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Integrated Annual Report 2019



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The Co-operators

The Co-operators Group Limited is a leading Canadian co-operative, which offers multi-line financial services and insurance with \$47.4 billion in assets under administration. Our group of companies provides financial solutions and security through property and casualty insurance, life insurance, wealth management solutions, institutional asset management, and brokerage operations.

What is an integrated report?

An Integrated Annual Report follows an integrated strategy and explains how an organization creates financial and non-financial value for its stakeholders over time. In this report, we demonstrate our performance in relation to our strategic objectives, our stakeholders' expectations and the changing world around us.

Our 2019 Integrated Annual Report is our Public Accountability Statement, and it communicates how we create value for our clients, member organizations, employees and Financial Advisors, the co-operative sector, and Canadian communities. Consolidating our sustainability, governance and annual reporting into a single document, it's an integral part of our full corporate-reporting suite, and a testament to our integrated way of thinking. In addition to this report, we have produced our inaugural Task Force on Climate-related Financial Disclosures Report, Managing Climate-related Risks and Opportunities available online at cooperators.ca/reports.

How this report is made

This report reflects our strong commitment to embedding co-operative and sustainability principles into all aspects of our organization, including our decision-making, processes and actions. Its production relies on the collaboration of approximately 100 employees and external stakeholders.

To ensure accuracy, our process includes an extensive review and approval of the data and content, by subject matter experts, vice-presidents and executive vice-presidents across our group of companies. Selected financial disclosures are externally assured. Several key measures and statements are reviewed by our internal audit department. Our report validation process is described in more detail on page 88.

The #1 “Best 50” corporate citizen in Canada

In 2019, [Corporate Knights magazine](#) awarded The Co-operators the top position in its annual ranking of the Best 50 Corporate Citizens in Canada. We were recognized for our strong commitment and performance across key environmental, financial, social and governance indicators. Inclusion in this national ranking is a key performance indicator of our 2019–2022 corporate strategy.

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Legend

Look for these symbols



GRI
Global Reporting Initiative (GRI) materiality disclosures (GRI 102-40 to GRI 102-49).



Information
Call-outs to highlight information, products, services and initiatives.



Strategy KPI
Key performance indicators of our 2019–2022 Corporate Strategy.



Challenges
Areas where we have encountered difficulty, either internally or externally.



Discover more online

View our Integrated Annual Report summary at integratedreport.cooperators.ca

Visit cooperators.ca/reports for more information on:
> GRI content index*
> Supplementary Disclosures
> Task Force on Climate-related Financial Disclosures Report
> Archived reports

**This report has been prepared in accordance with the GRI Standards: Core option.*

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Letters to stakeholders

At a time of great change, when so many of the issues we face are complex, intergenerational and interconnected, I have no doubt that our co-operative identity will continue to be our greatest strength. The world needs more co-operation to solve the challenges we face today and in the future. We need all hands on deck, and a diversity of minds, perspectives and approaches to design solutions for a more resilient future.

“As a co-operative, our ability to work together for a common purpose of long-term prosperity is integrated into our organization’s DNA. This gives me great hope for the future.”

2019 marked the first year of our new four-year strategy. Reflecting on the past year, I remain heartened by our continued commitment to the co-operative model, and I see it reflected in so many of our greatest achievements for our members, clients and Canadian communities. We’ve achieved an historic member engagement score of 100 per cent, and our member relationship index is also strong, at 98 per cent. We have built a strong co-operative business volume of over \$1 billion. For our efforts to integrate sustainability into our strategy, products and services, we received national recognition as the #1 “Corporate Knights Best 50” corporate citizen in Canada.

More than words or a symbolic guidepost, our co-operative identity reflects who we are and guides how we operate. It is evident in all we do, including how we design products and solutions to address the economic, social and environmental needs of Canadians.

Our co-operative identity is integral to our commitment to supporting and engaging our 45 member organizations. We contributed \$1.6 million to Canadian co-operatives in 2019, we are providing value to over 142,000 households through our member benefits program and we distributed \$11.9 million to members through our member loyalty program.

Our governance is guided by our member organizations. Our ability to engage, add value for and support our member organizations is critical to maintaining effective relationships with them.

Strong governance is core to our co-operative identity. To stay relevant and effective, we are engaged in a democratic structure review, which is conducted once a decade to ensure our governance structure is representative of the Canadian co-operative sector, that it remains dynamic, and that it continues to meet the needs of our members.

We see that the challenges we face as an organization, an industry, and a society are significant. And we do not face these challenges in isolation; we face them as a global community. With this in mind, we’ve aligned our long-term enterprise goals to the United Nations 2030 Sustainable Development Goals.

We know that to solve the challenges we face in a meaningful, sustainable and effective way, co-operation will be key. This is an opportunity we will seize.

After all, we were built for this.



John Harvie
Chairperson, Board of Directors,
The Co-operators Group Limited



When we created our 2019–2022 corporate strategy, we spent a great deal of time discussing the future. While we address the challenges ahead, I am energized by our opportunities to deliver innovative, sustainable financial and risk-management solutions for clients, members and Canadian communities.

The challenging trends are clear. Climate change has increased the frequency and severity of extreme weather events. Technological advancements are rapidly redefining client behaviours, disrupting business models, and posing new cyber risks. Increasingly, many Canadians lack the necessary financial planning advice, products and services they need to effectively manage their financial security.

As social, environmental and economic conditions continue to evolve, new unmet and ill-met needs will emerge, and we will strive to respond to them, as we have done since we were founded almost 75 years ago. Along the way, we will continue integrating and embedding co-operative and sustainability principles into all areas of our business, processes and actions.

We’ve expanded advice-based solutions for financial planning and security to better meet the wealth, life insurance and retirement needs of Canadians. We’ve grown the commercial side of our business, designing tailored products and services for commercial clients with unique and evolving needs. Our clients continue to rank us as industry leaders.

We completed the national rollout of Comprehensive Water, Canada’s first and only overland flood product to cover all flood risk levels, including coverage for coastal storm surge. Sixty-seven per cent of eligible households had this coverage in 2019, which translates to more than 460,000 households that are better insured against the impacts of a changing climate.

Our portfolio of impact investments now exceeds \$2 billion, which is more than 19 per cent of our invested assets. These investments generate market-rate financial returns, while funding solutions to our most pressing environmental and social challenges. I envision a time when all of our invested assets will both yield positive financial returns and drive favourable environmental and social impacts.

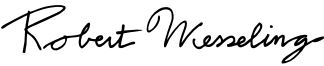
Focusing on the future, we continue to explore, invest in and design for new challenges and opportunities. In 2019 alone, we launched three new on-demand insurance products for the digital economy. Moreover, we continue to enhance our digital and online experience, to meet clients where they are.

In part through an increased focus on profitability, coupled with a strong investment performance, we achieved a net income after tax of \$255.2 million in 2019. This position of financial strength enables us to further invest in designing solutions for Canadians.

Finally, we have increased our focus on workforce inclusivity, well-being and resiliency. As a Best Employer in Canada, we are committed to prioritizing the quality of life and engagement of employees and Financial Advisors, so these exceptional people can continue to drive our co-operative purpose over the long-term.

“I see our competitive advantage with great clarity. We are poised to develop collaborative solutions for a sustainable, resilient future.”

Our successes should not be viewed in isolation. They are an integrated reflection of all we have accomplished together.



Robert Wesseling
President and Chief Executive Officer,
The Co-operators Group Limited

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Our 2019 Integrated Annual Report

Now and in the future, a changing climate, evolutions in personal transportation, shifting regulatory environments, and emerging technological trends, and more evolving issues and trends, will redefine the needs of our members and clients and our traditional business models.

Our 2019–2022 corporate strategy focuses on anticipating these future challenges and preparing today to ensure we have set our business up to remain competitive, profitable and relevant to member, client and community needs over the long term.

In addition to our 2019–2022 corporate strategy, we have a set of 2030 Enterprise Long-term Goals, which are aligned with the 2030 United Nations Sustainable Development Goals (see page 6).

Our 2030 Enterprise Long-term Goals* were developed to:

Inform & Influence

We will contribute to reducing our stakeholders' risk exposure and increasing their prosperity through our engagement and influence.

Incent

We will incent Canadians and their communities toward a more sustainable and resilient society.

Invest

We will help Canadian society realize positive change to risks and become more sustainable through our investments.

This mindset of sustainability and resilience will lay the groundwork for a smooth, rather than a disruptive, transition to the future – for our company as well as our key stakeholders. Delving into the challenges and transformation ahead, we are investing in new opportunities and business models through our work in innovation and our new strategic focus on creating the future.

Our 2019 Integrated Annual Report is a demonstration of our financial and non-financial performance from the first year of our 2019–2022 strategic period. Key performance indicators of progress toward our strategic focus areas, in addition to challenges we've encountered along the way, are highlighted throughout this report. In addition, we have presented other indicators of our financial and non-financial performance that are related to the priority reporting issues and trends identified by our organization and our stakeholders. These issues are further described on page 9.

This report provides a comprehensive look into how we create value for our members, clients and communities, as well as our efforts to develop collaborative, innovative solutions that will better secure our shared sustainability in the context of environmental, economic and social changes in the world around us.

**For a full description of how we will achieve our long-term goals, please visit cooperators.ca.*

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A look inside our corporate strategy

Our 2019–2022 corporate strategy contains five strategic focus areas: Client Engagement, Co-operative Identity, Competitiveness, Create the Future, and Workforce Capability.



Client Engagement

We will be the leader in client engagement within the financial services industry.

We will ensure that the client is at the centre of our decision-making and solution delivery, and provide a consistent and seamless client experience across all interaction points. We will offer advice and solutions for holistic financial security, while continuously working to understand client needs and preferences.



Co-operative Identity

Being a co-operative is core to our identity and our business. We will continue to be invaluable to the co-operative system.

We will deliver relevant, compelling solutions to our member organizations and champion the advancement of the co-operative system. We will lead with initiatives to address Canadians' unmet economic, social and environmental needs, and build their resilience. We will integrate co-operative and sustainability principles in all areas of our business.



Competitiveness

We will relentlessly pursue operational excellence, which will allow us to grow profitably and capture market share.

We will modernize products and services to align with changing client needs, while focusing on collaboration and operational efficiency. We will invest in our core capabilities, including the use of data and analytics, and partner with like-minded organizations to provide competitive, holistic offerings to a diversity of clients.



Create the Future

The business landscape is changing, and we need to be ready. We will explore and invest in far-reaching new business models and capabilities to secure future success.

We will prepare the organization for industry transformation, by developing and experimenting to create innovative solutions and new business models that address changing client needs.



Workforce Capability

Our people are the core source of our competitive advantage in a rapidly changing environment.

We will empower an adaptable workforce by identifying and removing barriers to achieving a diverse, inclusive workplace. We will develop, attract and retain the brightest and best people, while strengthening our culture of innovation.

For details on how we develop our corporate strategy, see page 86.

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Aligning to the 2030 United Nations Sustainable Development Goals

The Co-operators endorses all 17 of the Sustainable Development Goals (SDGs) and have aligned our 2030 Enterprise Long-term Goals to nine SDGs on which we have the greatest expertise and can make the most meaningful impact. In this way, we're linked with a collective global effort to protect the environmental, social and financial well-being of current and future generations.

- > We advocate for flood risk awareness, mitigation and adaptation through our work with the Advisory Council on Flood.
- > We provided input and expertise to support Canada's Expert Panel on Sustainable Finance, and publicly endorsed the Expert Panel's final report in support of sustainable economic growth and long-term financial resilience.
- > Through the United Nations Environment Programme Finance Initiative (UNEP-FI), we are working to develop tools to inform climate strategies and financial disclosures (aligning with the recommendations of the Task Force on Climate-related Financial Disclosures).
- > We publicly supported the Accounting for Sustainability Net Zero Emissions Statement of Support, committing to enabling a smooth transition to a net-zero emissions economy.
- > To catalyze sustainability, we provide products, services and discounts that help Canadians make more climate-friendly choices, like our hybrid/ electric-vehicle discounts for auto insurance clients.
- > We invested 19.4 per cent of our \$10.6 billion in impact investments, which contributed to projects and initiatives under the theme of climate change.
- > We've reduced our carbon emissions by 80 per cent from 2010 baseline levels and are committed to being carbon neutral equivalent by the end of 2020.
- > Impact investment projects and initiatives in which we've invested have contributed to saving 3.4 million m³ of water in 2018.
- > We provide clients with paperless options (including digital pink slips for Auto insurance) to reduce paper consumption. Over 60,000 households have signed on to go paperless.



For more information on the UN Sustainable Development Goals, including a full description of the goals and their related targets, visit un.org/sustainabledevelopment.

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We manage risk through a lens of our clients' financial security

A critical body of work that informs our corporate strategy is the continuous monitoring, understanding and prioritization of risks in our operating environment. Ensuring that we continuously and effectively balance the risk-reward trade-off is essential to our organizational strength and our clients' financial security. Our continuous enterprise risk management process informs our strategic planning process, and annual business plans, operations and decision-making. For a detailed description of this process, see page 86.

Our unique co-operative lens allows us to view and manage risk differently than most financial services organizations. We give significant consideration to the impact our decisions have on the well-being of Canadians and their communities, and apply a consultative and community-based approach in creating a sustainable business that takes a longer-term view extending far beyond quarterly earnings.

Risks we manage

- > Investment and financial risks
- > Insurance risk
- > Operational risk
- > Strategic risk
- > Reputation risk

Reporting on our stakeholders' priority issues

Building upon the results of our corporate strategic planning process, which consulted internal and external stakeholders, we took steps to determine which information was most relevant to disclose in our Integrated Annual Report. Through a rigorous process conducted by a third-party consulting firm, we identified the most material reporting issues that mattered to our key stakeholders in 2019. These are referenced throughout this report as "priority reporting issues".

Our key stakeholders

- > Clients
- > Member organizations
- > Employees
- > Financial Advisors and their staff
- > Communities and community partners
- > Government and regulators

For more details on our risk management processes, reporting processes, and a detailed look at how we engage our stakeholders throughout the year, see pages 86 and 87.

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2019 Priority reporting issues



Additional priority reporting issues

- Sustainable practices and operational impacts
- Diversity, inclusion and equal opportunity
- Client and member experience and satisfaction
- Stakeholder trust and relationships
- Co-operative identity and our democratic governance structure

Our top seven priority reporting issues

1. Client and member financial security and resilience

How we protect and provide financial security for our clients and members, ensuring that they can be prosperous and resilient in a world of increasing uncertainty and volatility. This includes how we address unmet needs, boost financial literacy and planning among Canadians, and address the access to and affordability of insurance as risks evolve.

2. Climate change and the low-carbon transition

How we respond as a financial services and insurance provider, an investor and a co-operative to the causes and effects of climate change. This includes our climate mitigation and resiliency efforts, risk management processes, investments, carbon footprint, advocacy and climate-related disclosure initiatives.

3. Innovation and digital trust

How we embed innovation and adaptability within our business and culture. This includes our organizational and change management capabilities, innovation in our products and services, and broader responses to emerging business models, as well as global economic, demographic and technological trends. As the behaviours and preferences of our members and clients evolve, we are focused on maintaining their trust in digital markets and through new technologies.

4. Workforce engagement, development and well-being

How we engage and protect the well-being of our employees and Financial Advisors. This includes how we engage, attract, retain and develop good talent, how we meet their evolving needs, and how we protect their mental, emotional and physical well-being.

5. Community resilience, development and well-being

How we contribute to the resilience, development and well-being of our communities amid increasingly volatile environmental, social and economic conditions. This includes how we invest in, advocate for and enhance their resilience, inclusiveness and improved mental health and well-being.

6. Investing for positive impact

How we embed our co-operative and sustainability principles into our investment decisions, using our investments to help build environmentally, socially and financially resilient communities for future generations. This includes our efforts to measure, monitor and disclose the environmental, social and economic impacts of our investments and impact projects.

7. Financial performance and competitiveness

How we ensure the financial health, resilience and competitiveness of our organization, and the steps we take to deliver value and returns to our members while ensuring the efficiency, competitiveness and sustainability of our business.

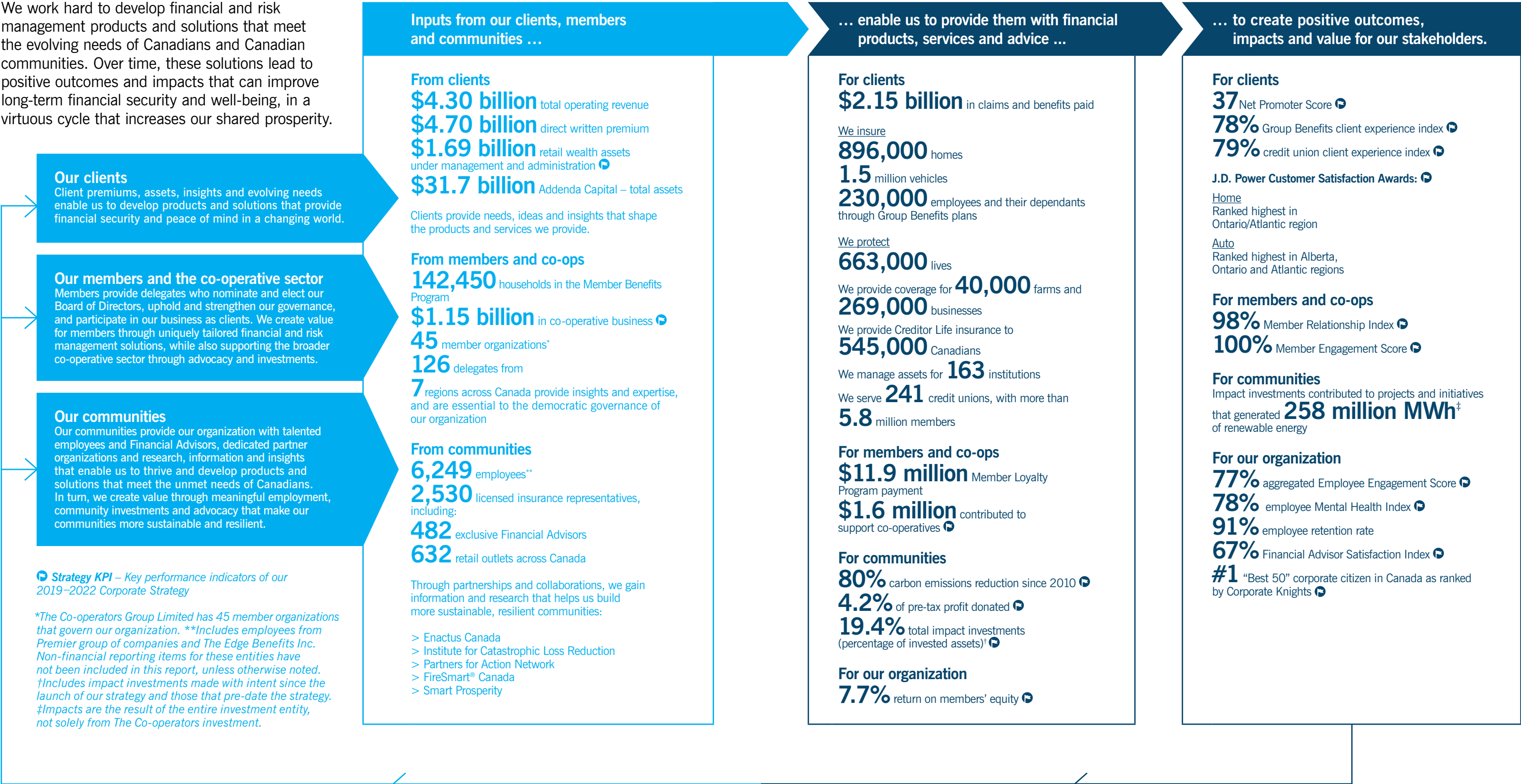
✧ GRI 102-44, GRI 102-47, GRI 102-49

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How we create value

We work hard to develop financial and risk management products and solutions that meet the evolving needs of Canadians and Canadian communities. Over time, these solutions lead to positive outcomes and impacts that can improve long-term financial security and well-being, in a virtuous cycle that increases our shared prosperity.



