

The Search for Opportunities: Integrating Sustainability and a Circular Economy Within The Co-operators Group Limited's Core Insurance Products and Services

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Abstract: This research explores opportunities for The Co-operators Group Limited (CGL), leveraging its co-operative identity, to accelerate its achievement of the United Nations Sustainable Development Goals (UN SDGs) by integrating sustainable development and a circular economy within its business strategies. Humanity faces an unsustainable situation. Globalization and financialization of the world economy under the mainstream capitalist paradigm has brought the depletion of planetary resources, climate change, social inequality, and economic inequity. The circular economy (CE) is a cradle-to-cradle approach for designing out waste and re-using products which when advanced through a co-operative business model would achieve a regenerative, distributed economy within planetary boundaries. The European Union (EU) has been advancing the CE for over 6 years and the business case for circular insurance has been proven by Folksam Mutual Insurance in Sweden. Thus, there is a remarkable opportunity for CGL to develop and implement circular insurance within Canada using its ability to collaborate, partner, and network. It would be the first of its kind in Canada and would show the co-operative as an outstanding business model for advancing sustainable development.

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Keywords: co-operative, circular economy, sustainable development, regenerative economy, UN SDGs, insurance

Introduction

The Co-operators Group Limited (CGL) is owned by 45 Canadian co-operatives whose members represent millions of people in Canada. Through a holding company, The Co-operators Financial Services Limited, CGL provides financial services and insurance to Canadians and their communities through [15 subsidiary companies](#). CGL has been living its vision to be 'a catalyst for a sustainable society' by advancing its sustainability strategy. It has made substantial gains in advocacy, education, impact investing, programs with like-minded organizations, and partnerships with sustainability leaders, while becoming carbon neutral within its own operations (CGL, 2020; CGL, 2021a). However, its current sustainability strategy is not enough to drive the change needed to avoid catastrophic global warming that places humanity's health and survival at extreme risk. CGL and its members must integrate more assertive and compelling sustainability strategies within its core insurance products and services. This research project will provide insights on how CGL can elevate its sustainability strategy by advancing a circular economy (CE) within its insurance products and claims management, and thereby influence its members, its supply chain, governments, competitors, and partner organizations. Thus, the primary research question is as follows:

How can CGL, leveraging its co-operative identity, accelerate sustainable development and achievement of the United Nations Sustainable Development Goals (UN SDGs) by integrating sustainability and a circular economy design throughout its core insurance products and claims management services?

In 2015 the UN adopted 17 SDGs in its 2030 Agenda to achieve worldwide sustainable development in economic, social, and environmental spheres. CGL endorsed all 17 SDGs and selected nine it could integrate into its 2030

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enterprise goals and strategy (CGL, 2021b). Since a CE is centred on delivering net global sustainability, this exploration is significant to the nine SDGs, shown in Figure 1. Since CGL represents many Canadian co-operatives, it is also significant as a unique opportunity to illustrate the co-operative identity as a natural fit for a CE. Finally, this research is new to the insurance industry in Canada and could show the ability of insurance products and claims management to advance sustainability and a CE.

Figure 1: CGL's Nine Prioritized UN SDGs (CGL, 2021b)



Literature Review

The Burning Platform

The world is facing significant social and environmental challenges. The COVID-19 pandemic is one example of the enormity of these challenges to society and the planet and, in response, the United Nations states:

Once the health crisis is over, we cannot have business-as-usual practices that increase emissions and other environmental externalities like pressure on wildlife and biodiversity. A mutually beneficial symbiotic relation between humans and their surrounding ecosystems is the answer to more resilient economies and societies. Securing the global environmental commons requires living within planetary boundaries and conserving and sustainably managing globally shared resources and ecosystems. (2020, p. 4)

Since the Industrial Revolution, humanity has entered the Anthropocene, the unofficial geological epoch in which humans are the primary agents of damaging change on a planetary scale (Braje & Erlandson, 2014; Chin et al., 2020; Fullerton, 2014). The global economy, human population explosion, clearance of land surfaces, overfishing and pollution of the oceans, unlimited extraction of planetary resources, and boundless greenhouse (GHG) emissions all contribute to significant, detrimental impacts to the Earth and its natural ecosystems (Braje & Erlandson, 2014; European Commission [EC], 2015; United Nations Environment Programme [UNEP], 2021; Victor, 2014).

