



DECLARATION OF OUR CO-OPERATIVE IDENTITY

INTRODUCTION

The organization we call Co-operators today began life in 1945, the inspiration of farmers and credit union members seeking protection for themselves and their communities when traditional insurance fell short. Strong growth in the years since has brought us to well over a million clients, found all across Canada. In common with our founders and the Rochdale Pioneers before them, we hold that co-operative ownership of economic enterprises provides a path to a just economy and a more harmonious society. True to our founders' purpose, we seek to give full expression to our co-operative identity in every aspect of our governance and operations.

No co-operative wishing to resist the forces of isomorphism—the imitation of investor-owned firms—and the erosion over time of its social purpose can afford to entrust its co-operative identity to a single staff department or its board of directors alone. Our aim in adopting this declaration is to achieve a shared understanding among our leaders and our workforce of what it means to us to be a co-operative. In demonstrating how we live by the values and principles laid down in the International Cooperative Alliance's *Statement on the Cooperative Identity*, we hope to inspire all members of the Co-operators' community to continue bringing those values and principles to life, each in our own area of endeavour, for the benefit of our many stakeholders.

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The Co-operators Group Limited makes the following declaration:

Definition

The members of Co-operators—a group of co-operatives and other democratically controlled organizations—have come together to provide ourselves, our members and the wider Canadian public with financial security and protection. We strive to ensure that our products and services meet our clients' changing needs, are affordable and accessible, reach the underserved and the marginalized, and are offered on fair terms.

Values

Sustaining our organizational structure, our governance practices and our commercial offerings are the values common to co-operatives everywhere. We are guided in all that we do by our commitment to acting responsibly, demonstrating integrity, and embracing and celebrating the diversity of Canadian society.

Principles

1 Voluntary and Open Membership

Ownership of Co-operators is vested with co-operatives and like-minded organizations who share a belief in our enduring purpose and understand that we exist for the benefit of those who use our services—both members and non-members. Our structure ties us closely to the wider co-operative movement. Membership is open to any co-operative, or like entity operating on a co-operative basis, that can benefit from our services, is ready to promote Co-operators and meets any other membership requirements approved by the board and members.

2 Democratic Member Control

Control of Co-operators is shared among the members on a democratic basis, with each member entitled to appoint two voting delegates—each with one vote—to attend meetings of members. Every member belongs to one or more regional groupings that meet at least twice a year. The regions receive reports from the board of directors and management, take stock of changes in the external environment and participate in discussions of strategy. They offer their opinions and advice, share any concerns they may have with the conduct of the business, and nominate persons for election to the board. Regular member surveys and periodic reviews of our democratic structure help ensure that our members' needs are met and their voices heard. It is our wish that our delegate body and board of directors reflect the rich diversity of Canadian society and that women enjoy equal representation in both.

3 Member Economic Participation

To maintain sufficient capital to fulfil our promises to clients through changing circumstances, to fund our growth and development, and to meet regulatory requirements, we retain a large part of our net earnings each year. New members purchase a member share of nominal value and pay a one-time membership fee. Member shares make up the smallest part of our total capital. We pay no return on

these shares, which are issued and redeemed at par value. Members may purchase investment shares that pay a market rate but carry no voting rights. A periodic member loyalty allocation, issued at the board's discretion, rewards members for their patronage of the business and their efforts to promote our services.

4 Autonomy and Independence

Co-operators is entirely Canadian owned. Net earnings, including those generated through services to participating policyholders, contribute most of our capital, with that raised from external sources comprising only a small part of the whole. Providers of outside capital do not share in the control of the organization. Operating in regulated fields—insurance and investment management—we are subject to considerable government oversight. By paying careful attention to regulatory compliance, seeing to our continued profitability, and steadily building our capital by retaining most of our earnings, we preserve our autonomy and independence.

5 Education, Training and Information

Our continued identity and success as a co-operative depend on our managers and wider workforce being well versed in the theory and practice of co-operation. To this end, all employees participate in mandatory training in what it means to be a co-operative, with material support extended to those who wish to deepen their knowledge through advanced studies in the management of co-operatives. Training on the co-operative difference is offered to our independent advisor force. Staff and board members are encouraged to share our organization's knowledge and to add to their own by taking on voluntary leadership roles in co-operative associations and networks. Through an array of mentorship and educational activities, we acquaint our member delegates and current board members with our purpose and history, equip them to meet their responsibilities, and help prepare them for the leadership roles to which they aspire. To awaken the next generation to the potential of co-operatives, we mount periodic programs directed to young people; provide funding, sponsorships and other support for co-operative youth camps; and join with others in funding post-secondary co-operative education and research. Through an active government relations program, we promote the co-operative advantage to opinion leaders and government policymakers.