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Section
1

our
CO-OPERATIVE
DIFFERENCE

We're different than most financial organizations. Rather than maximizing quarterly shareholder profits, we are focused on building a strong financial foundation that enables us to meet the needs of our members, clients and communities. This key difference stems from our co-operative identity, which is guided by global co-operative principles and is upheld by how our Board of Directors and member organizations govern us.



Priority reporting issue

> Co-operative identity and democratic governance structure

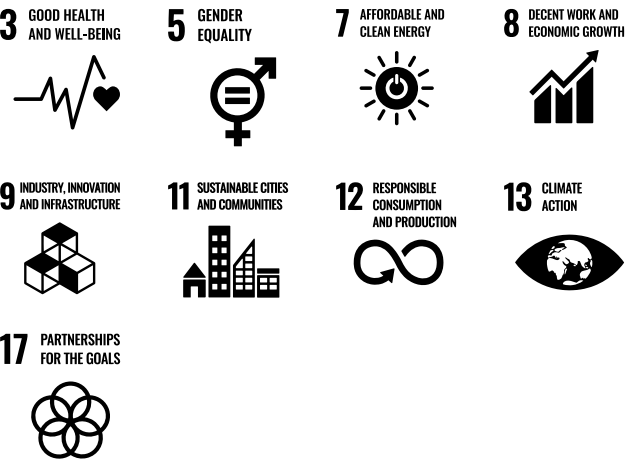
Strategic alignment

Client Engagement, Co-operative Identity, Competitiveness, Create the Future, Workforce Capability

Our approach

Our co-operative identity, our member organizations and our governance model are integral to everything we stand for – the values we uphold, the purpose we gather around and the vision that orients us – and every decision we make as an organization. This co-operative identity is at the core of who we are as a company.

UN Sustainable Development Goals



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Our mission: Financial security for Canadians and their communities

As the world around us changes, we remain focused on the needs of Canadians — and the issues that impact their long-term financial security. We work to develop solutions that provide security and peace of mind, while strengthening our financial performance, and making our company, members, clients and communities more resilient.

Our vision: To be valued by Canadians as

A champion of their prosperity and peace of mind

Through ongoing consultation and analysis with members and clients, we work to develop products and solutions for a wide range of needs for individuals and organizations.

A trusted leader in the financial services industry, distinct in our co-operative character

Our co-operative values guide and enable us to develop unique solutions to meet member and client needs. To be a leader in the financial services industry, we are committed to staying efficient and innovative.

A catalyst for a sustainable society

Environmental and social values are integral to our financial prosperity. By embedding sustainability into all we do, we can be a catalyst by actively convening and collaborating with others working toward a sustainable future.

Our statement of values

At The Co-operators, we:

- > act with integrity
- > treat our members and clients with respect
- > inspire and support our employees in their achievement of excellence
- > give life to co-operative principles and values
- > balance our economic goals with concern for the environment and the welfare of society



What does it mean to be a co-operative?

As stated by the International Co-operative Alliance, co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. They are grounded in values of honesty, openness, social responsibility and caring for others. Our co-operative identity is informed by these values, which are shared with fellow co-ops around the world.

Our co-operative principles

The seven global co-operative principles outlined by the International Co-operative Alliance guide our decision-making and align us closely to the global co-operative movement:

Voluntary and open membership

Our members choose to apply and stay with the organization, provided requirements are met and a mutually beneficial relationship is maintained.

Democratic member control

Members govern us through the democratic principle of “one member, one vote”.

Member economic participation

Our members purchase a membership share and through their patronage and governance of the organization benefit in our success.

Autonomy and independence

We are an autonomous organization, governed by independent members that hold shared values and many of whom abide by co-operative principles.

Education, training and information

We're focused on continuous improvement and promoting lifelong learning throughout the organization, with dynamic education programs for employees, directors and delegates.

Co-operation among co-operatives

We are strong advocates for the co-operative sector in Canada and internationally. We partner with and promote co-operatives to support the well-being of Canadians and their communities.

Concern for community

We invest in communities and are advocates for social, financial and environmental sustainability.

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Democratic structure

We are governed by 45 member organizations, including co-operatives, credit union centrals and representative farm organizations. These members are made up of millions of Canadians. Together, we deliver broad benefits to members, clients and communities. Through insights, expertise and democratic governance, our members keep us oriented to our purpose and the people we serve.

Our 45 members appoint a total of 126 delegates who nominate and elect 22 directors that make up our Board of Directors through a “one member, one vote” democratic principle.

The 22 directors of The Co-operators Group Limited are independent from the management and operation of the business, and there is no link between director compensation and our company’s performance. Full profiles of our directors and board committee mandates can be found cooperators.ca.

The Co-operators Board of Directors is responsible for key governance activities, including:

- > ensuring the organization’s financial viability
- > articulating the mission, vision and values
- > setting the strategic direction and monitoring performance
- > the appointment, selection and performance management of the president and CEO
- > ensuring The Co-operators maintains a leadership role in the insurance industry and co-operative movement.

Did you know?

While The Co-operators Group Limited is a co-operative entity, one of our companies – Co-operators General Insurance Company – has publicly traded preferred shares and is subject to the same regulatory and disclosure requirements as publicly traded companies.



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Our member organizations

Our members span the country from coast to coast to coast, representing seven regions across Canada.

British Columbia

- > Agrifoods International Cooperative Limited†
- > BC Agriculture Council
- > BC Tree Fruits Cooperative
- > Central 1 Credit Union†
- > Modo Co-operative
- > Mountain Equipment Co-op†
- > PBC Health Benefits Society
- > Realize Strategies Co-op

Alberta

- > Alberta Federation of Agriculture
- > Alberta Federation of Rural Electrification Associations
- > Credit Union Central Alberta Limited
- > Federation of Alberta Gas Co-ops Ltd.
- > UFA Co-operative Limited

Saskatchewan

- > Access Communications Co-operative Limited
- > Agricultural Producers Association of Saskatchewan
- > Credit Union Central of Saskatchewan
- > Federated Co-operatives Limited†
- > Regina Community Clinic

Manitoba

- > Arctic Co-operatives Limited
- > Caisse Populaire Groupe Financier Ltée
- > Credit Union Central of Manitoba Limited
- > Granny's Poultry Cooperative (Manitoba) Ltd.
- > Keystone Agricultural Producers

Ontario

- > Caisse Populaire Alliance Limitée
- > Co-operative Housing Federation of Canada†
- > Gay Lea Foods Co-operative Limited
- > GROWMARK, Inc.
- > Ontario Federation of Agriculture
- > Ontario Organic Farmers Co-operative Inc.
- > St-Albert Cheese Co-operative Inc.
- > United Steelworkers – District 6†

Quebec

- > Fédération des coopératives d'alimentation du Québec
- > Fédération des coopératives funéraires du Québec
- > Fédération québécoise des coopératives en milieu scolaire/COOPSCO
- > La Coop fédérée
- > La Fédération des coopératives du Nouveau-Québec
- > william.coop

Atlantic

- > Amalgamated Dairies Limited
- > Atlantic Central
- > Atlantic Retail Co-operatives Federation
- > Canadian Worker Co-operative Federation†
- > Newfoundland-Labrador Federation of Co-operatives
- > Northumberland Cooperative Limited
- > Scotian Gold Cooperative Limited
- > UNI Coopération financière

†Multi-region

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Governance highlights

Number of days
directors spent in individual
training and development

60

Women delegates in each region

British Columbia: 59%
Alberta: 35%
Saskatchewan: 50%
Manitoba: 36%
Ontario: 21%
Quebec: 20%
Atlantic: 26%

Target: 50%
in each region



22
directors

> Age ranges:
<45: 1
45-49: 1
50-54: 3
55-59: 6
60-64: 3
65-69: 4
>70: 4
> Between them,
our directors have
over 600 years of
experience in the
co-operative and
credit union/caisse
populaire sectors

45
Member
organizations

126
Delegates

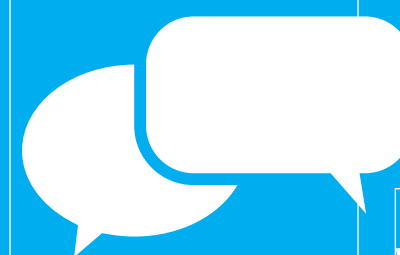


represented
across Canada
> British Columbia
> Alberta
> Saskatchewan
> Manitoba
> Ontario
> Quebec
> Atlantic



**Member
Relationship Index**

This measures the level of
relationship effectiveness as
evaluated by member delegates
and corporate contacts.



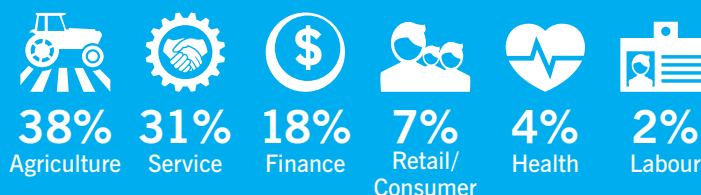
Workshops held at the 2019 AGM

> Cannabis Overview
> Insurance & Financial
Fundamentals
> Supporting Mental Health



9
Number of directors
with a professional
designation

Member organization sectors represented



Board composition

15 men
7 women

7 French
speaking

2 First Nations,
Inuit or Métis

0 visible
minorities

32%
Women on the board

2018: 27%
2017: 23%

Target: 30%
by the end of 2020;
50% by the end
of 2025



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18 our STORIES



Pictured: Jessica Provencher

Our Board: stewards of our co-operative difference

Our Board of Directors is made up of professionals with diverse backgrounds, who provide a variety of perspectives to our governance. Jessica Provencher, a self-employed facilitator and organizational development consultant, joined The Co-operators Board in 2019, as a director in the Quebec region. She believes our co-operative difference is the key to the quality of our services and to our strong reputation.

“I admire how, despite being a large organization, The Co-operators has been able to preserve its co-operative values — it’s what drives my desire to be a member of the Board of Directors. I am proud of the resilient communities and empowered citizens that the co-operative movement is building, and I know that The Co-operators has the depth and cohesiveness required to help the movement innovate, grow and shine throughout Canada and the world.”

– **Jessica Provencher**, Board of Directors, Quebec Region, The Co-operators

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Enhancing our governance

Our member delegates and Board of Directors bring key insights, diverse perspectives, skills and knowledge to our governance tables. We continuously work to improve elements of our governance to ensure that our Board remains relevant, effective, and well-positioned to govern our organization and be a leader in our sector.

Embedding sustainability and climate risk into our governance

Each year, the Sustainability & Citizenship Committee of the Board meets with the president and CEO, the Board chair, and select vice-presidents across the group of companies, to discuss progress toward our sustainability embedment, challenges and future plans. The process of understanding climate risk, which is integral to these efforts, is overseen by the Sustainability & Citizenship and Risk & Compensation Committees, which hold a joint meeting annually, and have amended their terms of reference to include monitoring climate-related issues. To build additional capacity around the Board table, climate-related knowledge and skills have been added to the Board Skills Matrix and the Board's 2019 Governance Assessment.

Democratic Structure Review

At least once every 10 years, our organization performs a Democratic Structure Review (DSR) process to ensure that our governance structure remains representative of the co-operative sector in Canada, and that we remain relevant in terms of continuing to meet our members' needs. This process, led by our Board of Directors, includes extensive member consultation, produces valuable member insights and input, and contributes to the evolution of our democratic governance structure. Our sixth DSR, which commenced in 2019, is expected to be completed in 2020. The specific proposals that emerged from this review include: the maximum number of at-large directors nominated by a member; the number of designated Credit Union Central director positions; and director qualifications.

2019 Governance Assessment

Great boards constantly push to perform better. Regular board assessments provide an opportunity to review how board functioning, dynamics, leadership and relationships contribute to board performance. Our Board and committees underwent an evaluation to assess governance performance, conducted by an external governance expert firm to ensure objectivity. The 2019 assessment activity uncovered both areas of strength and opportunity to drive stronger governance performance. To demonstrate its commitment to continuous improvement, the board debriefed the assessment report findings and recommendations, and identified action plans to take The Co-operators governance to the next level. Execution of the action plans and next steps will be prioritized in the Board's overall annual work plan to elevate board and committee performance in 2020 and beyond.

Updating skills on our Board

The Co-operators Board is proactive in both defining the needed skills of its directors, and in communicating those needs to members — for consideration in the director nomination and election process. Assisting this process, the Board uses a Board Skills Matrix to define the optimal characteristics of the Board. In 2019, this matrix was updated to ensure that the needed skills and experience better reflected the size and complexity of our organization, placing greater emphasis on skills that are relevant to our core business, diversity and inclusion, and succession planning for key Board positions.

Improving representation of women in our governance

In 2019, we surpassed our 2020 target of having 30 per cent women on the Board; we are now aspiring to a goal of having 50 per cent women by the end of 2025. To achieve this, we need to increase the representation of women in each region of the delegate pool, and have set an additional target to achieve 50 per cent representation of women in each region. We will also continue to advocate for — and promote the benefits of — diversity in our governance through our delegate mentorship program, the delegate appointment and nomination processes, annual and regional meetings, presentations and other member-engagement opportunities.

For more information on our governance, please see our Supplementary Disclosures at cooperators.ca/reports.

Challenges

Balancing our co-operative identity with corporate expectations

As a financial co-operative, we operate in a rapidly changing, competitive and regulated industry. We must continually navigate uncertainty, new and emerging risks and expanding expectations. There is a tension that results from our identity as both a co-operative and financial institution. This natural tension is a source of strength for us, but it also impacts our governance culture and how decisions are made. As both a co-operative and a regulated entity, the Board must balance many factors and stakeholder expectations in its oversight of our organization to ensure the long-term success of The Co-operators.

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Section 2

our PURPOSE

We provide financial and risk management advice, products and solutions to ensure that people and businesses are well-equipped in the face of uncertainty. We serve more than one million Canadian households, in addition to Canadian credit unions and co-operatives, farm operations, businesses, investment firms, non-profits and more. Whoever the client, our focus is on understanding their unique and evolving needs, and providing holistic solutions that bring long-term financial security, resilience and peace of mind.



Priority reporting issues

- > Client and member financial security and resilience
- > Client and member experience and satisfaction

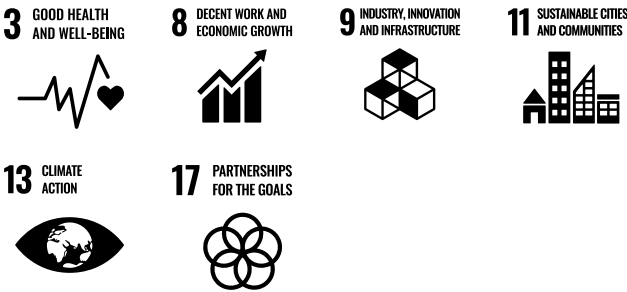
Strategy alignment

Client Engagement, Co-operative Identity, Competitiveness

Our approach

Our mission is to provide financial security for Canadians and Canadian communities. We achieve this through the financial advice we give, as well as the products and services we offer, from insurance to investments. In every area, we ensure that what we offer enables our members, organizations and Canadian households to make informed decisions that build resilience and maintain peace of mind.

UN Sustainable Development Goals



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We provide financial security and advice for Canadians

Across our group of companies, we are focused on ensuring that the people and organizations we serve are equipped with solutions that meet their evolving needs in times of rapid change. We offer:

- > Insurance solutions, financial planning and advice for Canadians
- > Financial solutions and advice for Canadian organizations, including insurance, benefits, and investments
- > Tailored financial solutions for our members and other co-operatives and credit unions



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Insurance solutions for Canadians

Ensuring that Canadians have adequate, affordable insurance coverage for their homes, personal property and their loved ones is an integral part of managing risk and planning for their long-term financial security. Our suite of products and services is developed to meet the current needs of our clients and to evolve in changing times.

Performance snapshot

Total client households insured 

1,111,757

2018: 1,074,809
2017: 1,032,621

The number of client households* shows our growth over time, and the number of Canadians who place their trust in us.

Individual Insurance New Annual Premium Growth 

3.3%

Target: 7.0% compound annual growth rate through 2022

A measurement of the annual growth of individual Life insurance premiums.

**Includes client households of Co-operators General, Co-operators Life and COSECO for all retail business lines.*

Adding a home-sharing endorsement to our home policy

In 2019, we made a Short-Term Rental endorsement available to our home-insurance clients, which provides comprehensive property and liability coverage to existing clients who rent out their residences through home-sharing networks, like Airbnb®, HomeAway® and VRBO®. We also offer a separate, on-demand, online insurance product through Duuo, our new brand of insurance products that cater to the digital economy (see page 62).

Making Life insurance simpler with Direct to Consumer Life

We've seen continued momentum pertaining to client engagement with our Direct to Consumer Life product, which launched in 2018. This online product provides coverage from \$50,000 to \$450,000 and enables clients to obtain a Term 1 Life insurance policy online — in as little as 15 minutes, and without the need for a medical assessment.



Challenges

Moving from risk to resilience

Our clients need better, proactive solutions to help them address the increasing frequency and severity of extreme weather events. Industry trends suggest that these challenges will become even greater in the future. Traditional insurance products are designed to protect individuals after an event occurs, and this can no longer be the only risk management solution. We need to place a greater focus on providing clients with loss-prevention advice, tools and information that build resilience amid increasing volatility.

Phasing out our en-route Auto Program®

To continually deliver exceptional experiences for our clients, we routinely monitor and review products, programs and initiatives to determine what is working and what can be improved. In the final quarter of 2019, we made the decision to phase out our en-route Auto Program®, a telematics-based program that incentivized safer and more sustainable driving habits. Rationale for this decision included high program operating and support costs, low client engagement and enrolment, and a lack of integration with our evolving client engagement and digital strategies. Telematics and Internet of Things (IoT) technologies will continue to play an integral role in our strategy and we remain committed to delivering innovative and impactful client apps, tools and rewards for an enhanced customer experience.