Financialization and globalization of the economy have led to insatiable consumption supported by a cradle-to-grave, or take-make-waste linear economy, with enormous environmental impacts, social injustice, and economic inequity (Korhonen et al., 2017; Novkovic, 2018; Raworth, 2017; Rees, 2014). According to the UN, over 1.3 billion people live in multi-dimensional poverty, and two-thirds of these people live in middle-income countries (United Nations Development Programme [UNDP], 2019, p. 2). Worldwide, over 3 billion people live below acceptable social and economic standards, with a low quality of life signalled by a lack of medical care, a living wage, shelter, education, sanitation, personal rights and freedoms, and life expectancy (Raworth, 2017; UNDP, 2019). To significantly alter the course, humanity must reduce GHG emissions to 45% of 2010 levels by 2030, with the imperative to be net zero by

2050 (IPCC, 2018a, p. 12) and prevent an increase of over 1.5°C in the Earth's average temperature. Otherwise, humanity's survival is jeopardized by lack of food security and water supply, reduction in livelihoods and jobs, increased morbidity and mortality from diseases, and severe economic disparity due to extreme weather events (IPCC, 2018a, pp. 7–10). Humanity faces an unsustainable situation, and capitalism will not solve it.

The Circular Economy

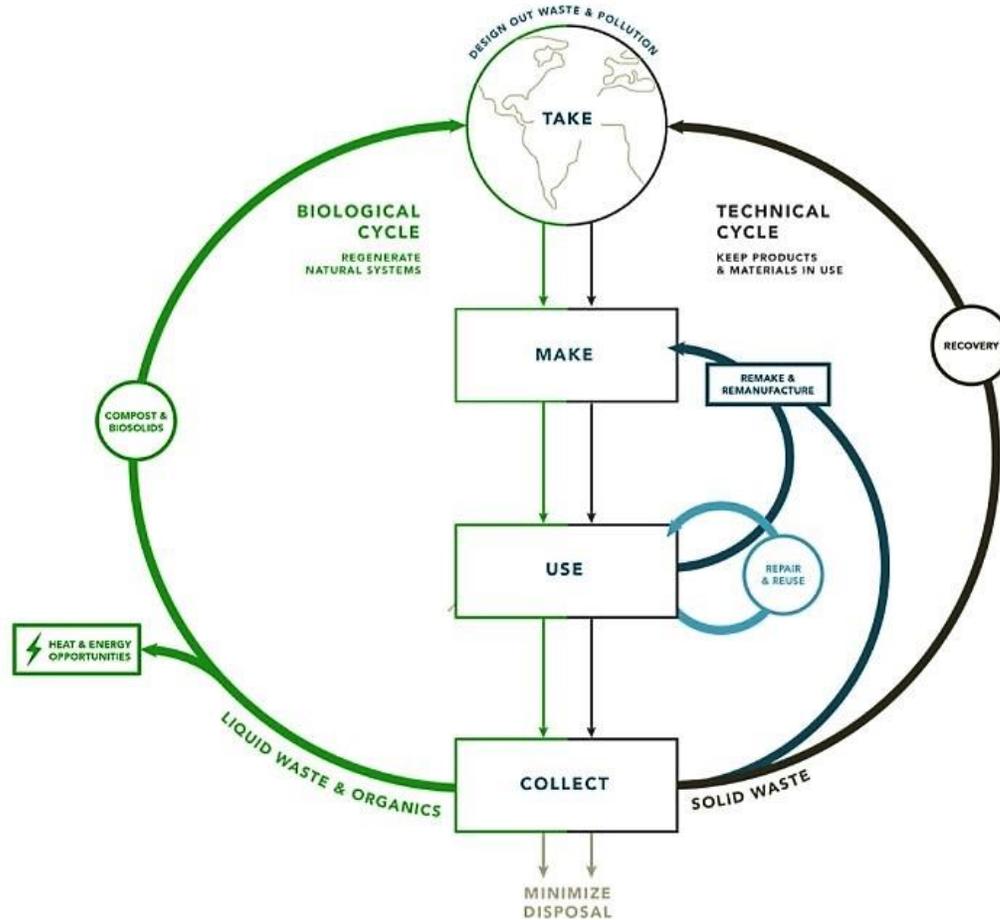
Research by the Ellen MacArthur Foundation (EMF), a thought leader in circularity, asserts that a CE would progress the UN SDGs across the entire economic system by creating an economy that is regenerative by design (EMF, 2019a). The CE focuses on product effectiveness through a cradle-to-cradle approach which significantly reduces use of resources and diminishes waste disposal, bringing the economic and environmental sub-systems within the planetary boundaries (Arup, 2016; Korhonen et al., 2017; Novkovic, 2018; EMF, 2019a; Raworth, 2017; UNEP, 2021). The three foundational principles of the CE are shown in Figure 2.

