

**THE CO-OPERATORS GROUP LIMITED  
SUSTAINABILITY AND CITIZENSHIP COMMITTEE**

**TERMS OF REFERENCE**

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**Mandate**

The Sustainability & Citizenship Committee is responsible for providing oversight of the sustainability performance of The Co-operators group of companies. It reviews and recommends policies, strategies and annual plans to advance the Company towards its sustainability vision and monitors strategy and policy implementation and stakeholder engagement. The Committee monitors integration of sustainability risk management across the Company. It advises the Board on the sustainability impact of key decisions and emerging sustainability issues, risks and opportunities.

The Committee also provides oversight of the corporate citizenship programs of The Co-operators Group and its group of companies. Corporate citizenship is also referred to as “community investment” and pertains to corporate donations, sponsorships, employee volunteering and other aspects of our community contributions.

**Responsibilities:**

1. **Strategy and Policies:** Review and recommend to the Board, Company-wide sustainability and citizenship visions, policies, strategies and targets and regularly monitor their execution. Assess and advise the Board on alignment of Company and subsidiary plans and programs with the Company’s Sustainability and Citizenship visions, policies, strategies and annual plans. Provide advice on, and oversight of, progress towards integrating and embedding co-operative and sustainability principles in all business decision-making, action and process.
2. **Trends and Risks:** Monitor and advise the Board on current and emerging sustainability and citizenship trends, risks and opportunities, giving particular attention to those materially relevant to the financial service sector and insurance industry and how they might impact the company in the short and long-term. Ensure key risks and opportunities are incorporated in the Company’s enterprise risk management framework and processes and addressed by the Corporate Strategy. Ensure that sustainability risk management is effectively coordinated and integrated across the group of companies and different functions.
3. **Performance Reporting:** Provide input into the scope and identification of material issues for the Company’s annual reports. Ensure the company maintains a leadership role and best practice in sustainability reporting and that the Company has implemented effective systems, controls and processes for the management and disclosure of non-financial performance information. As non-financial metrics become third-party verified, recommend disclosure of non-financial performance statements to the board of directors for public release. Ensure appropriate integration and disclosure of Co-operative Performance and Identity metrics and progress.
4. **Stakeholder Relations:** Review and monitor stakeholder relations and ensure Board and management are aware of stakeholder issues, concerns and perceptions as they relate to sustainability and citizenship. Provide oversight of the Company’s sustainability and

citizenship stakeholder engagement and communications plans and policies, including staff, members, advisors, brokers, customers, CAPs, co-operatives, NGOs, governments, communities, suppliers, academics, insurance industry, and other stakeholders. Ensure the plans and policies are in place and working effectively and that The Co-operators has best practice in this area.

5. **Decision Impacts:** Advise the Board on the sustainability and citizenship impacts of major business decisions such as mergers, acquisitions, divestitures, major capital expenditures, etc.
6. **Sustainable Meetings:** Ensure the Board models best practice in sustainable meetings.
7. **Report to Members:** Provide a progress report at the Annual General Meeting.
8. **Board Sustainability Education:** Monitor board sustainability and citizenship awareness from the board evaluation survey and recommend one sustainability / citizenship education session per year to the Board of Directors.
9. **Board Youth Initiative:** Provide oversight of the Board Youth Initiative and annual budget allocation.
10. **Other Duties:** Perform such other duties as are consistent with these Terms of Reference or as may be requested by the Board.

### **Composition & Appointment**

1. The Sustainability and Citizenship Committee is composed of four members of the Board.
2. The Committee is elected at the first meeting of the Board held after the Annual General Meeting each year. Casual vacancies are filled through election at the next regularly scheduled Board meeting.

### **Authority**

The Committee fulfills its responsibilities on behalf of the Board and makes recommendations to the Board on sustainability and citizenship visions, policies, strategies and targets.

As non-financial metrics become third-party verified, recommend disclosure of non-financial performance statements to the board of directors for public release.

The Committee has the authority to engage outside advisors and to call upon other resources as noted below to assist in the execution of its responsibilities.

### **Organization and Procedures**

#### **Chairperson**

The Chair of the Committee is elected by the Board at the Board Re-organization meeting.

## **Meetings**

1. The Committee normally meets four times a year, with one additional annual meeting held with the CEO and Sustainability Steering Committee.
2. Meetings are normally held in person, in conjunction with a regularly scheduled Board meeting, but may take place by telephone or video conference.
3. Meetings are held at the call of the Chair.
4. Notice of each meeting is to be given to every member of the Committee not less than seven days before the meeting. With the unanimous consent of all members, the notice period may be shortened or waived.
5. The agenda and supporting material for meetings are to be distributed to the Committee by e-mail five business days before the meeting.

## **Quorum**

A majority of the Committee (3 Directors) constitutes a quorum for holding meetings and transacting business.

## **Resources**

1. The Vice President, Sustainability and Citizenship provides management support to the Committee and attends all of its meetings.
2. The Company's Corporate Secretary, Associate Secretary or their delegates shall serve as Secretary to the Committee, takes minutes and ensures their distribution to the full Board.
3. The Vice President may invite other employees of the Company or other persons to attend meetings of the Committee, and to advise it during its deliberations, as appropriate.
4. The Executive Vice-President, Member Relations, Governance and Corporate Services receives notice of and may attend all meetings.
5. The Committee may retain such outside consultants and advisers, at Company expense, as it deems necessary to fulfill its duties.
6. To keep abreast of current and emerging issues, the Committee will meet at least once a year with a sustainability, citizenship or co-operative expert.

## **Supporting Materials and Minutes**

1. The agenda and supporting material for meetings are to be distributed to the Committee by e-mail no less than five business days in advance of the meeting.
2. The Secretary records minutes of every meeting, circulating them to the Committee members shortly after the meeting takes place. After Committee members have had an opportunity to review them and provide any corrections, the minutes are prepared for distribution to the full Board at the next Board of Directors meeting.

## **Reporting**

1. The Committee Chairperson is provided an opportunity to provide an update at each Board of Directors meeting and will do so as required. Once a year, the Committee delivers a report to the Board on the Company's progress towards realizing its Sustainability Vision, Community Investment Vision and Co-operative Performance aspirations.
2. Given some complementary alignment between the Member & Co-operative Relations Committee and the Sustainability & Citizenship Committee there will be ongoing discussion between Committee Chairs on how best to coordinate our efforts.

## **Annual Work Plan and Schedule**

The Committee adopts a work plan and annual schedule of activities at its first meeting after its election each year. The workplan reviewed at each meeting.

## **Committee Effectiveness**

1. The Committee performs an annual review and evaluation of its performance, including a review of its compliance with these terms of reference.
2. The Committee reviews these terms of reference each year, recommending changes as necessary to the Corporate Governance Committee, who will review and recommend them to the Board for approval.
3. Orientation is made available to new members joining the Committee following their election and prior to attending their first Committee meeting.

## **References**

Sustainability Policy  
Sustainability Strategy  
Community Investment Vision  
Any related Policies (e.g. 15, 25, 29, 51)

**Date of last review:** June 6, 2016[S&CC]  
**Approved by the Board:** August 2016