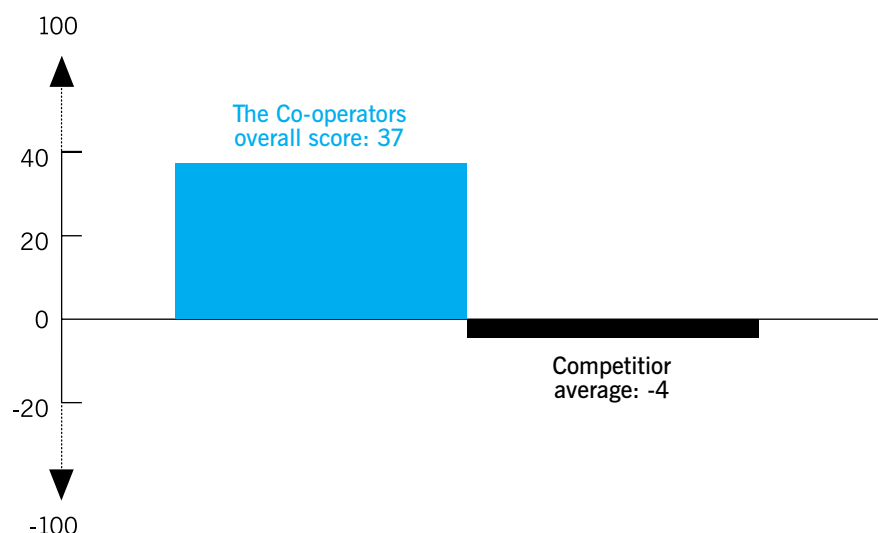
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Net Promoter Scores

Priority reporting issue: Client and member experience and satisfaction



Net Promoter Scores measure the willingness of clients to recommend us. The score is measured on a scale from -100 (where clients are active detractors) to 100 (where clients are active promoters). Our overall Net Promoter Score study was last conducted in 2018.



J.D. Power Customer Satisfaction Awards

Priority reporting issue: Client and member experience and satisfaction

The J.D. Power Customer Satisfaction Awards are a strong indicator of our performance in client satisfaction compared to industry ratings in regions across Canada.

				
Alberta	Ontario	Atlantic	Western region	Ontario/Atlantic
2019 Ranked Highest	Ranked Highest	Ranked Highest	Ranked 2nd Highest	Ranked Highest
2018 Ranked Highest	Ranked 2 nd Highest	Ranked Highest	Ranked Highest	Ranked 2 nd Highest
2017 Ranked Highest	Ranked Highest	Ranked Highest	Ranked 2 nd Highest	Ranked Highest

Target: Achieve a ranking of third-highest or above in every region, where eligible, and win at least two awards (ranked highest).

Sustainable products and services

To catalyze sustainability, we're equipping more and more clients with products, services and discounts that help them make more sustainable choices.

Revenue from Sustainable Products and Services

17.8%

The percentage of our total revenue from products and services that enable a sustainable, low-carbon, resilient society. This indicator aligns with the Corporate Knights Clean Revenue indicator.

Acceptional Life – New annual premium

\$116,000

2018: \$271,000
2017: \$130,000

Target: \$192,000 by the end of 2019

A Life insurance product for Canadians who have been declined by other insurers, due to medical issues such as stroke and cancer.

Fire-sprinkler discounts

37,318

2018: 36,208
2017: 33,514

Households, businesses and farm operations with fire sprinklers are eligible for a discount.

Hybrid/electric-vehicle discounts

7,827

2018: 5,319
2017: 3,584

An automatic 5% discount for clients who drive hybrid and/or electric vehicles (for select provinces and territories).

Envirowise® LEED discounts

244

2018: 235
2017: 233

An automatic 10% discount for eligible homes and farms that are Leadership in Energy and Environmental Design (LEED) certified.

A full list of products and services with a sustainability feature can be found online at cooperators.ca.

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Pictured: Paul Arsenault (right) with Financial Advisor Mike Bradley

Protecting financial security in the wake of Hurricane Dorian

On September 7, 2019, Hurricane Dorian hit the Atlantic coast as a Category 2 storm, with winds over 160 km/h. The storm caused downed power lines across the region, leaving over 450,000 Canadians without power. For client Paul Arsenault, a bad experience was made better by a fast and supportive client experience that left him with peace of mind in a time of need.

“After the storm, my deck was covered with trees, and the power mast was torn off our house and laying beside our pool. When I called to put in a claim, the contractor was on the phone within an hour and the process had started. Our adjuster explained everything and was very good to deal with. Any time they told us there would be money transferred to our account, it was there within an hour.

– Paul Arsenault, Client, Summerside, Prince Edward Island

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Innovating our claims response

With the changing nature of risk, we must continually innovate and adapt our claims response to ensure that we can effectively and efficiently meet our clients' needs when events occur.

In 2019, we:

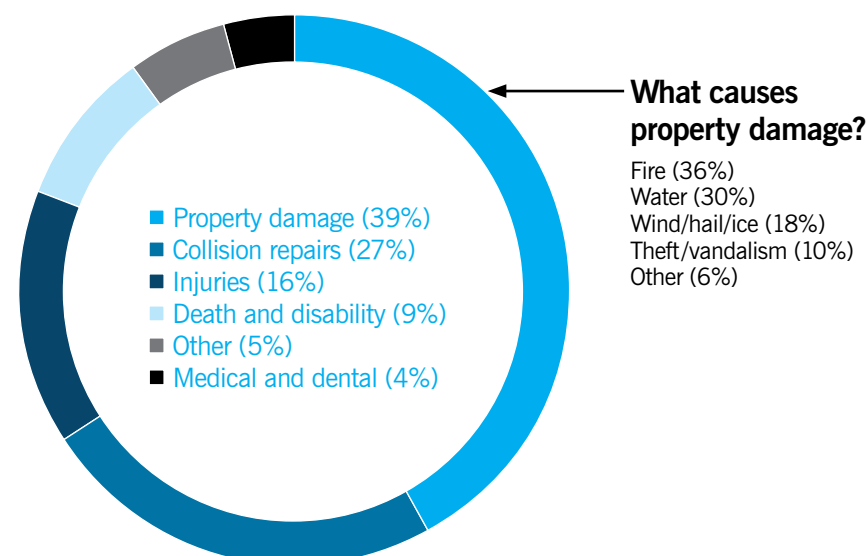
- > Handled over 587,000 client calls in our Claims Response Centres.
- > Brought claims recruiters on board to hire additional claims specialists, helping us keep pace with growing claims volume; redesigned our response-centre structure to better support our claims representatives; and continued to cross-train our Auto and Property claims representatives to increase flexibility in our workforce, helping them adapt to spikes in claims volume during major events.
- > Introduced new technological innovations that improve claims responses, including a "claims robot" that will work to automate internal processes for increased efficiencies in our operations, giving claims representatives more time to focus on the client.
- > Introduced an updated survey that collects metrics on how effortless our client claims experience is. Research shows that clients prefer to do business with organizations that streamline processes, and that provide simple and straightforward advice.

Total amount paid in claims and benefits to clients in 2019

\$2.15b

2018: \$2.12b
2017: \$1.97b

Claims/benefits paid by type



The Co-operators claims guarantee

Clients can contact us, discuss their loss, assess their damages and discuss premium impacts, before deciding if they want to pursue a claim. If they decide not to, that decision does not affect their policy*.

Sustainable claims solutions

Following a claim, we supply a list of "green" vendors, contractors and repair shops that are committed to energy conservation, emissions reduction and more.

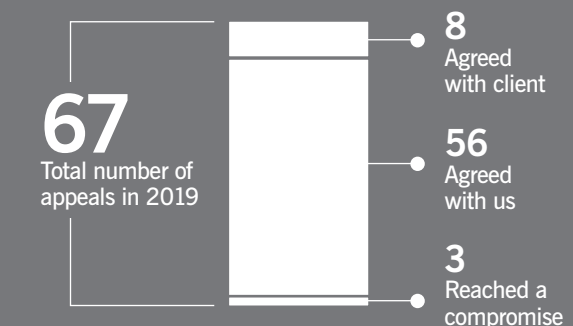
48%

Auto repairs completed at "green" shops

2018: 53% 2017: 52%

Giving clients a voice in settling claims

The Co-operators Service Review Panel gives a group of client volunteers the final say in dispute-resolution cases — with the panel working collaboratively to determine the fairest outcome. The only one of its kind in Canada, this panel is an embodiment of our co-operative difference within the industry.



*Some exclusions may apply. For full details of our claims guarantee, please visit cooperators.ca.

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Financial planning and advice for Canadians

We have set a goal to become our clients' most valued partner in their financial planning and well-being, and we are focused on ensuring that Canadians have the information, tools and advice they need to plan for a strong financial future.

Performance snapshot

Retail wealth sales

11.3%

Target: 36.4% compound annual growth rate through 2022

Sales of retail wealth products, including Mutual Fund and Segregated Fund products, help meet the savings and investment needs of our individual clients, supporting their long-term financial well-being.

Retail wealth assets under management and administration

\$1.69b

Target: \$3.0 billion by the end of 2022

The amount of retail wealth products, such as Mutual Funds, that we distribute through third-party institutions.

Individual client accounts with a wealth-management policy

48,675

2018: 44,728
2017: 40,403

The number of wealth-management policies indicates our ability to meet the savings and investment needs of Canadians.

Wealth management solutions for Canadians

Through Aviso Wealth, which we launched in partnership with Desjardins and five credit union centrals, we provide Canadians with investment solutions to grow their wealth and better secure their financial futures. We hold a 12.16% interest in Aviso Wealth, which currently manages \$65.1 billion in assets.

A pilot for virtual financial planning

We piloted a Virtual Financial Planning Service in British Columbia, Manitoba, Ontario and New Brunswick, where remote Financial Planning and Retirement Consultants offer support to Canadians looking for wealth management advice. These consultants provide clients with a quick and convenient way to access investment advice, products and solutions — all from the comfort of their own home.

A customized Future Success Planning online tool

From the comfort of home, clients can use our Future Success Planning tool to walk through a seven-step process that helps them identify goals, outline their financial situation and develop an investor profile. This tool prepares clients for a better conversation about their financial future, while allowing Financial Advisors to deliver customized solutions.

An enhanced Financial Balance website for clients

We added new features to our Financial Balance website, making it easier for clients to explore their needs around life insurance and investment planning. Online, clients can learn about products and services that can support them in reaching their long-term financial goals.

Challenges

Growing our wealth management business

To become our clients' financial services provider of choice, we have set ambitious targets to increase our wealth products and services by the end of 2022; we have significant ground to gain in this area. In the increasingly competitive space of financial services and investments, we are focused on leveraging the strong trust and relationships already cultivated by our network of Financial Advisors across Canada.

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Pictured: John Karn (right)

Helping Canadians plan a strong financial future

By addressing Canadians' holistic financial needs, we can better ensure their long-term peace of mind. Our expertise extends beyond insurance to helping clients develop financial plans that achieve their goals – through investments and retirement planning. John Karn has been a Co-operators Financial Advisor for 31 years in Ottawa, Ontario, and has seen first-hand the importance of offering customized financial-planning advice.

“Over the years, we have established many long-term client relationships based on trust and respect. Having the knowledge and expertise to work through a complete financial solution tailored to their individual needs, now and in the future, has helped in strengthening and maintaining those relationships.”

– **John Karn**, Financial Advisor, The Co-operators, Ottawa, Ontario

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Insurance solutions for co-operatives, credit unions and non-profits

We provide credit unions, co-operatives and non-profit clients with tailored products and services that ensure the financial security and peace of mind they need to serve their members and communities.

Performance snapshot

Total member and co-operative business volume 

\$1.15b

2018: \$1.03b
2017: \$890.5m

Target: \$1.58 billion by the end of 2022

Revenue we receive from member organizations and other co-op and credit union clients*, which represents our relevance and effectiveness in meeting their unique needs.

Number of Co-op Guard® clients

571

2018: 574
2017: 512

Clients we serve with our suite of products and services designed specifically for co-operatives.

Number of Community Guard® clients

6,999

2018: 6,717
2017: 6,325

Clients we serve with our suite of products and services designed specifically for charities and non-profits.

**Metric includes growth associated with individuals who are members of one of our member organizations, including growth related to identifying these individuals within our existing client base.*

Growing our strategic credit union partnerships

CUMIS, part of our group of companies, secured a new strategic partnership in 2019, allowing it to deliver insurance and financial solutions to three additional divisions of the Connect First credit union: Chinook Financial, Mountain View Financial, and Legacy Financial. Collectively, these divisions serve more than 40,000 members in central and southern Alberta. We currently partner with approximately 240 credit unions across the country to deliver competitive insurance and financial solutions to more than 5.8 million credit union members.

Expanding into digital solutions for credit unions

Through our acquisition of Technicost, a technology company that provides credit-management solutions for credit unions, we can now more effectively deliver a broader suite of options and capabilities to our credit union clients.

Providing peace of mind for non-profits and co-operatives across Canada

Through Community Guard and Co-op Guard, specially trained Financial Advisors provide suites of tailored products and services for non-profit and co-operative clients. Through both programs, we are committed to providing advice and solutions that build financial security and resilience within these vital sectors.



Challenges

Balancing digital preferences and financial literacy

As consumer behaviour and preferences evolve — in favour of digital, self-serve models — there is an increasing need to ensure that Canadians are not missing out on the depth of financial expertise offered by our credit union partners. We are working to expand our digital product offerings for our credit union partners, while providing them with consultation and technological solutions that can help them bring similar services to their members, with the rigour of sound financial advice.

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Adding value for our credit union partners

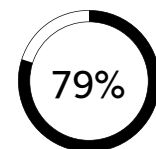
We are committed to partnering and consulting with credit unions to help them provide the best possible products and solutions to meet their members' financial needs. For Newfoundland and Labrador Credit Union (NLCU), our co-operative values are important to their business model.

How credit unions rate us

Priority reporting issue: Client and member experience and satisfaction

Credit Union Client Experience Index

Credit Union Net Promoter Score*



Target: 80%

41

2017: 38 2015: 40

*Net Promoter Scores measure the willingness of our clients to recommend our company to their peers. It is measured on a scale from -100 (active detractors) to 100 (active promoters).

“We work with CUMIS and The Co-operators because, as part of the co-operative system, our values and strategic vision are aligned. Our relationship extends beyond the traditional relationship a client may have with a service provider. It is a true partnership in every sense of the word — one in which we receive value and feel valued. They listen to our feedback, concerns, and questions, and respond by taking action and finding solutions.”

– **Allison Chaytor-Loveys**, Chief Executive Officer,
Newfoundland and Labrador Credit Union

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Unique solutions for our member organizations

We work to identify and understand the needs of our members as clients, deepening and strengthening our relationship beyond being their insurance and financial services provider of choice. This commitment has led to customized product offerings and dedicated service channels, and placed greater emphasis on building relationships with members’ key corporate contacts.

Performance snapshot

Member Loyalty Program Payment

\$11.9m

2018: \$12.0m 2017: \$14.8m

Households in the Member Benefit Programs

142,450

2018: 113,413 2017: 75,698

Target: 140,000 by the end of 2022

This annual program provides a payout to our member organizations that is based largely on member business with the company.

This program provides product benefits, product services and rewards to millions of Canadians who are members of our member organizations.

We achieved a 100 per cent member engagement score

Every two years, to ensure that we are staying effective, and relevant to the needs of our members as clients, we conduct a survey with the corporate contacts of our member organizations. Our member corporate contacts engage with us as a business, as co-operative partners and as clients. They are not involved in our governance. In 2019, this historic score is a strong confirmation of the strength of this integral relationship.

Adding value to meet our members’ needs

In addition to providing risk-management and financial-security solutions to member organizations that do business with us, we engaged our member clients through many initiatives, including:

- > An annual Member Experience Summit, which provided members with an opportunity for education, networking and collaboration among fellow Canadian co-operatives.
- > A “Co-op-a-thon,” where members participated in a hack-a-thon workshop to ideate and create solutions pertaining to their unique business needs.

Creating value for a wider array of Canadian co-operative members

Through our Member Benefits Program, our member organizations can provide their members with access to personalized coverage and discounts, including enhanced Home and Farm coverage, Home and Farm discounts, assistance for executors/estate trustees, savings on travel insurance, and base discounts on Auto insurance, in provinces where applicable.

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Pictured: ADL Chief Executive Officer Chad Mann (right) with ADL member and dairy farmer Cole Noonan

Connecting our member organizations

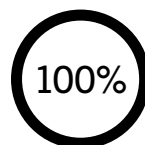
We provide our members with advice and advocacy guided by our co-operative principles and values, as well as a forum to connect, fostering co-operation among co-operatives. Amalgamated Dairies Limited (ADL), a Prince Edward Island-based co-operative of dairy farmers, has been a valued member of The Co-operators since 2007. For ADL, being a member means getting support for their business and, more importantly, being part of a co-operative community with the common goal of seeing one another succeed.

“The greatest value in being a member organization of The Co-operators is the sharing of information and relationships formed with fellow co-op organizations. The Co-operators provides a forum to gain first-hand knowledge and have access to a network of like-minded individuals and organizations.”

– **Chad Mann**, Chief Executive Officer, Amalgamated Dairies Limited, Summerside, Prince Edward Island

How members rate us
Priority reporting issue: Client and member experience and satisfaction

Member Engagement score



2017: 90%
2015: 91%
Target: 85%


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Insurance solutions for commercial and farm clients

We provide businesses, farm operations and other enterprises with speciality products, services and solutions that meet their highly varied, and often complex, needs.

Performance snapshot

Revenue growth in consolidated P&C
Commercial lines of business 

20.0%

2018: 8.9% 2017: 7.3%

This is an indicator of success in expanding advice and risk-management solutions for Canadian businesses, including farms, through Sovereign General Insurance Company and Co-operators General Insurance Company (CGIC).

Net Promoter Scores (CGIC, 2018)

52

Commercial

2016: 49

42

Farm

2016: 41

Net Promoter Scores measure the willingness of our clients to recommend our company to their peers. It is measured on a scale from -100 (active detractors) to 100 (active promoters).

Priority reporting issue: Client and member experience and satisfaction

Enhancing our focus on loss-prevention and advice for Canadian businesses

In 2019, higher-than-average claims volume for commercial clients underscored a need to continue to shift the client conversation from one of risk protection to one of loss prevention. As volatility and uncertainty in commercial operating environments increase, we are investing in data and analytics that can help our brokers and Financial Advisors provide customized risk-management solutions to clients.

Investing in science-enabled solutions to manage risk

We launched a market-leading underwriting platform that allows our underwriters to assess and manage risk in a holistic way, providing client-focused, analytics-driven solutions to our commercial clients. In partnership with Guidewire, this first-in-Canada underwriting platform is paperless, enables national collaboration and boosts efficiency in our underwriting processes.

Leveraging partnerships to better serve our clients

We serve commercial clients through multiple distribution channels, including our Financial Advisors, independent brokers, managing general agents and partnerships. Increasing our focus on collaborative partnerships — with other insurers, mutuals and tech companies — encourages a greater collective impact. This is something we are naturally built for as a co-operative, and it's a competitive advantage as we grow our business and navigate increasing volatility in the world around us.



A centre of expertise for cyber-risk solutions

As the risk of cyber attacks — along with the impact and scale of data breaches — increases, cyber insurance and loss prevention are critical components of the commercial risk-management discussion. Our Cyber Management Office (CMO) was set up to better understand how cyber solutions can be integrated into product lines across our group of companies, while enabling Financial Advisors, brokers and other distribution partners to offer more comprehensive, leading-edge coverage to household and commercial clients.

Our vision for the CMO is to continue our expansion of partnerships with external vendors, which will enhance the risk-management approach of the cyber-security offering across our group of companies. This enriched offering will be designed to elevate our clients' cyber-breach readiness, and proactively identify I.T. weaknesses and vulnerabilities, wherever possible; it will also help to educate our clients around cyber risk — all in support of the cyber insurance product we currently offer.

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Supporting mobility solutions in Manitoba

Through Sovereign General, we provide security and peace of mind to our commercial clients, so they can focus on serving their communities. As a wheelchair-accessible vehicle manufacturer, based in Manitoba, Move Mobility needs a support system that truly understands their business.

“The liability within our company is a big risk. We’re dealing with people’s lives and challenges every day, and how we deal with those challenges is very important. And so, we wanted to partner with someone that could help us with that risk. We believe that working with Sovereign has helped us in growing this business, but not only that, they were able to grow with us.”

