



AMICE seminar "Corporate Social Responsibility",
Paris, 23-24 October 2008

The Co-operators Sustainability Journey



AMICE seminar "Corporate Social Responsibility",
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Kathy Bardswick

President & CEO, The Co-operators
Chair, ICMIF

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**AMICE
Corporate Social Responsibility Seminar**

Paris, France
October 23, 2008

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Paris, 23-24 October 2008



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Sustainable Development...

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" Sustainable development is the most boring, unappealing, spirit-crushing bit of politically-correct gobbledegook I have ever come across. It either means nothing at all – precisely because it means all things to all people – or it's a contradiction in terms. Either way, my life mission is to stamp it out wherever I find it. "

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...Sustainable Development

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" If you want to keep your guns, your
property, your children and your God,
then sustainable development is your
enemy! "

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- American Policy Center

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What is Sustainable Development?

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Sustainable development is the
only thing that stands between us and
an utterly miserable descent into
ecological collapse, resource wars,
worsening inequity and
social implosion.

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The Ultimate Tipping Point

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The point at which the human
species loses the ability to
command its own destiny.

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Climate Change



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“ The greatest market failure
the world has ever seen. ”

- Sir Nicholas Stern

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an inconvenient truth

A GLOBAL
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Media Interest, Public Awareness

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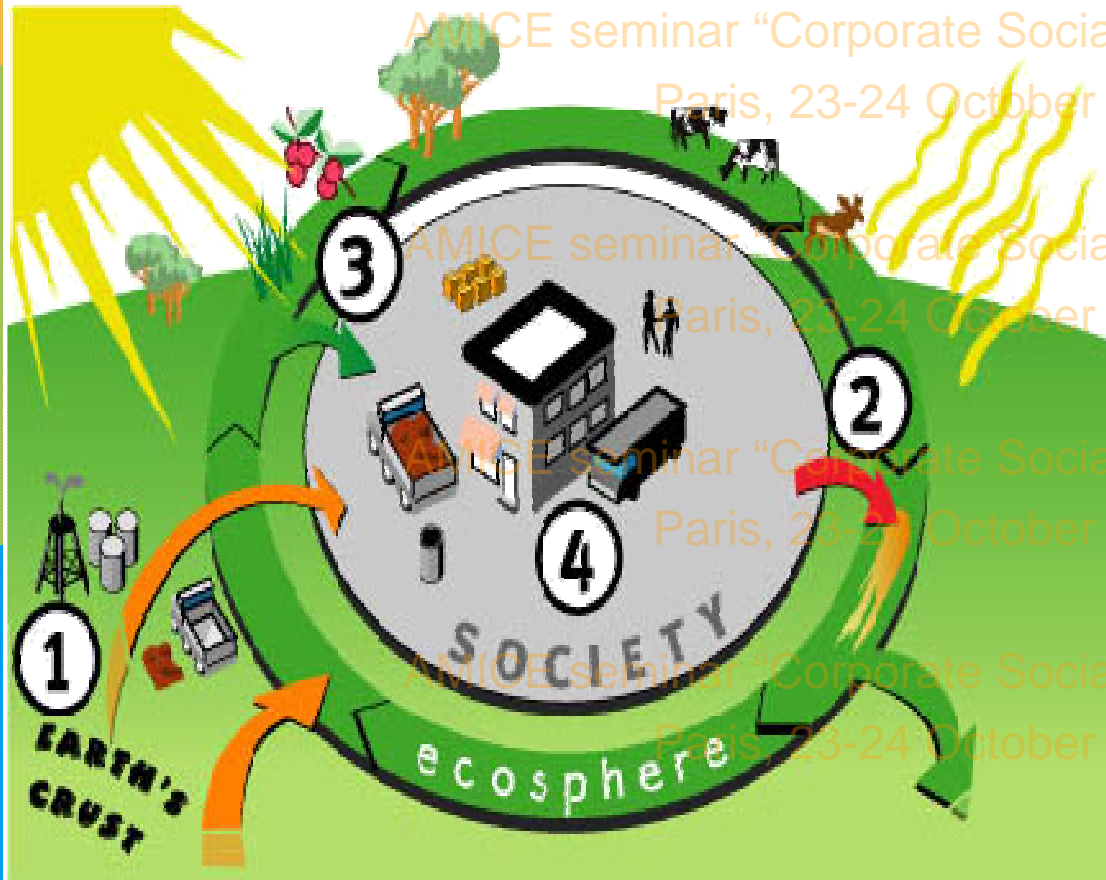
The Natural Step's 4 Sustainability Principles



