

The Co-operators Group Limited  
**2025 Integrated Annual Report**

# Leading with purpose



 **co-operators**

# Table of contents

## 02 About this report

- 05 CEO and Chairperson interview
- 09 We report on what matters
- 10 Purpose, vision and values
- 11 Our corporate strategy and long-term goals
- 15 Value creation

## 17 Our purpose

- 21 Insurance solutions
- 31 Financial services and advice
- 33 Investing and asset management
- 43 Innovation and new business models

## 44 Our business impact

- 45 Net zero targets and progress
- 50 Sustainable business practices
- 53 Workforce engagement
- 55 Inclusion, diversity, equity and accessibility
- 61 Client care, treatment and satisfaction

## 66 Financial performance

- 67 Executive Interview: Chief Financial Officer
- 69 Financial performance and capital position

## 71 Our communities

- 73 Community investment
- 74 Our social impact framework
- 82 The positive impact of our people

## 85 Our co-operative governance

- 86 Our board and committees
- 89 Governance highlights
- 91 Our members

## 94 Additional Report Information

- 95 Sustainable development goals
- 98 Strategic performance
- 102 Long term metrics and targets
- 103 Financial statements
- 107 Risk management
- 110 Report materiality
- 117 Public Accountability Statement
- 118 Supplementary Disclosures



# About this report

This report highlights our environmental, social, financial and governance performance in relation to the issues and trends that matter to the people we serve. Serving as our Public Accountability Statement, it provides a transparent look at the ways in which our group of companies is working to advance our purpose of financial security for Canadians and our communities. All data and commentary in this report reflect activities over the period of January 1 to December 31, 2025, or as at December 31, 2025.

To view an online summary of our Integrated Annual Report, please visit [integratedreport.cooperators.ca](https://integratedreport.cooperators.ca).

Additional disclosures, including our Climate Report, Integrated Annual Report Supplementary Disclosures (which include our Global Reporting Initiative Content Index), Co-operators General Insurance Company's Annual Report, and archived reports are available at [cooperators.ca/reports](https://cooperators.ca/reports).

## A suite of disclosures

### Co-operators Climate Report



### Co-operators General Insurance Company's Annual Report



### Recognized for our leadership in reporting

Co-operators was ranked the top Canadian co-operative for transparent sustainability reporting, reflecting leadership in disclosure, impact investing and climate resilience. Assessed among 140 co-ops by Corporate Knights and Saint Mary's University, this recognition reinforces our commitment to accountable disclosure of our purpose-driven impact.

**Data Governance**

To ensure data quality and accountability, we employ a centralized system of record. This online platform requires all key quantitative results to be documented, validated and approved.

To enhance our validation process, our Internal Audit department has assessed the data integrity of several key financial and non-financial measures and statements in this report. These specific measures and statements were based on a risk ranking. We incorporate our Internal Audit department's recommendations on reporting controls, and our future reports will continue to do so.

Through a separate process, our consolidated financial statements undergo an annual external audit. Several key financial metrics arising from this process have been included in this report.

**Supplementary disclosures**

All supplementary disclosures are available online at [cooperators.ca/reports](https://cooperators.ca/reports), including climate, governance, policies, ethics and business conduct, credit ratings, workforce disclosures and more.

## Land acknowledgement

Our organization was founded in 1945 in Regina, Saskatchewan, on Treaty 4 territory, the traditional land of the Cree, Saulteaux, Dakota, Lakota and Nakoda, and the homeland of the Métis. Today, our co-operative exists in communities from coast to coast to coast. We recognize that the many places where we live and work are home to past, present and future First Nations, Inuit and Métis Peoples. The Co-operators Group Limited acknowledges that our corporate headquarters in Guelph, Ontario, sit on the Between the Lakes Treaty (No. 3) territory, the traditional land of the Mississaugas of the Credit First Nation and the ancestral homelands of the Anishinaabe, Haudenosaunee and Attawandaron Peoples. We acknowledge that Indigenous Peoples are stewards of this land and that our work is carried out across the traditional territories of the First Nations, Inuit and Métis Peoples. This grounds our journey toward a path of Truth and Reconciliation with our Indigenous neighbours, clients, members, employees and partners.

# 80 years of building a better world, together

*In 2025, Co-operators celebrated two significant moments: our 80th anniversary and the United Nations' International Year of Co-operatives.*

We were founded in 1945 by a group of prairie farmers who had lost most of their belongings, their savings and their life insurance during the Great Depression, at a time when traditional insurers did not meet their unique needs. Our founders had a dream of building a co-operative insurance company that would stretch from coast to coast and grow to be one of the cornerstones of the co-operative movement in Canada.

Today, we are a leading insurance and financial services provider that is rooted in our purpose of financial security for Canadians and our communities. We remain dedicated to delivering products, services and advice that address the unmet or ill-met needs of those we serve, guided by our vision of being a catalyst for a resilient and sustainable society.

Our 80-year milestone reflects an enduring commitment to our purpose and our vision, and to having a meaningful community impact that extends beyond the products and services we offer. As a proud Canadian co-operative, we continue to reinvest our profits into projects and initiatives that advance financial, environmental and community resilience.

None of what we have achieved over the past eight decades would be possible without the talent, insights and efforts of the people at the heart of our co-operative: the clients, members, employees, Advisors and community partners who are working together to build a better world.





**Robert Moreau (pictured left),**  
Chairperson, Board of Directors



**Rob Wesseling (pictured right),**  
President and Chief Executive Officer

# CEO and Chairperson interview

President & CEO Rob Wesseling and Chairperson of the Board Robert Moreau reflect on the challenges, opportunities and purpose-driven leadership that shaped Co-operators in 2025.

## What issues and trends are top of mind as you consider our purpose: financial security of Canadians and our communities?

**Rob Wesseling:** One of the most concerning trends we see today is the rapid increase in climate-related physical risk. The impacts of extreme weather and disasters are threatening both the affordability and availability of adequate insurance coverage for Canadians. We are also mindful of geopolitical unrest, housing unaffordability, and inflation, all of which are coalescing to create a heightened state of economic uncertainty for Canadians and our communities. At the same time, rapid advances in artificial intelligence (AI) alongside increased social polarization are changing the dynamics of how we collaborate across differences to design and implement solutions to the complex challenges we face.

As a purpose-led co-operative, we're grappling with these challenges head-on as we work to advance the financial security of Canadians and our communities. We are adapting insurance products, like TomorrowStrong®, to help clients rebuild with resilience after disasters to better withstand the changing nature of risk. We are channeling our investments to catalyze sustainable, resilient communities with \$8.75 billion, or 60.2% of our total invested assets, in impact and climate transition investments. As we prepare our communities for a world of increased risk, we are also focused on building their wealth. Our retail wealth management business has grown in 2025 to \$2.33 billion in mutual fund assets under administration, an increase from \$20 million in 2020, helping more clients than ever to build their financial resilience.

**Robert Moreau:** When I reflect on the rising divisions in our society, I'm reminded that as a co-operative, we're uniquely positioned to lead. Co-operatives are built on finding common ground and collaborating to achieve shared outcomes. With our 45 member organizations, we benefit from a diverse membership that spans many sectors and perspectives at our governance tables. This diversity helps us advance our purpose in ways that meet the unique and changing needs of the millions of Canadians we serve and aligns with our co-operative principles, our values and our purpose. Open, democratic membership and authentic participation are essential to who we are.

## What were the most significant milestones and achievements for Co-operators in 2025?

**Wesseling:** 2025 was a milestone year for Co-operators, our 80th Anniversary. This shaped how our employees, Advisors and members connected, celebrated, and lived our co-operative identity—reflecting on eight decades of impact, while collaborating within the sector to plant the seeds for the next 80 years of co-operative vitality in Canada.

We achieved strong financial results in 2025 with a net income before tax of \$937.4 million, and these results are thanks in large part to strong underwriting performance, steady investment returns, in addition to enterprise-wide efforts to reduce our operational expenses and grow across our multiple lines of business. Our financial strength and well-capitalized foundation are essential to create value for our clients and members, attract and retain our high-performing workforce, and advance our purpose.

We achieved growth across nearly every line of business in our group of companies, expanding our influence and ability to build financial resilience for our clients. We have also achieved a significant milestone in terms of the ease with which Canadians can protect themselves against risk, expanding our digital claims platforms and online insurance quote and purchasing capabilities. Going further, we formally launched an embedded auto insurance experience partnership program for two major automobile manufacturers to bring a digital first auto insurance product available to their customers.

**Moreau:** As our business thrives, we can further strengthen our communities. In 2025, we contributed 4.05% of our pre-tax profit, or \$15.3 million to charities, non-profits and co-operative organizations providing meaningful services to their local communities. Our employees contributed 36,477 volunteer hours to their communities, an increase of 15% from the previous year, and we returned \$39.0 million to our member organizations through our Member Loyalty Program, bolstering the efforts of these co-operatives to support their members and communities.

From a governance perspective, we advanced several governance priorities, including significant board renewal that was driven by setting a new 15-year director term limit. We welcomed five new directors to our 22-member board and refreshed multiple board and committee chair roles, ensuring that our board continues to be comprised of individuals who bring the appropriate mix of skills, experience and perspectives to oversee and guide our future success. Our heightened focus on succession planning and effective governance aims to position us for success amidst rapid transformation. Heading into the final year of our current corporate strategy, the board and senior management also began shaping the upcoming 2027 to 2030 corporate

strategy, grounding future direction in environmental scanning, organizational insights and a refreshed long-term ambition for the organization.

### **Q: What are the main challenges facing Co-operators as you look ahead?**

**Wesseling:** At a macro level, economic uncertainty, trade wars, tariffs and market volatility present ongoing risks, and we've established a task force to prepare and plan for potential economic scenarios of recession and inflation to ensure we can continue advancing our purpose. We also face profitability challenges in auto insurance markets in certain provinces due to regulatory frameworks that are misaligned with the current reality of the risk. While regulatory and provincial policy reforms should alleviate this in the medium term, we're working to serve clients effectively amid these challenges.

Beyond that, the broader trends I discussed earlier - climate risk, financial resilience, and societal divisiveness - are top of mind and will continue to shape our strategy, products and services, and how we invest and partner for greater impact.

### **Q: How is Co-operators preparing for the future?**

**Moreau:** Our co-operative is complex. We have several entities operating across our group of companies, each with different challenges and risks to manage. We must work to ensure that amidst this complexity, we remain effective and efficient in our governance, especially as legal and regulatory requirements and regulator expectations evolve. We are reinforcing our risk governance, and in 2025, approved new risk management frameworks and enhanced risk reporting across our board committees.

*“As we move forward, we will hold our purpose close, ensuring that we’re advancing the financial security of Canadians and our communities.”*

We view our challenges as opportunities to better serve our communities, and believe we are better positioned to face complexity and seize these opportunities when we have a broad range of experience and diversity in the room. In 2025, to advance our Inclusion, Diversity, Equity and Accessibility (IDEA) in Governance Strategy, our board adopted a new policy to broaden board diversity and inclusion, setting goals for inclusion beyond skills and gender to also encompass designated groups such as Indigenous peoples, 2SLGBTQ+ individuals, racialized persons, persons with disabilities and those representing francophone identity. Without a doubt, we have further to go as we continue to embed diversity into our governance tables and processes, and our IDEA in governance policy will help us do that. At the same time, our board is focused on the organizational culture and actively oversees culture risk. The board monitors leadership behaviours, actions, incentives, and decision-making, and regularly reviews data on employee engagement, turnover and diversity as well as compliance and ethics.

**Wesseling:** Our next four-year strategy will prioritize agility and resilience. The most resilient system is a diverse system. We are expanding and evolving capabilities, perspectives and innovation across our co-operative to imagine new business models, new opportunities for growth and new solutions that meet the needs of the people and communities we serve.

We're conscious of AI and large language models, which present both opportunities and threats across the economy. AI can help us provide tailored advice to clients and improve efficiency, which will be critical for product affordability in a world of increasing risk. It may also enhance our capacity for risk identification and management. Nevertheless, AI carries an inherent societal risk, some say an existential risk, if it is not adequately regulated and governed. We're therefore committed to using data and AI transparently and in the best interests of our members and clients, while strengthening fraud prevention and cybersecurity to counter malicious uses of technology.

On climate, we've set net-zero and interim emissions targets in our operations and our investments and are committed to the necessary journey to achieve these targets. At the same time, we understand that adaptation and resilience are essential to withstand the risks already baked into the system. Through our Resilience Acceleration Lab, we're exploring ways to leverage private capital to help build infrastructure and other projects that will help de-risk our communities and reduce loss and damages across Canada.

Importantly, as we move forward, we will hold our purpose close, ensuring that we're advancing the financial security of Canadians and our communities. While there is no shortage of uncertainty and challenges ahead, I am heartened when I imagine the future of our co-operative, thinking of all we can accomplish when we move forward together.

*“Co-operatives are built on finding common ground and collaborating to achieve shared outcomes. We benefit from a diverse membership that spans many sectors and perspectives at our governance tables.”*

## Report materiality

# We report on what matters to the people we serve

Throughout the year, we engage with the people, organizations and institutions that enable us to deliver on our purpose, both directly and indirectly. These key stakeholder\* groups include our clients, members, employees, Advisors and community partners, who help to assess and determine the priority reporting topics that we include in our Integrated Annual Report.

## Materiality assessment: Impact, Financial Performance and Purpose

The priority reporting topics for our 2025 Integrated Annual Report were derived from a 2024 process in which we explored and selected a list of pressing issues and trends, which were then assessed by our key stakeholders and their proxies. Through this process, we assessed which topics might:

1. be positively or negatively impacted by Co-operators activities (impact)
2. impact the financial performance of Co-operators (financial performance)
3. impact the financial security of Canadians and our communities (purpose)

The third dimension of purpose is fundamental to Co-operators as a purpose-led organization and an important differentiator in terms of our approach to how we make decisions and measure success. The 12 topics below were determined in 2024 to be the "most material". A full list of all assessed material topics and a more fulsome description of our process and our key stakeholders can be found in the Additional Report Information section of this report.

## Material topics

1. Preventing property and casualty losses
2. Financial service offerings
3. Financial inclusion
4. Climate adaptation and resilience
5. Fair treatment of consumers
6. Workforce wellbeing
7. Macro-economic environment
8. Sustainable, impact and climate transition investing
9. Digital trust
10. Waste (claims)
11. Shifting consumer expectations
12. Co-operative values and society

## Other significant topics\*\*

- Decarbonization
- IDEA & Reconciliation
- Biodiversity
- Artificial Intelligence (AI)
- Social polarization

## Key issues and trends of 2025

We are mindful of emerging and dynamic issues in the ranked list that have become more impactful or relevant in 2025 as the world around us continues to transform. In 2025, the 2024 priority reporting topics were validated by our Board Sustainability Committee and through an online annual survey to employees, members and the public.

The rapid advancement of artificial intelligence and its environmental, social and business implications; social polarization, threats to democracy and social discourse; the rise of mis- and dis-information; affordability challenges; a volatile global macro-economic and trade environment; and the fair treatment of consumers were all highlighted as issues of concern to our co-operative and our stakeholders in 2025.

\*We recognize that Indigenous Peoples are rights holders, not stakeholders. In this report, the term stakeholder is used in the context of reporting materiality, in alignment with common financial and non-financial disclosure language, accounting standards and guidelines. We do not use the term stakeholder when referring to direct engagement with Indigenous community partners or other groups of people around projects, initiatives, investments or partnerships, instead using terms including "community partner", "partner", "collaborator" or "community".

\*\*While the above topics were deemed "less material" by our key stakeholders and their proxies, they are considered significant to Co-operators.

## Our Story

# Propelled by our purpose. Oriented to our vision. Guided by our values and principles.

## Our purpose: Financial security for Canadians and our communities

We want our members, clients and communities to be financially secure. And, as an insurer, financial services provider, investor, asset manager, community partner and employer, we make decisions that drive us toward this outcome.

## Our vision: We will be a catalyst for a resilient and sustainable society

If we help build and accelerate the societal conditions for resilience and sustainability, we can better advance our purpose. Our success depends on a resilient society that has adopted sustainable practices to minimise long-term risks and impacts.

## Our values: How our co-operative identity comes to life

**Responsibility:** We balance our care for society and the environment with our business success.

**Integrity:** We treat all our members, clients, employees, Advisors and partners with honesty and respect.

**Inclusion:** We achieve success by embracing the diversity of all Canadians.

With these values, we foster a co-operative identity that helps us fulfill our purpose and ensure we bring our vision to life.

## Our co-operative principles: How we put our values into practice

The seven global co-operative principles – as outlined by the International Co-operative Alliance – guide our decision-making.



### Recognized for our leadership in advancing social purpose

In 2025, The Canadian Purpose Economy Project named Co-operators President and CEO, Rob Wesseling, as one of six recipients of its inaugural Peter ter Weeme Purpose Economy Champion Award. The award recognizes an individual, organization or group that has made a significant contribution to advancing social purpose within business and financial systems in Canada.

Our corporate strategy and long-term goals

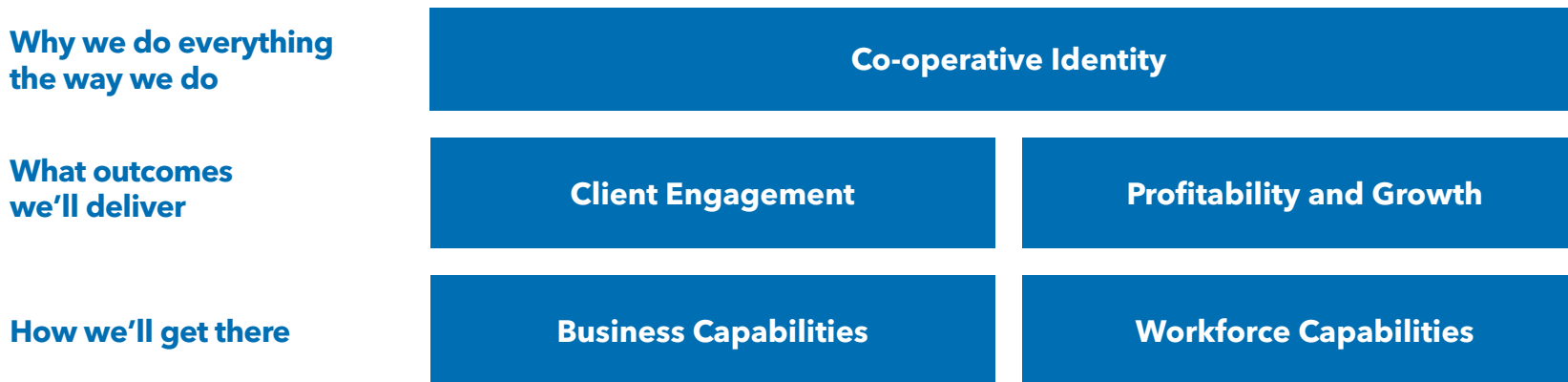
# A strategy to advance our purpose

*Our strategy centres on the financial security of clients, members and communities, in a world of rapid change and ongoing uncertainty. Our long-term goals and targets keep us oriented to a resilient, sustainable future that supports the financial security of Canadians and our communities for decades and generations to come.*

Looking ahead, 2026 will mark the final year of our four-year strategy. While we remain focused on executing on our current strategy, we have also begun the development of our next four-year (2027 to 2030) strategic cycle. Several trends remain top of mind as we plan for the next phase of our strategic journey, including the intensification of climate risks and the widening protection gap that could leave Canadians exposed to risks and threaten their financial security and resilience. In addition, new trends continue to emerge that will shape our future direction, such as rapid advancements in the use of technologies, including generative artificial intelligence. By anticipating and adapting to ongoing and emerging trends, we are positioning our organization to remain agile and respond effectively to change, deliver on our purpose, and create long-term value for our members, clients and communities.

## 2023 to 2026 corporate strategy

Our strategic plan has five dimensions.



Our complete 2025 strategic performance can be found in the Additional Report Information section of this report.

# 2025 strategic performance

Co-operative Identity	2025	Target (2026 unless otherwise stated as annual)	Status*
Co-operative business volume	\$1.71 billion	\$1.6 billion	Above expectations
Member engagement	95%	N/A	N/A
Community contributions	4.05%	4% to 4.5% of net income before taxes (annual)	Achieved
<b>Client Engagement</b>			
Co-operators brand awareness	51%	Within 5% of Insurance & Wealth Competitor Average which was 51% in 2025 (annual)	Achieved
Omni channel client experience	Tied for 3 <sup>rd</sup>	Top 5 amongst our peer group (annual)	Achieved
<b>Profitability and Growth</b>			
Operating revenue growth	\$7.14 billion	\$7.7 billion	Below expectations
Wealth AUM/AUA growth	\$7.77 billion	\$7.9 billion	Above expectations
Client growth	1.01 million clients	1.07 million clients	Below expectations
CGL operating revenue growth excluding private passenger	\$4.69 billion	\$5.4 billion	Below expectations
Advisors' operating revenue growth excluding private passenger	\$351 million	\$345 million	Above expectations
P&C expense ratio	27.8%	At or better than industry	On track
P&C combined ratio	94.1%	95.7%	Above expectations
Life general expense ratio	20.7%	17.5%	Below expectations
Life return on equity (shareholder)	9.5%	13% to 17% (annual)	Not achieved
CGL return on equity	17.5%	10% to 12% (annual)	Exceeded

<b>Business Capabilities</b>	<b>2025</b>	<b>Target (2026 unless otherwise stated as annual)</b>	<b>Status*</b>
Emerging Business Models	See "Additional Report Information" for discussion	N/A	N/A
Adjacent Business Models	See "Additional Report Information" for discussion	N/A	N/A
<b>Workforce Capabilities</b>			
Global Diversity, Equity, and Inclusion Benchmarks (GDEIB)	4.43	Overall GDEIB of between Progressive and Best Practice (>4.2/5.0)	Above expectations
Employee engagement score	78.5	At or above financial services industry average (annual)	Achieved
Advisor engagement score	62.5	55 to 60. 2025 marks the first year Advisor Engagement was fully calculated using Glint.	Above expectations

\*Note: If the target is due in 2026, terminology is "above expectations", "on track", or "below expectations". If the target is due in the current reporting year, terminology is "exceeded", "achieved", or "not achieved".

# Long-term goals

*Our long-term goals keep us focused on building resilience and catalyzing sustainability; these include 2030, 2040 and 2050 goals and targets that hold us to account along the way. Our 2030 goals are summarized below. More information on our 2030 goals, metrics, targets and performance, as well as our 2040 and 2050 net-zero targets, can be found in the Additional Report Information section of this report.*

By 2030, Canadians and our communities are

**1. Financially secure**

We have contributed to increased financial security in Canada and among our members and clients.

**2. Resilient against risks**

We have helped to make Canada more resilient and less vulnerable to risk.

**3. Sustainably and inclusively prosperous**

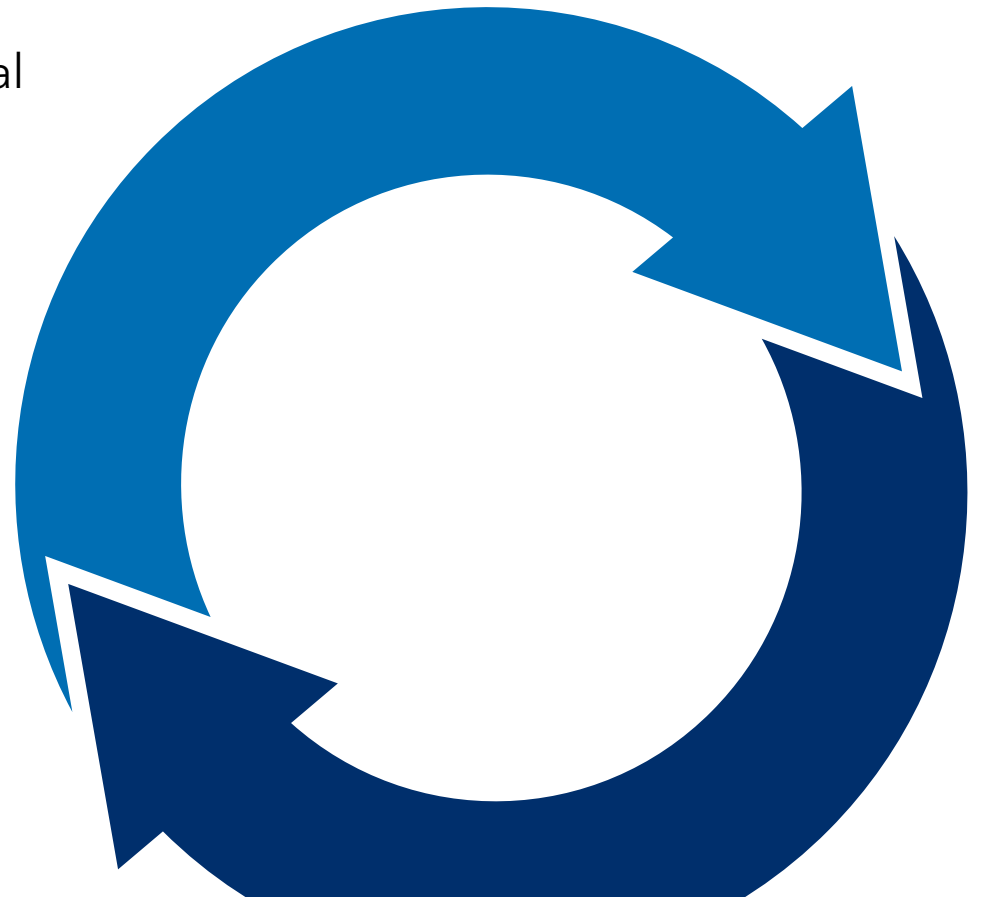
We have helped build inclusive and sustainable prosperity for Canadians and Canadian communities.