– **Richard Jones**, President, Move Mobility, Winnipeg, Manitoba

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Institutional and group investing

Through our institutional asset management company, Addenda Capital, we manage over \$31.7 billion in assets of high-net-worth investors and some of Canada’s largest institutional investors, developing tailored investment solutions across a wide range of asset classes that meet the evolving needs of our clients. In addition, The Co-operators manages the pensions, mutual funds and investments of our Group Benefits clients.

Performance snapshot

Number of institutions	Addenda Capital - total assets	Group wealth assets under management and administration
<div>163</div> <div>2018: 156 2017: 151</div>	<div>\$31.7b</div> <div>2018: \$27.9b 2017: \$27.8b</div>	<div>\$2.70b</div> <div>2018: \$2.42b 2017: \$2.49b</div>
Number of institutional clients, which include pension funds, insurance companies, co-operatives, corporations, endowments, mutual funds and foundations.	Total assets include fixed income, equities and commercial mortgages.	Target: \$2.63 billion by the end of 2019 Assets such as employer-sponsored group retirement plans or group savings plans.

Leading the way in sustainable investing
Addenda Capital, our institutional asset-management company and part of The Co-operators group of companies, has become increasingly recognized as a leader in sustainable investing, both in Canada and internationally. It currently manages \$31.7 billion in assets by integrating environmental, social and governance (ESG) factors into its security selection and portfolio-construction processes. Addenda also manages impact investments, which deliver solid financial returns and measurable societal outcomes, for a growing number of clients. For details on impact investing and sustainable investing, see pages 50–55.

Continuing to grow our wealth-management business for commercial clients through pensions, mutual funds and investments
We continued to build enhanced wealth management tools and reporting for our group retirement plan sponsors that provide member sales activity and plan demographics.

Challenges

Navigating a persistently low interest rate environment
Our client base of institutional investors and Group Benefits plan sponsors has been dealing with low interest rates for more than a decade. This has led to depressed returns on investment. As central banks continue to keep interest rates low, in the face of global economic uncertainty, we are working to design and implement responsive investment solutions that are adapted to each client’s unique needs.

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Bringing sustainable investing to life

Through Addenda Capital, we partner with institutional investing clients to provide holistic, sustainable investment solutions that help them make a positive difference for their investors, partners and Canadian communities. NEI, Canada's leading Responsible Investment firm, is based in Toronto and has been a valued client since 2014. During that time, Addenda and NEI have collaborated to tackle Environmental, Social and Governance (ESG) issues.

“We believe that, by investing responsibly, we can help investors better manage risk in their portfolio; take advantage of opportunities to earn higher returns; align their money with their values; and make a positive impact on the world. Addenda has a long-term vision, and innovative portfolios that allow us to truly focus on our clients to create socially conscious investing strategies.”

– **John Bai**, Chief Investment Officer, NEI Investments, Toronto, Ontario

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Group Benefits for Canadian employers

We provide Canadian employers with the products and services they need to offer a robust Group Benefits package to their employees. As part of this, we help plan sponsors support the mental, physical and financial well-being of more than 230,000 people – both employees and their dependants.

Performance snapshot

Group Benefits premium growth 

3.6%

Target: 7.3% compound annual growth rate through 2022

This measures the annual growth in our Group Benefits business.

Number of employees and their dependants covered by Group Benefits

230,000

2018: 230,000
2017: 220,000

The number of Canadian employees and their dependants covered through our Group Benefits clients, ensuring their needs are met.

Online mental-health support for Group Benefits clients

A Co-operators-commissioned study, conducted by the University of Regina, confirmed the effectiveness of Internet-based Cognitive Behavioural Therapy (iCBT) — a therapist-guided online platform that offers strategies for dealing with depression and anxiety. Based on this research, we adopted iCBT as a covered service in our standard healthcare plans, and we are using iCBT as part of our rehabilitation services that help individuals return to work following a disability claim.

Expanding Second Opinion Consult to cover mental-health diagnoses

In partnership with World Care, we are in the process of incorporating a Mental Health Second Opinion Consult into our standard Second Opinion Consult product. This will provide Group Benefits clients with access to medical specialists who can provide a second opinion on a mental-health diagnosis and/or treatment plan, at no extra cost.

Progress toward financial sustainability in Group Benefits

Amid increasing claims and price competition in our Group Benefits line of business, we placed greater focus on disability claims management, mental-health education, matching premiums with risk, and solutions that help Group Benefits plan sponsors manage high-cost medications and chronic health conditions. Paired with our implementation of a robust expense discipline, we made strong progress toward financial sustainability in 2019.

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Promoting positive mental health through Group Benefits

We are committed to helping our 5,200 Group Benefits plan sponsors create positive pathways for mental health in their workplaces. Organizations like The City of Swift Current in Saskatchewan, a partner for more than 15 years, has seen first-hand how these mental-health supports can make a meaningful difference.

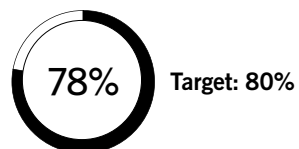
“The addition of mental-health-focused products and awareness in our Group Benefits program has been an incentive for employees to start talking more about their mental well-being – something that our workplace has been eager to implement.”

– **Human Resources Manager, The City of Swift Current, Swift Current, Saskatchewan**

How Group Benefits plan sponsors rate us
Priority reporting issue: Client and member experience and satisfaction

Group Benefits Client Experience Index (2018)

Group Benefits Net Promoter Score* (2018)



36
2016: 32

*Net Promoter Scores measure the willingness of our clients to recommend our company to their peers. It is measured on a scale from -100 (active detractors) to 100 (active promoters).

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Section 3

our CHANGING WORLD

If we are to succeed in our mission — to provide financial security for Canadians and their communities — we must address the interconnected economic, social and environmental issues that put their security at risk. Doing so is not just the right thing to do; it is also good business. We recognize that future challenges will be greater and more complex than the challenges of the past, and that they will require holistic, collaborative and imaginative solutions. Issues like climate change, mental health and rapid technological advancements compel us to take a longer-term view of success — not only for our organization, but for clients, communities and the planet.



Priority reporting issues

- > Climate change and the low-carbon transition
- > Investing for positive impact
- > Community resilience, development and well-being
- > Innovation and digital trust

Strategic alignment

Client Engagement, Co-op Identity, Competitiveness, Create the Future, Workforce Capability

Our approach

We continually monitor, evaluate and adjust our products and services, and our partnerships and advocacy to address the risks and opportunities impacting our clients’ financial, social and environmental well-being in a world of increasing uncertainty.

UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	17 PARTNERSHIPS FOR THE GOALS

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Priority reporting issue: Climate change and the low carbon transition
Strategic alignment: Client Engagement, Co-operative Identity, Competitiveness, Create the Future

Building resilience to a changing climate

Canadian communities and businesses are increasingly impacted by climate change. As risk experts, we have a critical role to play in helping our clients and their communities understand and adapt to the impacts of climate-related risk. We’re committed to building sustainable, resilient communities, helping to protect the financial security and peace of mind of current and future generations alike.

Performance snapshot

Number of Comprehensive Water endorsements

483,879

2018: 295,733
2017: 250,297

The number of Comprehensive Water product endorsements across Canada shows our commitment to making flood coverage available to all Canadians, regardless of their level of risk. These endorsements stem from 461,654 households covered by Comprehensive Water.

Number of eAlerts sent to clients to warn of imminent events*

403,000

eAlerts provide clients with crucial loss-prevention tips during extreme weather or high-volume claims periods that impact their town, region or province. They help clients stay safe, prevent property damage and make informed claims decisions.

Number of communities that participated in Wildfire Community Preparedness Days

125

2018: 94
2017: 34

The number of communities that participated in events across Canada to reduce wildfire risk and get informed on ways to build wildfire resilience.

*Approximate number of clients reached.

Comprehensive Water coverage expands to cottages, apartments and condominiums

Our Comprehensive Water product is Canada’s only flood product to cover overland flooding, storm surge, and storm and sewer backup, even for those at the highest risk of flooding. Using industry-leading flood-mapping technology, we are able to pinpoint flood risk down to an individual household. In 2018, we achieved a major milestone in making Comprehensive Water available to all homeowners in Canada. In 2019, we expanded our offering by making this coverage available to all risk types and all property types — including cottages and seasonal dwellings, apartments and condos.

More communities than ever take part in wildfire-resiliency events across Canada

In 2019, 125 Canadian communities joined in a national effort to reduce wildfire risk. In partnership with FireSmart® Canada, the Institute for Catastrophic Loss Reduction, and the National Fire Protection Association, we contributed funding and resources to promote and support Wildfire Community Preparedness Day events — raising awareness and encouraging wildfire resiliency at home through the clearing of dead or combustible vegetation, the installation of wildfire-resilient landscaping, and the use of fire-resistant roofing materials.



Challenges

Addressing the affordability gap

As the impacts of extreme weather and major events increase in frequency and severity, gaps between the insured and uninsured will inevitably widen. This puts the financial security of our communities in jeopardy, especially as the affordability of insurance products decreases. As a financial services co-operative, this is of great concern to us, and we have made it a strategic priority to focus on loss-prevention services, risk awareness, and advocacy with industry peers and across all levels of government.

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Pictured: Jason Thistlethwaite

Continued collaboration on flood-risk awareness

In 2019, we announced the renewal of our multi-year funding for the Partners for Action (P4A) network at the University of Waterloo, Faculty of Environment. Since 2015, we have committed \$1.2 million, in support of P4A's continued efforts to inform Canadians about the changing nature of flood risk, and provide tools and knowledge to build personal and community flood resilience.

“Flooding is Canada’s most common and costly hazard, yet most of us are unaware of its tremendous impact on our economy and well-being. Insurers can bring critical, credible voices to support the many Canadians asking governments to prioritize flood-risk reduction. With The Co-operators, we have an opportunity to convene Canadians, communities and partners to build a motivated constituency that is empowered to act.”

– **Jason Thistlethwaite**, Associate Director, Partners for Action Network, University of Waterloo, Ontario

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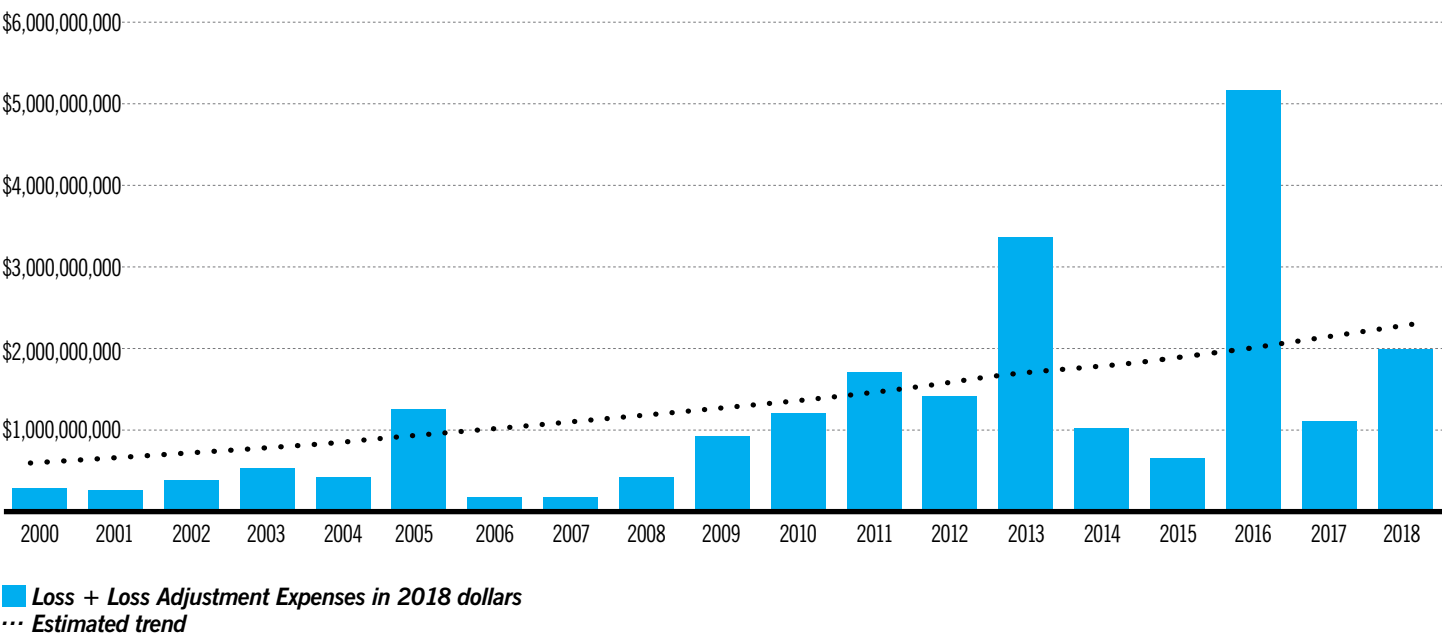
Major events claims on the rise

In 2019, we paid a total of \$111.5 million in claims to compensate our clients against the impact of extreme weather events, particularly related to wind and water. In central and eastern Canada, there was a notable increase in these events. Events related to weather are now occurring almost monthly, which is a significant change. In the first quarter of 2019 alone, we had the second-highest number of major events claims on record: over 2,400.

Performance snapshot

Major event loss claims	Major event loss claims due to extreme weather	Loss ratio
\$111.5m 2018: \$179.5m 2017: \$137.1m	99.6%	68.5% 2018: 72.9% 2017: 68.5%
Total amount of claims paid to clients for major events, which include both extreme weather events and other significant disasters, such as earthquakes.	The proportion of major event loss claims paid to clients due to extreme weather, including heavy and/or frequent rainfall, ice, hail, wind, flooding and wildfires.	This ratio represents the number of cents we pay in claims for every dollar we collect in client premiums.

Catastrophic losses in Canada, 2000–2018



Adapted from: Insurance Bureau of Canada: 2019 Facts of the Property and Casualty Insurance Industry in Canada.

Technology, modelling and analytics to better quantify climate risk

As the frequency and severity of extreme weather events and climate-related natural disasters such as wildfire increase, we are using technology, modelling and analytics to better quantify risks and build the personal resilience of our clients.

- > FireWatch, a wildfire tracking program, will enable us to more precisely and specifically identify geographic areas where we will not be able to write new business during a wildfire event.
- > Using information from the National Alert Aggregation & Dissemination System (NAADS) can help us improve and better target advance notice eAlerts sent to our clients.
- > Through our Climate Adaptation initiative and academic partnerships, we aim to quantify the long-term impact of climate change on our business and improve our resilience in the face of this rising challenge.
- > Building monitoring tools will allow us to more accurately track our risk accumulation and exposure to various catastrophic risks.

Major events of 2019 by overall severity

Flood event in April and May	Hurricane Dorian in September	Windstorm event in October
\$16.7m claims paid	\$15.8m claims paid	\$12.1m claims paid
Areas most impacted: Montreal and Ottawa	Areas most impacted: Halifax, Moncton and Summerside	Areas most impacted: Montreal and Kingston

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our STORIES



Pictured: Barbara Turley-McIntyre

Catalyzing sustainability in Canada and around the world

We use our collaborative role as a co-operative organization to bring communities, businesses, academia and governments together on our journey toward a more sustainable, low-carbon economy. In leadership and convening roles on the United Nations Environment Programme Finance Initiative (UNEP-FI), Canada's Expert Panel on Sustainable Finance, and more, we work across sectors to catalyze industry, government and community action toward a common goal.

“We’re driven to catalyze the environmental, social and economic sustainability of the insurance and financial services industry. As risk experts, we see first-hand the impacts of climate change. We have the data and the expertise to account for climate risk and have a responsibility to build it into our advocacy and decision-making to support a smooth transition to a more sustainable, low-carbon economy.”

– **Barbara Turley-McIntyre**, Vice-President,
Sustainability & Citizenship, The Co-operators

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Convening advocacy and action on climate change

We continue to convene and partner across sectors to catalyze climate-risk awareness and action in the financial services and insurance sectors, and in Canadian communities. Putting the issues and the best interests of our communities at the forefront, we work to get the right people at the table — those who can influence others and make a meaningful impact. Our collective influence on government, the industry and the Canadian public helps to advance policies, regulatory changes and public perception on climate risk.

Supporting the recommendations of Canada's Expert Panel on Sustainable Finance
Canada's Expert Panel on Sustainable Finance, commissioned by the Ministry of Environment and Climate Change and the Ministry of Finance, aims to raise awareness about climate-related risks and to advance climate-related financial disclosures.

In 2019, The Co-operators and Addenda Capital voiced their support for the Expert Panel on Sustainable Finance, in response to its interim report. Through a written response and ongoing consultation, we are highlighting the urgency of the situation, along with the important role of the financial sector in transitioning to a climate-resilient, low-carbon society. We provided suggestions and feedback on various topics: accelerating the adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the clear interpretation of fiduciary duty, energy efficiency and resiliency retrofits, and sustainable asset management. In June of 2019, we publicly endorsed the Expert Panel's final report, which included 15 recommendations for supporting sustainable finance in Canada. Among the recommendations are capital flows, risk-management activities, and financial processes that incorporate environmental and social factors in support of sustainable economic growth and long-term financial resilience.

Implementing recommendations of the Task Force on Climate-related Financial Disclosures

We are progressing along our three-year road map to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), following our public endorsement of its recommendations in 2017. Our inaugural report of our TCFD activity can now be found at cooperators.ca/reports.



Leadership for the low-carbon economy:

Alongside national business and non-profit leaders, we advocate to help shift the economy toward low-carbon Canadian and global markets. We do this through:

- > The Corporate Knights Council for Clean Capitalism, a group of Canadian business leaders dedicated to promoting sustainable markets.
- > Smart Prosperity, a national coalition of leaders from multiple sectors and perspectives, all working to define a vision for Canada's transition to a high-efficiency, low-carbon economy.
- > Our leadership role in the United Nations Environment Programme Finance Initiative (UNEP-FI), via the Principles for Sustainable Insurance (PSI) and the Investment streams, and via our seat on the Global Steering Committee. The Co-operators and Addenda Capital are involved in two separate UNEP-FI pilots of global insurers and asset managers, respectively, working to develop tools that will inform climate strategies and financial disclosures (aligning with the recommendations of the TCFD).
- > Advocating for sustainable finance through The Prince of Wales's Accounting for Sustainability Project, a network of CFOs driving a fundamental shift toward a more sustainable economy. In 2019, our CFO, Karen Higgins, signed a joint Net Zero Emissions Statement of Support for a smooth transition to a net zero emissions economy.


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Reducing our carbon footprint

The complex challenges surrounding climate-related risk are having significant impacts on our members, clients, communities, and our industry as a whole. To demonstrate our commitment to mitigating these impacts and being responsible environmental stewards, we are committed to becoming carbon neutral equivalent by 2020.

Performance snapshot

Carbon footprint reduction 	Owned carbon emissions of The Co-operators equity, preferred share and corporate bond portfolios	Agency offices enrolled in the Financial Advisors Carbon Neutrality Program	Energy consumption relative to our total income (GJ/\$1 million)
80%	188,990 tCO2e	97%	22 GJ/\$1m
2018: 81% 2017: 81%	2018: 145,282 tCO2e 2017: 173,283 tCO2e	2018: 97% 2017: 94%	2018: 29 GJ/\$1m 2017: 28 GJ/\$1m
Target: 100% by the end of 2020			
Net carbon emissions we have reduced from 2010 baseline levels.	Our proportion of the tonnes of CO2 equivalent that are emitted by the entities we invest in.	Percentage of agency offices that are bullfrogpowered® and carbon neutral.	The amount of energy required to generate every million dollars of total income.