6 Co-operation among Co-operatives

In the society envisioned by our founders, the practice of co-operation was to be widespread, with the benefits shared by all Canadians. Under their leadership, we participated from early days in the wider co-operative movement, established commercial relations with other co-operatives, and lent advice and assistance to open new sectors to co-operation. Our financial strength has allowed us to continue this important work, which today takes many forms: we are proud to belong to and pay dues to associations of co-operatives and mutuals at the provincial, federal and international level; we sponsor events and programs mounted by our members and other co-operatives; our member loyalty allocations contribute meaningfully to the stability of our smaller members; and through technical advice, grants and our participation in investment funds, we support the creation of new co-operatives in Canada and abroad, and foster the growth and development of those already established.

Our involvement with the wider co-operative movement extends well beyond financial support. We forge connections with co-operative and mutual insurers in other countries, learning from them as we share our own experience. Here at home, we take a keen interest in the aspirations and challenges of our members, supporting their advocacy efforts where we usefully can. Our board members, senior leaders and other employees seek out opportunities to participate in the leadership and activities of co-operative associations at all levels. When asked, we contribute to the governance of co-operative

education programs and institutes. Drawing on the deep experience and skills of our workforce, we are generous in sharing best practices and advice with our members and other co-operatives. Through our regional meetings and events, our members encounter co-operative sectors less familiar to them and weld strong bonds with one another.

In the commercial realm, we aspire to become the insurer and investment manager of choice for Canadian co-operatives and credit unions, providing products and services customized for this market. In partnership with our members, we design and deliver programs tailored to their members' needs, helping to enhance their value in their members' eyes. Whenever possible, we favour co-operatives in our procurement practices and showcase their products.

Our financial and other participation in the wider co-operative and mutual sectors is governed by policies and budgets approved by the board.

7 Concern for Community

In introducing the co-operative form of enterprise to the world of insurance, our founders sought to bring financial security and protection to those whose needs were unmet or ill-met in the existing marketplace. From the outset, they served their own members and the wider community alike. Many decades later, their original vision of our social purpose endures, and a concern for the sustainable development and resilience of the wider community—local and global—permeates every part of our business.

As an insurer, we honour the users of our products and services as primary stakeholders. We are present in every part of the country where our services are needed and we can operate successfully. We exit difficult markets or withdraw products only as a last step, when we can no longer see a path to viability. As appropriate, we lobby governments to adopt regulatory frameworks that protect consumers, promote public safety, and contribute to the affordability of essential insurance services.

Throughout our operations, we aim to minimize our carbon footprint and our encroachment on the natural environment. We seek to be a catalyst for sustainability and resilience by increasing our clients' awareness of sustainable choices; bringing new products to market, including products designed for unserved or underserved populations; helping our independent advisors adopt responsible environmental practices; stimulating other actors, private and public, to play their part in the immense effort needed to mitigate and adapt to climate change; and joining with others to advocate for public policies that will accelerate the transition to a net-zero economy.

As an investor ourselves and an investment advisor, we manage our funds and those entrusted with us responsibly, avoiding or mitigating risk while pursuing financial returns that support the competitive and affordable pricing of our products and services. A steadily growing share of our assets is placed in investments that either support the transition to a net-zero economy or pay measurable environmental and social dividends to complement competitive financial returns.

As an employer, we know that an engaged workforce is critical to our commercial success and the achievement of our social purpose. We strive for progressive human-resources practices that are free of bias and discrimination and accord with our co-operative and ethical values. We promote the financial security of our workforce through compensation programs that recognize the inherent value of all work performed for Co-operators and the need of all employees to earn a living wage, that achieve reasonable internal equity, and that ensure that people performing work of equal value are compensated equitably. Our benefit programs assist employees and their families in meeting their healthcare, financial-security and wellness needs affordably, and in providing for themselves and their

dependants after their retirement from the workforce. Parental- and family-leave programs promote the participation of parents in our workforce and the sharing of family responsibilities at home. We are committed to building an inclusive workforce that reflects the full diversity of Canadian society and to the equitable treatment and advancement of underrepresented groups.

As a responsible corporate citizen, we follow both the letter and the spirit of the law; support the effective governance of our society, the provision of public services, and programs that reduce social inequities, through taxes willingly paid; give generously to local causes in the communities in which we have a footprint; and advocate for sound public policy in areas that touch on our business.

As a community partner, we encourage healthy, safe and resilient communities through strategic partnerships and volunteer initiatives, often with the active involvement of our employees and advisor force. Through our community foundation, we support local economic development and initiatives that foster social inclusion and empower those disadvantaged because of their health or social or economic status.