Figure 2: The Three Foundational Principles of the Circular Economy (EMF, n.d.)



The CE considers the life cycle of products and materials from designing long-lasting products with less resources, to extending the life of products in use and then returning them to the value chain through regeneration. There is no end of life, but rather, value is placed on reuse, remanufacturing, and refurbishment first, while raw material utilization, combustion for energy, and landfill disposal are considered only later. The CE changes the economy from a linear to a cyclical system of resource use, production, and consumption. Figure 3 shows the CE, with the left-side representing the circularity of biological materials – such as food and agriculture – and the right-side representing the circularity of manufactured materials – such as computers, appliances, and building materials.

Figure 3: The Circular Economy (National Zero Waste Council, 2021)



In a recent report, EMF shows that the global economy is not on track to achieve the reduction in GHG emissions targeted for 2030 (2019). The world must adopt comprehensive sustainable development to alter its course. A CE can fill this need because it decouples economic growth from resource consumption to deliver sustainable development with a balance between the social, economic, and environmental spheres (ACR, 2019; Adams et al., 2017; Arup, 2016; EC, 2015; EMF, 2019a; Ghisellini et al., 2016). A CE is predicted to significantly reduce the use of resources, decrease the amount of waste, shrink humanity's carbon footprint, and provide \$2.6 trillion dollars in Europe alone that benefits people, communities, and businesses (Adams et al., 2017; EC, 2015; EMF, 2019a). In a world focused on sustainable development with CE systems, humanity can achieve the UN SDGs, implying that resource use today will not impact the ability of future generations to live and meet their needs (EMF, 2019a; Raworth 2017; Rees, 2014).

Sustainable Development, the Circular Economy, and the Co-operative Identity

Co-operative Collaboration and Networking

The top barriers to advancing sustainability and a CE are identified in the literature as follows:

- fragmented supply chains and a lack of designing out waste in products;
- a lack of secondary markets to increase the value of products at end of life;
- a scarcity of reverse logistics to return products to the value chain; and

- absence of a systems approach that enables circularity (Adams et al., 2017; Arup, 2016; Hart et al., 2019; Korhonen et al., 2017; Raworth, 2017).