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In a sustainable society, nature is not subject to systematically increasing:



① Concentrations of substances
extracted from the earth's crust (DIG)

② Concentrations of substances
produced by society (DUMP)

③ Degradation by physical means
(DEGRADE)

and, in that society, people are not
subject to

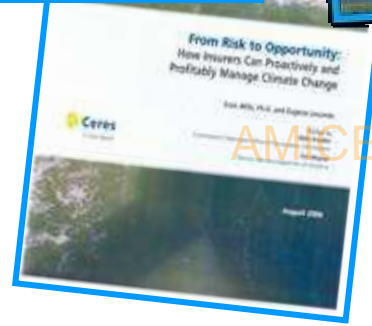
④ Conditions that systematically
undermine their capacity to meet their
needs (DEMEAN)



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Insurance Reports

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Insurance Industry Issues

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“ So far the industry has not taken changing catastrophe trends seriously enough. If we do not take action now to understand the risks and their impact, the changing climate could kill us. The insurance industry must now seize the opportunity to make a difference, not just to the future of our own industry, but to the future of society. ”

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Climate Change: Adapt or Bust

Lloyd's, 2006



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Climate Change and Insurance

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Drought

**Declining
crop yields**

Irresponsible development

Flooding

Inadequate infrastructure

Disease

Storm activity



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Best Practice Scan

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Common Themes

Aviva Canada

Desjardins

Manulife Financial

Allianz Group

Aviva

Co-operative Financial Services

Insurance Australia Group

Swiss Re

Vancity

Mountain Equipment Co-op

Suncor

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- ✓ **CSR/Sustainability policies**
- ✓ **Products & services**
- ✓ **Climate Change Strategy**
- ✓ **CSR Report**
- ✓ **Governance Committees**
- ✓ **Management coordination**
- ✓ **Staff education**
- ✓ **Advocacy role**
- ✓ **Performance goals linked to compensation**