Monitoring and reporting on the carbon footprint of our investments
Our \$10.6 billion in invested assets impact and influence global carbon emissions and climate-related risk. In 2014, we were the first Canadian insurance company to sign The Montreal Carbon Pledge; in 2015, our investment-management company, Addenda Capital, became the first Canadian asset manager to sign the pledge and disclose the carbon impact of its equity-pooled funds. In 2019, the total owned carbon emissions of our equity, REIT, preferred-share and corporate-bond portfolios equalled 188,990 tonnes of CO2 equivalent. A breakdown of the carbon intensity of these portfolios can be found online at cooperators.ca/reports.



Challenges

Reducing emissions from air travel

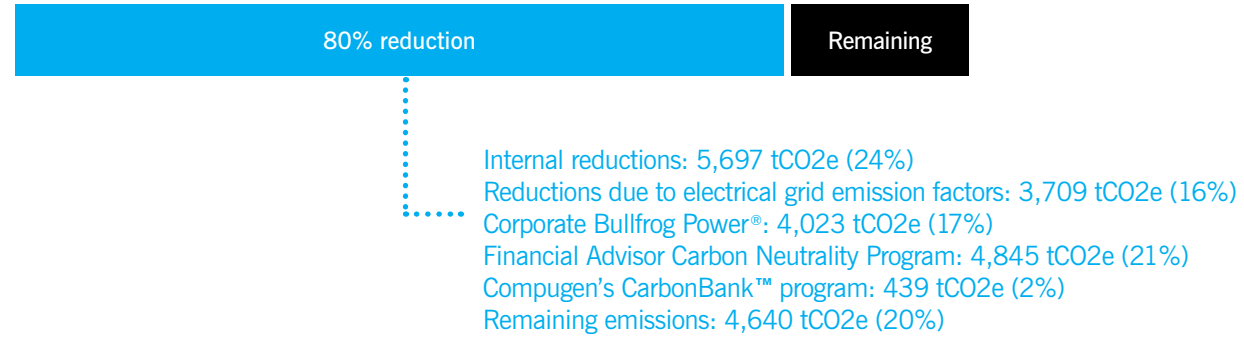
We've succeeded at lowering our emissions in several operational areas, including a reduction in the number of vehicles in our fleet; wherever possible, we are also choosing hybrid models. One area in which we struggle to make emissions reductions, however, is air travel. As a national organization, we rely on air travel to connect with our stakeholders. Because of this, we're putting greater emphasis on virtual-meeting capabilities, and we will continue to seek modes of travel that are less carbon-intensive.

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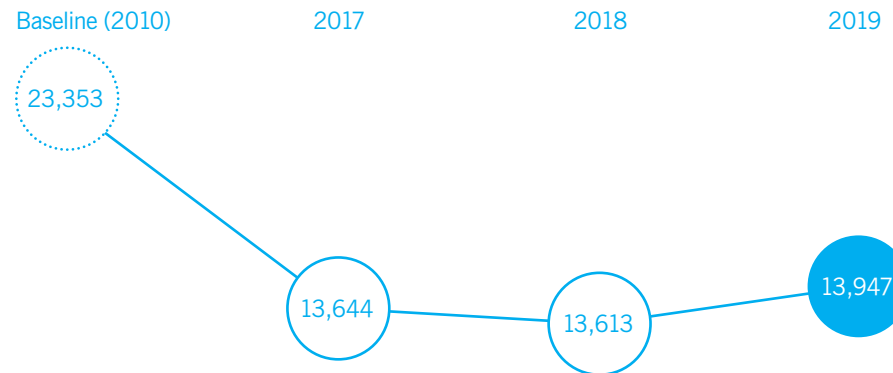
How we achieved the 80% net reduction in 2019

We made initial reductions in our carbon footprint through internal efficiencies and purchases of renewable-energy certificates (through Bullfrog Power®). In recent years, we've also achieved additional reductions through innovative initiatives, including a program that allows Financial Advisors to make their offices carbon neutral, as well as our partnership with Compugen's CarbonBank™ program, which generates carbon offsets through the refurbishment of end-of-life I.T. equipment.

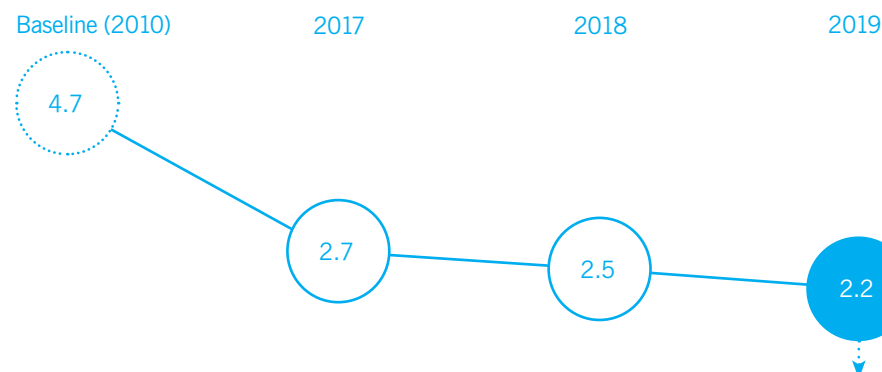


In 2019, our total carbon emissions before offsets were 13,947 (tonnes of CO2 equivalent)

Restatements of previously reported historical emissions data result primarily from updates to provincial emission factors. For more on how we calculate our carbon footprint, see our Supplementary Disclosures at cooperators.ca/reports.



In 2019, 2.2 tonnes of CO2 equivalent were emitted for every employee



With Bullfrog Power® renewable energy certificates, the Financial Advisor Carbon Neutrality Program and Compugen's CarbonBank™ program included, emissions per employee dropped to 0.7 tonnes of CO2 equivalent in 2019.

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Priority reporting issue: Investing for positive impact
Strategic alignment: Client Engagement, Co-operative Identity, Competitiveness

Impact investments for a more sustainable economy

As an organization, we have embraced impact investing — an investment approach that provides compelling financial returns and positive social and/or environmental impact. Through our Sustainable Investing and Impact Investing Policy and our advocacy work, we are leading the way in supporting an economy that puts the well-being of current and future generations at the forefront. Our goal is to equip communities and sustainable projects with the capital needed to build long-term resilience within communities and the environment.

Performance snapshot

Percentage of The Co-operators invested assets in impact investments*

19.4%

2018: 13.1%
2017: 7.7%

Target: 20% by the end of 2022

The percentage of our invested assets that are impact investments demonstrates our commitment to embedding co-operative and sustainability principles into our investment decisions.

Total impact investments of The Co-operators

\$2.07b

2018: \$1.24b
2017: \$740.2m

Impact investments have compelling investment returns and a measurable, positive environmental and/or social impact.

Total assets under management in Addenda Capital's Impact Fixed Income Pooled Fund**

\$93.0m

2018: \$45.6m

We launched Canada's first Impact Fixed Income Pooled Fund to catalyze impact investing across the country.

*Includes impact investments made with intent since the launch of our strategy and those that pre-date the strategy.

**This fund was launched in 2017.

Investing through a sustainability lens

Our invested assets are guided by our Sustainable Investment Policy, as part of our commitment to embedding sustainability into our investment decisions. While the policy does not apply to assets such as short-term investments, policy loans or derivatives, all other invested assets are guided by this policy.

Catalyzing sustainable finance

Our four-pronged sustainable-investing approach includes: promoting sustainable financial markets; environmental, social and governance (ESG) integration; stewardship; and impact investing. This approach is consistent with the framework provided by the United Nations-supported Principles for Responsible Investment (PRI). We continually work to advance available green capital in Canada, providing input and insights to stakeholders who are interested in the structuring of green bonds, in the development of government-sponsored sustainable finance, and in ways to promote sustainable investing by private-sector investors.

Challenges

Building the critical mass of sustainable finance

Despite rapid growth, sustainable investing remains a relatively small part of investing in Canada. To create a sustainable society, however, all investing should be done through the lens of sustainability. This is a daunting task at the scale needed to move markets. We remain focused on client education and advocacy for sustainable finance, ensuring that we bring clarity and consistency to sustainable investing approaches. We are making progress on this front, and we continue to accumulate case studies that demonstrate a compelling business case for investors.

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A new target for impact investing

19.4 per cent of our invested assets — over \$2 billion — were invested in externally verified impact investments by the end of 2019. We are well on our way to achieving our goal of 20 per cent by the end of 2022.

Addenda Impact Fixed Income Pooled Fund gains traction

In 2018, in our capacity as an asset manager (through Addenda Capital), we changed Canada's investment landscape by launching the Addenda Impact Fixed Income Pooled Fund. This fund focuses on positive impacts that are intentional and quantifiable, and it now invests \$93 million in assets into projects and initiatives that support climate change, health and wellness, education and community development.

Investing The Co-operators Pension Plan for positive impact

At \$1.1 billion, The Co-operators Pension Plan continues to be one of the largest Defined Contribution Plans in Canada. In 2019, The Co-operators Pension Plan Committee increased the amount of its fixed income portfolio into the Addenda Impact Fixed Income Pooled Fund from 5 to 10 per cent.

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Pictured: Roger Beauchemin

Building the sustainable economy

Through Addenda Capital, we play an active role in promoting sustainable financial markets to further optimize long-term investment returns for our institutional investing clients. A key part of this effort is the mobilization of impact investing in Canada. By launching Canada's first Impact Fixed Income Fund, becoming a lead investor in the World Bank's Sustainable Development Bond for women's empowerment, and presenting to economic heavy-hitters around the world, we are helping to bring the sustainable economy to life.

"Increasingly, investors want to have a positive impact while achieving strong financial returns. We've made impact investing accessible to investors so they can help fund solutions to our world's most pressing challenges, such as inclusive and sustainable growth, gender equality, food security, and climate change."

– Roger Beauchemin, President and Chief Executive Officer, Addenda Capital Inc.

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Impact investments by theme

Our focus on impact investing includes the following broad themes:



Climate change

Resilient communities; renewable energy; green buildings; and low-carbon transportation



Community development

Housing co-operatives; credit unions; and producer co-operatives



Health and wellness

Youth; aging populations; mental health; and affordable housing



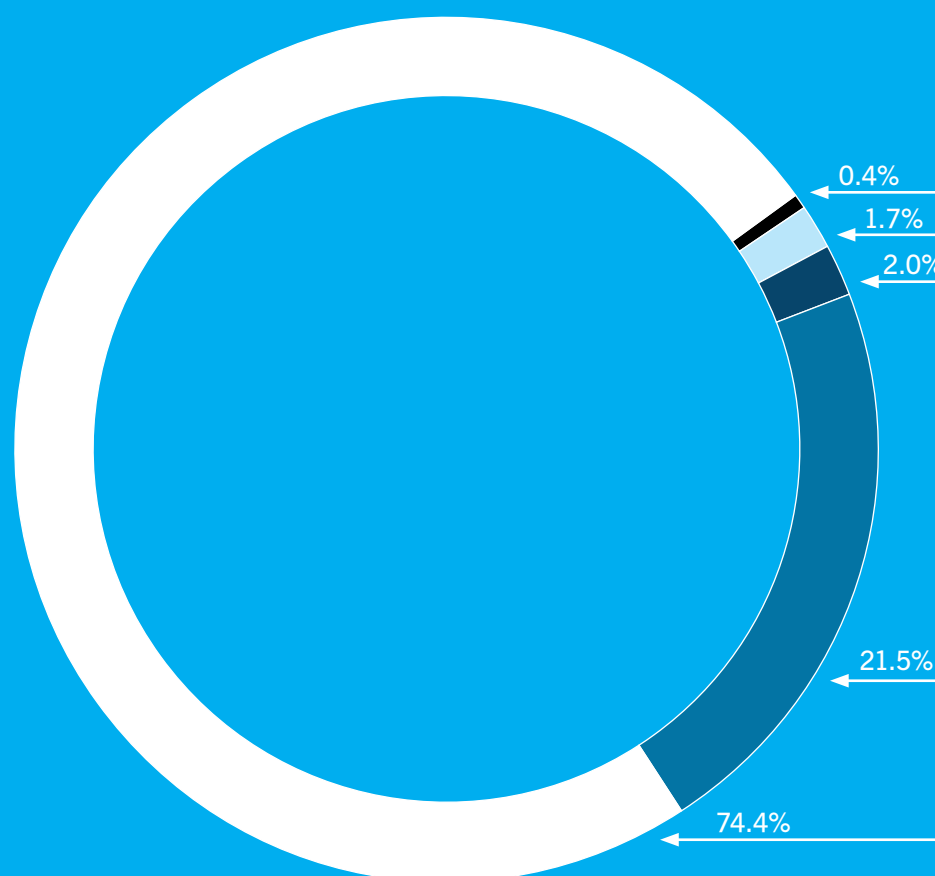
Education

Post-secondary institutions; research and innovation



Food, agriculture and natural resources

Sustainable food, land, water and resource management; food security and nutrition; and sustainable farming, fishing and forestry



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Helping our clients invest for impact

Addenda helps institutional investors, like Concordia University, unlock the investment opportunities of projects, initiatives and funds that are addressing the world's most critical environmental and social challenges. Concordia has a policy to allocate up to 10 per cent of their Foundation's long-term investment pool into impact investments, and are seeking to double this amount by 2025. Through the Addenda Capital Fixed Income Impact Fund, Addenda provides investment solutions that align with the university's focus on youth in Montreal, sustainable livelihoods across Canada, and that target the United Nations Sustainable Development Goals.

“Redefining financial sustainability through impact investing is a necessary evolution of the investment industry, and of the progression of current and future generations. Addenda plays an important role in ensuring the global asset allocation portion of our fixed income fund is a sustainable one that demonstrates our commitment to the core values of our university.”

– **Marc Gauthier**, Treasurer and Chief Investment Officer,
Concordia University, Montreal, Quebec

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Impact investments by the numbers


The projects, initiatives and funds in which we invest for impact contribute to the environmental, social and financial well-being of communities across Canada. For these projects to thrive, the available capital for sustainable projects must increase. We continue to build this momentum through our investments and our advocacy as an institutional asset manager.

Total impact investments

\$2.07b

The impacts below do not result solely from our investments, but depict the total impact achieved by the projects and initiatives in which we invest.


1. Climate change mitigation and adaptation

258 million ^{MWh} of renewable energy generated. =  **10 million** homes powered for one year.

2. Community development

 Invested in credit unions that paid **\$320.3 million** in patronage and dividends to members.


3. Health and wellness

 Invested in housing projects that provided **502 units** to seniors with various levels of care needs.

4. Education

 Invested in post-secondary institutions that granted **8,324** research awards.

5. Food, agriculture and natural resources

3.4 million ^{m³} of water saved through plant-based meat production. =  Enough to fill **900** Olympic-sized swimming pools.

Spotlight on impact investments from 2019:

Broadway Terrace Senior Living Community

Theme:
Community Development

Focus Area:
Non-profit Seniors Housing

UN Sustainable Development Goal Alignment:
Sustainable Cities and Communities (goal #11)

Amount invested:
\$6.9 million

Broadway Terrace is an independent-living facility that was purpose-built for seniors in 2003. The facility is operated by Eden Care Communities, a non-profit management company that oversees several other buildings in Saskatchewan. Broadway Terrace boasts a good location, with a grocery store—anchored mall across the street and public-transit service that is accessible from the front of the building. The purpose of the mortgage is to refinance an existing mortgage, and to extract equity from the property to re-invest in additional real estate to serve even more community members.

University of British Columbia

Theme:
Education

Focus Area:
Universities

UN Sustainable Development Goal Alignment:
Quality Education (goal #4) and Decent Work and Economic Growth (goal #8)

Amount invested:
\$1.7 million

The University of British Columbia (UBC) is a global centre for teaching, learning and research, with campuses in Vancouver and Kelowna. It is consistently ranked among the top 20 public universities in the world and was recently recognized as North America's most international university. The proceeds of the bond were primarily used for the construction and improvement of housing for students, faculty and staff.

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Investing in community safety and well-being

We are committed to contributing to the prosperity and development of our communities, advocating for and enhancing financial inclusion, resilience, and improved mental health and well-being. We do this through financial contributions, partnerships, advocacy and research that enrich the social fabric of communities.

Performance snapshot

Percentage of pre-tax profit (attributable to members) contributed to Canadian co-operatives, non-profits and charities*

4.2%

2018: 4.3%
2017: 4.8%

Target: Exceed Imagine Canada's benchmark of 1% each year

This demonstrates our commitment to our co-operative principles and indicates how we contribute to the social and environmental well-being of Canadian communities.

Total contributed through Community Economic Development Funds

\$582,250

2018: \$549,000
2017: \$521,000

The amount of money contributed to support organizations that increase the employability of and job creation for marginalized youth and people facing mental-health challenges.

**Calculated as a five year rolling average of contributions and profits.*

We contribute to the well-being of our communities as an Imagine Canada Caring Company

In 2019, we contributed \$7.5 million in community investments through a strategy that supports initiatives, partnerships and advocacy across three foundational themes: social wellness, environmental prosperity, and financial security. This amount represents 4.2 per cent of our pre-tax profit, which far exceeds the 1% Imagine Canada benchmark.

Our Community Economic Development Funds increase employability and job creation for marginalized youth and people facing mental-health challenges

The Funds contributed \$582,250 to support 28 organizations in 2019, including:

- > [Water First Education and Training Inc.](#), a registered charitable organization based in Creemore, Ontario. Water First is dedicated to working with First Nations communities — through education, training and meaningful collaboration — to resolve local water challenges. Paid internship opportunities take place in local communities and support Indigenous youth, by providing the customized skills, training and tutoring needed to obtain certifications in drinking-water treatment and environmental water-quality monitoring.
- > [LakeCity Employment Services Association \(LakeCity Works\)](#), of Dartmouth, Nova Scotia, uses a social-enterprise model to provide a safe, self-directed pathway to employment for individuals living with mental illness. Work opportunities include computer repair, recycling initiatives, cleaning and maintenance, woodworking and services for seniors.

Did you know?

We partner for community safety

[Fire sprinkler safety](#)

As a founding partner of Home Fire Sprinkler Coalition (HFSC) Canada, we promote the installation of fire sprinklers in new-home construction. In 2019, we were successful in expanding Home Fire Sprinkler Day into a full week, supporting 20 fire departments across Canada that were hosting events in promotion of the cause.

[Distracted driving](#)

It's estimated that distracted driving accounts for 25 per cent of fatal crashes in Canada. Through the Canadian Coalition for Distracted Driving, founded with the Traffic Injury Research Foundation (TIRF), we have convened a broad cross-section of like-minded partners. Through our partnership, in 2019, TIRF's Drop It and Drive® program reached 2,050 students, helping to raise awareness of the dangers of distracted driving.

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Pictured: Marcel Petit (right) with Core Neighbourhood Youth Co-operative participants

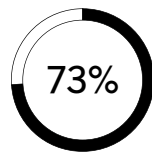
Community-based solutions for Saskatoon youth

Through our Community Economic Development Funds, we support organizations like Saskatoon's Core Neighbourhood Youth Co-operative, an organization providing marginalized inner-city youth aged 15–20 with an opportunity to develop the trade skills necessary to gain employment, build effective relationships, and get experience in co-operative business.