All stakeholders – businesses, academics, consultants, insurance experts, sustainability experts, governments, and consumers – recognize that collaboration, partnerships, and networking across the economy are key to overcoming these barriers. Achieving sustainability and a CE will require businesses and processes to operate singly and together as whole systems for trade and regeneration (Ghisellini et al., 2017; Hart et al., 2019; Korhonen et al., 2017). For example, imagine designing homes in which the components are built with sustainable materials which can be disassembled for re-use later to avoid landfills. Significant collaboration is needed among municipalities, suppliers, developers, and builders to construct homes in this manner, and a systems approach is required to allow disassembly and move components to secondary markets for re-use. A CE requires unprecedented levels of collaboration and exchange platforms across communities, sectors, businesses, organizations, and governments (Adams et al., 2017; EMF, 2020; EC, 2015; Korhonen et al., 2017; Novkovic, 2018).

The co-operative principle of co-operation amongst co-operatives provides the means to build cross-sector interaction at a large scale (Bollier, 2015; Novkovic, 2018; Rees, 2014). The co-operative identity, values, and principles are set out on the International Cooperative Alliance's (ICA) [website](#). Successful co-operative networks and federations in Spain and Italy show that such networking is achievable (Bollier, 2015; Menzani & Zamagni, 2010; Novkovic, 2018). It allows for integrated pools of capital, adaptive systems, decentralized flexibility, and innovative learning organizations which are needed in the fast-changing marketplaces where co-operatives compete (Novkovic & Holm, 2012). Inter-cooperation is the natural systems approach needed for creating a CE and the catalyst for generating wealth and equity, where wealth is welfare, jobs, equality, training, and education (Korhonen et al., 2018; Novkovic, 2018; Rees, 2014). CGL's ownership structure is an example of co-operatives coming together to meet their needs, as described by one member co-operative: "The greatest value in being a member. . . is the forum to gain first-hand knowledge and have access to a network of like-minded individuals and organizations" (CGL, 2020, p. 33). CGL has many examples of cooperating with private and public stakeholders to advocate for sustainable and resilient communities, such as its engagement with [Partners for Action](#) and its development of comprehensive flood insurance coverage in Canada (CGL, 2020)

Co-creation of Value and the Co-operative Identity

To achieve the UN SDGs, the types of business models used to achieve sustainable development and a CE are foundational to success. A CE alone does not guarantee a sustainable outcome, because to achieve net global sustainability, economic growth and consumption must have physical limits (Korhonen et al., 2017; Raworth, 2017). There are concerns, termed the 'circular economy rebound', that the efficiency of a CE will produce more goods, thereby increasing consumption and lowering its benefits significantly (Ghisellini et al., 2014, p. 24; Korhonen et al., 2017, p. 43). De-commodifying people, communities, resources, and ecosystems and re-orienting the world's understanding of co-creating value are critical aspects of delivering sustainable development (Bollier, 2015; Ghisellini et al., 2016; Novkovic, 2018; Raworth, 2017; Rees, 2015). Within a sustainable world, the economy is a sub-system with finite boundaries, working within society and the environment whereas the current paradigm makes humanity and the planet subservient to the economy (Bollier, 2015; Fullerton, 2014; Raworth, 2017). For all these reasons, a CE must also deliver system-wide stability, provide new employment opportunities, build a greater sense of community and co-operation, allow democratic participation in the economy, and advance ecological economics (EMF, 2020; Ghisellini et al., 2016; Korhonen et al., 2017; Novkovic, 2018; Raworth 2017).

With a unique set of values and principles that focus on democracy, economic participation, and human dignity, the co-operative model inherently advances the de-commodification of life and resources (Bollier, 2015; Novkovic, 2018; Rees, 2014). Co-operatives are formed for economic, social, and environmental reasons and deliver a human space where communities and values matter, because capital is subordinate to labour and its democratized ownership does not require rapid growth or huge profit (Bollier, 2015; Fullerton, 2014; Novkovic, 2018). The UN recognized the advantages of the co-operative model to global sustainability by stating: "As global attention focuses on the challenge of sustainable development, co-operatives can and must play a key role as creative enterprises expanding into new and innovative areas" (Ryder, 2013, as cited in Dale et al., 2013, p. 1). The co-operative identity is thought to be a natural fit for "providing people with know-how, inputs, finance, and markets at fair prices with low

