

Together we can build a better future.

Climate change is the key
challenge of our times.



“Our purpose compels us to
build sustainable, climate-resilient
communities to protect the
financial security of Canadians.”

- Robert Wesseling, President and Chief Executive Officer

We are now living amidst a climate crisis, one that increasingly impacts our clients, our communities and our organizations. As average global temperatures continue to rise, disruptions to atmospheric and ocean currents and precipitation patterns are causing greater volatility and reducing the livability of many regions across the country. Climate perils are expanding, including the growing risk of heatwaves, droughts, wildfires, and flooding, and there has been a stark increase in catastrophic losses in recent decades as a result. Combined, the failure to address and prepare for climate change poses one of the most pressing socio-economic risks to our societies.²

We must take action to address both the causes and impacts of climate change through mitigation and adaptation. The current pace of global climate change is largely attributable to human activities.³ Achieving net-zero emissions is crucial to keeping global temperature rise to below 1.5 degrees Celsius, as a key mitigation element of the Paris Agreement. Along the way, societies will need to build up significant capacity and resiliency to deal with the inevitable effects of a changing climate, which is a key adaptation element of the Paris Agreement.⁴

Co-operators, and the financial sector more broadly, have a unique and important role to play in addressing climate change because of our expertise in identifying, assessing and mitigating risk. Climate change amplifies many of the risks that our organization manages and that our communities face. At the same time, it introduces some opportunities to invest in sustainable financial markets and the development of innovative new products and services that can support the transition to a more sustainable, resilient future.

¹See for example Insurance Bureau Factbook 2022: http://assets.ibc.ca/Documents/Facts%20Book/Facts_Book/2022/IBC-2022-Facts.pdf

²See for example: WEF Global Risk Report 2022: https://www3.weforum.org/docs/WEF_Global_Risks_Report_2022.pdf

(Mark Carney - Breaking the tragedy of the horizon: [bis.org/review/r151009a.pdf](https://www.bis.org/review/r151009a.pdf)); cost of inaction (Economist Intelligence Unit, 2015: [eiuperspectives.economist.com/sites/default/files/The%20cost%20of%20inaction_0.pdf](https://www.eiu.com/en/insights/analysis/infographic/infographic-cost-of-inaction-2015))

³See for example: IPCC, Climate Change 2013: The Physical Science Basis - Summary for Policymakers (AR5 WG1): [ipcc.ch/report/ar5/wg1/downloads/report/IPCC_AR5_WGI_SPM.pdf](https://www.ipcc.ch/report/ar5/wg1/downloads/report/IPCC_AR5_WGI_SPM.pdf)

⁴See for example: IPCC, Climate Change Synthesis Report 2013: <https://www.unep.org/resources/report/climate-change-2013-synthesis-report#:~:text=The%20report%20reiterates%20that%20humans,to%20people%20and%20the%20planet>

Taking action today. Securing tomorrow.

We have a vision to be a catalyst for a sustainable, resilient society. To bring this vision to life, we've fully integrated sustainability into our strategy and our governance models, including active Board oversight. We have established the following climate commitments, through the lens of our roles as a business, an investor, an insurer and a co-operative:

As a business:

1. We support the Paris Agreement and its aim to keep global temperature rise this century below 2 degrees Celsius, while striving to keep the increase to below 1.5 degrees.
2. We acknowledge the importance of transitioning to a sustainable, resilient and net-zero economy, and support initiatives to incentivize greenhouse gas ("GHG") emissions reductions through carbon pricing.
3. We will maintain carbon neutrality in our operations, reduce our emissions before carbon offsets by 45% by 2030, and be net-zero by 2040.
4. We will further integrate climate change into our governance and risk management processes, building on the established mandates of our Board and management committees.
5. We will continue to use and align with the recommendations of the Financial Stability Board-sponsored Task Force on Climate-related Financial Disclosures, including disclosures of our climate change governance, strategy and risk management practices and related metrics and targets.

As an investor:

6. We will reduce the emissions intensity of our investment portfolio by 25% by 2025, 50% by 2030, and be net zero by no later than 2050.
7. We will seek to systematically incorporate climate change considerations in all of our investment decisions and products.
8. By 2030, we will invest 60% of our total invested assets into impact investments or those that support the transition to a sustainable, climate-resilient and net-zero-emissions society, including investments into climate adaptation in Canadian communities.
9. We will engage in ongoing dialogue with the largest emitting firms in our portfolio about their climate transition plans and actions, guided by the Net-Zero Asset Owner Alliance positions.
10. We will be an active owner, catalyzing climate action through corporate engagement that drives corporate boards and management to manage their climate risk effectively, and transition their business models to be consistent with and supportive of the Paris Agreement.
11. We will lead in public policy advocacy, catalyzing climate action by advocating, both individually and through collaborative investor initiatives, for: public policies and government actions consistent with the Paris Agreement; a price on greenhouse gas emissions that drives the desired behaviour change; enforcement of higher-quality corporate disclosure; and a just, fair and inclusive transition.

