

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

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

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

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

## About The Co-operators

We are a leading Canadian co-operative that offers multi-line financial services and insurance with \$47.4 billion in assets under administration. Through property and casualty insurance, life insurance, wealth management solutions, institutional asset management, and brokerage operations, we offer products, advice and solutions that provide financial security and resilience to Canadians and their communities.

### Read the full report online

For a detailed look at our 2019 financial and non-financial performance, highlights and challenges, and to discover how we’re creating value for clients, members and communities, visit [integratedreport.cooperators.ca](https://integratedreport.cooperators.ca)

#### Awards and recognition

- > The #1 Corporate Knights’ Best 50 Corporate Citizen in Canada
- > Canada’s Greenest Employers
- > Kincentric Best Employers

#### Highlighted affiliations and partnerships

- > Canadian Co-operative Investment Fund
- > Canadian Mental Health Association
- > Co-operatives and Mutuals Canada
- > Corporate Knights’ Council for Clean Capitalism
- > Enactus Canada
- > FireSmart® Canada
- > Green Bond Principles
- > International Co-operative Alliance
- > International Cooperative and Mutual Insurance Federation
- > Institute for Catastrophic Loss Reduction
- > Insurance Development Forum
- > Kids Help Phone
- > Partners for Action Network
- > Responsible Investment Association
- > Smart Prosperity
- > The Accounting for Sustainability CFO Leadership Network
- > United Nations Environment Programme - Finance Initiative

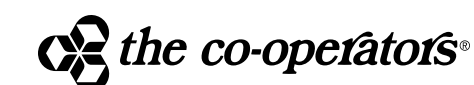
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## Highlights

# Integrated Annual Report 2019

## Our co-operative difference

We’re focused on maintaining a strong financial foundation that enables us to meet the needs of our members, clients and communities. Our co-operative identity is integral to everything we stand for, and every decision we make as an organization. It is the core of who we are as a company.

### Our mission: Financial security for Canadians and their communities

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

### Our vision

The Co-operators is valued by Canadians as...

- > A champion of their prosperity and peace of mind
- > A trusted leader in the financial services industry, distinct in its co-operative character
- > A catalyst for a sustainable society

### Our statement of values

At The Co-operators, we:

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

# How we create value

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

## Our clients

Client premiums, assets, insights and evolving needs enable us to develop products and solutions that provide financial security and peace of mind in a changing world.

## Our members and the co-operative sector

Members provide delegates who nominate and elect our Board of Directors, uphold and strengthen our governance, and participate in our business as clients. We create value for members through uniquely tailored financial and risk management solutions, while also supporting the broader co-operative sector through advocacy and investments.

## Our communities

Our communities provide our organization with talented employees and Financial Advisors, dedicated partner organizations and research, information and insights that enable us to thrive and develop products and solutions that meet the unmet needs of Canadians. In turn, we create value through meaningful employment, community investments and advocacy that make our communities more sustainable and resilient.

📌 **Strategy KPI** – Key performance indicators of our 2019–2022 Corporate Strategy

\*The Co-operators Group Limited has 45 member organizations that govern our organization. \*\*Includes employees from Premier group of companies and The Edge Benefits Inc. Non-financial reporting items for these entities have not been included in this report, unless otherwise noted. †Includes impact investments made with intent since the launch of our strategy and those that pre-date the strategy. ‡Impacts are the result of the entire investment entity, not solely from The Co-operators investment.

## Inputs from our clients, members and communities ...

**From clients**  
**\$4.30 billion** total operating revenue  
**\$4.70 billion** direct written premium  
**\$1.69 billion** retail wealth assets under management and administration 📌  
**\$31.7 billion** Addenda Capital – total assets

Clients provide needs, ideas and insights that shape the products and services we provide.