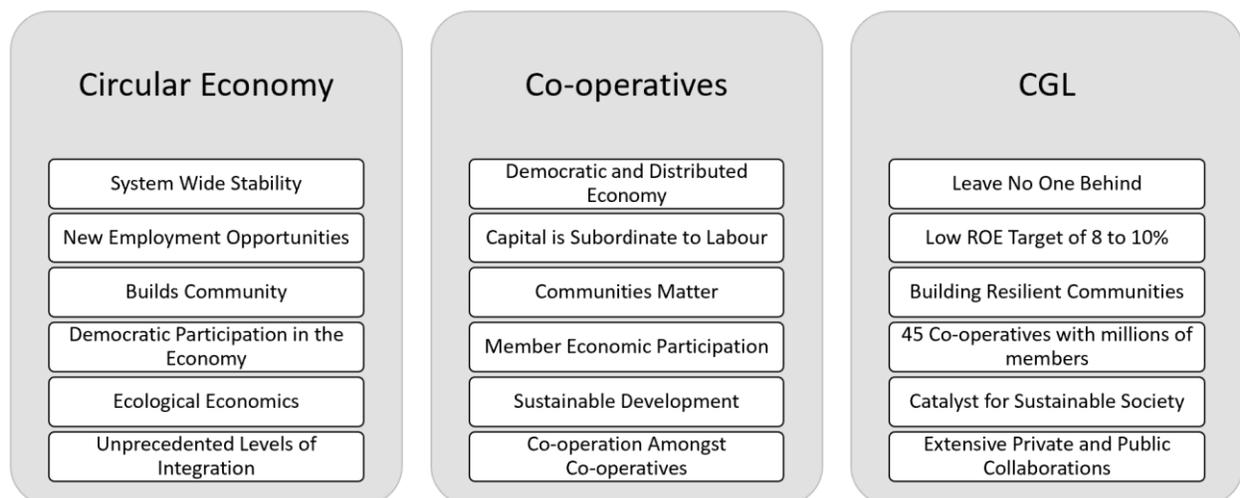
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environmental impacts” (Dale et al., 2013, p. 1). Due to its co-operative identity, CGL has conservative return on equity (ROE) targets of 8–10% compared to shareholder competitors with ROE of 18% or more (CGL, 2020). Members of CGL receive loyalty payments each year, and the majority of CGL’s profits are used to collaborate on social initiatives, build sustainable and resilient communities, support new co-operatives, and advance the core business (CGL, 2020; CGL, 2021a). For example, unlike competitors, CGL has undertaken democratizing access to financial markets for low-income families by providing personalized advice no matter how little a family has to invest. A second example is CGL’s collaboration with the Canadian Farm Builders Association, PrevTech, and provincial governments to develop and introduce an electrical monitoring system to farmers to notify them of potential faults that can be proactively addressed to avoid fires and associated losses (CGL, 2021a). CGL is committed to its co-operative identity and creating shared value as CEO Rob Wesseling explains:

Co-operation is our competitive advantage. For the complex challenges we face today, we are poised to develop co-operative solutions. . . . We can embrace our values and identity to co-operate with clients, members, and communities. Through collaborative action, we can build a more sustainable, resilient world. (CGL, 2021a, p. 9)

Thus, the natural convergence of the CE, co-operatives, and CGL, shown in Figure 4, creates an opportunity for the co-operative movement and CGL to transform the future.

Figure 4: The Natural Convergence of Circular Economy, Co-operatives, and CGL



Government Leadership, Policy, and Incentives

Worldwide, China, the United Kingdom, and the EU have promoted the CE principles through government leadership and legislation. The EU leads global efforts on creating CEs and has been the most successful to date with its comprehensive CE Action Plan introduced in 2015 (EMF, 2020; Ginga et al., 2015; Korhonen et al., 2018). The action plan makes sustainable products the standard; focuses on the more resource heavy economic sectors; addresses reduction of waste; and develops circularity for people, communities, and countries. Many directives have followed such as a goal for the built environment to divert 70% of construction debris and waste (CDW) by 2020. The most successful countries in diverting waste are the Netherlands at 98%, Denmark and Estonia at 93%, Germany and Ireland at 85%, and Belgium and Sweden at 70% (EC, 2016).