“Our job is about relationships. We are helping young people understand how much power they have over themselves. This place helps youth understand that they’re worth it, they can do it, and it’s all up to them.”

– **Marcel Petit**, Executive Director, Core Neighbourhood Youth Co-operative, Saskatoon, Saskatchewan

Leveraging our charitable fund for impact investing



of our Co-operators Fiftieth Anniversary Community Fund portfolio, currently valued at \$13.2 million, is invested in impact investments.

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Partnering to improve mental health

As a co-operative, we're committed to improving the well-being and resilience of our communities. We collaborate and partner with Canadian organizations to improve community mental health, particularly among young Canadians.

Performance snapshot

Crisis Text Line, powered by Kids Help Phone

126,040

Number of conversations

Text conversations between youth across Canada and trained volunteer crisis responders.

Enactus Youth Mental Health Project Accelerator

18

Student-led teams funded from universities across Canada

The Co-operators Mental Health Project Accelerator provides Enactus student teams with funding and mentorship on projects that support mental health in their communities.

Catalyzing youth mental-health leadership

In partnership with Enactus Canada, we're supporting the mental health and resiliency of post-secondary students, and providing the financial support and mentorship they need to improve the mental health of people in their communities. We also offer mental-health education to students through the Wellness Zone and leadership sessions at Enactus regional and national competitions.

Supporting the mental health of young Canadians through Kids Help Phone

In 2019, we contributed a total of \$150,000 in support of the Crisis Text line, powered by Kids Help Phone. This service provides free, 24/7 support, giving students greater access to confidential crisis resolution. Nationally, the service resulted in an average of 10 crisis interventions per day.

Promoting mental health in schools

We continued to build resources and promote teachresiliency.ca, in partnership with Physical and Health Education Canada (PHE), to ensure that teachers of young Canadians are supported and well-equipped to care for the mental health of their students.

We continued our partnership with Juno Award-winner and Grammy nominee Mitch Dorge; his "In Your Face and Interactive" presentation, which focuses on emotional well-being, reached 13,607 students in 2019, and has reached over 165,000 students since this partnership began.

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Connecting young Canadians to mental-health support

According to the Mental Health Commission of Canada, an estimated 1.2 million Canadian children and youth are affected by mental illness. As part of our commitment to building healthier, more sustainable Canadian communities, we partnered to provide mental-health support to university students, through the Crisis Text Line, powered by Kids Help Phone. In addition to supporting the program nationally, we were instrumental in piloting this program at the University of Guelph and the University of Regina. In 2019, a total of 190 students utilized this service in these pilot programs.

“We appreciate The Co-operators partnership with Kids Help Phone and for initiating the work with the University of Regina. The Crisis Text Line is another way to provide early access, and to meet students where they’re at. It’s crucial for times when we are not available at the counselling centre and it sets the stage for vital follow-up services.”

– Dr. Jenny Keller, Manager of Counselling Services, the University of Regina, Saskatchewan

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Contributing to a vibrant co-operative sector

Aligning with the guiding principle of “co-operation among co-operatives,” we contribute to and support co-operatives that encourage the social well-being and financial security of communities across Canada. We also advocate for and foster the co-operative business model, both in Canada and globally, through our support of educational programs, co-operative investments, and international partnerships and initiatives.

Performance snapshot

Total amount contributed to co-operatives 

\$1.6m

2018: \$1.6m
2017: \$1.4m

Target: \$1.5 million each year

By supporting co-operatives and providing solutions to challenges facing the sector, we contribute to the well-being of our communities through the services these co-ops offer.

Total amount contributed to Canadian university programs that advance the co-operative sector

\$98,168

By supporting Canadian university programs that integrate and/or highlight co-operative business models and values in their subject matter, we are helping to foster the next generation of co-operative leaders in Canada.

Financial support for Canadian co-operatives

We contributed \$1.6 million to the ongoing development and advancement of the Canadian co-operative sector, through annual association dues, and support for struggling, expanding and/or emerging co-operatives; this year we increased financial contributions through our Co-operative Development Program to \$200,000.

Mobilizing investment in Canadian co-operatives

Through our role as a lead convener of the Canadian Co-operative Investment Fund (CCIF), we have invested \$1.4 million toward our commitment of \$10 million. The CCIF is a response to a critical challenge of co-operatives and mutuals: raising capital without compromising their autonomy or their “one member, one vote” structure.

Supporting international co-operatives

The International Cooperative and Mutual Insurance Federation (ICMIF) 5-5-5 micro-insurance strategy addresses the lack of affordable insurance in parts of the developing world. We committed significant staff resources and technical expertise to support Uplift Mutuals to bring affordable health insurance to large low-income populations in Mumbai and Pune, India. In addition, in 2019, we contributed \$208,408, for a total contribution of \$724,640 since 2016.

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Pictured: Francisco Moran (far left) with Co-op Camp participants

Sharing co-operative values with young Canadians

We are committed to the growth and sustainability of the co-operative system in Canada, and are proud sponsors of youth co-operative camps across the country. These camps support and promote the co-operative model for community and economic development, while helping youth strengthen their leadership skills and their understanding of co-operative values. In 2019, we sponsored 18 attendees, and had nine employees volunteer as camp facilitators. Francisco Moran, a Business Systems Analyst, has volunteered at nine camps and recently received the 2019 Saskatchewan Merit Award for his efforts.

“Being involved with Co-op Camp has been life-changing. It has taught me that a true leader takes their skills and abilities and uses them in a way that helps others learn and grow. It has been so rewarding to empower and inspire these kids and to help them focus on what is important.”

– Francisco Moran, Business Systems Analyst, The Co-operators

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Creating the future through innovation

Amid rapid change, new business models are emerging, and global economic, demographic, social and technological trends are changing. With an eye on the future, we are anticipating how these trends might impact our industry, how we can better organize ourselves, and how to respond to the evolving needs, preferences and behaviours of our members and clients. As we face the future, we are embedding a culture of innovation and adaptability, while thinking beyond “business as usual” to bring new products and services to market for a new and changing world.

Performance snapshot

R&D expenses as a percentage of net income

19.8%

Total research and development expenses for new or improved products and services that benefit clients and communities, as a percentage of net income.

New on-demand digital-economy products launched since 2018

4

The total number of products launched under Duuo by The Co-operators, our new brand of on-demand insurance solutions.

On-demand insurance for participants of the digital economy

Stemming from our innovation work in the sharing economy, in 2018, we launched Duuo – episodic, on-demand insurance solutions that help to meet the ever-changing needs of Canadians living and working in today’s fast-paced digital economy. Since then, we have launched four products for the digital economy (listed below), and we continue to think bigger, with additional products on the way.

New digital economy products launched since 2018:

Event Insurance

Online, on-demand insurance – which can be purchased in minutes – to cover an event host’s liability in case of accidents.

Rent-my-Stuff Insurance

Insurance coverage for risks that are incurred when an individual rents their belongings to others.

Short-Term Rental Insurance

Specialized, on-demand insurance for people who rent out their properties through platforms like Airbnb®, HomeAway® and VRBO®.

Tenant Insurance

Insurance coverage for people who rent their home.

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Innovation areas of focus to date

Cyber risk

As the risk of cyber attacks increases, we are focused on advancing risk resiliency for Canadians and their communities against pervasive and malicious threats in an interconnected world.

The sharing economy

As more Canadians participate in the sharing economy, there is a growing need for digital, on-demand insurance products and risk-management solutions. We launched Duuo, a new brand of online insurance products and solutions, including Home Sharing insurance.

Advancement in medical technologies

With advancements in medical technology and digital health adding to the longevity and quality of Canadians' lives, we examined the related trends, risks and opportunities to understand how these areas might evolve and impact our clients' long-term financial well-being.

The low-carbon economy

Global efforts to reduce greenhouse gas (GHG) emissions, alongside the increasing impacts of climate change, have created risks and new opportunities. We are developing new solutions to protect communities from climate risk.

Risk management/Risk resiliency

As we deliver on our mission to provide financial security to Canadians and their communities, we are exploring holistic solutions that incorporate a proactive risk-management framework — with a goal of making Canadians more risk resilient, while offering products and services that help them prepare for the best outcome.

The Internet of Things

The Internet of Things (IoT) is the network of physical devices/sensors connected to the Internet, such as smart homes, voice-enabled assistants, autonomous vehicles and more. We established two collaborative partnerships that will facilitate access to data emanating from sensors within homes and vehicles — data that can inform the creation of new/improved protections for clients.

Client ecosystems

We worked to improve our data and analytics capabilities to become more aware of our commercial clients' needs, risks and preferences. Through client ecosystems, we can strengthen the collective resiliency of these clients.

Behavioural economics

Behavioural economics blends the insights of psychology and economics, honing in on how people make predictable (often, erroneous and irrational) decisions. By examining these behaviours, we can better create environments that enable wiser decisions — and more widespread resilience.

The changing nature of transportation

As we move toward autonomous transportation, we want to ensure that safety, risk reduction and loss prevention are also improved along the way. With this, we are focused on designing products and services that keep us relevant and competitive throughout this transition.

Understanding the unmet needs of Canadians living in poverty and other underserved populations

We are collaborating with local, national and international organizations to research the unmet needs of Canada's most financially vulnerable. To date, we've developed 10 solution-oriented concepts out of this work, four of which will be piloted in 2020.

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Pictured: Matt and Gwen Brydson

Duuo: Peace of mind, on demand

Given the unpredictable nature of home sharing, people don't want a long-term insurance commitment. That's why clients, like Matt and Gwen Brydson from Toronto, choose Duuo — our innovative, on-demand insurance solution for hosts of short-term rentals.

"It's really simple to log in and pick the nights we want covered. It's also very affordable, because it's pay-as-you-go. Not only are you protected, but if accidents happen in your space, you're covered, so we have peace of mind when we are away."

— **Matt Brydson**, Duuo client and homesharing host, Toronto, Ontario

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A new Corporate Venture Capital Fund

In 2019, in support of our innovation strategy, we introduced a fund to facilitate more innovative partnerships. This reflects our commitment to addressing the unmet insurance and financial services needs of Canadians participating in a fast-paced and ever-changing digital economy. Through this fund, we can leverage our capital to partner with start-ups, and bring cutting-edge technology and solutions to meet the changing needs and preferences of our clients. The fund focuses on investment priorities aligned with three key themes: meeting emerging and underserved insurance needs, enriching the resiliency of Canadians, and adapting to the changing nature of transportation.

Investing in financial technologies to reshape financial services through Portag3 Ventures

We allocated a portion of our existing Corporate Venture Capital Fund to join Portag3 Ventures, an early-stage investor supporting the world's most innovative financial technology companies. Its team has deep entrepreneurial and industry experience and provides its founders with full access to the firm's partners, in-house experts, and broader global ecosystem. This fund's mission is to invest, develop and empower creative, ambitious and visionary entrepreneurs to reshape financial services.

Investing in a global, AI-driven early-warning system for infectious disease

We co-led a Series A investment round with BlueDot, a digital-health company that uses big-data analytics to track and anticipate the spread of the world's most dangerous infectious diseases. The partnership will explore opportunities that leverage BlueDot's robust data aggregation, artificial intelligence and predictive analytics to improve risk-assessment capabilities. It will also empower clients in making informed decisions around the prevention of infectious diseases, leading to healthier and more resilient communities.




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Enabling the digital transformation

Technology is changing how Canadians live and interact, given their increasing online presence and connectivity. It's also changing how we all do business, given the consumer demand for quality online customer service, and easily accessible products and services. The digital transformation has the potential to radically change the financial services and insurance industry, as new technologies, innovations and analytics emerge. That's why we're focused on building our clients' trust and maintaining effective relationships in these new online spaces.

Performance snapshot

Number of households signed up for Online Services (cumulative) 

229,801

Number of times the mobile app has been downloaded (cumulative) 

51,080

Number of Home and Auto transactions completed online 

368,954

Growth in the above metrics demonstrates our effectiveness in maintaining strong client relationships online, and the willingness for clients to put their trust in us within digital spaces.

Enhancing our online capabilities

We remain focused on continually improving the digital experience of our clients, through updates to our mobile online services app like biometric sign-in for easier account access, enhancements to our digital "pink slip" functionality, and adding to in-app Home, Auto and Group policy details. We continue to see increased client engagement through digital channels; clients explored online features over half a million times in 2019. Improvements to our online account management capabilities saved Financial Advisors and their staff an estimated 5,100 hours — time that could be better spent offering our clients meaningful financial and risk management advice.

Guiding our clients through customized, integrated client experiences

We have been working to move from a multi-channel to an OMNI-channel client experience, where clients are in complete control: they can choose how and when they interact with us, moving seamlessly between phone, in-person and online channels for an integrated client experience.

Our new "guided OMNI" approach takes it one step further. By guiding clients to the best experience for their needs, profile and context, we can hone each channel and experience to fully understand our clients' needs and optimize their experiences and outcomes. We are thinking about our digital experiences in the context of our broader customer experience ecosystem for clients, Financial Advisors and our employees. We are committed to delivering excellent experiences in our digital channels, and improving our processes and systems to allow for seamless and efficient interactions across all touch points.

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Protecting the security of information in online environments

We take the security and confidentiality of client information very seriously, and use a combination of technical solutions, security practices and processes to keep clients' information confidential. When accessing our online services, our security safeguards consist of a wide variety of technical solutions and security practices designed to work together to protect client information.

How we protect client information

Data encryption: We use Transport Layer Security (TLS) to help keep clients' information confidential while they conduct business on our secure websites.

Authentication of client identity: We will only grant access to client accounts after the proper credentials have been entered.

Verification of client identity: We leverage identity verification services to validate that clients are who they say they are when they sign up for Online Services.

Session time-out: To prevent client accounts from remaining open when not in use, online sessions with our secure websites will shut down after several minutes of inactivity. If this happens, clients must sign in again to continue.

Enhancing the cyber-security literacy of our employees

On an ongoing basis, our employees are trained regarding security and tested through various methods, including recognizing and reporting phishing attempts. As the methods of phishing continue to evolve, so does our training. Rather than training for general phishing we also have directed testing customized to each area of the company and how they are most likely to be attacked/targeted.

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Section 4

our PEOPLE

Our employees and Financial Advisors build relationships and trust with clients and members, making meaningful connections in more than 380 communities across Canada. And, through talent, skill and expertise, our group of companies has earned an industry-leading reputation. As we navigate rapid change, we are focused on engaging, supporting and enriching our people, ensuring that we can attract and retain top talent — which, in turn, will strengthen the resilience of our organization.



Priority reporting issues

- > Workforce engagement, development and well-being
- > Diversity, inclusion and equal opportunity

Strategic alignment

Workforce Capability, Competitiveness

Our approach

Our people are the most important factor in our continued success. It is critical that we continue to attract, retain and develop top talent, and continue to engage our workforce, meet their needs and protect their mental, emotional and physical well-being. We must also empower an adaptable workforce that can excel in a rapidly changing environment, while strengthening our culture of innovation, diversity and inclusion.

UN Sustainable Development Goals



Priority reporting issue: Workforce engagement, development and well-being
Strategic alignment: Workforce Capability, Competitiveness

Our workforce at a glance

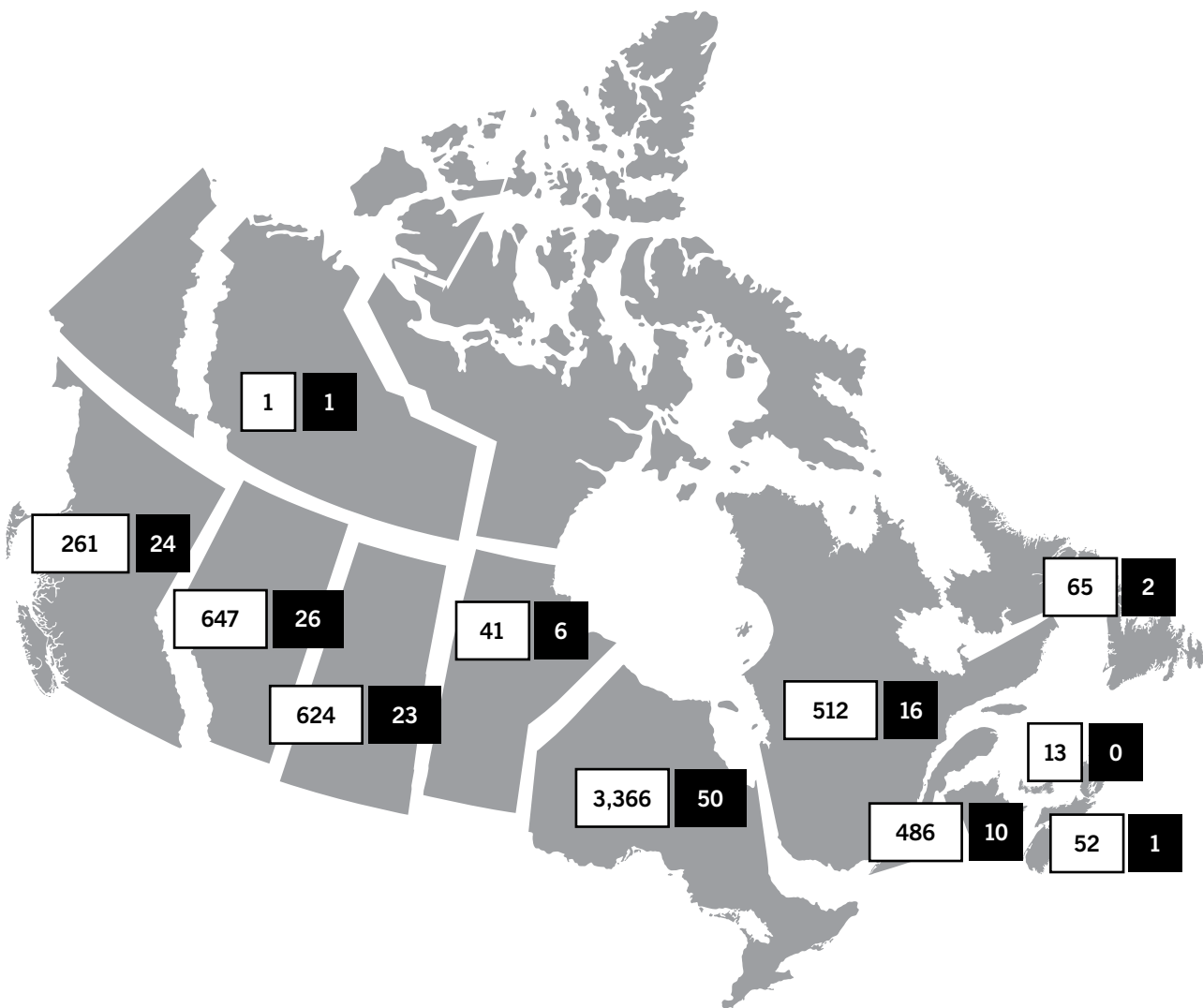
The people we employ at our corporate offices, across the group of companies.

Total number of employees*

6,227

Workforce by province

□ full-time ■ part-time



*Includes employees of Premier group of companies and The Edge Benefits Inc. Premier also has 14 full-time employees and two part-time employees in California, four full-time employees in Washington, and two full-time employees in Maryland.