CSR Increases Staff Motivation & Loyalty



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Agree **Disagree**



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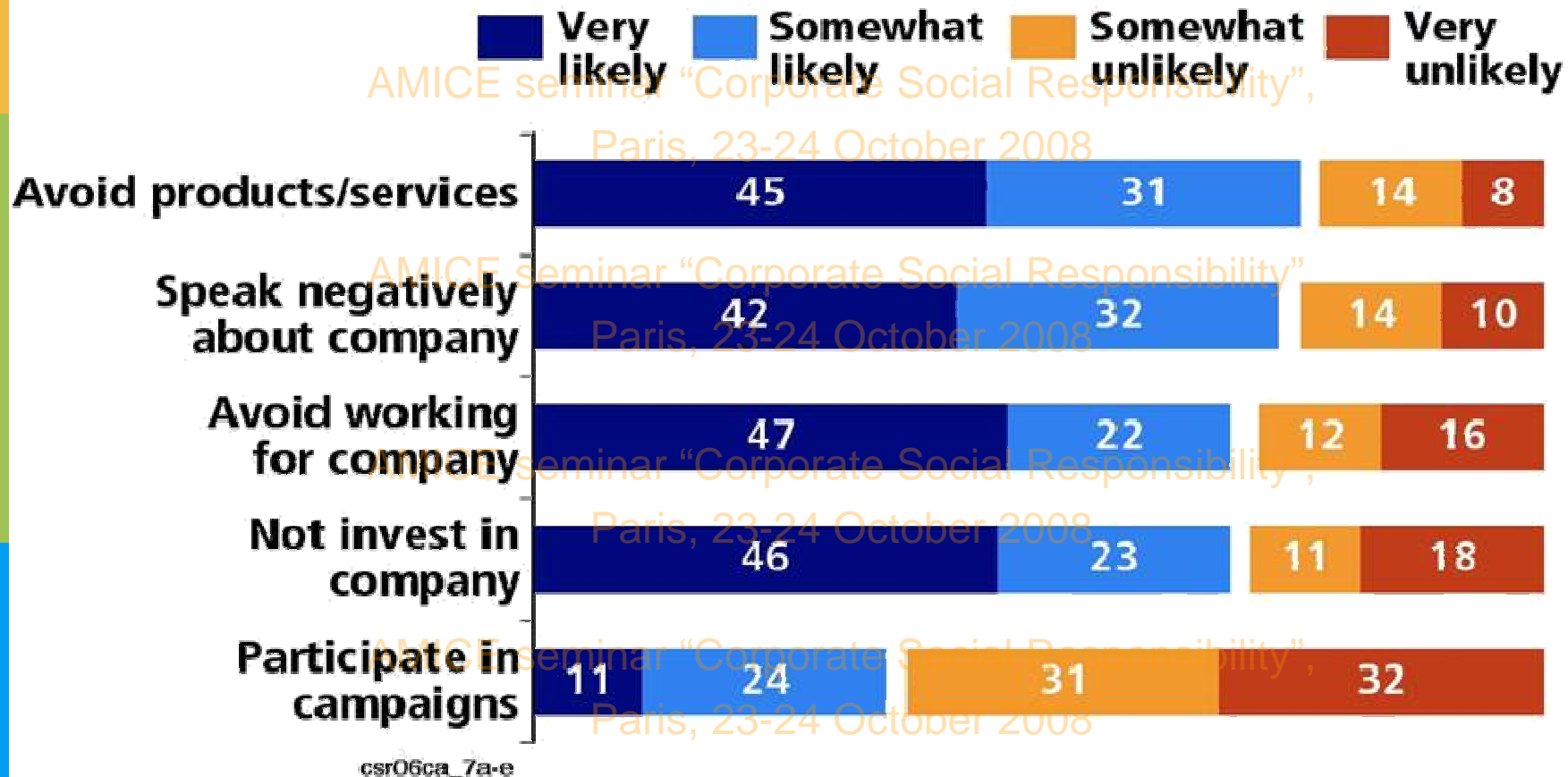
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Likelihood of Performing Actions Against an Irresponsible Company



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Best Way for Company to Make Positive Contribution to Society



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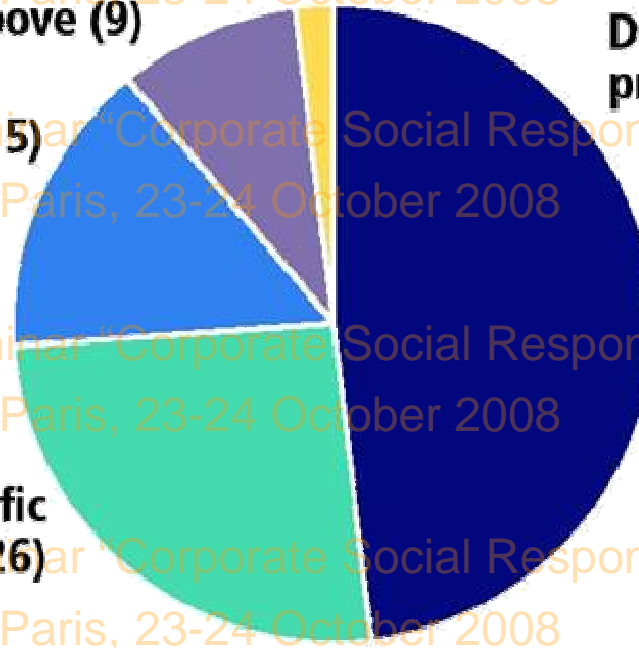
None of the above / Other (2)

