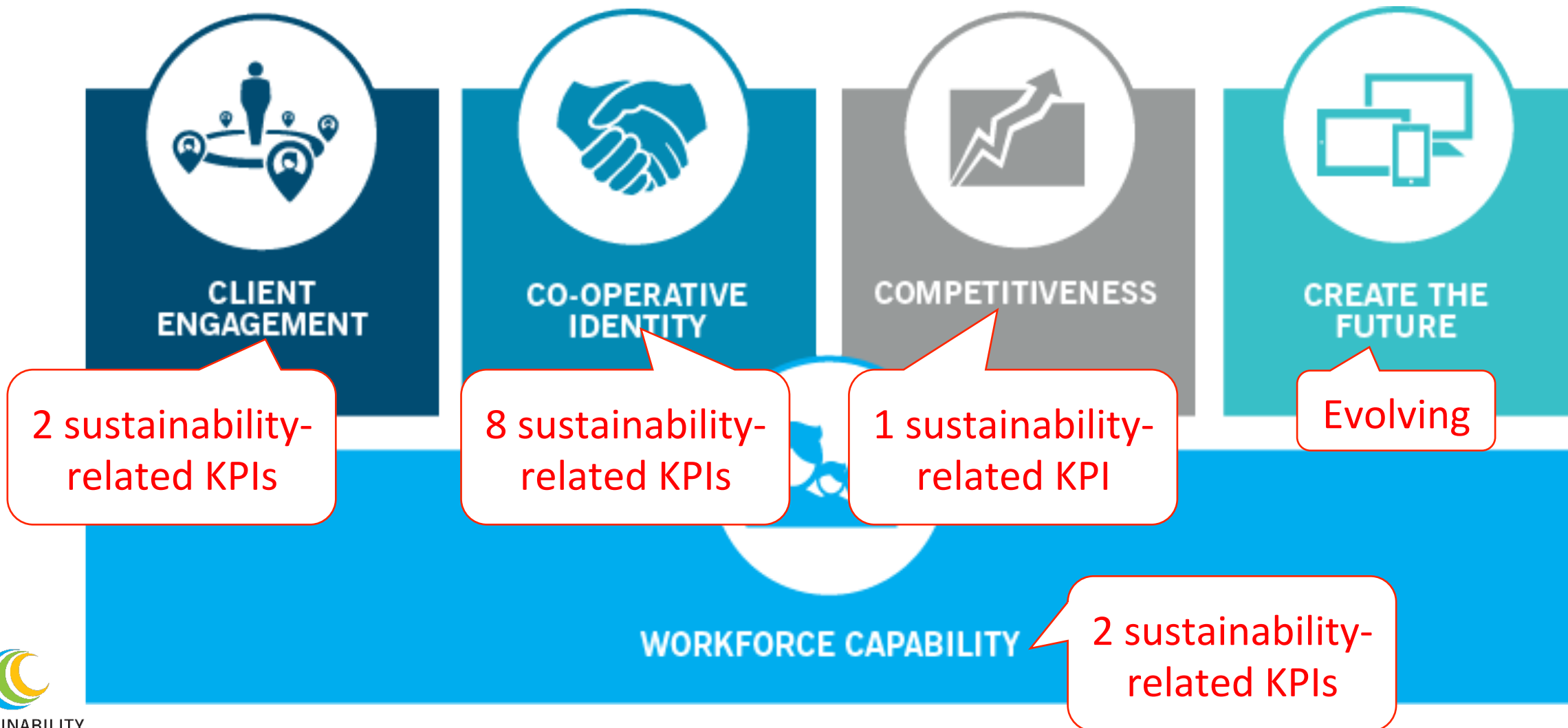
Our Sustainability Journey

**Phase 4
(2019-2022):**

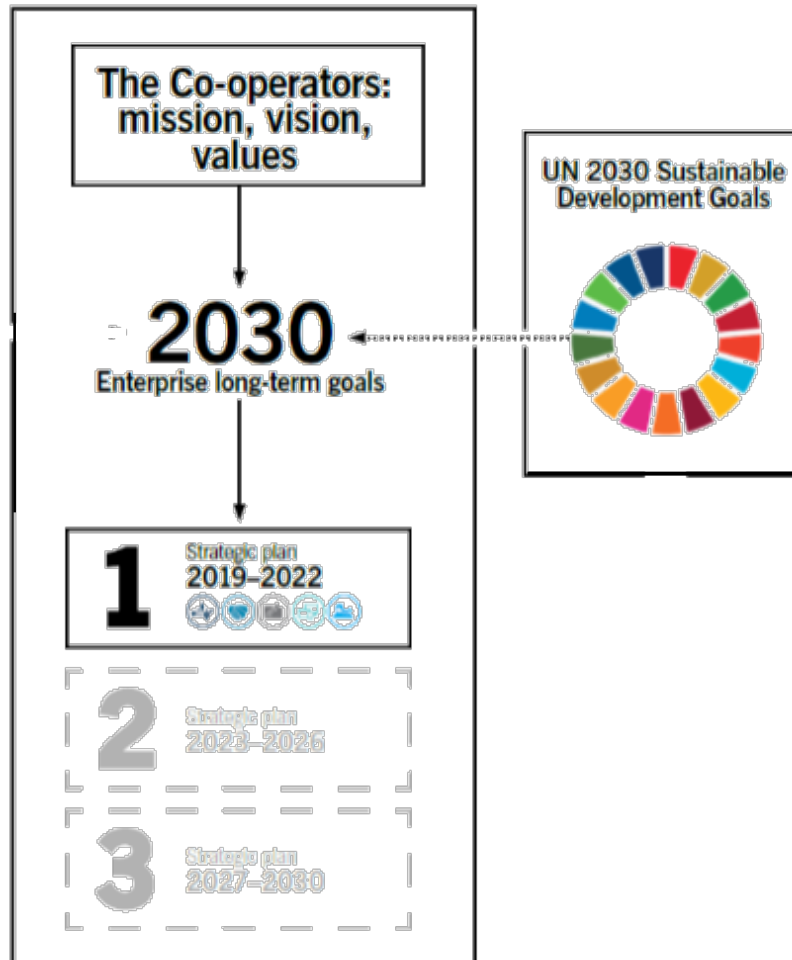


**'Embed
sustainability 2.0'**

Sustainability Integrated in Strategic Plan



Enterprise Long-Term Goals Goals Aligned to SDGs



Our Enterprise Long-term Goals

- 1) Inform & Influence
- 2) Incent
- 3) Invest

3. Calls to Action



Calls to Action

- Be persistent
- Be courageous
- Co-operate

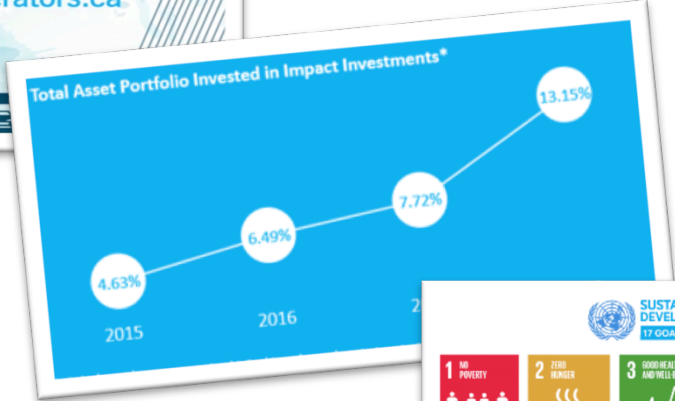
Strategic Sustainability Benefits

- ✓ Reinforce our co-operative values
- ✓ Improve risk management and resiliency
- ✓ Meet changing consumer expectations
- ✓ Promote innovation in products and services → increase sales
- ✓ Efficient resource management
- ✓ Reduce expenses
- ✓ Recruit, engage and retain staff
- ✓ Enhance corporate reputation and brand

Recognition

91% of staff members believe The Co-operators group of companies is a **socially** and **environmentally responsible** organization.





Thank you