Local, regional, and national governments play a critical role in achieving sustainable development and a CE. A consistent, multi-faceted government approach can enable and drive business innovation (Canadian Council of Ministers of the Environment [CCME], 2019; Hart et al., 2019). Government leadership that sets foundational sustainability principles, goals, and targets would accelerate the CE transition (CCME, 2019; EC, 2015; Government

of Ontario, 2017). Legislation such as requiring diversion of waste to the value chain or placing responsibility on producers to design for reuse and remanufacturing could influence individual, community, and business behaviours. Incentives such as carbon credits, tax credits, and tax reduction can drive innovation and creative solutions (Adams et al., 2017; CCME, 2019; EC, 2015; Hart et al., 2019).

Within Canada, the federal government does not have a comprehensive CE initiative, although there is a climate action plan to be net-zero by 2050. This plan was rolled out in 2016, but the \$15 billion federal investment did not come until December 2020 (Wherry, 2020). The success of the climate action plan will depend on provincial and municipal government support, which is mixed across the country. The federal government has committed to developing a federal GHG offset system to encourage reduction of domestic emissions (Government of Canada [GC], 2021). There is only one province with a formal CE action plan, Ontario, which was communicated in 2017 and is still in its infancy. Within Ontario, the City of Guelph initiated a strategy in 2019 to become Canada's first circular food economy by 2023 (City of Guelph, n.d.). The Ellen MacArthur Foundation cites this initiative as poised to deliver millions in economic, health, and environmental benefits (EMF, 2019b). The National Zero Waste Council (NZWC) is an initiative by Metro Vancouver that brings together private and public organizations to advance the CE and reduce waste in Canada (NZWC, 2021). This year NZWC initiated a project for 15 cities across Canada to gain CE knowledge through a peer-to-peer exchange called the Circular Cities Initiative (Canadian Circular Cities, n.d.). It is apparent, when compared to Europe and the UK, that Canada requires more leadership, policy, and incentives from all levels of government to encourage sustainable development and the CE transition.

Sustainability in the Property and Casualty Insurance Industry

The Ellen MacArthur Foundation maintains that five key areas – steel, cement, aluminum, plastics, and food – could reduce the current annual global GHG emissions by 25% through circularity. This is the equivalent of all types of transportation operating globally today without producing carbon emissions (EMF, 2020). The construction industry and the built environment, which is the infrastructure built to support human activity, consumes more than 3 billion tonnes of raw materials annually, uses 40% of all energy, is responsible for 35–40% of GHG emissions worldwide, and is the largest contributor to waste globally (ACR, 2019; Adams et al., 2017; Arup, 2016; Ginga et al., 2020; NZWC, 2021). Within Canada, 3.4 million tonnes of CDW are sent to the landfill annually, which is a total of 1.8 million tonnes of embodied carbon (NZWC, 2021, p. 10), and only 15% of CDW is diverted (GC, 2018, p. 12).