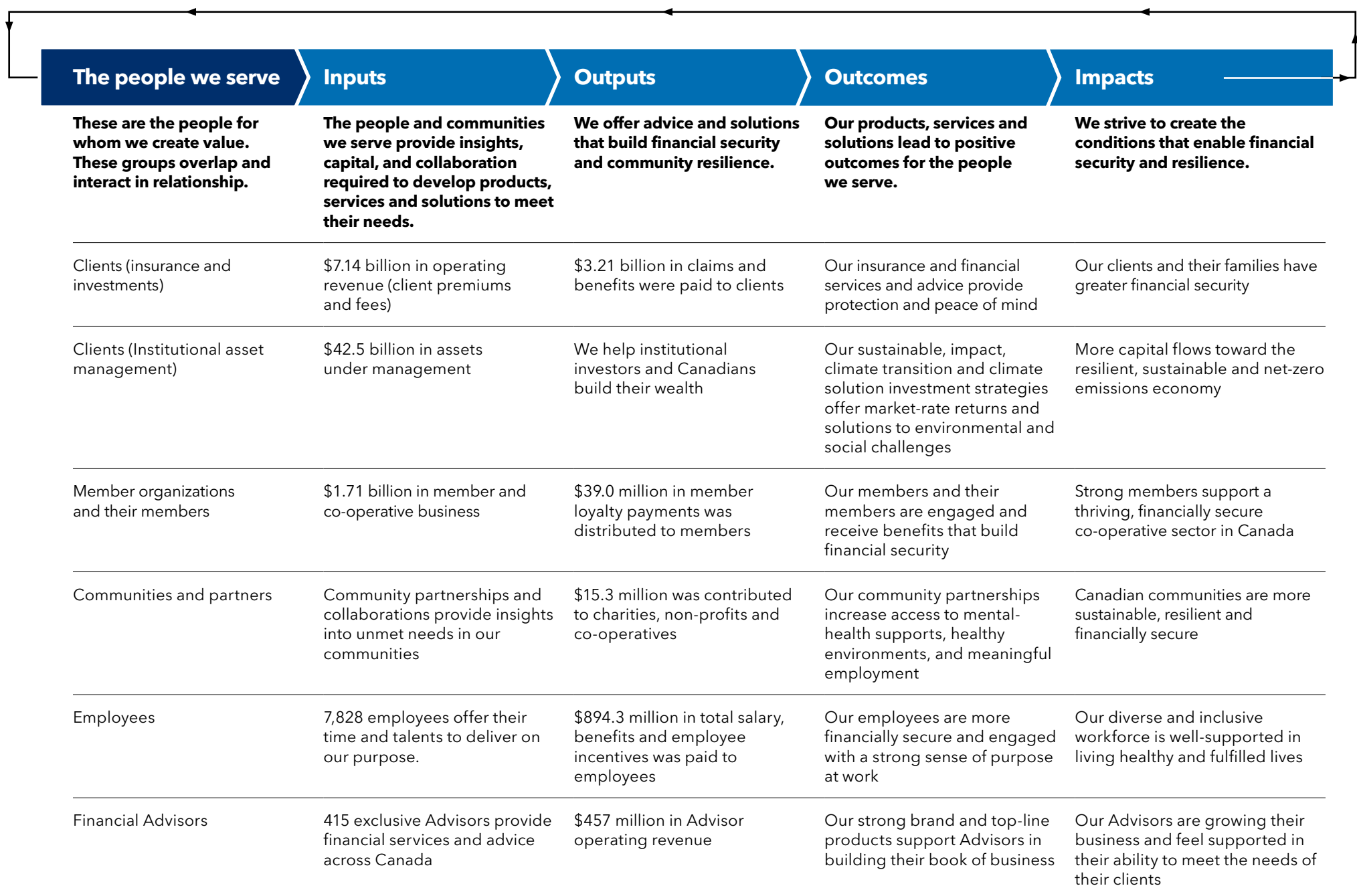


Value creation

# Virtuous circles

The value we create is circular. The financial services we offer support our members, clients and communities, leading to positive outcomes and impacts that build their financial security, along with a more resilient and sustainable society. These positive outcomes and impacts strengthen our co-operative so we can continue the cycle.





# Here to advance our purpose

We provide financial security for Canadians and our communities through insurance, investments, asset management and future-focused innovation.



# Our products and services: Bringing our purpose to life

*Our holistic suite of insurance, financial solutions and personalized advice serves a wide array of Canadians and Canadian organizations.*

## We insure and protect



**1 million**

homes



**632,000**

lives



**45,000**

farms



**1.7 million**

vehicles



**435,000**

Canadians through Creditor  
Life insurance



**337,000**

businesses



**260,000**

employees and their dependents  
through group benefits

## We serve



**169**

credit unions

## We manage the investments of



**213**

institutions and individual investors

## We help Canadians plan their financial futures through



over

**77,000**

wealth accounts



**6 million+**

credit union members



with total assets valued at over

**\$42.5 billion**

## Enduring client relationships

As a Canadian co-operative, we have been serving a diverse range of clients across Canada for eight decades. Our Advisors and employees are deeply embedded in local communities, working to build long-lasting and trusted relationships with the people they serve. We're proud to spotlight Waldron Grazing Cooperative Ltd. (Waldron Grazing Co-op), which has been a Co-operators client for 51 years. This vibrant co-operative was first established in 1962, when 116 southern Alberta ranchers came together to purchase 44,000 acres of foothills - grazing land for their cattle.

Today, nearly 39,000 acres of Waldron Grazing Co-op are protected through a Conservation Easement Agreement with the Nature Conservancy of Canada, preserving the native grasslands from subdivision and cultivation, and ensuring the protection of the headwaters and biodiversity of the South Saskatchewan drainage basin. Through their conservation efforts, Waldron Grazing Co-op are ranching stewards of a living legacy on native rangelands.



Waldron Grazing Cooperative Ltd. (Waldron Grazing Co-op)

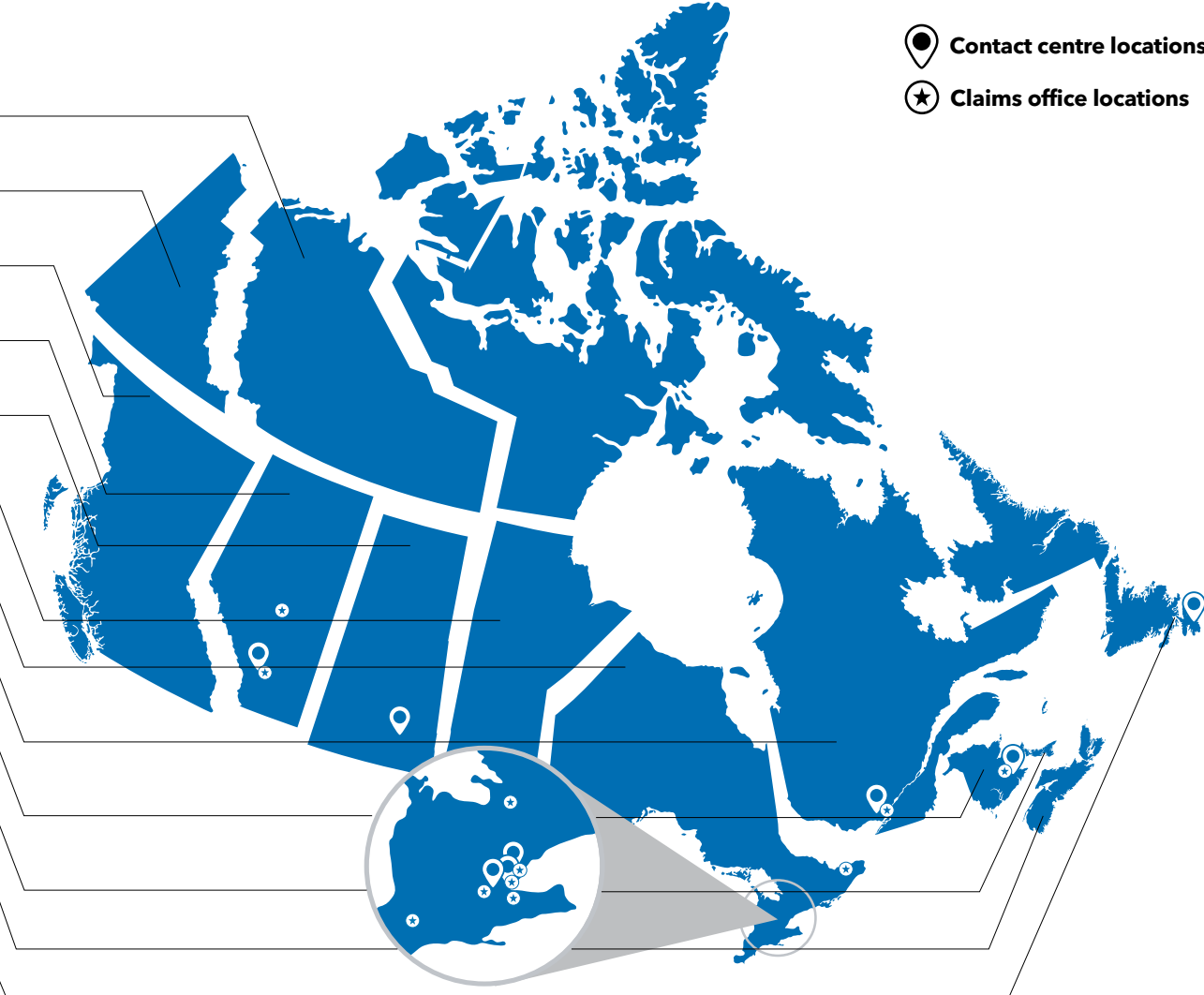
Our Advisor network

# Embedded in communities across Canada

We have Advisor\* and service offices, client contact centres and claims offices in over 350 towns, cities and rural communities.

Advisor and service offices by province/territory

Northwest Territories	1
Yukon Territory	1
British Columbia	36
Alberta	114
Saskatchewan	32
Manitoba	10
Ontario	243
Quebec	16
New Brunswick	22
Prince Edward Island	9
Nova Scotia	17
Newfoundland and Labrador	17



\*Offices are not reflective of the total number of Co-operators Advisors, as some office locations host multiple Advisors.



Insurance solutions

# Insurance in an evolving world

In a rapidly changing world, as risks and impacts continue to rise, traditional insurance protection will only go so far. We're rethinking business-as-usual to design and deliver future-ready solutions that can help build resilience, reduce losses, and advance our purpose amidst growing uncertainty in the world around us.

# Peace of mind in uncertain times

*At the heart of the insurance model is the claims promise: If an unexpected loss occurs, we will be there to support clients with financial assistance and care to help them recover. As weather events become more frequent and severe, and claims grow exponentially as a result, our clients and communities are more vulnerable to risk. We're driven by our purpose to manage our operations and adapt our response to ensure we're meeting client needs.*

### **Fire, water, and wind: The persistent rise of physical climate risk**

In 2025, Canada experienced a record wildfire season with over six thousand wildfires and 8.9 million hectares burned. This is significantly more area than 2024, and over twice the 10-year average.

According to Catastrophe Indices and Quantification Inc. (CatIQ™), extreme weather events resulted in a total of \$2.4 billion in insured losses in 2025. This follows a record-setting 2024 where the Canadian insurance industry paid out \$9.1 billion in losses, representing a concerning trend that indicates a new normal for the industry.

### **Improving our claims process through digital enhancements**

Our digital claims process delivers a modern, intuitive and supportive experience for clients during the most critical moments of their insurance journey. By introducing adaptive and reflexive questions, simplified interactions, visual damage indicators, and a redesigned online dashboard, we've made the insurance claims process clearer, faster and more flexible for clients, allowing them to upload and save their documents, and track next steps with ease. While reducing stress, these enhancements also lay the foundation for future digital services, such as rental car and repair shop bookings and processing, which helps to ensure a seamless claims journey.

### **Total amount paid to clients in claims and benefits in 2025**

# \$3.21 billion

2024: \$3.16 billion    2023: \$2.77 billion

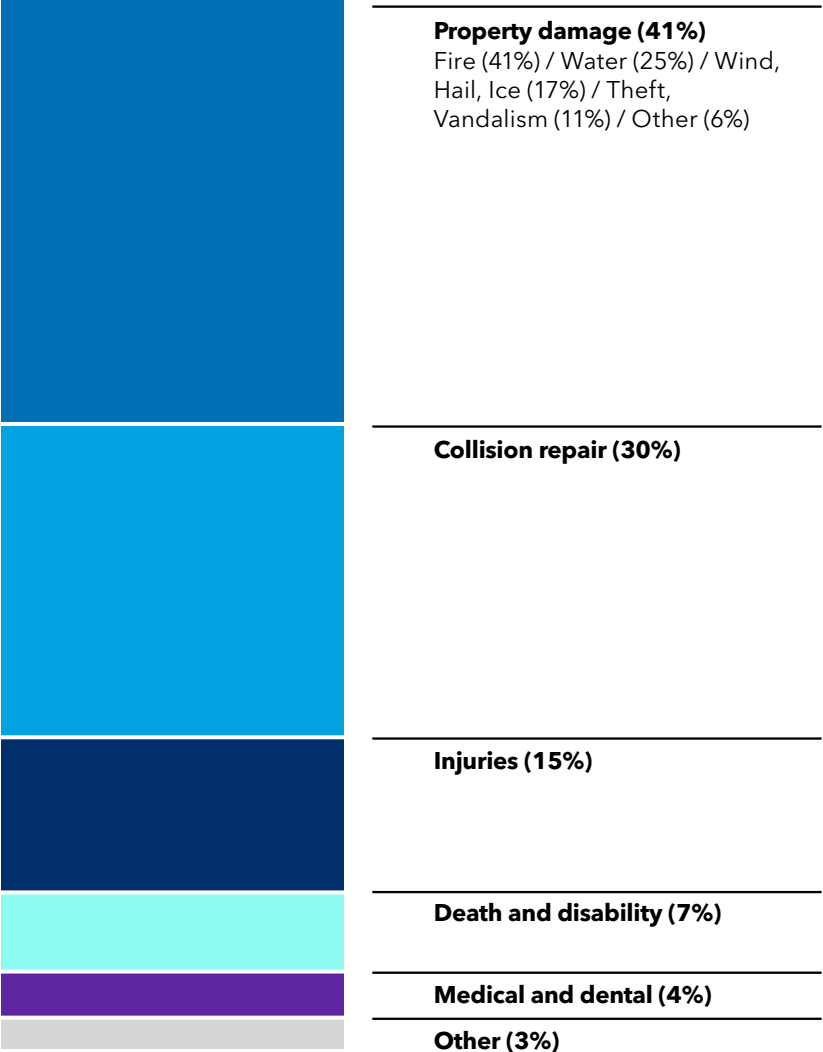
CatIQ is a trademark of Catastrophe Indices and Quantification Inc.

*“When our clients buy an insurance policy from Co-operators, they are buying a promise. Our teams are proud to deliver on that promise, in times when our clients need us most. Led by our purpose and our values, we do all we can to provide empathetic support and peace of mind to ensure the process is as seamless as possible, so our clients can focus on what truly matters.”*



**Craig Bran**  
Vice-president, National P&C Claims

# Claims and benefits paid by type to clients in 2025



**Property damage (41%)**  
 Fire (41%) / Water (25%) / Wind,  
 Hail, Ice (17%) / Theft,  
 Vandalism (11%) / Other (6%)

**Collision repair (30%)**

**Injuries (15%)**

**Death and disability (7%)**

**Medical and dental (4%)**

**Other (3%)**



## Key issue: Extreme weather and the growing protection gap

Costs resulting from the impacts of extreme weather and climate-related disasters are increasing. Even when combined with disaster-response costs paid by governments, insured losses represent just a fraction of the total economic costs, and do not account for the significant toll on the mental and physical health of those impacted. As climate-related risks and costs continue to rise for society and the industry, the cost of insurance may also increase. This is likely to put pressure on affordability and, in some cases, could leave Canadians exposed to risk and threaten their financial security.

Spotlight on

# A circular claims approach to cut waste

Construction and demolition from insurance claims contribute substantially to Canada's municipal solid waste, with most of it ending up in landfill. Compounding the issue, the rebuilding process often uses emissions-heavy materials, which contribute to a cycle of environmental harm. We're embedding circularity principles into our claims processes and forging partnerships to advance industry change by adopting innovative, less-wasteful approaches for insurance in Canada.



**Drying in place**

If property is dampened by clean water, instead of ripping it out, we bring in specialized equipment within 72 hours to dry contents and restore drywall, flooring and carpets back to their pre-loss conditions.



**Vinyl Repair**

We are introducing guidelines to expand the use of professional vinyl repair services for applicable claims, where we restore damaged vinyl surfaces such as siding with precision, often blending repairs so well that the work is virtually undetectable. This approach reduces the need to replace entire sections, minimizing material waste and landfill disposal while also reducing the total claim cost and project timelines for our customers.



**Soft Contents Cleaning**

Instead of throwing away furniture, clothing and other soft material items, we use special cleaning equipment to return the items to their original state – or better.



**Bumper and Windshield Recycling Pilot**

Working with vendor partners, we continued our pilot program to divert non-repairable automotive plastics and glass from landfills to recycling facilities where they are used as raw materials for items such as plastic storage boxes and fiberglass insulation.



**Circular Innovation Council Pilot**

In collaboration with the Circular Innovation Council, we launched a pilot project in Calgary, Alberta and London, Ontario, to advance circular practices by recycling waste from insurance claims.



**Waste Diversion Pilots**

To further reduce the waste generated from insurance claims, we are participating in the Circular Economy Recovery and Recycling Process Pilot with the Circular Opportunity Innovation Launchpad. Working in partnership with our national restoration vendor network, this pilot aims to divert construction, renovation and demolition waste from the landfill by sending it to recycling partners.

# Insurance to build resilience

*We're committed to providing clients with adequate insurance that is right-sized for the changing nature of risk. Going further, we support our clients in not only recovering after a damaging event or loss occurs, but in rebuilding stronger and taking preventative action that can help to avoid future losses - and reduce the risk to our communities.*

### Flood protection for all levels of risk

As our climate changes, flooding has become more frequent and severe, and many Canadians are simply not insured for the increased risks they face. We were Canada's first insurer to offer overland flood insurance to all clients, regardless of their risk level. At the end of 2025, we were still the only Canadian insurer to provide coverage for all levels of flood risk, including storm surge.

To raise risk awareness and to support Canadians in understanding their own risk exposure, we've created a personalized flood-risk assessment tool, where any Canadian can enter their postal code and find out their level of flood risk. [water.cooperators.ca](http://water.cooperators.ca)

### Resilience-enhanced property insurance

Rebuilding with resilience can create a beneficial cycle for clients, our business and our environment: loss and damage is decreased over time, and this enables a more sustainable and affordable insurance model. With our new TomorrowStrong® coverage, we're working with clients to upgrade to wind-, hail- and fire-resistant roofing after a claim, and to take additional preventative loss measures, like installing security systems, sump pumps and surge protectors. Co-operators was the first insurer in Canada to offer this value-added endorsement at no additional cost. It's available on eligible home, farm and commercial insurance policies. Since we launched this product in 2024, other Canadian insurers have begun to follow suit, which we see as an indicator of positive market momentum toward resilience.

### A wildfire-risk radar tool for Canadian businesses

In addition to the solutions we provide through our network of Advisors, we offer specialized property and casualty insurance for Canadian business clients through our wholly-owned subsidiary The Sovereign General Insurance Company, and its network of brokers, managing general agents, and strategic partners. To further support businesses in navigating the risks and impacts of climate-related losses, Sovereign launched its Sovereign Nat Cat Radar™ tool, which integrates satellite imagery, government data and Sovereign policy information to proactively identify business clients who are at risk of active wildfires.

### Vehicle theft prevention

According to Équité Association, overall national auto theft trends dropped 18% in 2025 to the same period in 2024, despite upward regional trends. This reflects a broader effort across the insurance industry, law enforcement and government to tackle organized crime and vehicle theft. Nevertheless, overall levels are higher than pre-pandemic years, and prevention remains a key priority. We're working with trusted theft-prevention vendors and partners to help combat vehicle theft in Ontario, Nova Scotia and New Brunswick through a growing suite of theft-prevention solutions.

### Comprehensive Water

**745,258**

Canadian households, farms, and businesses covered through Comprehensive Water

### TomorrowStrong®

**1,570**

Policies have utilized TomorrowStrong® coverage to rebuild with resilience following an eligible claim

Sovereign Nat Cat Radar is a trademark of The Sovereign General Insurance Company used with permission.

*“As insurers, we can work together with our clients and communities to increase our focus on loss prevention, expanding our offerings to build a more resilient system that can better withstand the changing nature of risk.”*



**Lisa Guglietti**

Executive Vice President and Chief Operating Officer, P&C Insurance Solutions



# Protecting the lives, health and well-being of Canadians

*A critical part of financial security is ensuring that we protect the people we serve, as well as those who matter most to them, through our life insurance, health, and group benefits offerings.*

### **Enhancing financial resilience with life insurance solutions**

Financial resilience is about more than protecting assets. It's about creating confidence for the future, which includes safeguarding property value, investing and planning for retirement, and ensuring that loved ones are financially secure through life's uncertainties. Through our Guided Omni Strategy, we focus on serving clients in ways that reflect their unique needs and behaviours. That means communicating with awareness of their preferences and goals, and helping them understand how our service and advice can strengthen their financial well-being.

In 2025, we introduced an initiative that helps clients who currently hold home or auto insurance explore life insurance and wealth solutions by understanding how these products can build their overall financial resilience. Our goal isn't just to offer more products to our clients; it's to provide integrated solutions that fit seamlessly into their lives, ensuring they feel supported, prepared and empowered for whatever lies ahead.

### **Transforming the group benefits experience through online portals**

As Group Benefits plan members submit claims, review their coverage and access their drug cards, they have come to expect personalized guidance for their health and wellness through intuitive digital platforms. We are shifting from a transactional model to an engagement-focused approach; in 2025, we enhanced our Benefits Now® mobile app and online portal to ensure a more engaging and seamless experience for our members.



### **Key issue: Improving access to insurance for vulnerable populations**

As risks and the costs of insurance increase, many people living in Canada have been left under-insured or uninsured, threatening their financial security and resilience. Supporting efforts to improve access to insurance for vulnerable populations, Co-operators participates in the Fair Access to Insurance Roundtable (FAIR), a diverse mix of collaborators from industry, government, non-profits, and academia. FAIR aims to identify and advocate for solutions for overcoming barriers to accessing insurance, and to enhance the resilience of vulnerable households against disruptive events, particularly those exacerbated by climate change.

Spotlight on

# Advocacy

We engage with governments and partner with organizations to influence the systems, policies and societal conditions that can better enable financial security and resilience in our communities.



### Auto Insurance Reform

We continue to advocate for regulatory reform with governments across Canada to propose auto insurance solutions that prioritize consumers in decision-making and protect the long-term viability and competitiveness of the auto insurance system in Canada. Significant time and resources were dedicated to Alberta and Ontario in particular. Ontario’s reforms related to optional benefits are set to be implemented July 1, 2026. Alberta’s Care-First system is on track for January 1, 2027.



### National Flood Insurance Program

We are actively engaged with the federal government to influence the design and implementation of the national high-risk flood insurance program. Our efforts have focused on advocating for a program that incents flood-risk mitigation and implements risk-based pricing to guarantee the long-term viability and sustainability of the program.



### Climate-resilient building codes

We collaborate with The Institute for Catastrophic Loss Reduction (ICLR®) and advocate in support of updated building codes across jurisdictions that will build resilience in the context of increased severe weather events. We’re also part of the Resilient Homes Task Force working to create evidence-based solutions for more resilient new homes, renovations and homeowner maintenance.



### Disaster Financial Assistance Arrangements (DFAA)

We are working with provincial governments and non-profit partners to unlock resilience opportunities within the modernized DFAA structure to advance climate adaptation.



### Climate Proof Canada

We are participants in Climate Proof Canada, a multi-disciplinary coalition that advocates for federal priorities on climate adaptation. Through our work, we’ve contributed insights and expertise to help inform Canada’s National Adaptation Strategy and provided material contributions to inform Climate Proof Canada’s 2025 national resilience recommendations.



### Auto Theft

Building on momentum from 2024, in 2025 significant advocacy and collaboration with government and key groups led to an overall decrease in auto theft frequency as well as substantial commitments in legislation and funding.