As an insurer:

12. We will help our clients understand and manage their climate-related risks and impacts, including the expansion of incentives for them to lower their risk exposures.
13. We will continue to develop innovative risk-transfer products and services to address potential climate-related coverage gaps, further tailor our risk ratings based on individual climate-related risks, and ensure availability of such coverages and risk rating approaches from coast to coast.
14. We will continue to explore and pilot innovative approaches to property claims handling that reduce the impact of material use and waste, and therefore emissions.

As a co-operative:

15. We will continue to act as a catalyst and a convener across multiple stakeholder constituencies to help foster sustainable and resilient communities.
16. We will be strong public advocates to catalyze climate change action in interactions with employees and financial advisors, members, clients, investors, business partners, industry groups and governments.
17. We will actively share our research and insights on climate-related risks and strategies to advance policy development at the municipal, provincial and federal levels.

Our sustainability journey

We continue to seize opportunities to further embed sustainability and climate action through innovative insurance and investment solutions, as well as through our governance, operations and advocacy.

2008

- Formally adopted a Sustainability Policy and set a goal to reduce the carbon emissions of its corporate offices by 50% by 2014 and to be carbon neutral equivalent by 2020.

2009

- Began developing sustainable products and services to incentivize sustainable consumer choices including hybrid vehicles and LEED-built homes, among others.

2012

- Became the first Canadian Property & Casualty insurer to sign on to the United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance (PSI).

2014

- Became the first Canadian insurer to sign the United Nations Principles for Responsible Investment (UN PRI)'s Montréal Carbon Pledge, a commitment to measure and publicly disclose the carbon footprints of investment portfolios in alignment with the active investing approach taken by our investment manager, Addenda Capital.

2015

- Became the first Canadian insurer to offer residential overland flood coverage for households and farm dwellings, regardless of risk level.

2018

- Signed onto the Task Force for Climate-related Financial Disclosures, adopted a three-year roadmap to implementation, and appointed the Board Sustainability Committee with the oversight of climate change.

2020

- Became carbon neutral in our operations.

2021

- Became the first Canadian insurer to join the UN-convened Net-Zero Asset Owner Alliance, and joined the Net-Zero Asset Manager's Initiative through Addenda Capital.
- Set net-zero targets in our operations and investments by 2040 and 2050, respectively.
- Established a 2030 target to invest 60% of our total invested assets in either impact investments or investments that support the transition to a sustainable, resilient, low-emissions society.
- Launched Canada's first Climate Transition Fund, through Addenda Capital.

2022

- Appointed an Executive Advisor for Climate Investing and Community Resilience, and launched a Resilience Investing Project to fund climate adaptation solutions in Canadian communities.

2023

- Adopted a position on investing in thermal coal, which is consistent with the position of the Net-Zero Asset Owner Alliance.

2024

- Affirmed our alignment with the Net-Zero Asset Owner Alliance's position on oil & gas, on the basis of our stewardship commitment and practices. We do not invest directly in oil & gas infrastructure and would only make such investments if they are aligned with the Alliance's position.



Get the full picture. Learn more about how we're addressing climate risk.

Read our Task Force for Climate-Related Financial Disclosures Report

Co-operators signed the Global CFO Statement of Support for the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), in collaboration with the Accounting for Sustainability Project (A4S). As one of the founding members of the Canadian chapter of A4S's CFO Leadership Network, Co-operators strongly supports the recommendations of the TCFD. These recommendations are designed to lead to more effective corporate climate change risk management, and better-informed evaluation of such risks and exposures by lenders, insurers and investors.

Co-operators published our first TCFD report in 2019 as part of our reporting suite of annual public disclosures. Through our systematic adoption of the TCFD recommendations, we have expanded disclosures of our governance processes for climate-related risks and opportunities, and have integrated these risks and opportunities into our strategic planning and risk management processes to identify, assess and manage climate-related risks. Finally, we continue to develop additional metrics and challenging targets to guide and publicly assess our performance against these policy commitments.

Read our Integrated Annual Report

Our Integrated Annual Report tells a comprehensive story of our performance. From our greatest challenges to our biggest successes, it shows how Co-operators has created environmental, social and financial value for our key stakeholders over time and discusses our relationship with the issues and trends in the world around us.

Ready to learn more?

[Access our full reporting suite online at cooperators.ca/reports.](https://cooperators.ca/reports)