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
Our Financial Advisor network

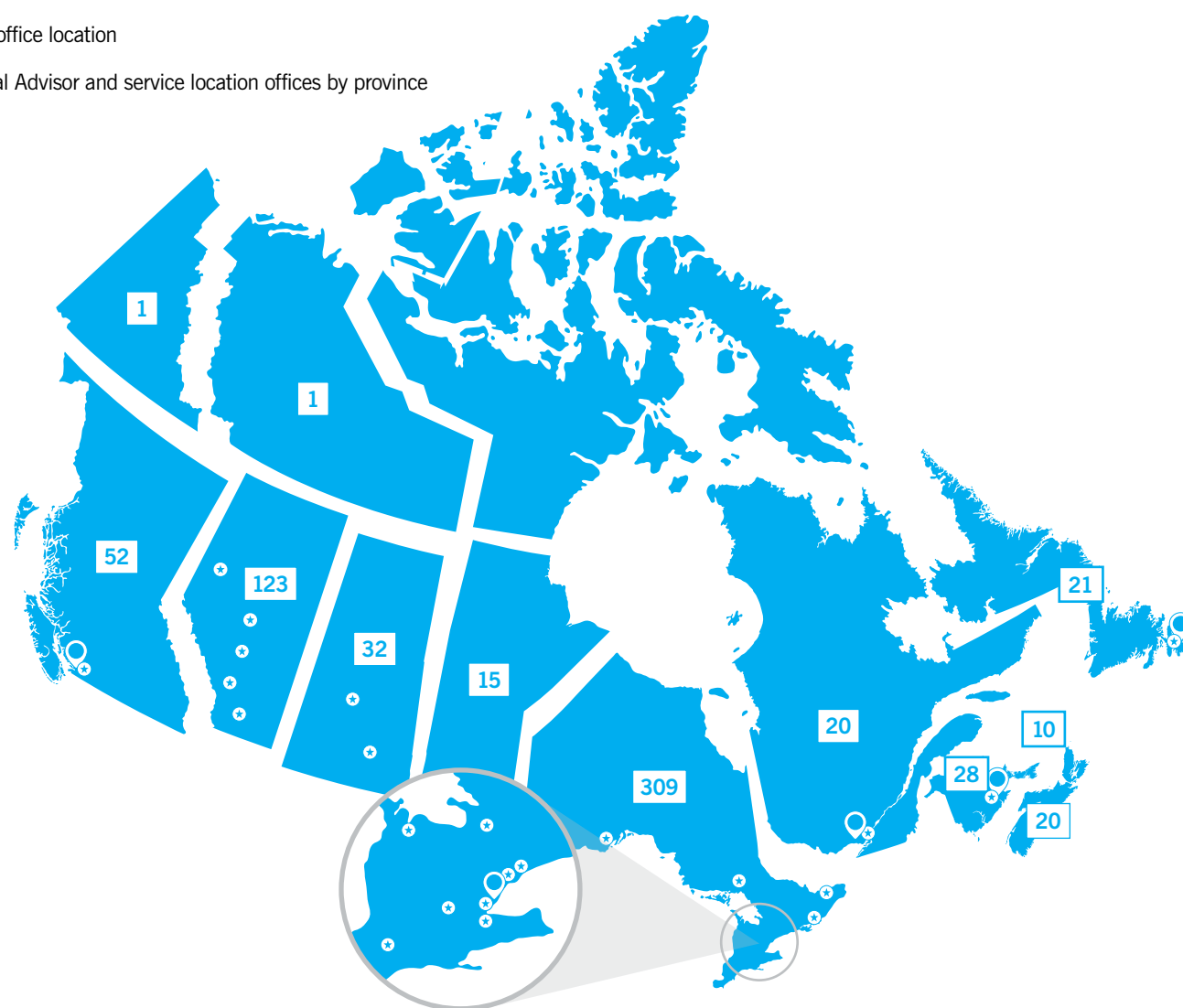
Our Financial Advisors and their staff, who provide advice, insight and support to our clients in more than 380 communities across Canada.

Total number of Financial Advisors

482

Financial Advisor offices

-  Contact centre location
-  Claims office location
-  Financial Advisor and service location offices by province





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Engaging our people

As we prepare and plan for transformation — in our organization, our industry and the world around us — the volume and pace of changes today and on the horizon keep us focused on ensuring that our people are supported, fulfilled and inspired.


Performance snapshot

<p>Aggregated Employee Engagement Score </p> <p>77%</p> <p>2018: 78% 2017: 80%</p> <p>Target: Maintain 80% or better each year</p> <p>An engaged workforce reinforces our organization's strength and stability, fosters innovation, and reflects that our work culture is meeting employee needs and providing a productive, healthy and stimulating work environment.</p>	<p>Financial Advisor Satisfaction Index </p> <p>67%</p> <p>2017: 73%</p> <p>Target: Maintain 70% or better each year</p> <p>The satisfaction of our Financial Advisors is an important measurement of our ability to respond to challenges and provide support and solutions to help them meet the needs of their clients.</p>	<p>Employee voluntary-turnover rate</p> <p>6.3%</p> <p>2018: 4.6% 2017: 3.6%</p> <p>Target: At least 2% below The Conference Board benchmark of 8.0% (2018 data)</p>
<p>Average investment in employee training and development</p> <p>\$1,098</p> <p>2018: \$1,029 2017: \$967</p>	<p>Employee retention rate</p> <p>91%</p> <p>2018: 94% 2017: 94%</p>	

We are a Best Employer in Canada
Each year, employees across the group of companies take a survey, administered by Kincentric, to assess the level of engagement they feel at work. For the 17th consecutive year, we were recognized by Kincentric as a Best Employer. However, we declined one point from last year for a score of 77 per cent. In 2019, we shortened the survey by 25 per cent, in favour of including only core engagement questions. This allowed us to more clearly define our areas of strength and our opportunities for improvement.

Competitive compensation, training and development
We are a living-wage employer and offer a competitive compensation package that, in most cases, far exceeds the living wage. We also monitor salaries through our Salary Review Process, which can help to identify and address any gaps in gender pay. In 2019, our analysis showed minimal differences between the average pay positioning of women and men employed in all salary grades and levels.

In addition to offering competitive compensation, we support the development, training and education of employees; in 2019, we invested an average of \$1,098 per employee on external education programs. As a comparison, the Conference Board of Canada's benchmark is \$889 per employee (2018 data).

 **Challenges**

Navigating the volume and pace of change
In anticipation of greater transformation and change on the horizon, we are taking action to address the downward trends in both employee engagement and advisor satisfaction. To support Financial Advisors and our workforce in adapting to the new volume and pace of change, we are focused on delivering effective change management and transformation strategies. For example, we established a Strategic Change Office and Strategic Change Lead to help build change capacity and effectively manage our portfolio of change-related initiatives across the enterprise.

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What is employee engagement?

Engaged employees are more committed to their organization and more motivated to do their best work. In general, they say great things about the organization and recommend it to others, intend to stay with the organization, and strive to contribute more than is required to complete their work.

Highly engaged employees also help to attract new talent, are more productive, and are foundational to having engaged clients. These factors drive successful business results and are critical to executing our strategic goals.

Our areas of strength

Diversity and Inclusion

87 per cent of employees view us as being open and accepting of differences, and believe that diversity is well-reflected in the organization's workforce.

Management

86 per cent believe that the person they directly report to effectively supports them in their role.

Client Focus

76 per cent perceive positive relationships with clients, and feel that the company is focused on its clients and meeting their needs.

Our opportunities for improvement

Rewards and Recognition

56 per cent feel that they are appropriately and consistently recognized for their contributions.

Talent and Staffing

54 per cent feel that we are successful in attracting, retaining and promoting the appropriate people necessary to the organization's success.

Did you know?

89 per cent of our employees describe The Co-operators as a socially and environmentally responsible organization.

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Pictured: Tammy Truman (centre) with Calgary youth

Spotlight on Financial Advisors in the community

Inherent in our co-operative values is a strong sense of community. And many of our Financial Advisors, like Tammy Truman of Truman Insurance Agency in Calgary, work tirelessly to bring these values to life. In 2019 alone, Tammy and her staff contributed funding and more than 250 volunteer hours to community programs, including Kids Cancer Care Foundation, Calgary Children's Foundation, and the Crohn's and Colitis Foundation.

"Being part of The Co-operators and their strong community values has given me the opportunity to not only be the local insurance agent, but also to be involved in the community. I feel that if we give back to the community in which we work and play, everyone comes out ahead."

– **Tammy Truman**, Financial Advisor, The Co-operators, Calgary, Alberta

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Employees and Financial Advisors in the community



Leave for Change

In partnership with Uniterra, the Leave for Change program offered three-week volunteer opportunities to three employees, who lent their expertise in helping to develop co-ops in Guatemala, Nepal and Tanzania.



Total volunteer hours tracked
29,267

Financial Advisor and service office locations accredited through the Advisors for Sustainable Communities program.

529

\$926,561

in independent community contributions made by our Financial Advisors.

1,214
Total employee hours donated to support Habitat for Humanity, through a three-day playhouse build-a-thon, home builds and landscaping.



\$493,474
in independent community contributions made by our employees, including
\$356,764
in total contributions made by employees to the United Way in 2019.

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Employee well-being, innovation and leadership

To support a capable, adaptive and engaged workforce, it is critical that we establish a work environment that cultivates the mental, physical and emotional well-being of our employees.

Performance snapshot

Percentage of senior leadership with SMART goals related to sustainability or co-operative identity

94%

2018: 94%
2017: 91%

Target: 100% each year

The integration of sustainability and co-operative principles throughout our organization.

Mental Health Index

78%

How our employees view our commitment to mental health and how well we deliver on this commitment through our practices.

Employee injury rate

0.41

The number of incidents per 200,000 hours worked.

Making the workplace a positive pathway for mental health

We see the impact of mental illness on Canadians first-hand, and we are committed to providing access to innovative, customizable mental-health care, dialogue and support for all employees. In 2019:

- > We continue to maintain strong performance in the Mental Health Index portion of our Employee Engagement Survey, at 78 per cent.
- > Over 1,400 employees, Financial Advisors and their staff completed courses in our mental-health eLearning program.
- > We facilitated leader sessions that were focused on the impacts of the mental-health claims experience within our organization, and how we can support staff who may be experiencing mental-health challenges.
- > Our employee mental-health discussion group was the most popular group on our intranet, with over 1,100 members.
- > We refreshed our MentalHealth@Work resource centre to provide leaders and employees with additional mental-health resources.

Incentivizing our leaders to bring co-operative and sustainability principles to life

In 2019, 94 per cent of our vice-presidents, senior vice-presidents, executive vice-presidents, as well as the president and CEO, met our requirement for including SMART* goals related to co-operative and sustainability principles in their annual performance plans. By extension, we are integrating sustainability into our measurements for success. We will continue to equip our leaders with information on how sustainability and co-operative identity can be connected to all areas of our business, and we will monitor their goal-setting and report progress to the Board.

*SMART: specific, measurable, ambitious (but achievable), relevant and time bound.

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Destigmatizing mental-health issues

To help break down the stigma surrounding mental-health issues, we encourage open dialogue and provide safe and supportive spaces for our employees to share their stories. In 2019, we continued an “Our Stories” mental health series on our intranet platform, where employees of The Co-operators came forward to share their life experiences in the hopes of helping others.

“I felt nervous and liberated after sharing my story. The response I received was amazing, but not surprising because of how much emphasis The Co-operators puts on the mental health of its employees. I’ve had others approach me to let me know that sharing my experience has helped make it easier for them to share theirs.”

– **Sae Park**, Claims Representative, Mississauga, Ontario

“I write to remind people that they are not alone. I’ve noticed people are more willing to share as a result of the mental health initiative because we’ve created a non-judgmental environment.”

– **Christopher Rudd**, Inside Claims Representative, Markham, Ontario

“I decided to share my story in hopes that it helps at least one person and because our mental health initiative has created a community that I rely on for support.”

– **Ryan Hartnett**, Senior Business System Analyst, Regina, Saskatchewan


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Doorways to diversity and inclusion

To ensure that we are attracting the top talent and expertise needed to stay competitive and relevant — and to meet the needs of our clients, members and communities — we must be committed to fostering an inclusive workplace and work culture. We have a distance to go to reflect true inclusion across our organization and have made it a focus of our workforce-capability strategy.

Performance snapshot

Representation of women in senior-leadership positions (vice-president and above) 	Representation of women on the CEO's leadership team	Gender representation — Total workforce	Percentage of staff who identify* as:	CEO to average worker pay ratio (2018)
26% 2018: 27% 2017: 24%	36% 2018: 33% 2017: 20%	36% Male 64% Female	15% visible minority 4% having a disability 1% First Nations, Inuit or Métis	14:1 2017: 15:1 2016: 19:1 Benchmark: 227:1**

Employee age demographics	Gender representation — Financial Advisor network	Financial Advisor age demographics	Employee wages and benefits paid in 2019
3% Gen Z (<24) 40% Millennial (24–38) 39% Gen X (39–53) 18% Boomer (>53)	68% Male 32% Female	1% Gen Z (<24) 21% Millennial (24–38) 54% Gen X (39–53) 24% Boomer (>53)	\$453.1m Salaries \$96.9m Benefits \$18.8m Employee Incentive Program

*Based on responses to our annual employee engagement survey.

**Based on the salaries of the 100 highest paid CEOs in Canada. (Source: "Fail Safe 2020" The Canadian Centre for Policy Alternatives, 2020)

Deepening our focus on diversity and inclusion

Research shows that organizations with diverse workforces and inclusive work cultures, supported and reflected in senior leadership, are better positioned to develop creative and innovative solutions to today's complex business challenges. In 2019, we formed a Diversity and Inclusion Steering Committee and project team that will partner with the Canadian Centre for Diversity and Inclusion. Together, they will conduct qualitative and quantitative research that helps to identify barriers and opportunities in our organization; they will devise communication and transformation strategies to deepen the diversity and inclusion conversation across our workforce; and they will establish a robust diversity and inclusion strategy that will be implemented in 2020–2022.

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Lesley Christodoulou (pictured in the centre)

Fostering a more diverse and inclusive workplace

As part of our commitment to fostering a work environment that embraces and reflects a diversity of people and to ensure that we create a supportive culture of inclusion, we formed a steering committee in 2019. It will guide and support the development of a Diversity and Inclusion strategy.

“As we devise strategies to amplify the diversity of our organization, we must remember that diversity cannot be harnessed if we forget about inclusion. To be our best and bring our diversity to the table, we must feel included and celebrated for our differences. Diversity is the one true thing we all have in common.”

– **Lesley Christodoulou**, Vice-President, Corporate Finance Services, and member of the Diversity and Inclusion Steering Committee, The Co-operators

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Section 5

our FINANCIAL PERFORMANCE AND POSITION

As we consider the significant risks facing the financial services industry, from climate change to the increased volatility within financial markets, it is critical that we maintain our focus on profitability. By running our core business effectively, we can successfully meet the needs of our members, our clients and our communities.

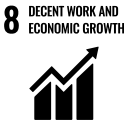


Priority reporting issue
> Financial performance and competitiveness

Strategic alignment
Client Engagement, Competitiveness

Our approach
Over the past year, we sharpened our focus on the profitability of our core operations, and we made significant progress toward our goals. Maintaining our solid financial foundation and capital position enables us to invest in our processes and systems, better products and ongoing innovations that will help us meet the changing and unmet needs of our members, clients and communities. In a time of rapid change, we must anticipate challenges, trends and opportunities, and adapt accordingly, enabling our smooth transition into a resilient future.

UN Sustainable Development Goals



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2019 financial highlights

At the outset of our new corporate strategy, our focus has been on reinforcing the strength of our financial position, ensuring that we can continue to thrive despite the uncertainty and increasing volatility in our operating environment. Our efforts to boost underwriting profitability in our P&C lines of business, coupled with a favourable investment performance, drove our strong financial results in 2019.

A step towards profitability in P&C underwriting

In 2019, we took action to restore premiums to appropriate levels, tighten underwriting rules to ensure that we are writing appropriate risk, and ensure that our claims practices accurately apply policy coverage and reimburse our clients fairly for their losses.

Increasing claims trends in P&C lines of business are negatively impacting financial stability across the industry. These trends are largely driven by the impacts of a changing climate, fraud, the cost of repairs, and regional government regulations that impact rates. We have taken measured action to return our P&C business lines to profitability, ensuring that our core financial foundation is strong, so we can better serve our clients and communities long into the future.

Strong investments further strengthened our financial position

As we continue to face ongoing volatility and uncertainty in our core business lines, our investments remain a key aspect to our financial stability. In 2019, investment results bolstered our bottom line as equity markets rebounded after the correction in late 2018, and we were able to take advantage of falling interest rates through the turnover of our bond portfolio. We also benefitted from the appreciation of the Canadian dollar during the year. All of our operating segments improved their results in 2019 with our P&C operations generating its most profit in almost a decade.

101.1%

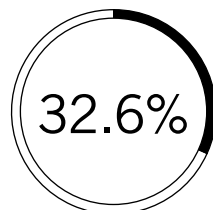
P&C combined ratio ➡

2018: 105.2% 2017: 103.2%
Target: 98% by end of 2022

Challenges

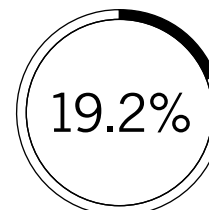
Balancing expenses with the drive to innovate

Despite strides toward returning to underwriting profitability, our expense ratio of 32.6 per cent shows significant room for improvement, when compared to the industry. At the same time, our current focus on innovation — expanding business areas to serve new and emerging markets — requires investment. We are working to tighten expenses across the group of companies to ensure that we have sufficient capital to serve these strategic objectives.



Expense ratio for P&C operations ➡

2018: 31.9% 2017: 33.1%
**Target: At or better than the industry
 by the end of 2022**



Efficiency ratio for Life operations ➡

2018: 18.6% 2017: 18.5%
**Target: 17.7%
 by the end of 2022**

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Income statement overview

In 2019, overall favourable economic conditions and significant improvement in our P&C underwriting results were the main drivers of an improved bottom line from our 2018 financial results.

\$5,125.5m – \$4,870.3m = \$255.2m

Total revenue

Total expenses

Net income

7.7%

Return on members' equity ↗

2018: (0.5%) 2017: 7.2%

Target: 8–10% each year

Balance sheet overview

Our overall and regulatory capital position continues to be strong, as total assets grew over 13 per cent and our total capital grew over 9 per cent from 2018.

\$17.0b – \$13.3b = \$3.7b

Total assets

Total liabilities

Total equity

8.7%

Return on participating policyholders' (PAR) equity ↗

2018: 0.1% 2017: 7.5%

Target: 4.5–6.5% each year

“Our strength is our clients' strength. By reinforcing our strong financial foundation, we can better serve our clients long into the future. We reinvest our profits into designing products, services and solutions that meet unmet needs of Canadians and build more resilient communities.”

– Karen Higgins, Executive Vice-President and Chief Financial Officer, The Co-operators

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Summarized consolidated income statement

P&C operations direct written premium by lines of business

During 2018, we re-organized the CUMIS group of companies, which resulted in CUMIS's P&C operations being transferred from the Life Operations to this segment. After adjusting for this re-organization, direct written premium in our P&C operations increased 11.3 per cent as we experienced growth in all geographic regions and all core product lines. The increase was primarily driven by higher average premiums across all lines of business as we start to see results of our efforts to improve our underwriting rules and restore premiums to appropriate levels.

Life operations premiums and deposits by lines of business

After adjusting for our 2018 internal re-organization of CUMIS, our Life operations' total premiums and deposits increased 8.0 per cent with growth in all lines of business, except Travel. We maintained double digit growth in individual wealth deposits as we strive to become our clients' most valued partner in their financial planning and well-being.