# Specialized coverage for credit unions, co-ops and co-op members

*We strive to strengthen Canada's co-operative sector, as it works to build more sustainable communities from coast to coast to coast.*

### Supporting Canadian credit unions and their members

Through CUMIS®, part of our group of companies, we provide insurance products, services, solutions and advice for 169 Canadian credit unions, caisses populaires, and their members. Through these tailored solutions, we're committed to strengthening our communities by delivering protection, stability and financial security that enables credit unions and their members to face life's challenges with more confidence. In 2025, we broadened our credit protection to cover all lending types and introduced support for digital lending. To enhance member experience, we also launched a digital claims portal that enables our credit union partners and members to submit claims online and track progress in real time.

### Unique offerings for our members and the Canadian co-operative community

Through our Member Benefits Program, we provide unique benefits to the members of our member organizations, offering personalized insurance coverage and savings to over 199,000 households across Canada. To further protect the financial security of Canadian co-operatives, we offer Co-op Guard®, a customizable suite of insurance solutions designed to meet their unique needs.

CUMIS® is a registered trademark of The CUMIS Group Limited; Co-op Guard® is a registered trademark of Co-operators General Insurance Company

*“Co-operatives offer a collaborative, inclusive and democratic alternative to business as usual. We are dedicated to supporting this vital sector so co-ops can continue enriching our communities and providing the services Canadians rely on.”*



**Marc Duplantie**  
Vice-president, Member Relations and Co-op Business Development

**\$1.71 billion**

Member and co-operative business volume  
2024 \$1.58 billion

**199,835**

Households in the Member Benefits Program

**24%**

Revenue that is member and co-operative



Financial services and advice

# Personalized pathways to financial well-being

Through our range of investment and wealth-planning products, solutions and advice, we strive to equip clients with the resources and insights they need to move forward on their journeys to financial security and resilience.

# Serving Canadians across the wealth spectrum

*Our suite of financial products has been developed with a lens of inclusivity, ensuring they are available to people regardless of their level of wealth. We do not require that clients maintain minimums to invest, and this enables more Canadians across the wealth spectrum to access wealth planning, investments and advice. Our Co-operators-branded mutual fund dealer offers a suite of mutual fund products that are delivered through our network of licenced Mutual Fund Investment Specialists across Canada.*

**Growing our retail wealth portfolio to advance our purpose**

In 2020 - the onset of our wealth expansion journey, with the launch of Co-operators Financial Investment Services (CFIS) - we had just over \$20 million in mutual fund assets under administration. In just five years, CFIS has grown its book of business to \$2.33 billion (by the end of 2025), demonstrating our ability to support more Canadians than ever before in their journeys to financial security and resilience.

# \$2.33 billion

Mutual fund assets under administration\*

\*Includes mutual funds and other products at Co-operators Financial Investment Services (CFIS).



**Key issue: Addressing a growing gap in financial advice in Canada**

Amidst a rising trend of financial hardship exacerbated by affordability challenges and economic uncertainty, we funded a 2025 report by national charity Prosper Canada that found 61% of low-income Canadians, or approximately 3.08 million people, are experiencing significant financial hardship. This report offered a solution framework aimed at closing the financial advice gap for Canadians with low incomes, setting out clear steps that governments, financial services and community organizations can take to ensure every Canadian - no matter who they are or where they live - can access the financial help they need to build their financial stability, resilience and well-being.



Investing and asset management

# Purpose-led investing

Through our asset management company Addenda Capital Inc. (Addenda Capital) Co-operators manages over \$42.5 billion in assets. We are committed to mobilizing our financial strength and stewardship activities to catalyze the transition to a more resilient, sustainable net-zero-emissions economy. We view our investments as both a source of our organization's financial health and a lever that can create positive societal impact, supporting the financial security of Canadians and our communities.

## A strategic roadmap for impact and climate transition investing

Co-operators holds \$14.5 billion in invested assets, and we invest a significant portion of these assets in ways that generate strong financial returns alongside positive environmental, social and economic benefits. At the same time, these investments can help catalyze the transition to a net-zero emissions economy.

In addition to running all investments in our portfolio through our sustainable investing policy, we developed a 2030 Impact and Climate Investing Goals Strategic Roadmap in 2025, which outlines our approach to achieving three sets of 2030 investing goals:



### Goal 1: Impact and climate transition

#### Target: 60% assets in impact or climate transition investments

To reach 60% of invested assets in impact or climate transition investments by year-end 2030. An interim goal is to reach 50% by year-end 2026.



### Goal 2: Climate solutions

#### Target: US\$3 billion invested in climate solutions

To increase investments allocated to climate solutions to US\$3 billion\* by year-end 2030 from a 2024 base year of US\$2 billion.



### Goal 3: GHG emissions intensity

#### Target: 40% reduction in financed emissions intensity (tCO<sub>2</sub>e/\$M invested)

To reach a 40% reduction in financed emissions intensity (tCO<sub>2</sub>e/\$M invested) of listed equity and corporate bond portfolio by 2030 (year-end 2029\*\*) from a year-end 2020 baseline. We have a goal to reach net zero in our investment portfolio by 2050. See the "Business Impact" section of this report for more details.

*"Our sustainable and impact investing approach underpins our long-term value creation. As businesses and industries shift to become more efficient and innovative, we can both mitigate risk and seize significant potential for investments and growth."*



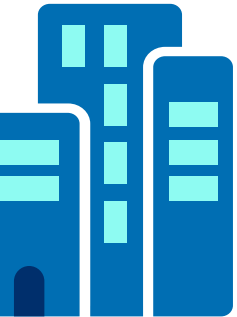
**Roger Beauchemin**

President and Chief Executive Officer,  
Addenda Capital Inc.

More information can be found in our 2030 Impact and Climate Investing Goals Strategic Roadmap, available online at [cooperators.ca/sustainability](https://cooperators.ca/sustainability).

\* Target and baseline are in \$US in alignment with Net Zero Asset Owner Alliance (NZAOA) targets

\*\* 2029 aligns with NZAOA timeline and portfolio decarbonization best practices. 2030 aligns with Co-operators timing for the existing goal of investments in impact and climate transition.



Goal 1

# Impact and climate transition

**Impact investments** strive to create both compelling financial returns and positive social and/or environmental impacts that are measured, tracked and reported. Through our Impact Framework, we group these investments into six themes: climate change; community development; health and wellness; education; water; and food, agriculture and natural resources.

We invested 60.2% of our invested assets in impact or climate transition investments in 2025. Of these investments, 29.3% were climate transition investments, 20.6% were impact investments, and 10.3% were both impact and climate transition investments.

**Assets in impact or climate transition investments**

**60.2%**

2030 Target: 60%



Impact\* case study

### First Nations Finance Authority

**Theme: Community Development and Water**  
**Focus Area: Indigenous Economic Opportunities, Affordable Housing, Freshwater**  
**Amount invested: \$46.7 million**

The First Nations Finance Authority (FNFA)'s mission is to assist First Nation communities in building their future by raising capital for community infrastructure and economic development. In January 2025, FNFA issued its 12th debenture that raised \$650 million to finance numerous projects for First Nations in areas such as affordable housing, job creation, infrastructure upgrades to wastewater treatment plants, and equity participation in clean energy projects. As of September 2025, FNFA has provided nearly \$4 billion in loans to its members.\*\*

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

\*\*First Nations Finance Authority Loan Portfolio Update September 2025

**Climate transition** refers to a systemic shift from economic and social systems with high carbon emissions to those with low-carbon emissions. Co-operators seeks to transition our investment portfolio to be increasingly represented by assets that are actively positioning themselves to thrive and remain resilient through the transition to a low-carbon emissions economy.

**Total invested in impact and climate transition investments**  
**\$8.75 billion**



Climate transition case study

**Wheaton Precious Metals Corp**

**Amount invested: \$48.6 million**

Wheaton Precious Metals Corp. (Wheaton) is a Canadian multinational precious metals streaming company. Wheaton represents a strong climate transition investment, with a portfolio that includes metals critical for clean technologies such as silver for solar panels and cobalt and PGMs (platinum, palladium etc.) for batteries and hydrogen applications. While most of Wheaton’s emissions are attributed to its mining partners, the company has meaningfully influenced decarbonization across its value chain—86% of its 2023 Scope 3 financed emissions are now linked to science-aligned reduction targets. Wheaton also pairs this influence with financial support for its partners’ on-site decarbonization, guided by its dedicated Climate Solutions Committee. Through direct engagement with board directors responsible for climate oversight, Addenda confirmed that strong governance is a key enabler of this progress. Directors highlighted that active board encouragement and incentives for management are essential to driving climate action across Wheaton’s streaming network. With Science-based Targets Initiative (SBTi) validated targets, transparent reporting, and an aspirational Net Zero goal, Wheaton’s influence across the mining value chain and its focus on critical minerals positions the company as a meaningful enabler for lower-carbon mining and a contributor to the broader energy transition.

# The Resilience Acceleration Lab

As climate change drives increased disruption and loss, Canadians and our communities are bearing the economic and emotional brunt of rapidly changing risk. Currently, climate solutions are mainly focused on reducing emissions, with the majority of climate investing focused on net zero (mitigation). But this is just one side of the solution. There is no path to net zero without adapting as we go. We're aiming to unlock more capital to build the infrastructure needed for climate resilience and adaptation, understanding that complex problems require collaborative solutions. In 2025, to accelerate the shift to more climate-resilient communities and economies, Co-operators set up the Resilience Acceleration Lab. It aims to demonstrate the need for and viability of private capital to finance climate resilience in Canada.

The Resilience Acceleration Lab is seeking to build a pipeline of investable resilience and adaptation projects in communities and regions across Canada, taking a whole-of-society approach through innovative, interdisciplinary partnerships. As climate resilience pilots are established and begin to scale, they will be included as part of climate solutions performance tracking. For more information on the Resilience Acceleration Lab and our work, visit [cooperators.ca/resilience](https://cooperators.ca/resilience).



*“We’re bringing municipalities, Indigenous partners, scientists and businesses together to unlock the scale of investment needed to protect Canadians, our economy and our environment from the accelerating impacts of climate change.”*



**Don Iveson**  
Executive Advisor, Climate Investing and  
Community Resilience



Spotlight on







# Indigenous finance

In 2025, we included "Indigenous economic opportunities" as a focus area to further investments in housing, infrastructure, and economic development for Indigenous communities. In Canada, structural barriers limit access to affordable capital for Indigenous communities and businesses, but a rightsholder-led Indigenous Sustainable Bond Framework, anchored in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the principle of Free, Prior and Informed Consent (FPIC), can unlock much-needed investment for projects endorsed by Indigenous communities. Working with partners like the First Nations Major Projects Coalition and the First Nations Financial Management Board, this new area of focus strengthens our commitment to Reconciliation and inclusive economic growth.

### Impact investing by the numbers

Across our six impact investing themes, we monitor and report on the impact\* achieved by the projects and initiatives in which we are active investors. In a time of increased risk and uncertainty, impact investing drives progress by funding projects that strengthen our communities, accelerate the net-zero transition, and create shared prosperity that is rooted in sustainability and inclusion. Reflecting the impact of many investors pooling capital to drive positive change, these numbers aren't the result of Co-operators investments alone. They depict what's possible when we work together.

### Proportion of our impact investments by theme

-  **Climate change - 76.4%**  
Invested in projects generating 459.6 million MWh of renewable energy, enough to provide electricity to over 19.4 million homes for one year.
-  **Community development - 15.5%**  
Invested in projects that provided 64,788 units of affordable housing.
-  **Health and wellness - 3.1%**  
Invested in hospitals resulting in 1,193,183 patient visits.
-  **Education - 3.2%**  
Invested in post-secondary institutions that conferred 133,883 degrees.
-  **Water - 0.8%**  
Invested in companies that created more than 360,787 meters of freshwater and wastewater pipelines.
-  **Food, agriculture and natural resources - 1.0%**  
Invested in companies that planted or preserved 4.3 million moringa trees.

\*Impact values are for fiscal 2024 and 2025. These impacts do not result solely from our investments, but depict the total impact achieved by the projects and initiatives in which we invest.



# Goal 2 Climate solutions

By investing in climate solutions, we are investing in economic activities that contribute to climate-change mitigation (including transition-enabling) and/or climate adaptation, in alignment with existing sustainability taxonomies and other generally acknowledged climate-related frameworks. Climate solutions are identified and qualified through our Impact Investment Framework. Investments that align with the Climate Change impact theme – specifically within the focus areas of renewable energy, clean transportation, and energy efficiency – are classified as climate solutions. As methodologies and standards evolve, we aim to broaden our approach to include emerging best practices, and to expand our scope across different asset classes and investment types to capture a wider range of climate solutions.

**Total invested in climate solutions**

**US\$2.44 billion**

2030 Target: US\$3 billion  
This metric is expressed in \$US in alignment with the NZAOA target.



Climate solutions case study

### Hydro One Green Bonds

Hydro One Networks Inc.'s (Hydro One) green bond offering represents a targeted investment in climate solutions that strengthen Ontario's low-carbon electricity system while enabling long-term clean electrification. As Ontario's largest electricity transmission and distribution provider, Hydro One serves nearly 1.5 million customers—predominantly in rural and remote communities—where grid resilience is critical to maintaining electricity security and supporting sustained emissions reductions. Although Ontario already benefits from one of the lowest-carbon electricity grids in North America, Hydro One's green bond-financed investments focus on enhancing grid efficiency, reducing system losses and modernizing infrastructure to unlock additional decarbonization potential. These investments directly support climate mitigation by reducing line losses, enabling higher-voltage transmission and lowering operational emissions, while improving system reliability under increasingly severe weather conditions.

The green bond framework also aligns with Hydro One's broader environmental and social objectives, including converting 50% of its fleet to electric or hybrid vehicles by 2025 and 100% by 2030, and increasing Indigenous procurement to 5% of total materials and services spend by 2026. Together, these initiatives reinforce the company's role in delivering both environmental and inclusive economic outcomes.



# Goal 3 GHG emissions intensity

We had a goal to reduce the financed emissions intensity of our investments by 25% from 2020 levels (for listed equity and corporate bond portfolios), by the end of 2025. By 2030 (year end 2029 in alignment with NZAOA), we aim to reach a 40% reduction in financed emissions intensity (tCO<sub>2</sub>e/\$M invested) of our public equity and publicly traded bond portfolio. Our goal is for our entire investment portfolio to be net zero by no later than 2050. Along the way, we will set new interim targets and disclose our progress toward these goals at least annually.

### Our 2025 performance

In 2025, Co-operators public equity and publicly traded bond investments had a financed emission intensity of 39.3 tonnes of carbon dioxide equivalent per million dollars invested. Our financed emissions intensity has decreased by 12.3% from our target base year of 2020, which did not meet our 2025 interim target. In 2023, we updated our base year from 2019 to 2020, which has had a significant impact on the relative performance against our targets. Our results would have otherwise been a decrease of 32.8% (see key issue for more details).

For more information on our net zero targets and performance, see the "Business Impact" section of this report.

### Reduction in financed emissions intensity since 2020

# 12.3%

2025 Target: 25% reduction from 2020 levels  
2030 Target: 40% reduction from 2020 levels  
2050 Target: Net zero



### Key issue: Slow progress on reducing financed emissions

In 2025, we failed to meet our interim target of a 25% reduction of the financed emissions intensity of our investments from a 2020 baseline year. This was in part because the baseline year saw lower than typical emissions due to the economic slowdown of the pandemic, and global and Canadian economies are decarbonizing more slowly than previously anticipated. Our missed target highlights the need to accelerate decarbonization across the economy and improve policy drivers and industry practices. Co-operators and Addenda have been actively engaging with policymakers and companies to accelerate climate transition investments and drive more meaningful corporate progress toward net zero. Our new climate solutions goal also targets catalytic companies and projects. More information on our targets and performance can be found in our Climate Report.



### Get the full picture of our climate action and impact

Our Climate Report outlines our climate-related governance, strategy and risk management, as well as emissions-related metrics, performance and targets. It can be found online at [cooperators.ca/reports](https://cooperators.ca/reports).

# Catalyzing the impact economy

*As an asset manager, we go beyond leveraging Co-operators own investments to affect change; we're also working to positively influence the transition of the Canadian economy toward net zero, while delivering environmental and social benefits along the way. Our asset management company, Addenda Capital™, takes a sustainable-investing approach to deliver positive, long-term investment outcomes for clients, and drive positive outcomes for our planet and society. They do so through the following strategies and funds:*

## **Impact Fixed Income Fund**

This fund is designed to generate positive social and/or environmental impact while seeking income and long-term capital growth. This fund invests in areas that support climate change, healthcare, education and resilient communities.

## **Climate Transition Strategies**

Through these strategies, we invest in and engage with public companies that share our drive for a net-zero emissions society. With both Canadian and international securities, we ensure these companies are meaningfully committed and contributing to a resilient, net-zero-emissions society by 2050.

## **Fossil Fuel Free Global Equity Pooled Fund**

This investment approach is designed for clients who wish to fully divest their portfolios from fossil fuels, while aiming to generate compelling financial, risk-adjusted returns.

## **Eco-Social Commercial Mortgages Pooled Fund**

This fund aims to support Sustainable Development Goals adopted by the U.N. to improve the world by 2030. This fund invests in areas that include climate change; community development; health and wellness; education; and nature and biodiversity.

Spotlight on

# Engagement and advocacy

*We actively engage in stewardship and advocacy to grow our economy, support an orderly transition towards net zero, protect the biodiversity and well-being of our ecosystems and drive positive societal outcomes.*



## Climate Engagement Canada

Addenda Capital is a founding supporter and active participant of Climate Engagement Canada, a coalition of 61 institutional investors with approximately \$14 trillion in assets under management, driving dialogue between investors and industry to promote a just transition to a net zero economy. This finance-led initiative is focused on engaging the top 40 highest emitters in public markets in Canada.



## Nature Action 100

Addenda Capital joined Nature Action 100 (NA100), a global investor engagement initiative focused on driving greater corporate action to reverse nature and biodiversity loss. The network is targeting eight key sectors with high natural resource dependencies or impacts such as chemicals, forestry, mining, consumer goods and more. The group released an annual benchmark of performance of the top 100 companies focused on by the network.



## Climate Bonds Initiative (CBI) - Resilience Taxonomy

Co-operators supports the Climate Bonds Initiative's efforts to develop a global taxonomy to codify resilience investments toward unlocking private investment in climate adaptation and resilience. In 2025, our financial and advisory support helped CBI develop the technical working group and eligibility criteria for an initial sector (water). The first CBI-certified resilience bond was issued in 2025 by the Tokyo Metropolitan Government.



## Ceres Valuing Water Finance Initiative

Addenda Capital contributed to this initiative's latest analysis on AI data center water risks, in a report highlighting mounting water stress and financial risks for companies and investors. As AI drives rapid data center growth, investors are engaging technology firms to address water use and energy-related impacts.



## Carbon pricing in Canada

Addenda Capital and Co-operators cosigned a letter to Prime Minister Mark Carney advocating for stronger industrial carbon pricing. The letter urged policies that accelerate decarbonization, provide clear market signals, and support Canada's competitiveness as the global economy transitions to net zero.

Innovation and new business models

# Advancing new frontiers

*As the world evolves, we seek out new business models and broaden our products and services to address the changing needs of our clients. Along the way, our innovation is driven by a central question: How can we further enhance financial security for Canadians and our communities?*

**Embedded auto insurance**

We are embracing a significant global trend, where non-insurance companies embed insurance products directly into their customer journeys. Now, we are expanding this concept to mainstream personal insurance products. In 2024, we became the first Canadian insurer to partner with one of the largest auto manufacturers, Ford and Lincoln, to make auto insurance a product offering for their customers through a unique digital first experience making it easier for Canadians to obtain coverage.

**Expanding our services to build an ecosystem of property resilience**

In 2025, we advanced our commitment to building homeowner resilience through strategic growth in home services. Through Custodia Group Inc. (Custodia) and Carson, Dunlop & Associates Ltd.® (Carson Dunlop), we now offer integrated solutions that can support Canadians as they navigate the full home-ownership journey, from making informed purchase decisions with expert inspections to maintaining properties for long-term peace of mind. Our services also support aging in place, ensuring

comfort and security throughout retirement. As a trusted partner, we provide guidance and resources that reduce risks, enhance quality of life, and strengthen financial security for homeowners. Through Custodia, we empower homeowners and seniors by creating customized home management plans, offering an exclusive home management process that reduces stress and anxiety associated with maintaining homes effectively and confidently. With Carson Dunlop’s property inspection services, we are educating property inspectors to support homeowners in making informed decisions.

*“In this age of technology-driven convenience, our clients are always looking for new ways to meet their insurance needs. With our digital first embedded home and auto insurance platform, we are supporting our partners in bringing this new offering to their customers.”*



**Ryan Spinner**  
Vice-president,  
Emerging Business Models

# Our business impact

We make business decisions to advance our purpose, strengthen our co-operative, and drive positive impact across environmental, social and economic systems. From reducing the environmental footprint of our operations and investments to supporting the well-being and resilience of our workforce and clients, we strive to align our business with co-operative values and principles of sustainability.



Net zero targets and progress

# Our path to net zero

Our commitment to our net-zero journey remains unwavering, and as climate urgency escalates, we are taking measurable action to meet our stated targets and will transparently disclose where we experience challenges. Across our enterprise, Co-operators is targeting net-zero emissions for both our operations and our investment portfolio, while advocating for broader systemic change to address barriers. In 2025, we continued efforts to reduce emissions and increase engagement across sectors to catalyze collective progress.

# Reducing the emissions of our operations

We are pursuing our interim target to reduce the emissions of our operations by 45% between 2019 and 2030, with the goal of achieving net zero no later than 2040. These targets include scope 1 and 2 emissions, as well as key categories of scope 3 emissions.

**What we include in scopes 1, 2 and 3**

Scope 1 and 2 emissions come from our corporate offices and our leased vehicle fleet. For scope 3 emissions, we focus on the sources that are most material to our business, and where we have reliable methods and data. This includes emissions from business travel, retail sales offices, commuting and working from home, as well as our Information Technology (IT) assets and services.

**Our 2025 performance**

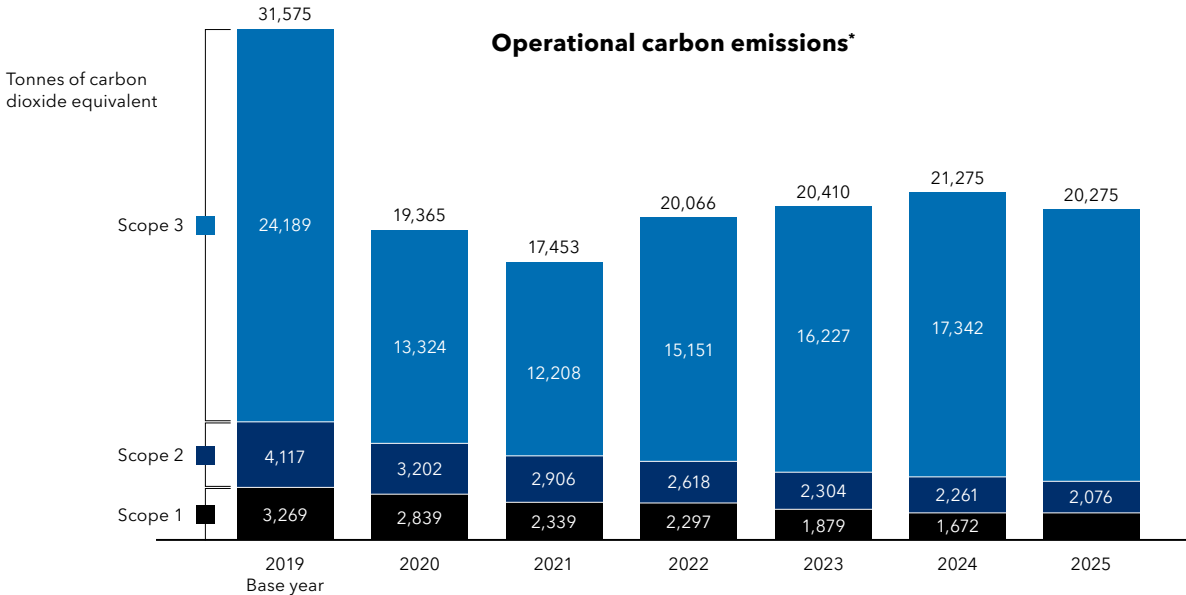
At the end of 2025, our carbon emissions were 35.8% below 2019 base-year levels and were lower than those in 2024. Increases were seen in commuting and working from home, which were related to increased business activity and an increased presence in corporate offices. These were counteracted by a significant decrease in emissions from IT assets, because our major vendor revised

its product carbon footprint methodology, and due to small decreases associated with corporate office energy consumption, air travel and IT services.