All of the above (9)

Donating money to charities (15)

Working to solve a specific social problem (26)

Developing safer/healthier products/services (48)



csr06ca_12

Expect Large Companies to Play Role in Solving Important National Problems

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"Strongly Agree," Average of 11 Countries, by Selected Unprompted Problems, 2006

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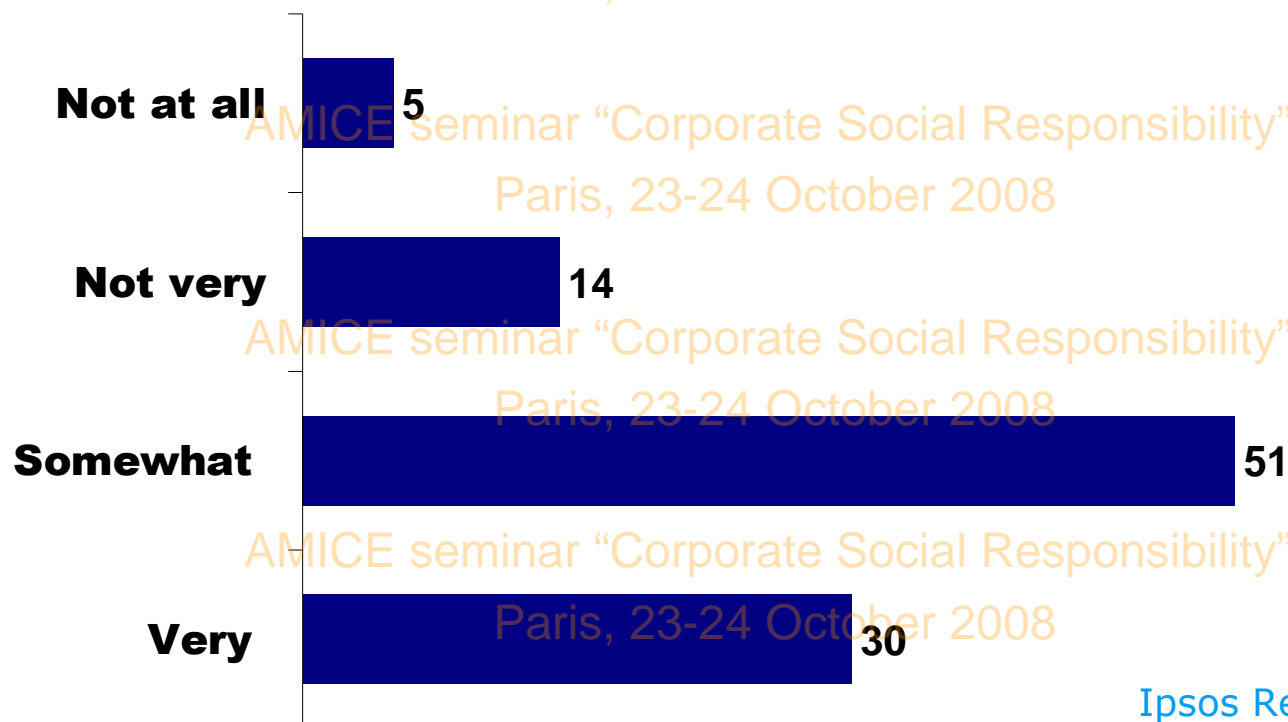
*Includes pollution, climate change, and natural disasters



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Consumer Interest

“How interested would you be in learning more about ‘green’ financial products and services if your financial institution began offering them?”



Ipsos Reid, Canada, 2008



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The Co-operators Approach

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With the Natural Step's assistance, defined our strategy as...