Net investment income and gains

While the low interest rate environment continues to dampen investment income, distribution income from pooled funds and limited partnership investments helped to significantly increase our net investment income and gains in 2019. Our investment gains were bolstered by the performance of the Canadian equity market, which had its best year in a decade. A significant portion of the volatility in investment gains and losses arises from our Life operations. Much of this volatility is offset through claims and benefits expenses resulting from the asset-liability matching programs we employ.

Summarized consolidated balance sheet

Our balance sheet position remains strong, with over \$3.6 billion in capital. Invested assets exceed the total value of our insurance and investment contracts, net of reinsurance, by 26.5 per cent. Our regulatory capital positions, as measured by the Minimum Capital Test (MCT) and the Life Insurance Capital Adequacy Test (LICAT), also remain strong with our ratios well above regulatory requirements. Invested assets increased over 12 per cent in the year as a result of the strong equity markets and the decline in interest rates, which favourably impact our bond valuations. Our bond portfolio makes up 57.6 per cent of the portfolio and is well-diversified geographically and by sector with over 97 per cent of bonds considered investment grade.

The Co-operators Group Limited

Summarized consolidated Statement of Income
Year ended December 31

(in millions of dollars)	2019	2018	2017
INCOME			
Net earned premium	4,167.1	3,763.9	3,484.2
Net investment income and gains	805.7	81.0	518.7
Fees and other income	152.7	138.4	133.4
Total income	5,125.5	3,983.3	4,136.3
BENEFITS AND OPERATING EXPENSES			
Claims and benefits expense, net of reinsurance	3,200.5	2,606.4	2,456.2
Other expenses	1,603.8	1,425.5	1,384.6
Total expenses	4,804.3	4,031.9	3,840.8
Income (loss) before taxes and undernoted	321.2	(48.6)	295.5
Gain on contribution of business to joint venture	0.0	64.3	0.0
Income before income taxes	321.2	15.7	295.5
Income tax expense (recovery), operating activities	66.0	(26.0)	58.2
Income tax expense, restructuring of subsidiaries and contribution of business to joint venture	0.0	36.7	0.0
Income tax expense	66.0	10.7	58.2
Net income	255.2	5.0	237.3
Net income attributable to:			
Members	178.7	(11.5)	162.8
Participating policyholders	67.1	0.8	53.6
Non-controlling interests	9.4	15.7	20.9
Net income	255.2	5.0	237.3

As at December 31

(in millions of dollars)	2019	2018	2017
ASSETS			
Invested assets	10,647.4	9,441.2	9,472.8
Segregated fund assets	3,113.6	2,660.5	2,649.9
Other assets	3,230.0	2,900.1	2,791.1
Total assets	16,991.0	15,001.8	14,913.8
LIABILITIES			
Insurance and investment contract liabilities	8,843.5	7,905.1	7,620.9
Segregated fund liabilities	3,113.6	2,660.5	2,649.9
Other liabilities	1,382.4	1,105.5	1,075.0
Total liabilities	13,339.5	11,671.1	11,345.8
EQUITY			
Member equity	2,567.5	2,339.1	2,443.8
Participating policyholder account equity	886.2	795.4	808.1
Non-controlling interests	197.8	196.2	316.1
Total equity	3,651.5	3,330.7	3,568.0
Total liabilities and equity	16,991.0	15,001.8	14,913.8

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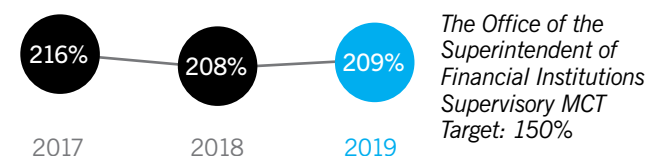
Our capital risk appetite statement

We preserve sufficient capital at all times to allow us to fulfil our promises to our clients through changing circumstances, to meet regulatory and rating agency expectations and to pursue business opportunities as they arise.

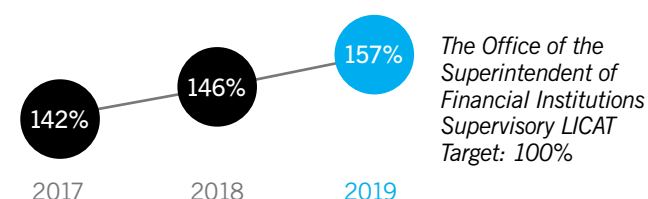
Note: The Minimum Capital Test (MCT) and the Life Insurance Capital Adequacy Test (LICAT) are ratios we calculate and monitor to ensure we have sufficient capital to support our regulated businesses. The MCT applies to Property and Casualty insurers (CGIC Consolidated), and the LICAT applies to Life insurance companies (CLIC Consolidated). We hold capital beyond the minimum regulatory requirements for both.

Note: 2017 is a pro forma estimate for LICAT. LICAT replaced the Minimum Continuing Capital and Surplus Requirement (MCCSR) as the Life insurance regulatory capital measure effective January 1, 2018.

CGIC Consolidated Minimum Capital Test (MCT)

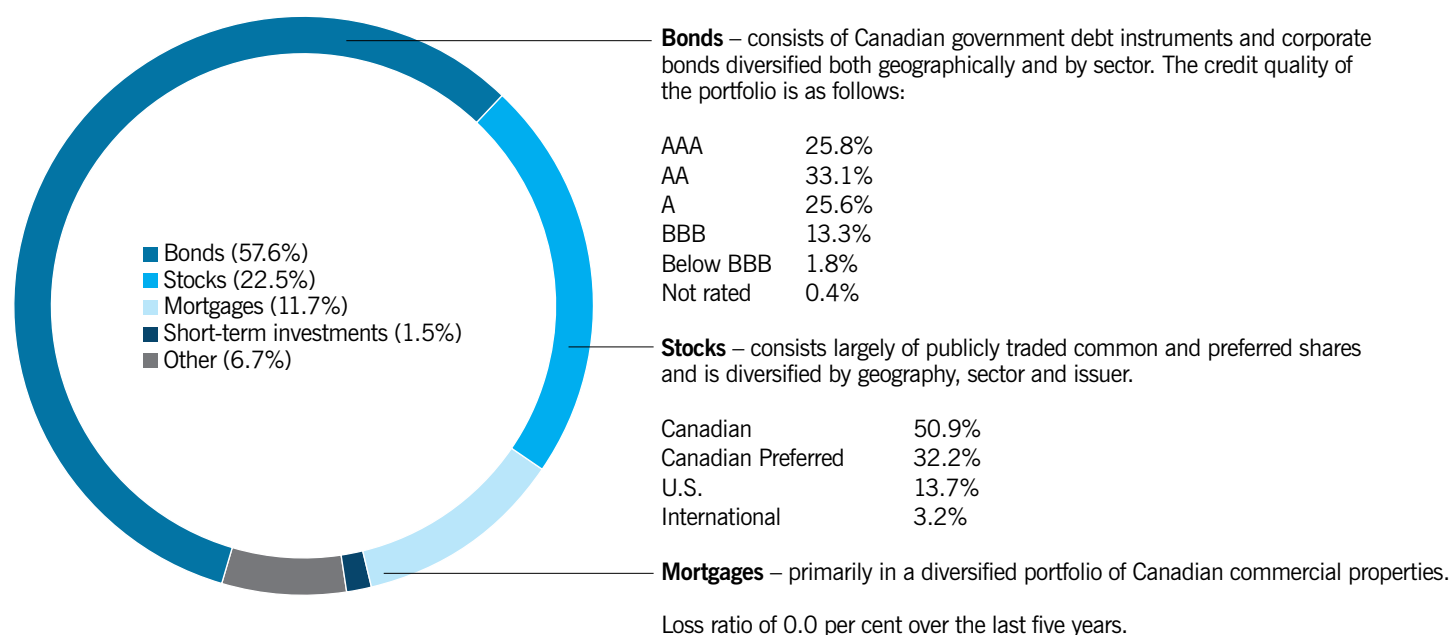


CLIC Consolidated Life Insurance Capital Adequacy Test (LICAT)



Invested asset mix

How we invest our assets influences our financial stability, as well as our investment returns. We primarily hold bonds because they are less risky than other investments.



Ratings

External rating agencies rate our companies and recognize our strong capital position. All ratings are investment grade (BBB-/bbb- or better). Information on Issuer Credit Rating and Financial Strength Rating can be found at cooperators.ca.

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Our key business processes

How we manage enterprise risk

Our Enterprise Risk Management (ERM) process and activities facilitate and oversee the governance and management of the organizational risks we face. Our risk management process reflects a dynamic and continuous risk review and assessment effort that is embedded within the organizational attitudes and culture.

Annually, we re-evaluate the capital management plan alongside our continuously evolving risk appetite. This process ensures that we have the capital we need to manage the risk we're taking on.



Our continuous ERM process informs our strategic planning process, annual business plans, operations and decision-making.

How we build our corporate strategy

Our corporate strategy (described on page 5) culminates from a rigorous, collaborative process undertaken by our Board of Directors, CEO, executive vice-presidents, ERM and Strategic Planning teams, who discuss and affirm our organization's key risks and opportunities through the following activities:

- > Monthly monitoring of industry and competitive issues and trends.
- > Annual environmental scanning and identifying trends, opportunities and emerging risks.
- > The development of four-year corporate strategies, and annual business and capital plans.
- > Review and discussion of annual stress testing results and potential impact on business planning. As part of our adoption of the Task Force on Climate-related Financial Disclosure recommendations, we have begun to consider the required stress testing to quantify the impact of global warming scenarios on our organization.

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Our key reporting processes

How we prioritize our material reporting issues

To determine the material reporting issues that appear in this report (described on page 9), we worked to identify, prioritize, validate and analyze which issues mattered most to our stakeholders and our organization.

1. Issue identification

We conducted research to identify key stakeholders, issues and concerns that are relevant to The Co-operators. This research included a robust review of reporting standards, frameworks and industry studies; a scan of peer and integrated reporting leaders' best practices; and a comprehensive review of internal documents and priorities. Issues were discussed with the Board Sustainability & Citizenship Committee to solicit input. This formed an initial list of top material issues for reporting purposes.



2. Issue prioritization

Through a desktop exercise, we then mapped and prioritized issues that emerged from the research in Step 1, and tested this against information gathered from our stakeholders to identify any gaps.



3. Stakeholder validation

Through internal and external interviews and surveys, we engaged with our stakeholders and their proxies to identify and validate our material reporting issues.



4. Analysis and reporting

Lastly, we applied criteria to prioritize the ranking of top material reporting issues, and obtained senior management review and input. This resulted in a final list of priority reporting issues for the purposes of this report.

How we engage our key stakeholders

Our 2019 reporting materiality process included research and review of our key integrated report stakeholders — the people, organizations and institutions that are most integral to our purpose.

Clients: The people we serve. Canadians and Canadian businesses, co-operatives, community-based and non-profit organizations.

> Surveys, focus groups, usability studies, and our Community Advisory Panel

Member organizations: The co-operatives, credit union centrals and representative farm organizations who govern us.

> Annual general meetings, region meetings, surveys, and in-person meetings

Employees: The people we employ in corporate offices across the country.

> Employee engagement surveys, town halls, intranet, internal social media platforms, focus groups

Financial Advisors and their staff: The people who serve our clients in communities across Canada.

> Town halls, annual sales congresses, surveys, webinars and in-person meetings

Communities and community partners: The people and places that connect all our key stakeholders.

> Surveys, research, events, speaking engagements, forums, in-person collaborations and dialogue

Government and regulators: Elected and non-elected decision makers who legislate and regulate our industry.

> Agenda-setting, meetings and consultations, advocacy and industry associations

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Public Accountability Statement

Our 2019 Integrated Annual Report provides our key stakeholders with information and data related to our economic, social and environmental performance. In compliance with the Public Accountability Statement requirements under the Insurance Companies Act, this report includes relevant activities of [Co-operators General Insurance Company](#), which has equity exceeding \$1 billion, along with the activities of regulated companies owned by [The Co-operators Group Limited](#), including:

- > [The Sovereign General Insurance Company \(The Sovereign General\)](#)
- > [Co-operators Life Insurance Company \(Co-operators Life\)](#)
- > [Federated Agencies Limited \(Federated\)](#)
- > [HB Group Insurance Management Ltd. \(HB Group\)](#)
- > [COSECO Insurance Company \(COSECO\)](#)
- > [Addenda Capital Inc. \(Addenda\)](#)
- > [CUMIS Life Insurance Company](#)
- > [CUMIS General Insurance Company](#)

For more information on these organizations, visit [cooperators.ca](#). The information, data and content found in these pages focuses on our larger operations outlined above. Unless noted, non-financial reporting items from a number of smaller companies are excluded from this report, based on size or The Co-operators ownership interest. These organizations include: [Aviso Wealth Limited Partnership](#); [AZGA Service Canada Inc.](#); CU Agencies Alliance Ltd.; [Duo Insurance Services Inc.](#); [Premier group of companies](#); Les Systèmes de gestion [Technicost Inc.](#); [The Edge Benefits Inc.](#); and UNIFED Insurance Brokers Limited.

Our Integrated Annual Report captures the activities of The Co-operators Group Limited and its major subsidiaries, unless otherwise stated, for the 2019 calendar year.

This report can be found in English and French at [cooperators.ca/integrated-report](#). To obtain a printed copy, or for more information, contact us at [service@cooperators.ca](#).

Our report validation process

To increase validation mechanisms, our internal audit department has assessed the data integrity of several key financial and non-financial measures and statements in this report. Measures and statements were included in the assessment based on a risk ranking, and include all of those associated with our Public Accountability Statement. We incorporate our internal audit department's recommendations on reporting controls where applicable, and future reports will continue to do so. Through a separate process, our consolidated financial statements are subject to an annual external audit. Several key financial figures arising from this process have been included in this report.

2019 CONSOLIDATED TAX EXPENSE (RECOVERY) (In thousands of Canadian dollars)

	Income tax ¹	Premium tax	Total
Federal	70,789	0	70,789
Provincial			
Alberta	11,361	39,718	51,079
British Columbia	5,545	12,073	17,618
Manitoba	1,873	3,648	5,521
New Brunswick	1,688	3,528	5,216
Newfoundland and Labrador	1,892	6,716	8,608
Nova Scotia	1,966	5,277	7,243
Ontario	23,221	64,777	87,998
Prince Edward Island	601	1,483	2,084
Quebec	2,387	7,828	10,215
Saskatchewan	2,966	8,112	11,078
Territories	269	633	902
Total Provincial	53,769	153,793	207,562
Total	124,558	153,793	278,351
Other taxes²			105,193
Total tax expense related to 2019			383,544

1. Income tax amounts are estimates for 2019 as at January 31, 2020.
2. Other taxes includes commodity, property and business, payroll, capital, and other miscellaneous taxes.

2019 DEBT FINANCING

The Company is committed to making debt financing available to businesses across Canada.

	Number of authorizations	Amount authorized
\$0 to \$24,999	4	\$25,067
\$25,000 to \$99,999	5	\$284,830
\$100,000 to \$249,999	13	\$2,171,182
\$250,000 to \$499,999	24	\$8,657,366
\$500,000 to \$999,999	33	\$23,245,220
\$1,000,000 to \$4,999,999	63	\$138,154,157
Over \$5,000,000	12	\$140,466,865
Total	154	\$313,004,687

For reasons of confidentiality, a provincial breakdown of the number of authorizations and amount authorized is not included.

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Co-operative memberships

As a co-operative, we're a part of a global co-operative system, and belong to the following associations, coalitions and initiatives to advocate for and advance the co-op sector:

- > Canadian Association of Mutual Insurance Companies
- > Canadian Co-operative Investment Fund
- > Co-operators and Mutuels Canada
- > International Co-operative Alliance
- > International Cooperative and Mutual Insurance Federation
- > Provincial and local co-operative associations

Other memberships

- > Canadian Association of Direct Relationship Insurers
- > Canadian Life and Health Insurance Association Inc.
- > LOMA and LIMRA International, Inc.
- > Travel Health Insurance Association

Other affiliations and partnerships

- > Accounting for Sustainability CFO Leadership Network
- > Advisory Committee for the University of Guelph Masters of Cybersecurity and Threat Intelligence
- > Canadian Bond Investors Association (Addenda Capital Inc.)
- > Canadian Mental Health Association
- > Canadian Red Cross
- > Carbon Pricing Leadership Coalition
- > CDP (Carbon Disclosure Project)
 - Climate change program (Addenda Capital Inc. and The Co-operators Group Limited)
 - Water program (Addenda Capital Inc.)
 - Forests program (Addenda Capital Inc.)
 - Carbon action initiative (Addenda Capital Inc.)
- > Ceres Company Network
- > Ceres Investor Network on Climate Risk and Sustainability (Addenda Capital Inc.)
- > Corporate Knights' Council for Clean Capitalism
- > Enactus Canada
- > FireSmart® Canada
- > Green Bond Principles (Addenda Capital Inc.)
- > Home Fire Sprinkler Coalition Canada
- > Institute for Catastrophic Loss Reduction
- > Institute for Sustainable Finance (Addenda Capital Inc.)
- > Insurance Development Forum
- > International Corporate Governance Network (Addenda Capital Inc.)
- > ICLEI Canada
- > Kids Help Phone
- > Montreal Carbon Pledge (Addenda Capital Inc. and The Co-operators Group Limited)
- > Partners for Action Network
- > Portfolio Management Association of Canada (Addenda Capital Inc.)
- > Share the Road Cycling Coalition
- > Smart Prosperity Leaders' Initiative

- > Task Force on Climate-related Financial Disclosures (Addenda Capital Inc. and The Co-operators Group Limited)
- > The Conference Board of Canada
- > United Nations Environment Programme – Finance Initiative
 - Global Steering Committee
 - Pilot asset management group – implementing the TCFD recommendations (Addenda Capital Inc.)
 - Pilot insurer group – implementing the TCFD recommendations
 - Principles for Sustainable Insurance
- > United Nations-supported Principles for Responsible Investment (Addenda Capital Inc.)

Awards and recognition in 2019

Client satisfaction

- > J.D. Power
 - Auto:** Highest in Customer Satisfaction among Auto insurers in the Alberta, Atlantic and Ontario Regions
 - Home:** Highest in Customer Satisfaction among Home insurers in the Ontario/Atlantic Region; second in the Western Region

Employee engagement

- > Kincentric Best Employers (The Co-operators, including Co-operators Group Limited, Co-operators General, HB Group, Co-operators Life, CUMIS Life and CUMIS General)
- > Kincentric Best Employers (Sovereign General)

Marketing and communications

- > Insurance Marketing and Communications Awards (IMCA)'s Awards of Excellence 2019:

Share2Care Campaign

- Best of Show – Corporate Social Media Campaign
- Best of Show – Corporate Social Responsibility (CSR) Campaign
- Award of Excellence – Social Media Marketing Campaign

Brand & Comprehensive Water Campaign

- Award of Excellence – Broadcast Media Spot or Campaign
- Award of Excellence – Total Sales/Marketing/ Branding Campaign More Than \$100,000

Resiliency Video Campaign

- Award of Excellence – Corporate Social Responsibility (CSR) Campaign

Sustainability and citizenship

- > Corporate Knights' Best 50 Corporate Citizens in Canada
 - #1 overall
 - #1 in insurance
- > Canada's Greenest Employers

Key contacts

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Supplementary Disclosures

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