In 2025, we continued to work within business areas across the enterprise to identify and implement initiatives that drive us toward our net-zero commitment. We conducted a second targeted IT vendor survey, focused on carbon emissions. We produced an analysis showing that our reduction in air travel emissions (since our base year) could make a significant contribution toward meeting our interim target, if those emissions don't increase. The report encouraged a mindful approach to business travel, including consideration of the need to travel as well as travel alternatives, such as taking rail or holding events virtually. Reaching our targets will require a collective effort from across our organization, and the action of society as a

whole. We'll continue to seek opportunities to reduce emissions internally, while advocating for value chain and societal change.

As we seek to meet our net-zero targets, we continue to maintain carbon neutrality through carbon offsets that have been verified to a recognized standard and that are listed on a public registry to ensure quality. More information on these standards can be found online in our Climate Report. Additionally, we review project documents and scan media to further ensure that we're focusing our purchases on renewable energy certificates and offset projects that have not been identified as having quality concerns. Our offset purchases in 2025 included an IT assets reuse project and safe drinking water projects.



**Gross reduction in carbon emissions since 2019**

**35.8%**

\*Results for 2019 to 2024 have been restated. The most significant change was a methodological change in the calculation of air travel emissions, where a newly recommended lower radiative forcing factor was applied to all previous years. There were also small restatements related to a correction of square footage of one office, electricity emission factor updates and energy intensity updates. Further information is available in our Climate Report, which can be found online at [cooperators.ca/reports](https://cooperators.ca/reports).

**Our climate transition plan**

In 2025, Co-operators drafted a Climate Transition Plan that sets out our ambition to: mobilize capital toward a resilient, low-carbon future; help to protect Canadians against growing climate risks; find innovative approaches to claims handling that reduce environmental impact; and achieve net zero in our operations and investments. The plan outlines implementation and engagement strategies that will guide our actions, as well as the metrics and targets and governance structures, that will allow us to monitor progress toward the achievement of our strategic climate ambition. Informed by guidance documents from the Task Force on Climate-related Financial Disclosures, the Transition Plan Taskforce, and others, our plan will be a supporting strategy that will be integrated into our upcoming 2027 to 2030 Corporate Strategy.

**Linking net-zero performance to executive pay**

Achieving net zero is a long-term goal that is held as one of our organization’s key priorities. To drive accountability and encourage emissions reduction, we have directly tied our net-zero operations target to executive compensation. This means that the long-term incentive plans for our president and CEO, as well as all vice-presidents and executive vice-presidents, are linked to progressing toward our net zero operations goal.

*“Our collective journey to net zero is essential to the long-term financial security of Canadians and our communities. By working together to reduce emissions throughout the economy, we can reduce climate risks and enable a smoother transition to a climate-resilient future.”*



**Chad Park**  
Vice-President, Sustainability  
and Citizenship



**Key issue: Driving collective action toward net zero**

Canada, like many global economies, faces hurdles in decarbonization – electricity demand is projected to grow as the economy and population grows, requiring significant expansion of low-carbon generation and grid infrastructure. Many of Co-operators’ operational emissions are beyond our direct control. To help accelerate the transition, we are taking concrete steps: advocating for decarbonization of energy grids, working with vendors and commercial property owners to understand emission sources, and supporting employees in adopting low-carbon commuting options. We are also engaging across our value chain to encourage behaviour changes and incentives that influence household, business and government decisions—critical actions to reduce emissions and limit growing climate risks.

# Reducing the emissions of our investment portfolio

We have a goal to reach a 40% reduction in financed emissions intensity (tCO2e/\$M invested) of listed equity and corporate bond portfolios by 2030 (year-end 2029), from a 2020 baseline. By no later than 2050, our goal is for our entire investment portfolio to be net zero. Along the way, we will set new interim targets and disclose our progress toward these goals at least annually.

### Our 2025 performance

With a financed emissions intensity of 39.3 tCO2e/\$M invested, we decreased 12.3% from our target base year of 2020. This result fell short of our 2025 interim target. This is at least partially explained by the lower than typical emissions of our baseline year, as a result of the economic slowdown during the COVID-19 pandemic. At the same time, our investment stewardship approach means we have climate transition investments in companies that are on a committed path to decarbonization, but still relatively high-emitting. Additional commentary on our investment target and our performance can be found in the "Purpose" section of this report and online in our Climate Report at [cooperators.ca/reports](https://cooperators.ca/reports).

Since 2021, Co-operators has been a member of the Net Zero Asset Owner Alliance (NZAOA), connecting with like-minded peers that are developing best practices and ways to reach these ambitious goals. In addition, our asset manager, Addenda Capital Inc. (Addenda Capital), remains committed to the ambitions of Net Zero Asset Managers (NZAM), reporting progress in its Sustainable Investing Annual Report.

### Get the full picture of our climate action and impact

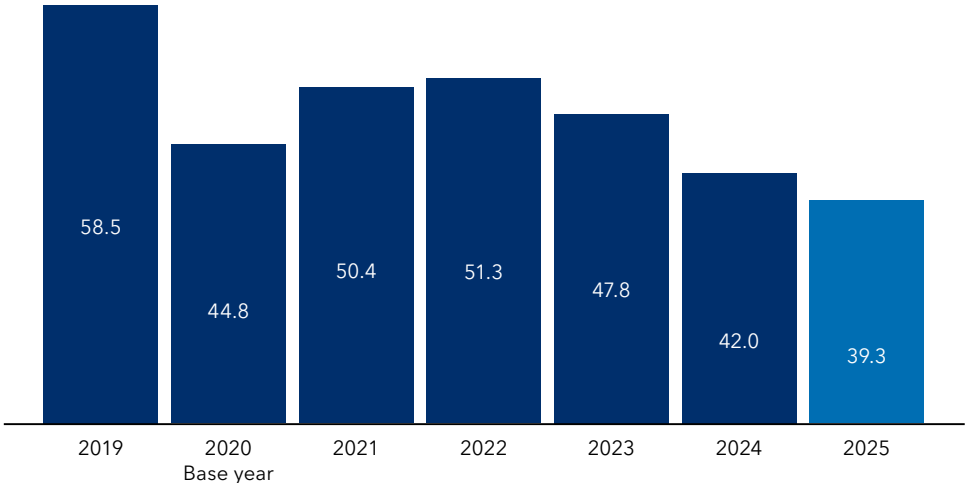
Our Climate Report outlines our climate-related governance, strategy and risk management, as well as metrics and targets. It can be found online at [cooperators.ca/reports](https://cooperators.ca/reports).

### Reduction in financed emissions since 2020:

# 12.3%

2025 Target: 25% reduction from 2020 levels  
2030 Target: 40% reduction from 2020 levels  
2050 Target: Net zero

### Financed emissions intensity of Co-operators public equity and publicly-traded bond portfolios\*



tonnes of carbon dioxide equivalent/\$1 million invested

\*Restated results using more timely emissions data reported/estimated by issuers in 2025 for the year ending December 31, 2024. The previously reported results used more outdated emissions data available at the time of analysis (e.g. 2023 or earlier).

Spotlight on

# Sustainable finance collaboration and capacity-building

To help transition Canadian and global markets toward a net-zero emissions economy, we are active collaborators and capacity-builders for policies, regulatory frameworks and taxonomies that enable the necessary conditions in support of net-zero and The Paris Agreement.



## United Nations Net Zero Asset Owner Alliance

Co-operators was the first Canadian insurer and second Canadian organization to join the UN-convened Net Zero Asset Owner Alliance, an international group of institutional investors who are working to transition investment portfolios to net zero emissions by 2050 or sooner. In 2025, the Alliance remained vibrant and productive and released its 5th annual Progress Report, which indicated that the financed emissions of members had decreased to 220 million tonnes in 2024 from 230 million tonnes in 2023.



## Driving Climate Leadership Through Business Future Pathways

As Advisory Committee Members, Co-operators and Addenda Capital played an active role in Business Future Pathways, a national initiative focused on accelerating Canada’s transition to a low-carbon economy. Through research and collaboration, we contribute insights on mobilizing private capital for climate solutions and advancing sustainable business practices. Our participation reflects a commitment to shaping frameworks that help businesses address climate risk and build resilience for communities across Canada.



## Key issue: Geopolitical headwinds and stalled climate action

Amid rising geopolitical tensions and economic uncertainty in 2025, many organizations have backed away from their net zero pledges and alliances, some abandoning them entirely. At the same time, extreme weather events and climate-related disasters continue to escalate, threatening lives, livelihoods and financial systems worldwide. Viewing the climate crisis as a core threat to our purpose of the financial security of Canadians and our communities, Co-operators and Addenda Capital remain steadfast in our commitments to net zero. Co-operators is taking measurable steps to reduce emissions across our operations and investments, while advocating for systemic change and encouraging others to act. Beyond mitigation, we are investing in adaptation and resilience through products, partnerships and community initiatives, recognizing that building a sustainable, net-zero society will take collaboration, innovation and a whole-of-society approach.



Sustainable business practices

# Embedding sustainability

At Co-operators, sustainability is more than a feature or an afterthought. It is integral to our decision-making, our strategy and the way we operate. By aligning our business practices with environmental, social and financial well-being, we can strengthen the financial stability of our co-operative, support community resilience and deliver long-term positive impact for Canadians and the environments that support us.

**Tracking our sustainable revenue**

In 2025, 27.5% of our total revenue was aligned with a "resilient, and sustainably and inclusively prosperous" future. This is a metric we track as part of our long-term enterprise goals (see the "Additional Report Information" section of this report), using the "sustainable revenue" metric of Corporate Knights' Sustainable Economy Taxonomy. By measuring this proportion, we continuously track the impact of integrating sustainability into our business and we think critically about how we can enhance or provide new offerings. From returns generated from our impact investments to our resilience, sustainability and climate-enhanced insurance offerings, we are working to embed principles of sustainability into our products and services.

**Developing a Position Statement on Nature and Biodiversity**

Biodiversity loss, ecosystem collapse and climate change are deeply interconnected challenges that present significant risks to our global economy and society. We recognize the role the financial sector must play to address these issues and are committed to advancing a nature-positive future - one that will help to advance the financial security of Canadians and our communities. To guide our efforts on this issue going forward, we are developing a Position Statement on Nature and Biodiversity alongside our existing Climate Commitment statement.

**Aligned to the UN Sustainable Development Goals**

We've linked our strategic priorities and our long-term enterprise goals to the UN Sustainable Development Goals (UN SDGs), and have developed a framework for how we are contributing to these goals in our roles as an insurer, investor, business and co-operative. For more details on our impact in relation to the UN SDGs, refer to the Additional Report Information section of this report.

**Sustainable revenue**

**27.5%**

Revenue aligned with resilient, and sustainably and inclusively prosperous future



**A Best 50 Corporate Citizen**

In 2025, Co-operators ranked highest among insurers and the financial sector, securing fourth place overall in the Best 50 Corporate Citizens in Canada. This recognition, based on environmental, social and governance performance, highlights our continued commitment to building a resilient, sustainable society.

**Integrating sustainability into workplace design**

Our corporate headquarters in Guelph, Ontario, is a Zero Carbon Building Design Standard certified facility, purpose-built to foster the physical and mental well-being of our employees, and highlighting advanced sustainability and energy efficiency features. The building boasts an all-electric design, LED lighting, high-efficiency water-source systems, and a rooftop solar array, all of which help to reduce our carbon emissions. We are proud that our headquarters achieved LEED® Gold certification and we are currently targeting BOMA BEST® sustainability certification. In 2025, our building also became the first in Canada to receive WELL Certified® Platinum certification, reflecting our commitment to supporting the health and well-being of our team. Additionally, this innovative and multiple-award-winning facility has delivered net operational cost savings, strengthening our financial position and allowing us to further invest in the needs of our clients, employees and communities.

*“Our workplaces can elevate our standards for sustainable design and employee well-being. At Co-operators, we’re driven to provide spaces that can inspire wellness, attract top talent and uphold sustainability principles, proving that progress and purpose go hand in hand.”*

91

**ENERGY STAR® Rating of our corporate headquarters**

**267,695 kWh**

**Solar energy generated in our corporate headquarters**



**Shawn Fitzgerald**  
Vice-President, Real Estate and Workplace Services

BOMA BEST is a registered trademark of Building Owners and Managers Association of Canada Inc; WELL Certified is a registered trademark of International Well Building Institute PBC; LEED® is a registered trademark of the U.S. Green Building Council; ENERGY STAR® is a registered trademark of the U.S. Environmental Protection Agency, an agency of the United States government.





Workforce engagement

# Supporting and engaging our people

Every day, our employees and Advisors work to advance our purpose. Their talent and commitment drive meaningful change for clients and communities, and we are committed to creating a work environment that supports their financial prosperity, health and wellbeing so they can thrive and make a lasting impact on the financial security of Canadians and our communities.

**Attracting a diverse, successful and future-focused workforce**

Across industries, employees continue to redefine what matters most to them: flexibility, well-being, and meaningful work. In 2025, we responded by strengthening our talent strategy, continuing to enhance our offer of competitive compensation and benefits, programs to facilitate savings for retirement and other needs, employee recognition programs, and investing in employee learning pathways and talent development.

**Enabling a high-performance, hybrid workplace**

The way we work has changed and so have our workspaces. We continued to advance our hybrid-first strategy in our workplace projects across Canada, including enhancements at our Guelph headquarters, as well as offices in Calgary, Edmonton, Regina, Toronto, Mississauga, London and Toronto. These spaces are designed for collaboration and sustainability, helping us deliver on our purpose, while creating financial capacity for the organization. The aim of our hybrid-first strategy is to redefine our workplaces as destinations - where people connect, innovate, and feel part of something bigger.

**Listening to what matters to our employees**

We proactively gather feedback from employees through onboarding, pulse, topic-specific and exit surveys. The insights shared allow leaders and employees to work together in an agile and responsive way, fostering an inclusive, high-performance environment where everyone feels inspired, appreciated, impactful and connected to our purpose.

In 2025, we offered three pulse surveys: two focusing on engagement and one topic-specific survey related to culture. We finished 2025 with an engagement score of 78.5, a one-point increase from the previous March engagement pulse and 1.5 points above the finance industry benchmark.

**Supporting Advisors in serving our clients**

Advisors play a vital role in our organization's success. We are dedicated to supporting them, so they can build more profitable growth in their businesses, while addressing the evolving needs of our clients. In 2025, Advisor engagement continued to be a priority, as shown by improved feedback channels, active listening and deeper collaboration. This ongoing strategy and engagement ensures the alignment of a shared vision between organizational goals and our Advisors.



**A Top 100 Employer**

We were recognized as one of Canada's Top 100 Employers in 2025. This nationally recognized award celebrates our ongoing commitment to creating a collaborative, inclusive and supportive workplace for our employees.

**Average Employee Engagement Index Score**

**78.5**

Average 2025 Engagement Index Score Financial Industry Benchmark: 77

**Workforce salaries**

**\$681.7 million**

**Workforce benefits**

**\$139.5 million**

**Workforce incentive programs**

**\$73 million**

**Retention rate**

**89.9%**

2024: 89% 2023: 90%

**CEO-to-average worker pay ratio (2023)**

**20:1**

Benchmark: 248:1\*

\*Based on the salaries of the 100 highest-paid CEOs in Canada (Source: "Living the high life" Canadian Centre for Policy Alternatives, 2026)



Inclusion, diversity, equity and accessibility (IDEA)

## Our commitment to IDEA

Inclusion, diversity, equity and accessibility (IDEA) are foundational to our co-operative identity, and essential to fostering a resilient, people-centred organization where everyone feels a sense of belonging. By embedding IDEA principles into how we work and our decision-making processes, we not only support the well-being of our people, we strengthen our ability to support clients, members, employees and communities in more meaningful and equitable ways.

**Measuring progress through the Global Diversity, Equity and Inclusion Benchmarks**

Our 2024 to 2026 Inclusion, Diversity, Equity and Accessibility (IDEA) Strategy is designed to guide us as we embed IDEA principles into the way we operate across our roles, identities, workplaces, communities and the broader industry. To hold ourselves to account and measure progress along the way, we use the Global Diversity, Equity and Inclusion Benchmarks (GDEIB), which provides related global best practices.

We aspire to act as a best-practice organization when it comes to IDEA, and have formally embedded this goal into our four-year strategic plan, with the goal of achieving between the "Progressive" and "Best Practice" levels of GDEIB's five-level benchmark: (1) Inactive; 2) Reactive; 3) Proactive; 4) Progressive; and 5) Best Practice. Each year, we conduct an enterprise-wide assessment to see how we measure against the benchmark, tracking progress along the way.

**Advancing gender equity in senior leadership**

We launched an Enterprise Women's Employee Resource Group in 2025. This group of employees hosts events and dialogues, and shares insights to advocate, empower, support and elevate women across all levels of our organization through a culture of inclusion, equity and opportunity.

To address systemic barriers to gender equity in the workplace, we continue to partner with The Prosperity Project, a charity dedicated to fostering an environment where all women are empowered to excel, and overcome biases and barriers that hinder success. Through this partnership, we have gained access to and are utilizing the Rosie Resource Portal; this job board enables candidates to identify employment opportunities with organizations that are committed to diversity, equity, inclusion, and gender equality.

**Prosperity Project DEI Trailblazer Award**

The DEI Trailblazer Award, given to Co-operators by The Prosperity Project (TPP) at their annual Prosperity Soirée, recognizes Canadian companies that are leading in Diversity, Equity and Inclusion. It focuses on women in leadership, based on TPP data from participation in their annual report card in gender equity and leadership.

*"Together, we can re-energize our push towards addressing the systemic barriers and biases that women face, at work and in our communities."*



**Emmie Fukuchi**  
Executive Vice-President and Chief Experience Officer and Executive Sponsor of the Women's Employee Resource Group

**Representation of women**

CEO's leadership team

**55%**

2024: 55% 2023: 55%

Senior leadership\* positions

**38%**

2023: 38% 2022: 42%

\*vice president and above

**GDEIB result on a scale of 1.0 to 5.0**

**4.43**

**Driving shared success through diverse talent**

We continue to enhance our Talent Acquisition strategy by maintaining partnerships with diverse communities, engaging in ongoing outreach to diverse groups, and consistently updating our interview guides to ensure the inclusion of IDEA-related principles and questions. To attract candidates from diverse backgrounds, we've partnered with groups such as NPower Canada, the Native Women's Association of Canada, and Specialisterne Canada Inc., which harnesses the talents of people on the autism spectrum or with similar neurodiversities - among other organizations that are improving access to meaningful employment for groups of people who have been marginalized.

**Employee insights by diversity dimension**

Through dedicated pulse surveys, we gather annual employee feedback and gain insights into our refreshed IDEA Strategy; our commitment to inclusion and an inclusive work environment; and our overall focus on well-being at Co-operators. These surveys enable leaders and employees to work together in an agile and responsive way, fostering an environment that brings our employee promise to life.

In our IDEA Index scores, we are continuing to see higher than financial industry benchmark results for all populations, with the exception of persons who identify as having a disability and individuals who identify as another gender or non-binary. We are also seeing that employees who identify as women, while above the financial industry benchmark, are consistently scoring lower than men at our organization.

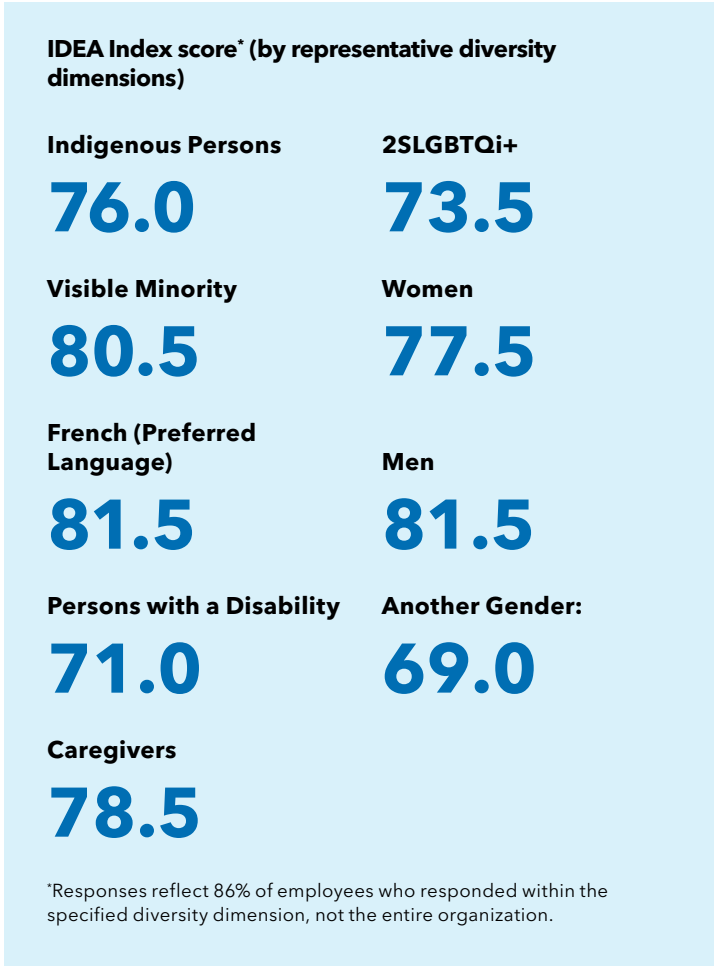
Overall engagement for individuals who identify as 2SLGBTQI+ and/or as a person with a disability have significantly risen to meet the benchmark. There will be continued work required to consistently maintain engagement in these groups and to further identify challenges impacting individuals who identify as another gender.

We are continuing efforts to better understand and action feedback that we receive through our pulse surveys and through the dedicated best practice analysis done through our IDEA Strategy. This strategy can be found online at [cooperators.ca/about-us](https://cooperators.ca/about-us).

**74.5**

**IDEA Index score (Company)**

Employees completed a Pulse Survey to provide feedback and insights on our refreshed IDEA Strategy.



**Partnering with employees to foster well-being**

In 2025, we launched a Wellbeing Strategy that was co-created by employees across our enterprise, guided by the principle “By employees, with employees, for employees.” This holistic approach supports the interconnected physical, mental, social and financial well-being of our employees through a 2025 to 2028 action plan. Hundreds of employees voluntarily stepped up; now, they’re designing and leading some of our action plans, such as in-person and virtual weekly physical well-being classes and nutrition workshops, monthly mental well-being campaigns, and quarterly employee engagement initiatives across our office locations - all to foster a culture of holistic well-being in the workplace. In partnership with the Financial Resilience Institute, we conducted an inaugural financial resilience survey to gain insights, and enable us to enhance the financial resilience and overall well-being of our employees. With employee well-being champions engaged in our Wellbeing Strategy across the country, we are actively working toward elevating well-being as a cornerstone of our employee experience. Learn more about our Wellbeing Strategy for employees online at [cooperators.ca/about-us/wellbeing](https://cooperators.ca/about-us/wellbeing).

In our pursuit of creating spaces that support employee well-being, we have enrolled in the WELL at scale™ program, have achieved WELL Certified® Gold certification for our Calgary office (2024) and WELL Certified® Platinum certification for our Guelph HQ (2025). Key features that contributed to these milestones include gender-neutral washrooms, nursing rooms, and multi-faith spaces. In Guelph, Ontario, our headquarters further demonstrates leadership in employee well-being, offering a fitness facility, a living wall, and an outdoor walking trail. The design includes equitable access to natural light, enhanced acoustic comfort, and purposeful design that encourages movement and connectivity.

WELL at scale™ is a trademark of International Well Building Institute PBC

# 74.0

**Average Wellbeing Index score**

Employees completed an Inclusion and Well-being Pulse Survey to provide feedback and insights on our commitment to the value inclusion and our overall focus on well-being.

**Key issue: Addressing societal polarization and systemic barriers to IDEA**

Across industries, we’ve seen a troubling trend, where some organizations are scaling back or abandoning their diversity, equity and inclusion commitments, treating these strategies as optional rather than essential.

At Co-operators, our IDEA Strategy reflects a fundamental connection to the co-operative principle of “open and democratic membership,” in addition to co-operative values that include self-help, self-responsibility, democracy, equity and solidarity. This is integral to how we advance our purpose over the long term. We know that diverse perspectives drive better outcomes, foster innovation and strengthen resilience in the face of complex challenges.

We see IDEA as an essential part of how we build trust with our members, clients and communities. It shapes how we lead, how we serve and how we grow. In a time when others are stepping back, we are reinforcing our commitment to IDEA. Working toward an inclusive and equitable future is more than the right thing to do; it strengthens our business, resonates with who we are as a co-operative, and helps create value for the people we serve.

Spotlight on

# Advancing Truth and Reconciliation

Our commitment to Truth and Reconciliation is a demonstration of how we put our co-operative values into action. We believe that Truth and Reconciliation is an ongoing effort; as part of our commitment, we seek opportunities to partner with Indigenous communities to ensure a future of connection, and meaningful collaboration in support of economic prosperity for Indigenous peoples.

In 2025, we advanced on our Truth and Reconciliation journey through meaningful actions that fostered learning, dialogue, and cultural understanding among our employees and with the broader community. We launched an Indigenous Advisory Council to ensure that Indigenous voices directly shape initiatives, and to foster mutual respect, cultural understanding, and long-term social and economic inclusion.