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- **A Co-operative**

- Our Mission, Vision and Values

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- **An Employer**

- Our staff engagement objectives

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- **An Insurer**

- Pragmatic business motivations

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The Co-operators

Sustainability Journey



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- The Natural Step Principles
- Sustainability Steering Committee
- Board of Directors Sustainability Committee
- Sustainability Department
- Sustainability e-Learning Course
- Research
- Focus Groups



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The Co-operators Mission

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Our Mission, Vision & Values

> Our Mission
The Co-operators:
Financial security for Canadians and their communities

> Our Vision
We will be...
The Canadian champion
Where Canadians are, with the financial security products and services they need, when they need them, however they wish to buy them
A member of, and contributor to, a strong co-operative community
A catalyst for a sustainable society

> Our Values
The Co-operators believes...
In holding the highest level of integrity as our standard of conduct
That our success depends on meeting and anticipating our clients' needs
In enhancing the excellence of our products and services through innovation
In fostering open communication, teamwork and team spirit throughout the organization
In balancing economic, environmental and social priorities as a responsible corporate citizen
In the co-operative principles, which complement our values
That we are accountable for operating our business within a closed ecosystem

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The Co-operators:
Financial security for
Canadians and their
communities



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The Co-operators Vision

Our Mission, Vision & Values

> Our Mission

The Co-operators:

Financial security for Canadians and their communities

> Our Vision

We will be...

The Canadian champion

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We will be:

- The Canadian Champion
- Where Canadians are, with the financial security products and services they need, when they need them, however they wish to buy them
- A member of, and contributor to, a strong co-operative community
- **A catalyst for a sustainable society**



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The Co-operators Values

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Our Mission, Vision & Values

> Our Mission

The Co-operators:

Financial security for Canadians and their communities

> Our Vision

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The Canadian champion

Where Canadians are, with the financial security products and services they need, when they need them, however they wish to buy them

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The Co-operators believes...

- In holding the highest level of integrity as our standard of conduct
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- In enhancing the excellence of our products and services through innovation
- In fostering open communication, teamwork and team spirit throughout the organization
- **In balancing economic, environmental and social priorities as a responsible corporate citizen**
- In the co-operative principles, which complement our values
- **That we are accountable for operating our business within a closed ecosystem**



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Sustainability Policy

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“ As an insurer, an employer, investor, community partner and a co-operative, The Co-operators believes that it can and must play a leadership role in ensuring a sustainable future. ”

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4 Sustainability Strategies

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1. Climate Change

2. Operations

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3. Products & Services

4. Stakeholder Engagement

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Product Innovation

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**Socially
Responsible
Investing
products**

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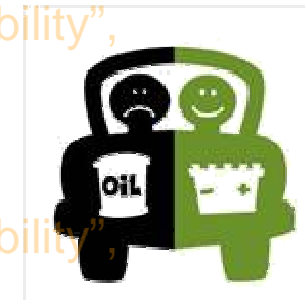
**Designed...for safer
living** program



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Community Guard:
Insurance for the
voluntary/non-profit sector

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Hybrids



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Our Own Backyard

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- Carbon footprint benchmarking

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- GreenFleet – reducing emissions

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- Retrofitting buildings

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- Carbon neutrality goals

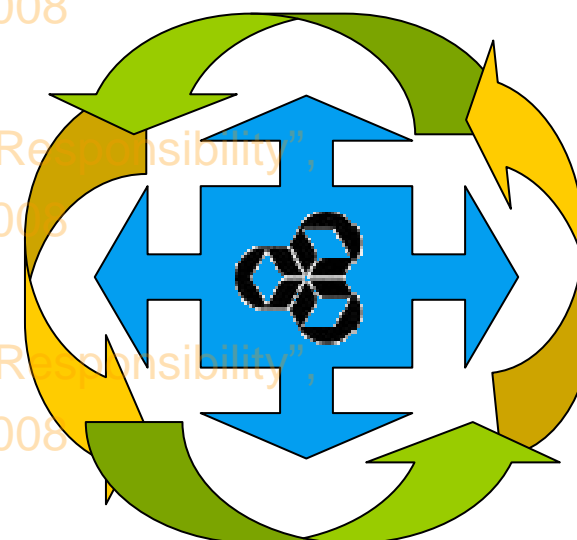
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Stakeholders

- Purchasing policy
- The Natural Step e-learning course
- Advocacy policy





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Thank you.

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