**From members and co-ops**  
**142,450** households in the Member Benefits Program  
**\$1.15 billion** in co-operative business 📌  
**45** member organizations\*  
**126** delegates from  
**7** regions across Canada provide insights and expertise, and are essential to the democratic governance of our organization

**From communities**  
**6,249** employees\*\*  
**2,530** licensed insurance representatives, including:  
**482** exclusive Financial Advisors  
**632** retail outlets across Canada

Through partnerships and collaborations, we gain information and research that helps us build more sustainable, resilient communities:

- > Enactus Canada
- > Institute for Catastrophic Loss Reduction
- > Partners for Action Network
- > FireSmart® Canada
- > Smart Prosperity

## ... enable us to provide them with financial products, services and advice ...

**For clients**  
**\$2.15 billion** in claims and benefits paid

We insure  
**896,000** homes  
**1.5** million vehicles  
**230,000** employees and their dependants through Group Benefits plans

We protect  
**663,000** lives  
 We provide coverage for **40,000** farms and **269,000** businesses

We provide Creditor Life insurance to **545,000** Canadians

We manage assets for **163** institutions

We serve **241** credit unions, with more than **5.8** million members

**For members and co-ops**  
**\$11.9 million** Member Loyalty Program payment  
**\$1.6 million** contributed to support co-operatives 📌

**For communities**  
**80%** carbon emissions reduction since 2010 📌  
**4.2%** of pre-tax profit donated 📌  
**19.4%** total impact investments (percentage of invested assets) 📌

**For our organization**  
**7.7%** return on members' equity 📌

## ... to create positive outcomes, impacts and value for our stakeholders.

**For clients**  
**37** Net Promoter Score 📌  
**78%** Group Benefits client experience index 📌  
**79%** credit union client experience index 📌

**J.D. Power Customer Satisfaction Awards:** 📌  
Home  
 Ranked highest in Ontario/Atlantic region  
Auto  
 Ranked highest in Alberta, Ontario and Atlantic regions

**For members and co-ops**  
**98%** Member Relationship Index 📌  
**100%** Member Engagement Score 📌

**For communities**  
 Impact investments contributed to projects and initiatives that generated **258 million MWh** ‡ of renewable energy

**For our organization**  
**77%** aggregated Employee Engagement Score 📌  
**78%** employee Mental Health Index 📌  
**91%** employee retention rate  
**67%** Financial Advisor Satisfaction Index 📌  
**#1** "Best 50" corporate citizen in Canada as ranked by Corporate Knights 📌

# Our Stories

## Connecting our member organizations

"The greatest value in being a member of The Co-operators is sharing information and the relationships we form with fellow co-ops. We gain first-hand knowledge and have access to a network of like-minded individuals and organizations."

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

## Connecting young Canadians to mental-health support

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

— **Dr. Jenny Keller**, Manager of Counselling Services, University of Regina, Saskatchewan

## Helping Canadians plan a strong financial future

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

— **John Karn**, Financial Advisor, Ottawa, Ontario

## Adding value for our credit union partners

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

— **Allison Chaytor-Loveys**, Chief Executive Officer, Newfoundland and Labrador Credit Union, St. John's, Newfoundland

## Protecting clients in the wake of Hurricane Dorian

"After the storm, when I called to put in a claim, the contractor was on the phone within an hour and the process had started. Our adjuster explained everything to me and was very good to deal with. Any time they told us there would be money transferred to our account it was there within an hour."

— **Paul Arsenault**, Client, Summerside, Prince Edward Island

## Impact investing to build the sustainable economy

"Impact investing is a necessary evolution of the investment industry, and of the progression of current and future generations. Addenda Capital plays an important role in ensuring the global asset allocation portion of our fixed income fund is a sustainable one that demonstrates our commitment to the core values of our University."

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

## Balance sheet overview

**\$17.0b** — **\$13.3b** = **\$3.7b**  
 Total assets — Total liabilities = Total equity

## Income statement overview

**\$5,125.5m** — **\$4,870.3m** = **\$255.2m**  
 Total revenue — Total expenses = Net income