Reconciliation themes were integrated into our IDEA Learning Pathways for ongoing employee education, and our employee Reconciliation Community of Practice launched a book club as a way for employees to embrace and deepen their own journeys.

Co-operators celebrated Indigenous Peoples Day 2025 with cultural ceremonies and teachings led by Elders, and we actively participated in the National Day for Truth and Reconciliation, including our joining the Honour Walk in Regina, as a Circle Project community partner. We have also partnered with First Nations University of Canada, supporting Indigenous career development through the launch of First Nations University's new Career Centre. These initiatives reflect our shared responsibility to honour survivors, advance Truth and Reconciliation, and build stronger relationships. All of this work continues to guide our journey toward a more inclusive and equitable future. More information can be found online at [cooperators.ca/about-us/reconciliation](https://cooperators.ca/about-us/reconciliation).

*“The Indigenous Employee Resource Group has been a great way to connect with others, learn about different regions where we live and work, and see the shared passion for Indigenous Culture and Indigenous knowledge across our co-operative.”*



**Gus Grosh**  
Senior Consultant, IDEA and  
Reconciliation





Client care, treatment and satisfaction

## Prioritizing client care

We value the trust clients place in us and work to provide lasting financial security. Our approach is client-focused, evolving to meet their needs, ensuring availability of our services, and acting fairly and ethically to protect their interests.

### The fair treatment of customers

We value integrity, treating our members and clients with respect. Our clients are at the core of our business, and at the forefront of our strategy and service. As an extension of these values, our organization has adopted a Fair Treatment of Customers (FTC) Policy to further enhance our client-facing Co-operators Public Statement on FTC. In 2025, 96% of Co-operators employees and Advisors completed FTC training to better understand their roles in supporting it. Further information can be found in our Supplementary Disclosures.

### Client complaint resolution

Client complaints are initially handled by Advisors. If the issue remains unresolved, it is escalated to a manager or our Client Relations team, which was established to enhance the client experience and provide faster, more consistent resolutions. For further review, clients may escalate their concerns to the Office of Fair Client Practices (formerly the Ombuds Office) for a final decision. All reportable complaints are fully investigated, with the Board of Directors, senior management and provincial regulators informed as required. In 2025, there were 398 reportable complaints submitted.

For mutual fund matters, all complaints are forwarded to Co-operators Financial Investment Services (CFIS) Compliance for prompt and fair resolution. This process ensures that client concerns are addressed effectively. Depending on the nature of the issue, some complaints may be escalated to the Canadian Investment Regulatory Organization. In 2025, no reportable complaints were submitted to CFIS.

# 96%

**of employees and Advisors (and their staff) had completed the Fair Treatment of Customers training**

### Protecting clients' privacy

The availability of personal data is advancing rapidly. While it offers benefits, it also poses serious risks, like identity theft and fraud, if not protected. We are committed to safeguarding the information of our clients, claimants, employees and others to protect the financial security of Canadians.

We work to continuously improve our privacy practices, seeking to enhance our ability to manage risks and build trust in our client experience. Various initiatives are helping us meet our obligations to regulators and the expectations of our clients. These include:

- **Refining our assessment processes** to increase the effectiveness of identifying privacy risks and implementing suitable solutions
- **Enhancing our training capabilities** to ensure staff are familiar with current privacy practices and act appropriately in managing personal information
- **Improving our procedures** for responding to individual rights requests that enhance our client experience

Our privacy program is built around our core values of responsibility, integrity and inclusion. Through our privacy policies and privacy statements, we seek to demonstrate a transparent and accountable approach to our data and information management practices, ensuring that clients are treated with honesty and respect. To learn more about our privacy practices, visit [cooperators.ca/privacy](https://cooperators.ca/privacy).



### Emphasizing ethics and accountability

To maintain a strong ethical foundation and understanding of our business code of conduct, we require all employees and Advisors to complete annual ethics and compliance training, and attest to our Code of Ethics and Business Conduct.

This process reinforces our commitment to integrity, transparency and responsible decision-making, ensuring that every team member understands and upholds the standards that guide our business practices. The Ethics Office actively monitors and tracks the completion of all required ethics and compliance training. In cases of non-compliance, the Ethics Office escalates the issue to ensure prompt resolution, reinforcing our dedication to accountability and ethical standards across the organization.

In 2025, we strengthened our commitment by introducing a Code of Ethics and Business Conduct online, further reinforcing our organization's transparency, trustworthiness, and credibility with clients, partners and the public. This visible commitment establishes clear expectations for professional behaviour and business practices, and provides our stakeholders with a consistent and transparent point of reference. More information can be found online at [cooperators.ca/about-us/code-of-ethics-business-conduct](https://cooperators.ca/about-us/code-of-ethics-business-conduct).

### Safeguarding clients and our organization from financial crimes

In a financial institution such as Co-operators, many individuals across the organization act as gatekeepers, with the responsibility to prevent financial crimes. Within our organization, established policies, procedures and risk assessments support the compliance programs; these frameworks are essential to meet regulatory obligations, and to manage the reputational and operational risks that are symptomatic of criminal activities.

Co-operators has established a program that fulfills regulatory requirements by ensuring all key components are addressed in its Anti-Money Laundering and Anti-Terrorism Financing (AML/ATF) framework:

- Identifying a Chief Anti Money Laundering Officer (CAMLO) that is responsible for developing and implementing a program;
- Documented policies and procedures;
- Assessment and documentation of program risks;
- Training program and plan;
- Due diligence and enhanced measures; and
- Independent Testing (from an independent third party).

Other aspects of the financial crimes program are sanctions, anti-bribery and anti-corruption, foreign accounts tax compliance, and fraud. At Co-operators, it is everyone's responsibility to prevent, detect and report activity pertaining to financial crime.

# 99.87%

**of employees and Advisors (and their staff) completed the Code of Ethics and Business Conduct Training**

# 100%

**of employees and Advisors (and their staff) attested to the Code of Ethics and Business Conduct**

# 99.47%

**of employees and Advisors (and their staff) completed AML/ATF training. (Target Completion rate was 80%)**

### Safeguarding client information

Information security is crucial for our business, and it involves everyone in the organization. Our information security program is led by our Chief Information Security Officer, with support from the Chief Information Officer, and is overseen by the Risk Committee of the Board of Directors.

Our comprehensive training and awareness program educates our employees, contractors, Advisors (and their staff), and clients about information security threats and risks, providing them with the necessary tools to make safe cyber decisions. To enhance resilience against social-engineering attacks, we regularly conduct phishing simulations to inform employees about phishing risks and to guide their expected responses to real phishing attempts.

We use the National Institute of Standards and Technology Cybersecurity Framework to develop resilience against cyber threats by fostering a culture of awareness, implementing cohesive policies and standards, integrating layered controls, and conducting thorough monitoring and testing. Co-operators maintains a robust threat-management system that continuously monitors the threat landscape, identifies security threats, and mitigates risks. We keep ourselves updated on emerging threats and security best practices by working closely with government agencies, regulatory authorities,

external consultants and industry experts, as well as by regularly attending security conferences and events. We also use sophisticated tools to continuously monitor our operational environment, enabling us to detect, respond to and recover from potential information security issues.

We teach clients how to stay safe online and protect their personal information through email campaigns, online resources and fraud prevention tips. For more on our security measures, visit [cooperators.ca/en/security-privacy](https://cooperators.ca/en/security-privacy).

In 2025, our strong commitment to information security resulted in no material breaches. We continue to enhance our program through regular reviews, policy and standard refinement, service improvements, technology investments, and strengthened reporting practices.

# 99.9%

**of employees and Advisors (and their staff)  
completed annual information-security  
awareness training**



Spotlight on

# Digital transformation and mindful adoption of Artificial Intelligence

Generative Artificial Intelligence (Gen AI) is quickly establishing itself as a key technology shaping the future of business. However, its adoption can also heighten current risks that companies encounter, such as challenges in data management, privacy, protection of intellectual property, increased environmental impacts from GHG emissions and increased resource consumption, and decision-making biases that may conflict with inclusion, diversity, equity and accessibility principles.

At Co-operators, we approach the integration of Gen AI into our business with intention and integrity, recognizing its potential to transform how we serve our clients, communities and employees, while being mindful of the ethical implications and risks it carries as the scale of transformation and adoption outpaces societal, political and cultural governance.

As with all practices, the integration of existing and future AI is and must remain guided by our co-operative values, and anchored in our purpose, ensuring that any use of AI must ultimately advance the financial security of Canadians and our communities, not put that financial security at risk.

To help ensure this, we have applied a rigorous governance framework through our AI Governance Council and Artificial Intelligence Centre of Excellence, ensuring transparency, fairness and accountability in every application. This includes proactive measures to identify and mitigate risks such as bias, privacy concerns and loss of data integrity, while fostering innovation that enhances client experience and operational efficiency. By embedding ethical principles and sustainability considerations into our AI strategy, we ensure that technology serves as a catalyst for resilience and long-term societal well-being, fully aligned with our vision of being a catalyst for a resilient, sustainable society.

In 2025, we have implemented the use of Gen AI into our business through deployment of tools to improve software development, optimize contact centre operations, support marketing and communications activities, assist underwriting and enhance claims processing.

*“Our approach to the integration of AI into our business is to proceed with care. Like all decisions at Co-operators, our use of AI must be guided by our co-operative values, rooted in our purpose, and be carried out with principles of sustainability, ethics and transparency for the benefit of our organization, our clients and communities.”*



**Jeff Guitard**

Vice-President, Architecture and  
Chief Information Security Office

# 2025 financial performance and position

Our financial stability enables us to consistently deliver positive outcomes for society and respond effectively to the changing requirements of our members, clients, employees, and communities. Our pursuit of profits is not viewed as an end in itself, but as a means to advance our purpose of ensuring financial security for Canadians, and contributing to a sustainable and resilient future for our communities.



Executive interview

# Chief Financial Officer interview

Co-operators CFO Karen Higgins shares insights on our group of companies' financial performance, highlighting current issues and trends, the challenges we've encountered and our most notable achievements. Staying true to our co-operative values, we remain focused on ensuring long-term financial stability, strengthening our solid capital base and fulfilling our purpose of providing financial security for Canadians and our communities.

## What issues and trends were top of mind as we consider our 2025 financial performance?

**Karen Higgins (KH):** Economic and market forces are creating mixed impacts on Canadian insurers. Rising claims inflation—driven by higher repair costs, medical expenses, supply-chain disruptions, and litigation—has increased loss severity and created pressure for underwriting margins. At the same time, emerging soft market conditions in certain lines are putting downward pressure on pricing, further constraining underwriting results. On the investment side, higher interest rates and periods of equity market strength have supported stronger returns; however, ongoing equity market volatility and broader economic uncertainty create fluctuations in asset values and reinvestment risk. Despite these pressures, we delivered strong overall results in 2025, supported by disciplined underwriting, rate adequacy efforts and solid investment performance.

The last key issue for 2025, and has been for many years, was extreme weather events. On our books, 2025 was a relatively quiet year for weather losses as we saw a significant decrease from 2024 and were below expectations as well as our ten-year average. Even though it was a good year for us, 2025 was still

the 10th costliest year on record for the industry, with \$2.4 billion of insured losses, as well as an estimated \$1.0 billion of uninsured losses, and had the second highest number of declared catastrophes in Canada. There's no denying climate change and its impact on society and within our communities and we expect this issue to persist going forward.

## Overall, how did we perform financially in 2025?

**KH:** Overall, our group of companies performed extremely well in 2025 with record profits and we exceeded our consolidated return target for the first time in three years. A significant portion of these results came from an almost seven-point improvement in our P&C Operations loss ratio. Losses related to major weather events decreased over \$130 million and we experienced favourable development on prior year claims. Another key contributor of our results was the equity markets. The TSX finished the year up nearly 29% which was the strongest year since 2009. We did experience some challenges in our financials: results in some of our adjacent and supplementary operations were below expectations, our Travel line continued its struggles and there were unfavourable actuarial assumption changes in our Life Operations.

**What were the areas of strength in our financial performance?**

**KH:** As I touched on earlier, the top two areas of strength were our P&C Operations claims experience and another strong year for the equity markets. These two areas were the primary contributor to our record year. Another area that I'd like to highlight would be our enterprise expense management efforts. Throughout our current strategic plan period, we have mitigated the financial impacts of our transformational ambitions by leveraging a number of expense management initiatives across our group of companies that has targeted in-year as well as sustainable savings.

Our co-operative identity fundamentally shapes how we approach financial strength and stability. As a co-operative, we prioritize long-term sustainability while carefully balancing short-term results to ensure continued member value and financial stability. Maintaining strong capital allows us to meet our obligations to members and make prudent financial decisions that benefit current and future generations.



**Karen Higgins**  
Executive Vice-President, Finance,  
and Chief Financial Officer

# 2025 financial performance overview

*We delivered strong financial results, reflecting the resilience of our co-operative business model and the disciplined management of our strategy. Record profitability in 2025 was driven by improved underwriting performance, strengthened market conditions, and effective expense management across our enterprise. While some aspects of our operations have faced headwinds, the overall performance of our core businesses continues to position us to advance our purpose and sustain financial strength for the future.*

## 2025 financial position summary

Total assets grew by more than eight percent, while our total equity increased by over 14 percent, reinforcing our strong financial position. As a co-operative, maintaining financial strength is essential to fulfilling our responsibility to our members, as it ensures our ability to meet policyholder obligations, pay claims promptly, and remain resilient through periods of economic and insurance market uncertainty.

Total assets	\$22.4 billion
- Total liabilities	\$16.3 billion
<b>= Total equity</b>	<b>\$6.1 billion</b>

## 2025 income statement overview

2025's profitability markedly improved compared to 2024 and exceeded our overall return expectations. The improvement was mainly led by our P&C operations, which had lower-than-average major event losses - following a record year for losses in 2024 - and favourable development on prior years' claims. We are realizing strong and profitable growth across many of our operations, a positive impact from our expense management initiatives and beneficial equity markets.

Total revenue	\$7,900.5 million
- Total expenses	\$7,205.2 million
<b>= Net income</b>	<b>\$695.3 million</b>

# 2025 capital position

Our capacity to advance our purpose depends on maintaining sufficient capital to meet our commitments to Canadians and our communities. A robust capital position allows us to invest in and advocate for a sustainable and resilient society, demonstrating that investments can yield strong returns while contributing positively to social and environmental systems.

**Co-operators General Insurance Company Consolidated Minimum Capital Test (MCT)**

**224%**

The Office of the Superintendent of Financial Institutions Supervisory MCT Target: 150%

**Co-operators Life Insurance Company Consolidated Life Insurance Capital Adequacy Test (LICAT)**

**160%**

The Office of the Superintendent of Financial Institutions Supervisory LICAT Target: 100%

More information and historical trends on our 2025 financial performance and capital tests can be found in the Additional Report Information section of this report.

# Our communities

By partnering and working in collaboration with Canadian charities, non-profits and co-operative organizations, we further support the financial security of Canadians. Through community contributions, volunteering initiatives and more, we are dedicated to improving the social, environmental and economic fabric of our society.





## We partner for social impact

At Co-operators, we view citizenship as an essential component of how we do business, something that propels us to generate positive impacts for Canadians and our communities. We invest in meaningful collaborations and partnerships - guided by our Social Impact Framework - that help us drive positive environmental, social, financial and co-operative-minded outcomes in society.

# We invest in Canadian communities

Co-operators envisions a resilient and sustainable society where businesses, communities and the economy thrive in alignment with nature's cycles. We are committed to making a difference by acting as a strategic, collaborative and passionate partner. Through our community investments and partnerships, we support innovative and impactful programs that create value and drive meaningful change.

### A purpose-driven approach to corporate citizenship

We direct the energy and strength of our co-operative to develop solutions that advance the financial security of Canadians and our communities. Our approach to how we show up as a partner in our communities is no different.

Through our community partnerships and investments, we aim to enrich the social, environmental and economic conditions that support Canadians' financial security. The charities, non-profits, and community organizations we support generate a positive impact for society, and offer insights and outcomes that help inform our business, enabling us to better respond to the evolving needs of the people we serve.

This partnership philosophy helps us amplify our impact beyond what we could achieve with philanthropy alone, or with more "traditional" products and services. What's more, through our community-based partnerships, we can meaningfully engage with the world around us. This helps us stay connected to what matters, further reinforcing the link to purpose in our work.

*"Through the Climate and Equity Lab, our partnership with Co-operators, Gore Mutual and York University creates space to learn, test, and champion climate solutions that centre equity. This work strengthens our collective ability to respond to climate risk in ways that reflect the lived realities of communities across Canada."*

**Andrea Nemtin**  
CEO, Social Innovation Canada

**\$15.3 million**

**Contributed through direct community investments**

2024: \$13.3 million 2023: \$12.2 million

**This represents**

**4.05%**

of our pre-tax profit



# Our Social Impact Framework

Financial security is about more than money in the bank. It is a combination of social, environmental and economic conditions that exist in our households and in our communities. We're committed to investing in the resilience of our communities, ensuring they can withstand and recover from shocks, while continuously working to improve the overall well-being of community members. Our Social Impact Framework focuses on four interconnected areas that address different dimensions of community resilience.



**Co-operative Society**

We support young leaders and co-operatives across Canada that are contributing to community well-being and resiliency, and amplifying the impact of the co-operative sector.

**Partner Spotlight: Canadian Centre for the Study of Co-operatives at University of Saskatchewan**

We provided \$50,000 as part of multi-year support to fund graduate-level courses, skills development and research to train the next generation of co-operative leaders to pursue real-world outcomes that support a thriving co-op sector in Canada.



**Inclusive Economy**

We strive to foster a more inclusive economy by supporting Canadians as they build their personal and financial resilience.

**Partner Spotlight: Prosper Canada**

We provided \$150,000 in 2024 to fund 2025 research that outlines a roadmap for action by governments, financial services providers and community organizations to address the financial resilience challenges faced by low-income Canadians.



**Environmental Resilience**

We strengthen environmental resilience in communities across Canada, by supporting climate-risk literacy, and catalyzing climate action and adaptation.

**Partner Spotlight: Canadian Red Cross**

We provided \$100,000 to support Canadian Red Cross' disaster risk reduction work that helps individuals, households and communities increase resilience to risks from natural hazards and climate change in Canada, and we helped businesses, organizations and schools enhance their emergency preparedness through the Ready Rating online tool.



**Social Wellness**

We promote the social well-being and health of Canadians, with a focus on mental wellness for youth between the ages of 18 and 25.

**Partner Spotlight: Enactus Canada**

We provided \$200,000 to Enactus Canada, which supports youth to act as Mental Wellness Ambassadors on university and college campuses across Canada who champion mental health education, promote actions that contribute to positive mental health and connect their peers to resources. Funding provides training and leadership opportunities to equip Ambassadors with the knowledge and skills - leveraged through Jack.org's "bethere.org" website - to help a peer who may be struggling.

# A decade of support for flood risk resilience in Canada

*Since 2015, we have partnered with the University of Waterloo’s Faculty of Environment through Partners for Action (P4A), an applied research initiative we co-founded with Farm Mutual Re that is focused on preparing Canadian communities for climate-related hazards.*

As we mark the final year of a decade-long collaboration, we’re proud of our joint efforts to advance disaster resilience and climate adaptation nationwide.

- FloodSmart Canada: Launched the first bilingual portal for comprehensive flood preparedness resources.
- Climate Resilient Retrofits Database: Empowered Canadians to adapt homes to multiple climate risks.
- Social Vulnerability Index: Developed with the Canadian Red Cross to guide equitable climate adaptation and policy.
- Managed Retreat Research: Shaped policy in Disaster Financial Assistance Arrangements and advanced tools for vulnerable communities.
- Multi-sector Collaboration: Built networks across governments, NGOs, municipalities and academia to drive systemic change.

Beyond research funding, our partnership enabled paid research assistantships, internships, and mentorship for dozens of students, helping them gain skills in stakeholder engagement, GIS, data analysis, and public communication. Graduates now contribute to disaster resilience in communities nationwide. Our decade with P4A demonstrates our commitment to innovation, sustainability, and social responsibility – showing how industry and academia can collaborate to build resilient, equitable communities, and mentor future environmental leaders. In 2025, we were honoured to receive the Friend of the Faculty of Environment Impact Award from the University of Waterloo for transformative contributions that leave a legacy of resilience, equity and innovation across Canada.

*“Over the past decade, P4A has been instrumental in catalyzing flood resiliency in Canada. Through our collaborative efforts, we’ve showcased the power of partnerships and demonstrated that applied research can drive equitable and actionable climate adaptation.”*

**Sharmalene Mendis-Millard**  
Director, Partners for Action

# Collaborating with local communities to reduce wildfire risk

*Since 2015, Co-operators has partnered with FireSmart™ Canada to reduce wildfire risk and build community resilience. As wildfires caused by climate change become a growing threat, even in areas beyond the wildland-urban interface, The FireSmart™ Canada program is working across the country to raise awareness and help communities prepare for this rapidly changing risk.*

2025 marked the 10th anniversary of FireSmart™ Canada's Wildfire Community Preparedness Day (WCPD). This was a milestone year with record growth in applications and awards: 404 communities nationwide received stipends for events focused on wildfire mitigation, reflecting increased awareness and action on wildfire resilience across Canada. Notably, Saskatchewan as well as Newfoundland and Labrador saw more than twice as many awards as the previous year.



# Champions for Canadian co-operative society

*Through our Co-operative Development Program (CDP), we support initiatives that promote the growth of emerging and expanding co-operatives. By way of their products and services, these co-ops can, in turn, respond to the collective needs of Canadians and contribute to overall community well-being and resiliency.*

In 2025, we received the highest number of applications in CDP history. In recognition of the substantial funding requests and alignment with the International Year of Cooperatives, a total of \$600,000 was made available for disbursement to co-operatives across Canada (an increase from the \$500,000 usually available). A total of 52 co-operatives received funding in 2025, reinforcing our long-standing commitment to championing and advancing the co-operative system. A sampling of co-operatives we supported in 2025 are as follows:

- **Shift Delivery Co-op** in Vancouver, BC, provides zero-emission delivery services using its fleet of electric cargo trikes, helping reduce the environmental impact of goods movement in the city and creating empowering jobs through its worker co-op model.
- **Hypha Worker Co-operative** in Etobicoke, ON, leverages its deep expertise to make new technologies work for its clients, with three main areas of practice: Co-Creation Lab; Data Provenance: Interchain Operations.
- **Ikajurtigiit Solidarity Coop** in Kuujuaq, QC, is a purpose-driven Inuit construction cooperative in Nunavik. The co-op promotes the autonomy of Nunavimmiut by offering practical and culturally adapted on-site training jobs in construction, and meeting the infrastructure needs of communities. They dream of a Nunavik where infrastructures are designed, built and maintained by Inuit, for Inuit.
- **Women’s Fishing and Cultural Co-operative** in Petty Harbour, NL, promotes a community of inclusive, like-minded individuals motivated to create and sell ocean-based products collectively and offers meaningful opportunities for young people and marginalized communities.

**Total contributed to Canadian co-operatives**  
**\$2.1 million**  
**This includes the \$600,000 contributed through the Co-operative Development Program**



# Co-operative solutions to global challenges

*The United Nations declared 2025 the International Year of Cooperatives, creating a global platform to showcase the impact of the co-operative model.*

Co-operators actively supported this initiative by participating in the Co-operators and Mutuals Leadership Circle (CM50), a coalition of co-operative and mutual leaders from more than 20 countries that was formed by the International Cooperative Alliance. Through the CM50, we gathered to advance advocacy efforts aligned with the UN 2030 Agenda on Sustainable Development, including contributing to a shared Charter and Commitment Plan for presentation at the UN World Summit of Social Development. These actions reflect our belief in the co-operative model as a source of solutions to social challenges, as well as our commitment to strengthening the co-operative movement.

*“The co-operative model demonstrates all that is possible when we work together in pursuit of community resilience and shared prosperity. Through initiatives like CM50, we can build values-based solutions that will help our people and our communities thrive.”*



**Rob Wesseling**  
President and Chief Executive Officer

# Supporting communities amid rising needs

Through Co-operators Community Funds (CCF), we support programming that helps to build job skills, and enable underserved youth and individuals with mental health challenges to progress along their path to employment. In response to an unprecedented number of applications received in 2025, CCF disbursed \$1.72 million to charities, non-profits and social enterprises across Canada. The continued, rising trend in disbursements reinforces CCF's commitment, in terms of helping to meet the pressing needs that exist in communities large and small.

In addition to creating impact through grants to local community organizations, CCF's invested assets are leveraged to achieve positive social and environmental impacts, alongside positive financial returns - fostering community resilience on a larger scale than could be achieved through grant-making alone. This commitment to sustainable investing is reflected in CCF's Investment Policy, which places emphasis on investments that achieve positive impacts for the transition to an inclusive, sustainable and low-emissions society, in a way that also maintains the long-term financial stability of CCF.

For more on CCF, its recipients and its impact in 2025, [read the CCF Annual Report online.](#)

## \$1.72 million

**disbursed to charities and non-profits from Co-operators Community Funds**

2024: \$1.39 million 2023: \$1.1 million



### **Key issue: Macroeconomic societal pressures drive increased demand for community services**

With affordability challenges and growing societal complexities, the Canadian charitable and non-profit sector has been confronted with myriad challenges, including lower donations, fewer volunteers, burdens associated with the mental health crisis and soaring costs of food and shelter, to name a few. Community organizations are under tremendous pressure to deliver services while raising critical funds. With this in mind, Co-operators contributed \$15.3 million to charities and non-profits, an amount that far surpasses the Imagine Canada PRISM Certification minimum benchmark of 1% pre-tax profit in community investment.



# The positive impact of our people

In addition to Co-operators community support and funding, our employees and Advisors engage with and support our local communities through volunteering, personal donations and active involvement. Through paid volunteer days, corporate partnerships, awards and annual giving campaigns, we create conditions that enable our people to give back to the causes that matter to them.

**United Way campaign**

Giving back where we live and work is an important part of our co-operative identity. United Way Centraide Canada works to improve the lives of Canadians through local initiatives that address poverty, provide support to children and build strong and healthy communities. Every fall, employee committees in our offices across the country organize fundraising events to engage our workforce in the work of the United Way. In 2025, seven employee-led committees held online and office-based events to rally support for their local United Way, raising funds and engaging with community members across the country.

**Total employee contributions to United Way**

**\$190,400**

**Total Co-operators contribution to United Way**

**\$300,000**

**Employee volunteering**

Each year, teams and individuals across our co-operative volunteer their time to support the initiatives and charities that matter most to them. Through paid volunteer days, we support employees who want to dedicate their time and energy to their communities. To commemorate Co-operators' 80th anniversary and recognize the International Year of Cooperatives, we launched a Community Connect challenge to encourage employees across the organization to use their paid volunteer time. In 2025, nine Co-operators employee-led Volunteer in Action groups have rallied teams in support of several charities across Canada. Below are a few selected examples of the organizations that our employees have supported through their volunteering efforts:

- Big Brothers Big Sisters of Canada
- Credit Valley Conservation
- Special Olympics Canada
- Camp Val Notre-Dame
- Tree Canada/Arbres Canada
- Lulu's Lodge
- The Circle Project
- Regina Food Bank
- Canadian Cancer Society
- The Canadian Mental Health Association
- Habitat for Humanity International Inc.

**Volunteers in Action spotlight**

In June, employees from the Quebec City and Montreal offices came together to support camp Val Notre-Dame as they prepared to welcome campers from low-income, newcomer and equity-deserving communities for the summer. Together, the team repaired bicycles, washed chalets, swimming pools, and canoes, weeded and levelled the recreation sites, and prepared several sites for upcoming renovations.

*"For us, this one volunteer day represents the equivalent of a month's work for our team of employees. The impact of this day is enormous."*  
- Alain Cote, President, Camp Val Notre-Dame

**Total equivalent salary to support employee volunteering**

**\$1,746,233**

**48%**

**Percentage of employees who used a portion of their paid volunteer days in 2025**

**36,477**

**Total volunteer hours tracked**

United Way is a trademark of United Way of Canada - Centraide Canada, used under license.

**Advisors in our communities**

Co-operators Advisors work on the ground in over 350 communities across Canada, further bringing our purpose, vision and values to life. In addition to the products, services and advice they deliver for the financial security of their clients, Advisors donate their time and financial resources to enrich the social, environmental and economic conditions of their local communities. Through our Advisor Community Fund (ACF), our Advisors receive additional funding support from Co-operators to amplify the impact of their local donations.

**Total Advisor contribution**

**\$429,107**

**Total Co-operators contribution**

**\$1,028,695**

---

**Advisor Community Fund total distributed in 2025**

**\$1.46 million**

**Advisor Community Fund: Amplifying Indigenous Voices and Storytelling**

With support from the Advisor Community Fund, one of our Saskatoon-based Advisors, Declan O'Reilly of O'Reilly Insurance Ltd., supported the Ânskohk Indigenous Literature Festival, one of the only Indigenous literature festivals in Canada. As regular volunteers, Declan and his family help to plan and organize ongoing workshops with the Saskatchewan Ânskohk Writers' Circle Inc., demonstrating their commitment to our co-operative identity. For Declan, Indigenous writing and storytelling are essential to fostering cultural understanding within his local community. They bring people together, amplify important voices and create meaningful connections through literature—promoting greater awareness and appreciation of Indigenous Peoples. Co-operators is proud to support Declan's commitment by funding this impactful community investment.

*“Our business is only possible through the support of our local community. In turn, our business works to make our community stronger. Giving back is not optional; it is how we show our appreciation for the generous support our community has bestowed upon us.”*

**Declan O'Reilly**  
Co-operators Advisor O'Reilly Insurance Ltd.  
Saskatoon, SK

# Our co-operative governance

Our co-operative governance model operates under the democratic principle of “one member, one vote”, which differentiates us from most other financial services organizations. Through our governance, we’re rooted in our purpose, guided by our co-operative identity, and represented by a rich diversity of regions, sectors, and communities across Canada.



# Our board and committees

Our board of directors stewards the organization in pursuit of our purpose, vision and values.

## Our board

The Board is responsible for setting the broad direction of Co-operators by:

- participating in the development of and approving the purpose, vision and values of Co-operators in support of the strategic plan;
- adopting a strategic planning process and our four-year plan, which is reviewed at least annually, taking into account the risks and opportunities of Co-operators;
- approving the process for selecting and appointing the President and Chief Executive Officer (CEO); and appointing the President and CEO and Secretary; and
- representing Co-operators to our external constituencies.

The directors of our co-operative are independent from management and the operation of the business, and there is no link between director compensation and our organization's performance.

## Board committees

Our board has six standing committees, each with their own mandate and Terms of Reference, which defines the roles and responsibilities that guide their focus and work. The board has also created the Democratic Succession Committee that supports the Governance and Co-operative Identity Committee with respect to its board succession planning responsibilities. The complete Terms of Reference and descriptions of board committees can be found online in our Supplementary Disclosures.

- Audit and Finance
- Compliance and Ethics
- Governance and Co-operative Identity
  - Democratic Succession Committee, reporting to the Governance and Co-operative Identity Committee.
- Human Resources
- Risk
- Sustainability

*Back Row L - R: Michael Barrett (Chairperson of the Governance and Co-operative Identity Committee, Chairperson of the Resolutions Committee), Mark Reusser, Brent Clode (Chairperson of the Risk Committee), Tim Hofstra, John Kay, Chris Johnson (Chairperson of the Compliance and Ethic Committee), Mike Csversko (Chairperson of the Sustainability Committee)*

*Middle Row L - R: Jennifer Uhren, Lorna Knudson, Jim Laverick, Rod Wilson (Chairperson of the Human Resources Committee), Christie Stephenson, Pierre Dorval (Chairperson of the Audit and Finance Committee), Kate Hill*

*Front Row L - R: Jim MacFarlane, Shanti Samaroo, Reba Plummer, Jessica Provencher (Vice-Chairperson of the Board, Chairperson of the Democratic Succession Committee), Robert Moreau (Chairperson of the Board), Nicole Waldron, François Hastir*

*Absent: Shelley McDade*



Spotlight on

# Our governance



## 128

Delegates who nominate and elect our Board of Directors



## 22

Directors



## Board composition

### 10

Men

### 8

Women

### 0

Non-binary

### 4

Did not disclose

### 4

French speaking

### 4

Francophone identity

### 0

Indigenous persons

### 0

Neurodiverse

### 2

Racialized persons

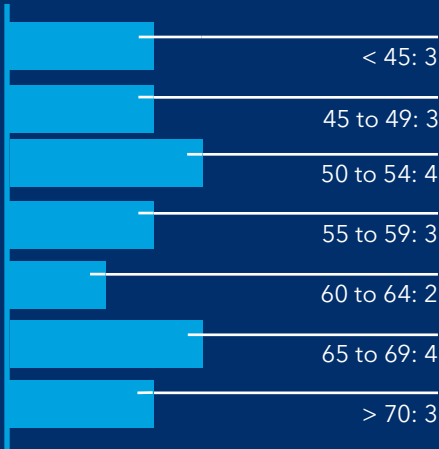
### 1

Persons with a disability (as defined in EEAC)

### 1

2SLGBTQI+

## Director age ranges



## 789

Cumulative years of experience among directors in the co-operative and credit union/caisse populaire sectors



## 103+

Number of days directors spent in individual training and development



## 10

Number of directors with an ICD.D or other governance designation



## 8

Number of directors with a professional designation



# 36%

Women on the board

2024: 41% 2023: 41%  
Target: 45% by the end of 2025

The board did not achieve 45% representation of women on the board by the end of 2025. The board remains committed to enhancing diverse representation as a key driver of our co-operative identity, competitive success and governance strength. However, the board recognizes that its diversity is an iterative process that is a product of our democratic governance structure and will be subject to temporary fluctuations.

In 2025 the board continued to dedicate significant time to advancing its approach to IDEA in Governance as it progressed on the delivery of its IDEA in Governance Strategy. A key initiative of this work included the adoption of an IDEA in Governance Policy, which replaced the Representation of Women on the Board policy that was adopted in 2016. The IDEA in Governance Policy established a new target to achieve gender parity between men and women, while ensuring there is space on the board for directors who may identify with genders outside of binary terms. For this reason, we adjusted our gender diversity on the board target in 2025 from 50% women to 45%, to honour Co-operators longstanding objective of achieving equal representation of men and women on the board and our commitment to inclusivity of all genders.

### Succession planning and board transformation/turnover

The board remains focused on its succession planning practices to ensure that it comprises individuals who bring the appropriate mix of skills, experience, and perspectives to oversee and guide our future success. Emphasis is being placed on succession planning for board leadership positions (board and committee chairperson roles), renewal mechanisms, and opportunities to progress our Inclusion, Diversity, Equity and Accessibility (IDEA) in Governance Strategy. In 2025 a 15-year director term limit went into effect resulting in the election of five new directors to the board and changes to six board and committee chairperson positions. To ensure continuity of effective governance, the five new directors participated in a robust orientation and onboarding program that delivered a phased process and included advanced communications to set expectations and identify priorities in a clear manner. Additionally, the chairpersons and potential future chairpersons participated in a full-day training session focused on effective chairing practices, leading while integrating IDEA in governance, in-camera meeting and consent agenda best practices, and shared insights from current chairpersons. The Democratic Succession Committee adopted three goals for 2025 to further its mandate: overseeing the progress and reporting on the diversity targets adopted by the Co-operators board under the new IDEA in Governance Policy; developing a new communication protocol, and increasing its awareness of the pool of mentees under the Delegate Mentorship Program; and taking an intentional approach to discerning the interest of past delegate mentees in becoming directors.

### Sustainability integration

With our continued focus on sustainability, a member of each standing committee sits on the Board's Sustainability Committee. This ensures better integration with each committee's mandate. Each Sustainability Committee representative reports the highlights of Sustainability Committee meetings to their standing committee and discusses any matters that may impact their work. In 2025, a new practice was adopted whereby the Sustainability Committee representatives also report highlights of meetings of their standing committees and discuss any matters that may impact the Sustainability Committee's work. Additionally, Board Sustainable Meeting Practices were established with the input of the Sustainability Committee to outline how directors can contribute in a practical way to sustainability objectives through their participation and support of sustainable meetings, while also maintaining effectiveness and productivity. The practices set ambitions and strategies relating to five key principles (reducing carbon emissions, reducing waste and resource use, reducing the environmental impact of food and beverage, practicing social responsibility, and ensuring meeting participant engagement), and includes progress measures for monitoring and evaluating the effectiveness of the practices to ensure continuous improvement.

For key highlights on climate-related board activity undertaken in 2025 by our board committees, please refer to the Governance section of our 2025 Climate Report.

### **Inclusion, Diversity, Equity and Accessibility (IDEA) in Governance**

Co-operators recognizes and values the benefits of having a diverse board and considers diversity as a key driver of our co-operative identity, competitive success, and governance strength. The board continued the advancement of IDEA within governance in 2025 by achieving significant progress on the execution of its IDEA in Governance Strategy, under the oversight of the Governance and Co-operative Identity Committee. A key initiative was the approval of an IDEA in Governance Policy, focused on advancing the board's approach to diversity by introducing IDEA dimension goals beyond skills and representation of women and integrating a broader lens to include representation of Designated Groups who have been historically underrepresented on boards. This includes Indigenous peoples, 2SLGBTQI+ persons, racialized persons, and persons with disabilities, and francophone identity representation. The board also supported Co-operators participation in The Prosperity Project to identify existing gaps and to track progress towards achieving a more diverse workforce focused on gender equity and leadership, including at the board level. The IDEA in Governance Strategy and Policy can be found online in our Supplementary Disclosures.

### **A focus on the changing nature of risk**

Risk oversight is an integral responsibility of the board. Co-operators and its subsidiary entities operate in a complex federal and provincial regulatory environment that informs our governance structure and risk practices. The Risk Committee has oversight of various Enterprise Risk Management activities focused on implementing several new and revised guidelines released by the Office of the Superintendent of Financial Institutions (OSFI), which have an ambitious implementation timetable for the industry. Key focus areas in 2025 were third-party risk, culture risk, and operational resilience and management of operational risk. The board approved an Enterprise Third-Party Risk Management Framework that encompasses all

third-party arrangements and provides an overview of the governance, process, and control expectations for our third-party risk management practices. A Board Oversight of Culture Framework was also approved to formalize the oversight of culture risk, which is increasingly recognized as a critical component of effective risk management. A Culture Risk Management Dashboard was also developed to complement the framework, with metrics for interdisciplinary reporting from the Human Resources, Enterprise Risk Management, Enterprise Compliance, Internal Audit and Corporate Governance departments to senior management and board committees. Additionally, the Risk Committee continues to receive progress updates on the Company's adherence to OSFI's operational risk management guideline, which will continue through 2026.

### **Strategic planning process underway**

In accordance with its Mandate and Terms of Reference, the board is responsible for setting the direction of our organization by participating in the development of, and giving final approval to, the purpose, vision, values, and corporate strategy. While execution of our 2023 to 2026 strategy remains a priority, the board and senior management began collaborating in 2025 to prepare for our next four-year strategic plan by confirming the overall approach and key steps for the 2027 to 2030 strategy development process. The board participated in a survey to provide their perspectives on the company's current identity and future aspirations. The board and senior management considered the findings of this survey alongside a robust environmental scan of external issues and trends, in addition to an evaluation of internal strengths and opportunities to refine the company's purpose, vision and values, and drafted an ambition statement for 2030. This process established a foundation for the 2027 to 2030 Corporate Strategy. The board will continue to work collaboratively with senior management throughout 2026 to progress the strategic planning process.

*“In a world of increasing complexity and uncertainty, effective risk governance is essential to our purpose. We’re continually evolving our risk management program to ensure we’re making sound decisions that support the achievement of our strategic goals.”*

Brent Clode, Risk Committee Chairperson

# Our members

We are governed by 45 members – a group of co-operatives, credit union centrals and representative farm organizations that operate on a co-operative basis. Together, we deliver broad benefits to members and clients, enriching the social fabric of our communities.

## **How we engage and support our members**

Our members participate in our governance, including nominating and electing our board of directors, and have an important influence on how we operate. Every two years, we conduct a Member Engagement Survey to help us measure the success of existing activities and to guide future initiatives. In 2025, we saw a participation rate of 96% and an overall result of 95%. Members responded overwhelmingly that they are positively engaged with Co-operators across our three primary components of engagement: Promote, Participate and Partner. The results of our latest Member Engagement Survey confirm that our governance practices and opportunities for input are viewed as meaningful and valuable, strengthening relationships across all member categories. Members also report feeling effectively engaged with Co-operators, underscoring the impact of our focus on delivering relevant products, services, and benefits to meet their needs.

Our 2025 Member Experience Summit was held virtually in October, providing an opportunity for the senior leaders of our member organizations to gather to hear a keynote from our CEO, an economic update from the president and CEO of Addenda Capital, and a member panel focused on “Leading Through Uncertainty with a Values-Based Lens.” With opportunity for questions and discussion, the time together was a chance to share the exciting news about plans for the Summit in 2026 that will take place over two days to allow for greater time to network and connect in person.

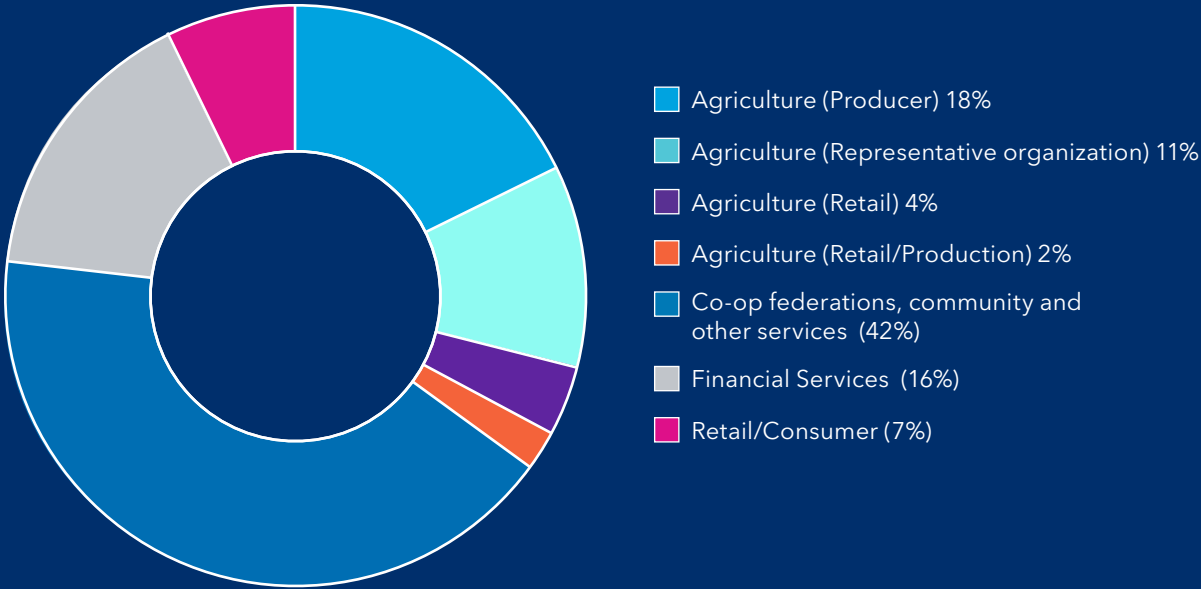
## **Bringing mutual benefits to our members**

True to our co-operative values, we share financial benefits with members through our Member Loyalty Program, which rewards members who do business with our organization. In 2025, this meant an annual payout of \$39.0 million to members, showing the strength and value of our co-operative partnership.

Spotlight on

# Our member organizations

Member organization sectors represented



*"The strength of co-operative membership is rooted in shared values, collective strength and long-term commitment. When communities unite behind a common purpose, the coop movement becomes vibrant, resilient and capable of achieving extraordinary impact."*

Patrice Gauthier, Executive Director, Écono Coop



45

Member organizations



Delegates represent

7

regions across Canada

British Columbia / Alberta / Saskatchewan / Manitoba / Ontario / Quebec / Atlantic

# Our member organizations

## British Columbia

- Agrifoods International Cooperative Limited†
- BC Agriculture Council
- BC Tree Fruits Cooperative\*
- Central 1 Credit Union†
- Modo Co-operative
- PBC Health Benefits Society
- Realize Solutions Co-operative

## 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
- Bee Maid Honey Limited†
- Caisse Populaire Groupe Financier Ltée\*
- Credit Union Central of Manitoba Limited
- Keystone Agricultural Producers

## Ontario

- Caisse Populaire Alliance Limitée
- Co-operative Housing Federation of Canada†
- Écono Coop†\*\*
- 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

- EXCELGRAN COOPERATIVE†
- Fédération des coopératives d'alimentation du Québec
- Fédération des coopératives du Nouveau-Québec
- Fédération des coopératives funéraires du Québec
- Fédération québécoise des coopératives de santé
- Fédération québécoise des coopératives en milieu scolaire/COOPSCO
- Sollio Cooperative Group
- 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

†Left in 2025

\*\*Joined in 2025

[Additional report information](#)

# Take a detailed look at our disclosures

Learn how we've aligned our strategy to the United Nations Sustainable Development Goals and get an overview of our strategic performance and our long-term goals. Get further details of our consolidated financial statements, investment portfolio ratings and capital tests. Finally, delve into how we assess and manage risks, and explore our integrated reporting process and report materiality.



United Nations Sustainable Development Goals

# Our strategy is linked to global sustainability efforts

In support of our vision to catalyze a resilient and sustainable society, we’ve endorsed all 17 of the United Nations Sustainable Development Goals (SDGs) and have aligned our 2030 Enterprise Long-term Goals to them.

To ensure that we are meaningfully and strategically aligning our organization to the SDGs, we have developed a framework to help illustrate our impact as an insurer, an investor, a business and a co-operative. While we have endorsed all the SDGs, our contribution to individual goals and targets varies based on where our business activities, expertise and influence can make the most relevant impact.

### Our SDG Framework

Co-operators role in society	SDG Contributions
<b>Insurer:</b> We offer products and services to help manage or transfer risk and settle claims.	2, 3, 7, 8, 11, 12, 13
<b>Investor:</b> We invest our financial assets and are an active investment steward, advocating for the SDGs.	2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 17
<b>Business:</b> We manage our business operations and the procurement of goods and services.	3, 5, 7, 10, 12
<b>Co-operative:</b> We engage our member organizations, invest in the sustainability and resilience of our communities, and advocate for sustainable policies, economies, and legislation.	All SDGs

# 2025 SDG highlights

The table below provides selected examples from 2025 that highlight where our strategic focus has most directly supported the SDGs; it does not represent all our efforts.

UN SDG	SDG target or indicator	2025 Highlight
<b>1: No poverty</b>	1.4 equal access to financial services	1.4 - Co-operators participates in the Fair Access to Insurance Roundtable, which aims to identify and advocate for solutions for overcoming barriers to accessing insurance, and to enhance the resilience of vulnerable households against disruptive events, particularly those exacerbated by climate change.
<b>2: Zero hunger</b>	2.4 build sustainable and resilient food and agricultural systems	2.4 - Through our impact investing efforts, we directed \$46.4 million of total impact investments into the theme of Food, Agriculture, and Natural Resources, supporting projects and initiatives that build food security, and support the sustainability and resilience of agricultural lands and food systems.
<b>3: Good health and well-being</b>	3.4 mental health and well-being	3.4 - We paid \$38 million in mental health-related group benefits claims in 2025.
<b>4: Quality education</b>	4.4 increase skills for employment	4.4 - Through Co-operators Community Funds (CCF), we support programming that helps to build job skills and enable underserved youth and individuals with mental health challenges to progress along their path to employment.
<b>5: Gender equality</b>	5.5 equal opportunity for women in leadership (5.5.2: The proportion of women in managerial positions)	5.5 - 38% of our senior leaders (vice-president and above) identify as women.
<b>6: Clean water and sanitation</b>	6.6 protect/restore water-related ecosystems	6.6 - Through Addenda Capital Inc., we have signed on as a partner and sit on the advisory board of the Valuing Water Finance Initiative, a global investor-led effort, facilitated by the NGO Ceres, to engage companies to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems, including protection of freshwater and coastal ecosystems.
<b>7: Affordable and clean energy</b>	7.2 increase renewable energy share	7.2 - Impact investments supported projects that generated 45.9 million MWh of renewable energy.*
<b>8: Decent work and economic growth</b>	8.6 reduce youth unemployment	8.6 - Through the Inclusive Economy area of focus of our corporate giving program, Co-operators Community Funds, and the Indigenous Youth Employability Program, we are focused on funding initiatives that aim to reduce youth unemployment.
<b>9: Industry, innovation and infrastructure</b>	9.1 develop resilient infrastructure	9.1 - Through the Resilience Acceleration Lab, we are seeking to build a pipeline of investable resilience and adaptation projects in communities and regions across Canada.

UN SDG	SDG target or indicator	2025 Highlight
<b>10: Reduced inequalities</b>	10.2 inclusion for all	10.2 - We provide group benefits coverage options that are rooted in the principles of Inclusion, Diversity, Equity and Accessibility. Designed for our group benefits clients and plan sponsors, these new coverages remove barriers to care and expand access to inclusive health and wellness benefits such as gender-affirming care; family-building benefits; Indigenous health benefits including traditional healing practices; and more.
<b>11: Sustainable cities and communities</b>	11.b communities adopt policies/plans for inclusion, resource efficiency and climate resilience	11.b - Through the Resilience Acceleration Lab, we're working to advance systems change efforts to build community climate resilience, working in partnership with the Federation of Canadian Municipalities, The Canadian Climate Institute, ICLEI Canada, the Institute for Catastrophic Loss Reduction, Climate Proof Canada, the Climate Bonds Initiative, and more.
<b>12: Responsible consumption and production</b>	12.5 reduce waste generation	12.5 - We're embedding circularity principles into our claims processes and forging partnerships to advance industry change by adopting innovative, less-wasteful approaches for insurance in Canada. Solutions such as drying-in-place, soft contents cleaning, vinyl repair and bumper and windshield recycling are all examples of how we're innovating our processes to reduce waste.
	12.6 corporate adoption of sustainable practices	12.6 - Addenda Capital advocates for and supports companies in adopting sustainable investing and ESG principles and reaching net zero targets.
<b>13: Climate action</b>	13.1 build climate resilience	13.1 - With our TomorrowStrong® coverage, we're working with clients to upgrade to wind, hail, and fire-resistant roofing after a claim, or to take additional preventative loss measures like installing security systems, sump pumps, or surge protectors.
<b>14: Life below water</b>	14.2 build resilience and restore coastal ecosystems	14.2 - See description for 6.6 - Protect/restore water-related ecosystems.
<b>15: Life on land</b>	15.1 conserve, restore and sustainably use ecosystems and their services	15.1 - We are in the process of developing a Position Statement on Nature and Biodiversity alongside our existing Climate Commitment statement. Through Addenda Capital we have also signed on as a participatory investor of Nature Action 100, which aims to mobilize investors to increase company action to stem nature and biodiversity loss.
<b>16: Peace, justice and strong institutions</b>	16.7 ensure responsive, inclusive, participatory, and representative decision-making	16.7 - Our board has adopted an IDEA in Governance Strategy and IDEA in Governance Policy, both of which can be found online in our Supplementary Disclosures.
<b>17: Partnerships for the goals</b>	17.17 multi-stakeholder partnerships	17.17 - Through our advocacy work and community investments, we build multi-stakeholder, cross-sector partnerships that can build imaginative solutions to pressing environmental, social and financial challenges.

\*Impact values are for fiscal 2024 and 2025. These impacts do not result solely from our investments, but depict the total impact achieved by the projects and initiatives in which we invest

# Our 2025 strategic performance

Note: If the target is due in 2026, terminology is “above expectations”, “on track”, or “below expectations”. If the target is due in the current reporting year, terminology is “exceeded”, “achieved”, or “not achieved”.

## Co-operative identity

Strategic KPI	Target	Description	2025	2024	2023	Status	Discussion
<b>Co-operative business volume*</b>	\$1.6 billion by the end of 2026	Premiums and deposits from clients who do business with us through a Member Benefits Program (includes Creditor Business through CUMIS), Co-op Guard, or other products where the co-operative may not be part of our member organizations.	\$1.71 billion	\$1.58 billion	\$1.46 billion	Above expectations	Total Co-operative Business Volume grew at a rate of 8.39% in 2025 to \$1.71 Billion, which exceeded our 2026 target. Growth in varied areas offset the loss of some member commercial business, and our Member Benefits Program continues to grow steadily, thanks in large part to high member engagement and promotion.
<b>Member engagement</b>	N/A	The level of relationship effectiveness as evaluated by delegates and corporate contacts.	95%	N/A (Biennial)	93%	N/A	In the past 36 months, a majority of our member organizations have onboarded new executives and/or senior management representatives. Growing relationships with these leadership-level corporate contacts has been a key priority for us, and these efforts have resulted in an increase in engagement among that leadership group since the prior survey in 2023.
<b>Community contributions</b>	4.0% to 4.5% of net income before taxes annually	The amount of pre-tax profits (attributable to members) contributed to communities through Canadian co-operatives, non-profits and charities. Calculation uses current year contributions and average pre-tax profits from the prior five years.	4.05%	3.80%	4.06**	Achieved	In 2025, we contributed 4.05% of net-income before taxes into communities, which positions us within our target range of 4-4.5%. Co-operators received the PRISM Certification by Imagine Canada in 2025, recognizing our commitment to investing at least 1% of pre-tax profit in community initiatives.

\*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.

\*\*Result has been restated to two decimal places in alignment with other annual results

## Client engagement

Strategic KPI	Target	Description	2025	2024	2023	Status	Discussion
<b>Co-operators brand awareness</b>	Within 5% of Insurance and Wealth Competitor Average (51%) annually	The national brand health tracking survey conducted by Northstar tells us how aware consumers are of our brand, compared to our peers.	Awareness: 51%	Awareness: 46%	Awareness: 47%	Achieved	Our brand awareness score remained within the 5% of the competitor average (which was 51% in 2025). This was achieved through the implementation of an enhanced go-to-market media and creative strategy designed to maximize our brand visibility and awareness.
<b>Omni channel client experience</b>	Top 5 amongst our peer group annually	Relationship Net Promoter Score (NPS) measures how likely clients are to recommend Co-operators to a friend or relative. Result is the average of quarterly results compared to competitors in the home and auto segment.	Tied for 3 <sup>rd</sup>	Tied for 3 <sup>rd</sup>	Tied for 3 <sup>rd</sup>	Achieved	Co-operators maintained its 3rd rank year over year within the Canadian P&C market. Overall customer experience performance showed modest movement, while remaining aligned with expected performance for this rank position. Results are reported using rank position rather than absolute scores to align with the terms of the target, based on NPS Prism® methodology. NPS Prism® is a registered trademark of Bain & Company, Inc.

## Profitability and growth

Strategic KPI	Target	Description	2025	2024	2023	Status	Discussion
<b>Operating revenue growth</b>	\$7.7 billion by the end of 2026	Insurance revenue plus other income measures our top line from both insurance and non-insurance services.	\$7.14 billion	\$6.50 billion	\$5.81 billion	Below expectations	Shortfalls in our insurance operations, combined with a shortfall in fees and our ancillary business segment incomes, resulted in 2025 outcomes falling below target. Key strategic decisions to limit P&C growth in specific markets to address profitability concerns, and soft market conditions within the Commercial market, were the primary drivers.
<b>Wealth AUM/AUA growth</b>	\$7.9 billion by the end of 2026	Assets under management (AUM) and Assets under Administration (AUA) are indicators of business volume. Includes segregated funds, mutual funds, and investment contracts. Excludes Addenda and Aviso.	\$7.77 billion	\$6.86 billion	\$5.79 billion	Above expectations	Our wealth management operations benefited from strong performance in financial markets in 2025 and continued deposits growth in our advisor channel.
<b>Client growth</b>	1.07 million clients by the end of 2026	The total number of clients within our Guided Omni Channel.	1,009,830 clients*	1,031,692 clients*	982,547 clients	Below expectations	Our Guided OMNI channel served 22,000 fewer clients than it did a year ago, acknowledging that with rating challenges in Ontario and Alberta, client growth has been impacted particularly in the Home and Auto lines. With these challenges in mind, we are tracking below expectations in relation to our 2026 target.

\*These results reflect Advisor household count.

Strategic KPI	Target	Description	2025	2024	2023	Status	Discussion
<b>CGL operating revenue growth excluding private passenger</b>	\$5.4 billion by the end of 2026	Operating revenue excluding private passenger auto. Includes revenue from all distribution channels.	\$4.69 billion	\$4.37 billion	\$4.04 billion	Below expectations	Our revenue (excluding private passenger auto) was below annual plan and is trending below expectations relative to our 2026 target. This has been driven primarily by shortfalls in our consolidated Travel line, the Creditor line as well as most non-auto P&C lines.
<b>Advisors' operating revenue growth excluding private passenger</b>	\$345 million by the end of 2026	Advisors' operating revenue, excluding private passenger auto. This is revenue for advisors and an expense for CGL.	\$351 million	\$317 million	\$287 million	Above expectations	Total Advisor operating revenue (excluding private passenger auto) was above annual plan in 2025 and is trending above expectations relative to our 2026 target. This has been driven by above-plan P&C bonus, life/wealth commissions and bonus, partially offset by below plan non-private passenger auto commissions.
<b>P&amp;C expense ratio</b>	At or better than industry by the end of 2026	The ratio of all expenses to insurance revenue. Excludes Sovereign.	27.8%	28.9%	30.3%	On track	Our 2025 expense ratio improved from 2024 and is on track relative to our 2026 target. Savings initiatives to find efficiencies throughout the P&C organization were successful and allowed us to maintain our level of spend on strategic initiatives.
<b>P&amp;C combined ratio</b>	95.7% by the end of 2026	The ratio of all expenses, plus claims and adjustment expenses, to insurance revenue. Excludes risk adjustment and discounting. Includes Sovereign.	94.1%	102.2%	104.4%	Above expectations	We achieved favourable results in 2025, above our expectations, primarily driven by lower-than-expected accident year claims, favourable development on prior years claims, and lower-than-expected losses from major events.
<b>Life general expense ratio</b>	17.5% by the end of 2026	The ratio of general expenses to net earned premium plus fees and other income. Excludes income from investments in Aviso and AZGA Services Canada Inc.	20.7%	19.1%	22.2%	Below expectations	Our general expense ratio is trending below expectations compared to target. This is mainly due to lower-than-expected financial results as our topline growth is not supporting general expense ratio reduction.
<b>Life return on equity (shareholder)</b>	13% to 17% annually	Total ROE excluding participating policyholders, non-controlling interest, and accumulated other comprehensive income.	9.5%	8.5%	17.2%	Not achieved	This metric was below annual plan in 2025 due primarily to unfavourable valuation changes and below-plan premiums. Continued areas of focus to address this are replacing legacy portfolios with profitable new business, driving growth across several lines of business, and maintaining strong expense discipline.
<b>CGL return on equity</b>	10% to 12% annually	Total ROE excluding participating policyholders, non-controlling interest, and accumulated other comprehensive income. Adjusted for impact of invested assets at CFSL.	17.5%	6.6%	5.3%	Exceeded	We exceeded our target mainly due to favourable underwriting results in our P&C operations as well as very strong equity market performance in the year.

## Business capabilities

Strategic KPI	Target	Description	2025	2024	2023	Status	Discussion
<b>Emerging business models</b>	N/A	We are developing new capabilities and partnerships in the embedded insurance marketplace to help navigate evolving client preferences and ensure a positive experience however Canadians choose to interact with us.	N/A	N/A	N/A	N/A	We continue to work closely with our partners and regulators to strengthen and expand the embedded insurance business-to-business ecosystem in Canada. Our partners are seeing value in offering insurance directly within their customers' lifecycle, and we will continue to support them as they grow.
<b>Adjacent business models</b>	N/A	We are pursuing new opportunities adjacent to our core business that contribute to building resilience for Canadians and Canadian communities.	N/A	N/A	N/A	N/A	We strengthened existing home service business capabilities by simplifying operations and improving scalability with the new leadership teams in place at Carson Dunlop & Associates Ltd. and Custodia Group Inc. We advanced our homeownership ecosystem role by offering trusted unbiased advice and providing proactive home maintenance services enabling Canadian homeowners to be more resilient.

## Workforce capabilities

Strategic KPI	Target	Description	2025	2024	2023	Status	Discussion
<b>Global Diversity, Equity, and Inclusion Benchmarks (GDEIB)</b>	Overall GDEIB between Progressive and Best Practice (>4.2 out of 5) by the end of 2026	The Global Diversity, Equity, and Inclusion Benchmarks (GDEIB) is the leading indicator globally for measuring and advancing diversity, equity, and inclusion.	4.43	4.20	3.93	Above expectations	Our 2025 GDEIB score reflects significant progress, with 15 new benchmarks achieved, of which seven are at the best practice level. Scores increased in seven categories, and our organization continues to demonstrate leadership in Inclusion, Diversity, Equity, and Accessibility through ongoing initiatives and dedicated resources.
<b>Employee engagement score</b>	At or above financial services industry average annually	Pulse surveys conducted by Glint to measure how happy employees are working at Co-operators and if they recommend it as a great place to work. Result is the average of pulse surveys conducted in the year.	78.5	77	78	Achieved	We exceeded the financial services industry annual benchmark by one and a half points in 2025, supported by strong action-planning from our leadership teams and adoption of the Glint tools and methodology. Strengths in career path, communication, and inclusive leadership drove results, with decision speed, action taking, and accountabilities noted as areas of improvement.
<b>Advisor engagement score</b>	55 to 60 by the end of 2026	Annual survey to measure advisor engagement and satisfaction.	62.5*	38%	44%	Above expectations	Strengthening Advisor engagement remained a key focus in 2025. This commitment was demonstrated through enhanced feedback channels, active listening, and deeper collaboration to increase the engagement score. This approach supports alignment between organizational objectives and the shared vision of our Financial Advisors, who are integral to our ongoing success. *2025 marks the first year Advisor Engagement was fully calculated using Glint.

# Our long term metrics and targets

We measure progress toward our long-term enterprise goals through metrics and targets, which may evolve over time to ensure they continue to be relevant and impactful.

Metric	Description	Target	Interim Target	2025 Result	2024 Result
<b>2030 Goals</b>					
% of investments in impact, resilience or climate transition	The percentage of our total investment portfolio that is invested in impact investments, resilience investments, or climate transition investments, all of which contribute to more resilient, sustainable communities.	60% by 2030	50% by 2026	60.2%	52.6%
% of revenue that is aligned with a "resilient, and sustainably and inclusively prosperous" future	This metric has been defined as "sustainable revenue" by Corporate Knights' Sustainable Economy Taxonomy. By measuring the proportion of our revenue that aligns with this global standard, we track the impact of integrating sustainability into our business and think critically about how we can enhance or provide new offerings.	Under consideration	N/A	27.5%	27.2%*
<b>2040 Goals</b>					
Operational emissions	Includes both direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3), including emissions resulting from corporate offices, Financial Advisor offices, fleet vehicles, business travel, employee commuting and working from home, and Information Technology assets and services.	Net zero by 2040	45% reduction by 2030	35.8%	32.6%*
<b>2050 Goals</b>					
% change in financed emissions intensity	By reducing the emissions associated with our investment portfolio, we can measure progress towards achieving net-zero emissions in our investments, which we are committed to reaching by 2050.	Net zero by 2050 at the latest	25% reduction by 2025	12.3% reduction	6.3%* reduction

\*The 2024 result has been restated.

# 2025 financial statements

## Income statement summaries

### P&C operations direct written premium by lines of business

Direct written premium in our P&C operations increased 7.0%, due to higher average premiums and policy growth across most lines of business and all regions. Our commercial line grew 2.8% amidst the current soft market conditions.

### Life operations premiums and deposits by lines of business

Our life operations' total premiums and deposits grew 3.2% in 2025 (growth of 4.3% after excluding a one-time acquisition in 2024) reflecting a robust organic performance. Growth was again driven by our retail and group wealth management lines, strong retention in group benefits, and solid growth in individual Insurance. Mutual fund deposits, which play a central role in our end-to-end financial planning offering, grew 16.4% year over year.

### Net investment income and gains

Our investment results, which continue to be impacted by the volatility of interest rates and equity markets, decreased year-over-year as lower gains were partially offset by higher interest income. In 2025, the yield curve steepened with short-term yields decreasing and long-term yields increasing and led to unrealized gains in our bond portfolio. Both common and preferred equity markets had an extremely strong year which led to another year of significant gains in these portfolios. Interest income increased as a result of our bond portfolio growing with our book of business as well as maturing and turning over and subsequently being reinvested at higher yields.

## The Co-operators Group Limited

Summarized consolidated Statement of Income  
Year ended December 31

(in millions of dollars)	2025	2024
Insurance revenue	6,908.4	6,272.5
Insurance service expenses	(5,612.7)	(5,640.1)
Net expenses from reinsurance contracts	(198.7)	(56.1)
<b>Insurance service result</b>	<b>1,097.0</b>	<b>576.3</b>
Net investment income and gains (losses)	764.3	824.4
Movement in investment contract liabilities	(7.7)	(10.9)
Net finance income (expense) from insurance contracts	(220.3)	(297.9)
Net finance income (expense) from reinsurance contracts	18.6	15.8
<b>Net investment and insurance finance result</b>	<b>554.9</b>	<b>531.4</b>
Fees and other income	227.8	230.4
Other operating expenses	(942.3)	(874.8)
<b>Other operating income and expenses</b>	<b>(714.5)</b>	<b>(644.4)</b>
Income before income taxes	<b>937.4</b>	<b>463.3</b>
Income tax expense	(242.1)	(101.4)
<b>Net income</b>	<b>695.3</b>	<b>361.9</b>
<b>Net income attributable to:</b>		
Members	658.7	267.6
Participating policyholders	26.7	83.5
Non-controlling interest	9.9	10.8
<b>Net income</b>	<b>695.3</b>	<b>361.9</b>

**Summarized consolidated balance sheet**

Our balance sheet maintained its strength, backed by over \$6.0 billion in capital. External rating agencies continue to assess our capital as very strong and our regulatory capital positions, as measured by the Minimum Capital Test (MCT) and the Life Insurance Capital Adequacy Test (LICAT), also continue to remain strong with our ratios well above regulatory requirements. Our robust financial position enables us to provide financial stability to support our policyholders and allows us financial flexibility to support growth and our strategic initiatives. Invested assets increased by 8.7% in the year as a result of a reinvestment of cash generated from investment income and higher valuations due to favourable movements in the market. Our bond portfolio makes up 63.8% of the portfolio and is well-diversified geographically and by sector with over 97.7% of bonds considered investment grade.

**The Co-operators Group Limited**

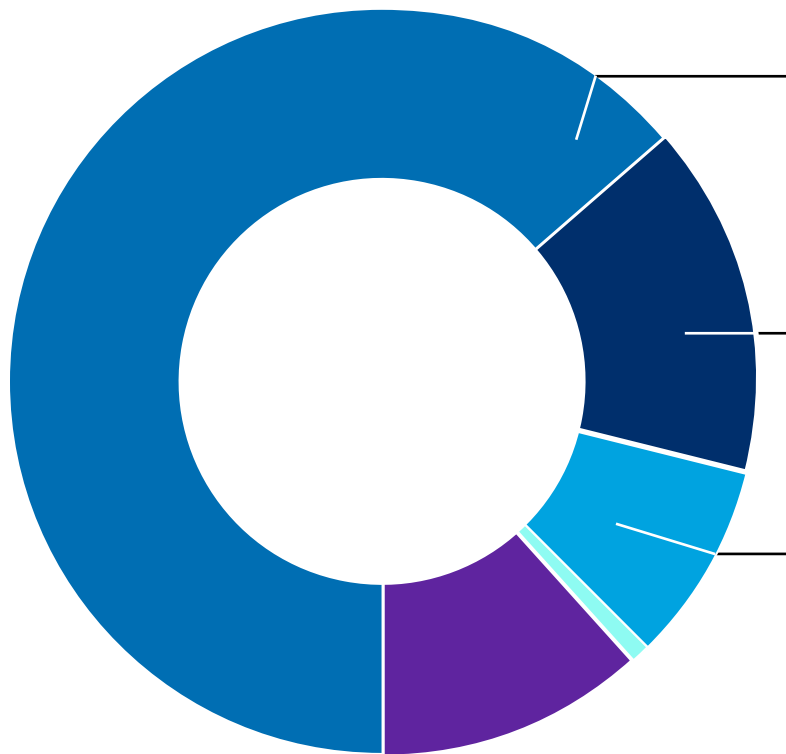
Summarized consolidated Statement of Financial Position  
As at December 31

<b>(in millions of dollars)</b>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Invested assets	14,629.9	13,456.8
Segregated fund assets	4,315.0	4,065.0
Other assets	3,443.1	3,194.8
<b>Total assets</b>	<b>22,388.0</b>	<b>20,716.6</b>
<b>LIABILITIES</b>		
Insurance and investment contract liabilities	10,183.9	9,733.1
Segregated fund liabilities	4,315.0	4,065.0
Other liabilities	1,818.5	1,597.5
<b>Total liabilities</b>	<b>16,317.4</b>	<b>15,395.6</b>
<b>EQUITY</b>		
Member equity	4,863.4	4,144.9
Participating policyholder account equity	996.8	963.4
Non-controlling interests	210.4	212.7
<b>Total equity</b>	<b>6,070.6</b>	<b>5,321.0</b>
<b>Total liabilities and equity</b>	<b>22,388.0</b>	<b>20,716.6</b>

Invested asset mix

# We invest our assets responsibly for our stakeholders

How we invest our assets influences our financial stability, as well as our investment returns. Bonds make up the majority of our asset portfolio, which have a lower risk profile relative to other investments.



- Bonds (63.8%)
- Stocks (15.2%)
- Mortgages (8.5%)
- Other (11.5%)
- Short-term investments (1.0%)

**Bonds** - consists of Canadian government debt instruments and corporate bonds diversified both geographically and by sector. The credit quality of the portfolio is as follows:

AAA	21.6%	BBB	17.6%
AA	30.6%	Below BBB	2.3%
A	27.9%	Not rated	0%

**Stocks** - consists largely of publicly traded common and preferred shares and is diversified by geography, sector and issuer:

Canadian	52.7%	U.S.	13.9%
Canadian Preferred	31.6%	International	1.8%

**Mortgages** - primarily in a diversified portfolio of Canadian commercial properties.

Loss ratio of 0.62% over the last five years.

**Ratings**

External rating agencies rate our companies and recognize our strong capital position along with our strong brand recognition in the industry, diversified operations and multi-channel distribution strategy. All ratings are investment grade (BBB-/bbb- or better). [Information on Issuer Credit Rating and Financial Strength Rating can be found online at cooperators.ca.](https://www.cooperators.ca)

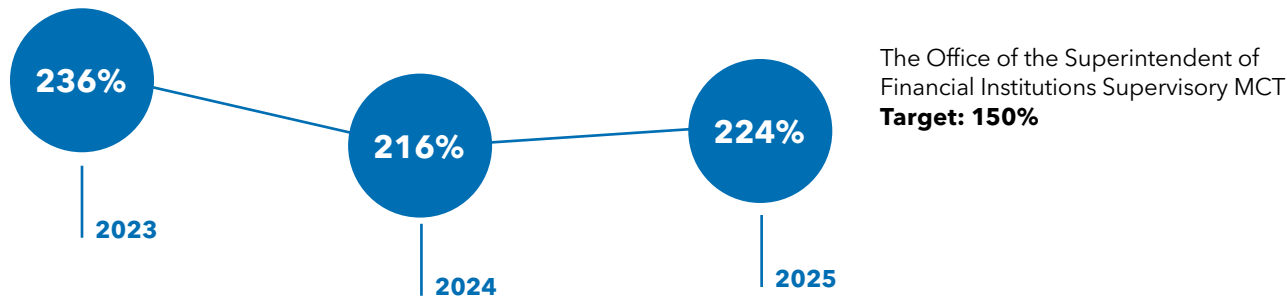
Capital tests

# Our strong capital position provides financial security in challenging times

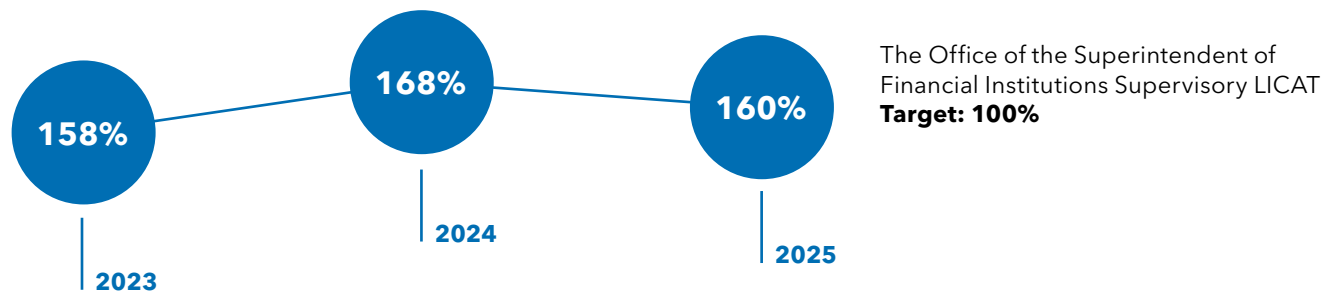
*Our capital enables us to protect our policyholders amid volatile insurance and economic environments, meet regulatory and external requirements and expectations, and invest in strategic initiatives that support both our short- and long-term objectives. It also allows us to continue to invest in and build resiliency within our communities. By maintaining a very strong capital position, we remain well prepared to navigate future uncertainties and adapt to evolving market conditions.*

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 companies.

## Co-operators General Insurance Company Consolidated Minimum Capital Test (MCT)



## Co-operators Life Insurance Company Consolidated Life Insurance Capital Adequacy Test (LICAT)



## Risk management

# We manage risk through a robust and continuous process

*We continuously and effectively balance the risk-reward trade-off of our enterprise, while remaining consistent with our co-operative vision and values. This preserves our ability to thrive within our overall appetite for risk. To do so, we use sophisticated modelling to support decision-making in setting risk-based capital targets, which are essential to our strength and our clients' financial security. We view risk management as a shared responsibility of all business lines and all employees across our co-operative.*

## Our enterprise risk management program

Our enterprise risk management team undertakes an annual structured and integrated assessment to independently identify key risk factors that may impact our ability to achieve our strategic goals and objectives. The results and discussions that stem from this assessment inform our business and strategic planning processes, operations and decision-making. In addition, with the support of our capital modelling teams, we annually evaluate our capital management plans alongside our evolving risk profile to ensure we have appropriate capital levels to responsibly manage the risks we accept.



# We manage and anticipate risks to prepare for an uncertain future

*To understand and prepare for the risks and opportunities in the world around us, we follow a rigorous process. An effective risk management function allows us to transform our business strategy, operations and decision-making to meet the needs of our members, clients and communities; not just today, but long into the future.*

## How we define our risk appetite

Our risk appetite defines the types and amount of risk we are willing and able to responsibly accept, while earning an appropriate return and fulfilling our strategic goals and objectives. It describes the risks we will avoid, the risks we are prepared to assume and the limits we place on assumed risks. We develop and establish our enterprise risk appetite through a collaborative culture between ERM and other departments across our organization.

## Our risk universe

We categorize the top risks and monitor and manage them through our risk universe.

### Risk type

### Top risk in 2025

#### Global issues

Includes the risk of change to our internal or external environment as a result of changes in political power or geopolitical tensions/conflict.

#### Geopolitical risk

This risk continues to be a major focus, with several prominent areas of concern remaining as potential spill-over points: U.S. politics, Middle East tensions, China-Taiwan relations, the Russia-Ukraine conflict, and to a lesser extent, Canada-India relations.

#### Insurance risk

Includes risk of financial loss from claims and/or paid benefits that are higher than expected when initially priced. This includes exposure to catastrophic perils that would impede our ability to meet business goals, including climate-related catastrophes. It also includes risks related to our life, health and travel insurance lines of business.

#### Extreme weather and climate change

As we experience more extreme weather activity, we face increasing risk that our property insurance products will fail to remain affordable over the long-term. To mitigate against this possibility, we continue to expand our offering of innovative and sustainable insurance solutions, and to advocate for the importance of addressing climate-change risks. Our Climatic Hazards and Advanced Risk Modelling (CHARM) team has made significant investments in research and development to provide strategic insights based on advanced modelling and analytics.

---

**Operational risk**

Includes risks to prolonged interruption in business operations after a disruption, risks associated with executing on projects effectively, risks of legal and regulatory compliance, risks associated with technological gaps and data security, and more.

**Future of work**

The workplace landscape is continually evolving through constant technological disruptions, changing work models and workforce shifts. To maintain a resilient and adaptable workforce, it is essential that we effectively implement and manage organizational change. This involves streamlining processes, leveraging technology, and addressing challenges in project management, all while fostering a culture of continuous improvement and agility.

**Cyber security risk**

The evolving nature of sophisticated cyber attacks globally are growing, putting us at increased risk if we fail to stay current in addressing vulnerabilities. Data privacy breaches could result in disruption to our clients and impact our organization materially through both financial losses and reputational impacts. In recent years, we have made significant investments to modernize our technology platforms and protect against cyber vulnerabilities, while leveraging new technologies to provide a much higher level of service, adaptability and affordability for our clients.

We have partnered with leading cyber security firms, which give us real-time access to cyber threat intelligence blogs, feeds and regular dialogues to discuss threat actors and activity. Our Center for Security Operations integrates this intelligence into our incident and activity monitoring tool for prevention, early detection, and to strengthen our mitigating response strategies.

---

**Strategic risk**

Includes risks of not understanding client preferences and behaviours, risks posed by changes in the competitive market, and risks presented by business landscape changes.

**Shifting client preferences and behaviours**

Social expectations for products, services and digital purchasing preferences are shifting quickly and significantly. This shift is driving an accelerated pace of technological change and product/service re-design. If we fail to adequately respond to these shifting preferences and behaviours, it could inhibit our ability to deliver on our strategic priorities.

We are enhancing our digital platforms and embedded experiences, guided by the Emerging Business Model (EBM) team's monitoring of new technologies. Alongside adapting to client preferences, we are also improving our claims technology to ensure a faster and smoother claims adjusting experience for our clients.

---

Regulatory expectations for risk management have grown significantly in recent years, particularly in relation to non-financial risks. As part of its broader strategy to address emerging vulnerabilities within the financial system, OSFI has continued its thematic reviews throughout 2025. We remain committed to enhancing our risk management practices and ensuring full adherence to OSFI's guidelines.

[Report materiality process](#)

# How we determine report materiality

*To determine the most relevant material topics for our Integrated Annual Report, we use a combination of internal expertise, external research, and insights and input from our key stakeholders and their proxies. In 2024, we conducted a materiality assessment through a structured process, which included environmental scans and research of relevant global and industry issues and trends, and a survey of internal and external stakeholders and their proxies to determine our priority material topics.*

## **Three dimensions of materiality: Financial, Impact, and Purpose**

Our assessment considered a double materiality perspective: understanding the financial effects of topics on our organization (financial materiality), and our organization’s effects on topics (impact materiality). However, considering just these two lenses ignored a critical third perspective for purpose-driven organizations, such as ourselves. Therefore, we then added a third materiality dimension to assess those topics that could have the greatest impact on our purpose, the financial security of Canadians and our communities, over the short and/or long term.

## **2024 Results**

The illustration below shows the topics currently considered to be the most material, rated by our stakeholders. The size of the circles correlates to the third “purpose” dimension. Out of an original list of 23 topics, the twelve most highly-rated appear in the top right quadrant of the graph. These topics were deemed to be our most material for reporting purposes. However, there were also five other topics that, while deemed less material by our stakeholders, are still considered to be of significant importance to Co-operators (listed below as “Other significant topics”) and were therefore deemed material for the purposes of our Integrated Annual Report.

# Results of materiality assessment

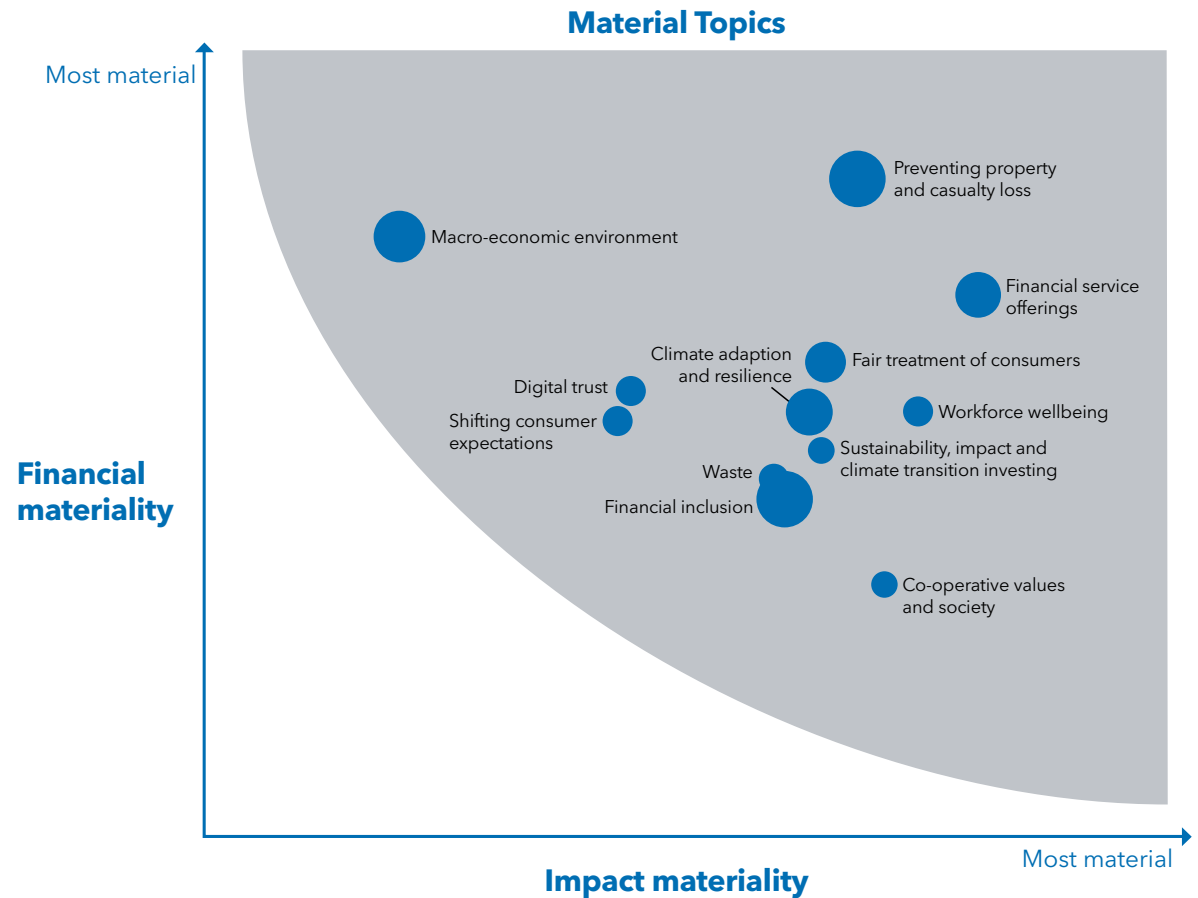
The following four topics were each highly ranked for all three dimensions of financial, impact and purpose: Financial service offerings; Preventing property and casualty loss; Fair treatment of consumers; and Climate adaptation and resilience.

## Top material reporting topics

1. Preventing property and casualty losses
2. Financial service offerings
3. Financial inclusion
4. Climate adaptation and resilience
5. Fair treatment of consumers
6. Workforce wellbeing
7. Macro-economic environment
8. Sustainable, impact and climate transition investing
9. Digital trust
10. Waste (claims)
11. Shifting consumer expectations
12. Co-operative values and society

## Additional material topics (Not pictured in graph)

13. Demographic shifts
14. Business ethics
15. Labour trends
16. Social wellness
17. Reconciliation
18. AI and technological advancement
19. Inclusion, Diversity, Equity & Accessibility (IDEA)
20. Decarbonization
21. Socio-political trends
22. Responsible procurement
23. Biodiversity/nature



The illustration shows the topics currently considered to be the most material, rated by our stakeholders. The size of the circles correlates to the third "purpose" dimension.

### Our process

To determine the most material sustainability topics, we used internal sustainability expertise and insights from key internal and external stakeholders.

### Topic selection

Co-operators sustainability experts created a long topic list (of 207 topics) derived from environmental scans; a range of sustainability standards, such as the Global Reporting Initiative (GRI), the Principles for Sustainable Insurance (PSI) and the Sustainable Development Goals (SDGs); as well as other external sources such as the World Economic Forum – The Global Risks Report 2024, and Sustainalytics. Internal sources including past materiality assessments, surveys and environmental scans were also used.

All topics were assessed by internal sustainability experts in terms of the relevance of the topics according to Co-operators three materiality dimensions (financial, impact, and purpose). Duplicate and similar topics were then consolidated and/or grouped into themes. Through this process, the broader list was reduced to 23 topics.

### Stakeholder selection

Our existing list of key stakeholders was reviewed and confirmed to still be relevant. We considered the following groups for the materiality assessment:

- Clients: Canadians and Canadian businesses, co-operatives, community-based and non-profit organizations.
- Members: the co-operatives, credit union centrals, representative farm organizations and other like-minded organizations who govern us.
- Employees: The people we employ across the country
- Financial Advisors and their staff: The people who serve our clients in communities across Canada.
- Communities and community partners: The people and places that connect our key stakeholders.
- Government and regulators: Elected and non-elected decision makers who legislate and regulate our industry.

We determined who from each stakeholder group would be selected to participate in the materiality assessment, including their proxies. The online materiality survey was then distributed to a selected number of internal and external stakeholders and/or their proxies.

### A note on the term “stakeholder”

We recognize that Indigenous Peoples are rights holders, not stakeholders. In this report, the term stakeholder is used in the context of reporting materiality, in alignment with common financial and non-financial disclosure language, accounting standards and guidelines. We do not use the term stakeholder when referring to direct engagement with Indigenous community partners or other groups of people around projects, initiatives, investments or partnerships, instead using terms including “community partner”, “partner”, “collaborator” or “community”.

### Assessment

The stakeholders were asked to rate the topics in a structured online survey, using the lens of double materiality (plus a third dimension of purpose) to inform their decisions.

According to the concept of double materiality, a topic is material from a financial perspective (ie the financial effects of topics on Co-operators) or from an impact perspective (ie the Co-operators effects on topics). Our third dimension examined the topics from a purpose perspective (ie a topic’s impact on Co-operators ability to achieve its purpose). Respondents were asked:

1. Impact: Assign a rating to each topic based on your sense of how significant an impact Co-operators can have on the topic (positive or negative) over the next 2 years. With this question we aim to assess on which topics Co-operators can have the greatest impact over the short-term (inside-out interactions).

2. Financial: Assign a rating (likelihood x magnitude) for each topic based on your sense of how it affects Co-operators financial performance over the next 2 years. With this question we aim to assess which topics will have the greatest impact on Co-operators financial performance over the short-term (outside-in interactions).
3. Purpose: Assign a rating (likelihood x magnitude) for each topic based on your sense of how it affects the financial security of Canadians and our communities over the next 2 years. With this question we aim to assess which topics will have the greatest impact on Co-operators purpose over the short term (outside-in interactions).

### Analysis of results

We received 28 survey responses representing all stakeholder groups. Survey results were analysed by internal sustainability experts and a list of material topics was selected. Results were plotted on a graph and those in the top right quadrant of the graph were deemed to be the most material.

### Validation of results

Results were consolidated, summarized and provided to the Integrated Annual Report senior advisory committee, and our executive core management group. Results were then presented to our Board Sustainability Committee for discussion and validation at their November 2024 meeting.

Report materiality process

# Annual Stakeholder engagement

*We engage with key stakeholders to connect with what matters, including materiality. Throughout the year, we stay in touch with the people, organizations and institutions that are most integral to our purpose. Our key stakeholder groups overlap and interact with one another and with our co-operative.*

Key stakeholder	How we engage them
<b>Clients:</b> Canadians and Canadian businesses, co-operatives, community-based and non-profit organizations.	Surveys, focus groups, usability studies and market research polls.
<b>Members:</b> The co-operatives, credit union centrals, representative farm organizations and other like-minded organizations who govern us.	Annual general meeting, Board meetings, region committee meetings, surveys, and in-person and virtual meetings.
<b>Employees:</b> The people we employ across the country.	Employee surveys, town halls, intranet, internal social platforms and focus groups.
<b>Financial Advisors and their staff:</b> The people who serve our clients in communities across Canada.	Town halls, annual sales conferences, surveys, webinars and in-person and virtual meetings.
<b>Communities and community partners:</b> The people and places that connect our key stakeholders.	Surveys, research, events, speaking engagements, forums, in-person and virtual collaborations.
<b>Government and regulators:</b> Elected and non-elected decision makers who legislate and regulate our industry.	Agenda-setting, meetings and consultations, advocacy and industry associations.

About The Co-operators Group Limited

# We're a group of companies that provide financial strength and security

As a leading Canadian financial services co-operative with \$79.3 billion in assets under administration, The Co-operators Group Limited provides property and casualty (P&C) insurance, life insurance, investment management, institutional asset management and brokerage operations.

### **The Co-operators Group Limited**

Learn more about our group of companies and how we meet the needs of clients across the country.

#### **Addenda Capital Inc.**

Provides discretionary investment management services to a wide range of organizations, foundations, endowments and individuals, as well as the companies of Co-operators Group Limited.

#### **Carson Dunlop**

Provides home inspection and report writing services as well as training for home inspectors.

#### **Co-operators General Insurance Company**

Provides Home, Auto, Farm, and business insurance across Canada and distributes Life insurance and Wealth Management products for Co-operators Life Insurance Company.

#### **Co-operators Life Insurance Company**

Provides Life and health insurance, as well as wealth management products for individuals and groups across Canada.

#### **Co-operators Financial Investment Services Inc.**

Distributes third-party mutual funds through our exclusive Financial Advisor network across Canada.

#### **CUMIS General**

Provide insurance-related products and services, including travel insurance, for Canadian credit unions, caisses populaires and their members.

#### **Custodia**

Provides home and property maintenance as well as personal assistance services to seniors.

#### **Federated Agencies Limited**

Provides personal, commercial and financial services products for strategic business partners.

#### **The Edge Benefits Inc.**

Provides simplified disability insurance products to Canadians, with a focus on the self-employed marketplace.

#### **The Premier group of companies**

Offers professional liability, specialty casualty, and general property coverage through a network of brokers and Co-operators Financial Advisors.

#### **The Sovereign General Insurance Company**

Provides tailored risk solutions for Canadian business through multiple distribution channels.

#### **Smart Employee Benefits Inc.**

Provides benefits processing software, solutions and services to employers and plan sponsors.

[Additional information about our workforce](#)

# Our employees are our greatest strength

*The people we employ in our group of companies are essential in bringing our strategy to life, and they work from communities across the country to meet the needs of our members, clients and communities.*

Total number of employees\*

**7,828**

Gender representation of total workforce\*\*

**61%** **39%**  
Women Men

## Number of full and part-time employees by province

Northwest Territories:  
full-time 3 / part-time 0

British Columbia:  
full time 211 / part time 16

Alberta:  
full time 842 / part time 20

Saskatchewan:  
full time 564 / part time 14

Manitoba:  
full time 23 / part time 1

Ontario:  
full time 4,514 / part time 44

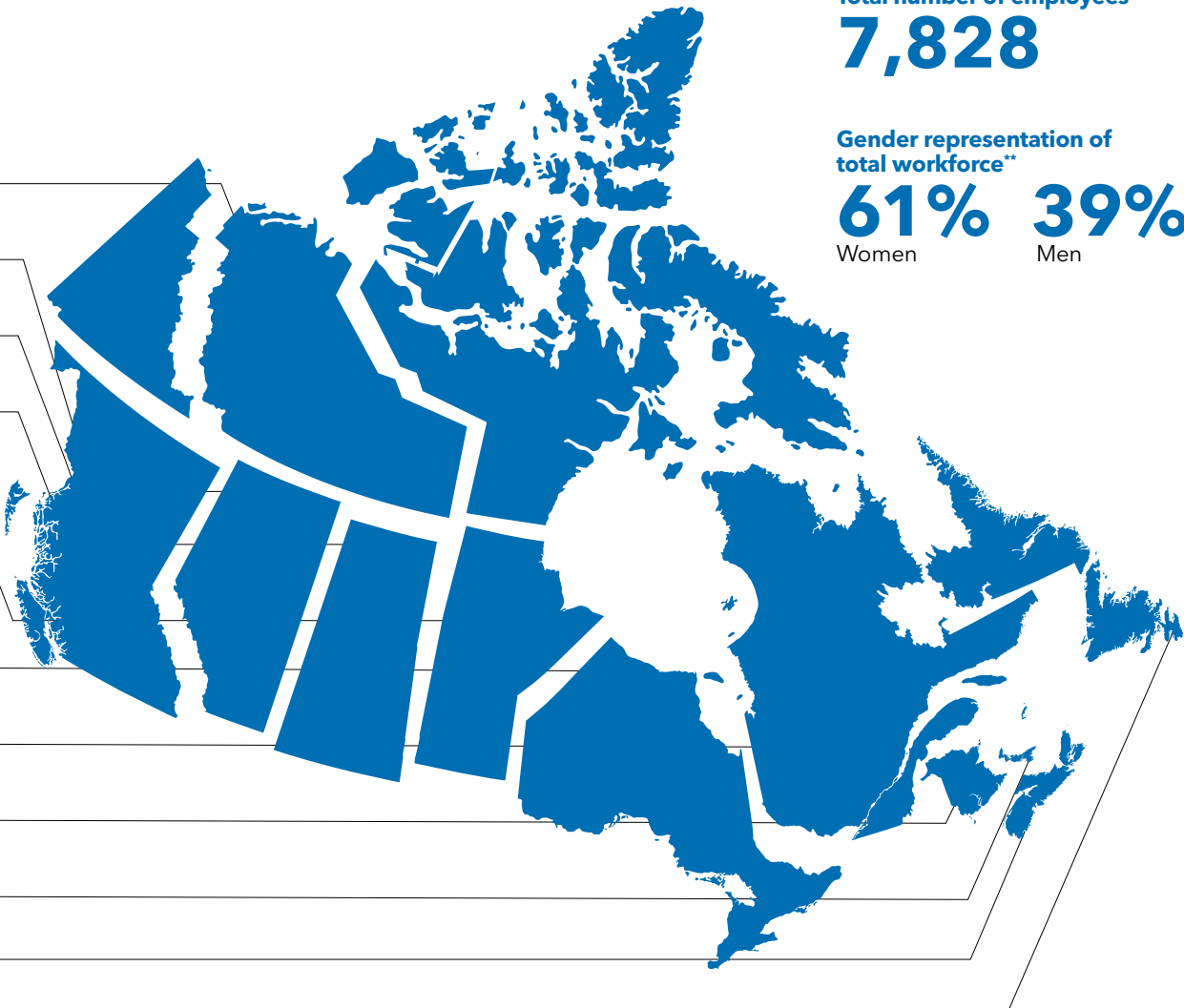
Quebec:  
full time 677 / part time 28

New Brunswick:  
full time 754 / part time 5

Prince Edward Island:  
full-time 1 / part-time 0

Nova Scotia:  
full time 50 / part time 1

Newfoundland and Labrador:  
full time 47 / part time 0



\*Includes employees of Carson, Dunlop & Associates Ltd., CU Agencies Alliance Ltd., Custodia Group Inc., Premier group of companies, Smart Employee Benefits Inc. and The Edge Benefits Inc. NPI Group, a subsidiary of Carson, Dunlop & Associates Ltd., has 12 full-time and 1 part-time employees in Nebraska. Non-financial reporting items for these entities have not been included in this report, unless otherwise noted. \*\*Our HR systems are configured to capture inclusive options (i.e. another gender), however we do not have sufficient data for reporting.

## Public Accountability Statement

Our 2025 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 some of our regulated companies owned by The Co-operators Group Limited, including:

- The Sovereign General Insurance Company (Sovereign Insurance)
- Co-operators Life Insurance Company (Co-operators Life)
- Federated Agencies Limited (Federated)
- Addenda Capital Inc. (Addenda)
- CUMIS General Insurance Company
- Co-operators Financial Investment Services Inc. (CFIS)

[For more information on these organizations, visit cooperators.ca.](https://www.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 Co-operators ownership interest. These organizations include, but are not limited to: Aviso Wealth Limited Partnership; AZGA Service Canada Inc.; Carson, Dunlop & Associates Ltd.; CU Agencies Alliance Ltd.; Custodia Group Inc.; Duuo Insurance Services Inc.; Premier group of companies; Smart Employee Benefits 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 2025 calendar year.

[This report can be found in English and French at integratedreport.cooperators.ca.](https://www.cooperators.ca)

To obtain a printed copy, or for more information, [email us at service@cooperators.ca](mailto:email_us_at_service@cooperators.ca).

## 2025 taxes paid/payable (recovered/recoverable)<sup>1</sup> (in thousands of Canadian dollars)

	Income and capital taxes	Premium taxes	Total
<b>Federal</b>	161,609	-	161,609
<b>Provincial</b>			
Alberta	19,063	61,232	80,295
British Columbia	8,557	18,466	27,023
Manitoba	2,357	4,725	7,082
New Brunswick	3,980	5,563	9,543
Newfoundland and Labrador	4,491	9,013	13,504
Nova Scotia	4,616	8,712	13,328
Ontario	60,774	105,251	166,025
Prince Edward Island	1,289	2,143	3,432
Quebec	8,214	11,391	19,605
Saskatchewan	3,990	9,362	13,352
Territories	1,595	1,210	2,805
Total Provincial	118,926	237,068	355,994
<b>Total</b>	<b>280,535</b>	<b>237,068</b>	<b>517,603</b>
<b>Other taxes<sup>2</sup></b>			<b>138,443</b>
<b>Total taxes paid/payable (recovered/recoverable)</b>			<b>656,046</b>

<sup>1</sup>All amounts may contain accrued tax estimates.

<sup>2</sup>Other taxes includes commodity, property and business, payroll, and other miscellaneous taxes.

## 2025 debt financing\*

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

	Number of authorizations	Total
\$0 to \$24,999	7	\$37,433
\$25,000 to \$99,999	2	\$152,415
\$100,000 to \$249,999	12	\$1,936,291
\$250,000 to \$499,999	6	\$2,374,986
\$500,000 to \$999,999	12	\$7,962,527
\$1,000,000 to \$4,999,999	28	\$63,018,315
\$5,000,000 and greater	13	\$195,121,701
<b>Total</b>	<b>80</b>	<b>\$270,603,668</b>

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

## Supplementary Disclosures

All supplementary disclosures are available online at [cooperators.ca/reports](https://cooperators.ca/reports), including climate, governance, policies, ethics and business conduct, credit ratings, workforce disclosures, Global Reporting Initiative (GRI) Content Index, and more.

\*Debt financing includes mortgage loan issuances and other private commercial loans.



Co-operators, 101 Cooper Dr. Guelph, ON N1C 0A4  
Phone: 519-824-4400 | [cooperators.ca](http://cooperators.ca) | [service@cooperators.ca](mailto:service@cooperators.ca)  
Available in French ~ Disponible en français  
Released May 2026 | ICA3259 (05/26)