Climate change is a serious issue for the global insurance industry. Natural disasters have increased 400% in the last decade compared to the 1970s, and 2017 and 2018 were the most expensive years on record, impacting the industry's growth and profitability (ClimateWise, 2019). Insurance coverage for weather events is becoming less available or less affordable, which has a significant impact on the financial stability of families, communities, and the economy. The insurance industry is recognized as critical in achieving sustainable development, because it is one of the largest global industries, with \$6 trillion premiums and \$4.3 trillion paid through claims into the economy (UNEP, 2021, p. 2). In Canada, Property and Casualty (P&C) insurers have \$54.1 billion in premium volume and pay \$39.1 billion in claims annually (Insurance Bureau of Canada [IBC], 2019, pp. 7-10). The P&C insurance industry can influence sustainable development through impact investing, risk mitigation, loss prevention, underwriting, products, and claims services (ClimateWise, 2010; EMF, 2020; UNEP, 2021). Today, impact investing is the most advanced strategy (ShareAction, 2019; UNEP, 2021). This is also true for CGL, where over 20.8% or \$2.45 billion of its assets go to impact investments, which produce 235 million MWh of renewable energy annually (CGL, 2021f, p. 60). CGL participates in United Nations Environmental Programme (UNEP) working groups, which have developed the Principles of Responsible Investment, the Principles of Sustainable Insurance, and the Climate-related Financial Disclosures. The [Principles of Sustainable Insurance](#) were developed to provide a framework for insurers to contribute to environmental, social, and economic sustainability.

There remain compelling opportunities for the P&C insurance industry and for CGL to build on this previous work to advance sustainable development within their core insurance products and services by:

- incorporating the environmental, social, and governance (ESG) sustainable insurance factors developed by the UNEP working committee into underwriting risk management and decisions;

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- acting on product opportunities such as incorporating coverage for sustainable, resilient repairs and replacements within the main policy wordings;
- developing affordable, parametric insurance products for clients, communities, and businesses living in geographical areas with severe weather events;
- delivering climate risk mitigation services to customers, including notifications and advice on reducing or avoiding damage from weather events;
- implementing sustainable claims management, where a sustainable claim is defined as being economically affordable for the insurer and customer with no negative impact on the environment, now or in the future;
- and leveraging their claims volume to significantly reduce landfill waste, create reverse logistics, and develop a substantial secondary economy (ClimateWise, 2010; ShareAction, 2019; UNEP, 2021).

The literature indicates these opportunities have been more extensively advanced in Europe and the UK, than in North America, including incorporating ESG factors into claims management. For example, ShareAction (2019) has developed a guide that includes leading practices of these insurers in sustainable claims management. ClimateWise. (2010) developed a model of 'Sustainable Claims Management Guidelines' in co-operation with insurers in the UK. Sustainable Claims Management is believed to reduce repair time, decrease material and energy usage, increase customer satisfaction, reduce waste disposal to landfills, and transition specific waste into revenue streams (ClimateWise, 2010; ShareAction, 2019; UNEP, 2021).

Conclusions from the Literature Review

With its co-operative identity and its commitment to the UN SDGs, CGL's values converge with CE aims to bring balance to social, economic, and environmental domains. Insurers in Europe and the UK have successfully integrated sustainability and a CE into their core insurance products and claims management. While CGL has had solid successes with integrating sustainability into its impact investing, it has not had the same success at incorporating sustainability and circularity into its core insurance strategy at scale. The literature review demonstrates that CGL has a significant opportunity to advance circularity within its core insurance products and claims management services.

Methodology and Conceptual Framework

Since the focus of this research project is to investigate opportunities for CGL to advance sustainability and the CE, the research methodology had an exploratory purpose. A combination of evaluation and survey research was used with qualitative and quantitative primary and secondary data. Based on the conclusions from the literature review, 60-minute semi-structured interviews were undertaken with co-operative or mutual insurers outside of North America (Appendix B) that were identified through the International Cooperative and Mutual Insurance Federation (ICMIF) as having successful sustainability or CE business strategies within their core insurance products and services. The non-competitive environment of ICMIF, of which CGL is a member, allows mutual and co-operative insurers to connect, collaborate, and share information. These conversations provided strategies for application in Canada, which narrowed the focus to circularity within building construction debris and waste, property insurance products, and claims management. To investigate these aspects in Canada – in terms of the key enablers coded from the literature review and ICMIF member conversations – interviews and focus groups were conducted with Canadian businesses, municipalities, and councils (Appendix B). Conversations were focused on the key barriers and enablers for a CE in Canada:

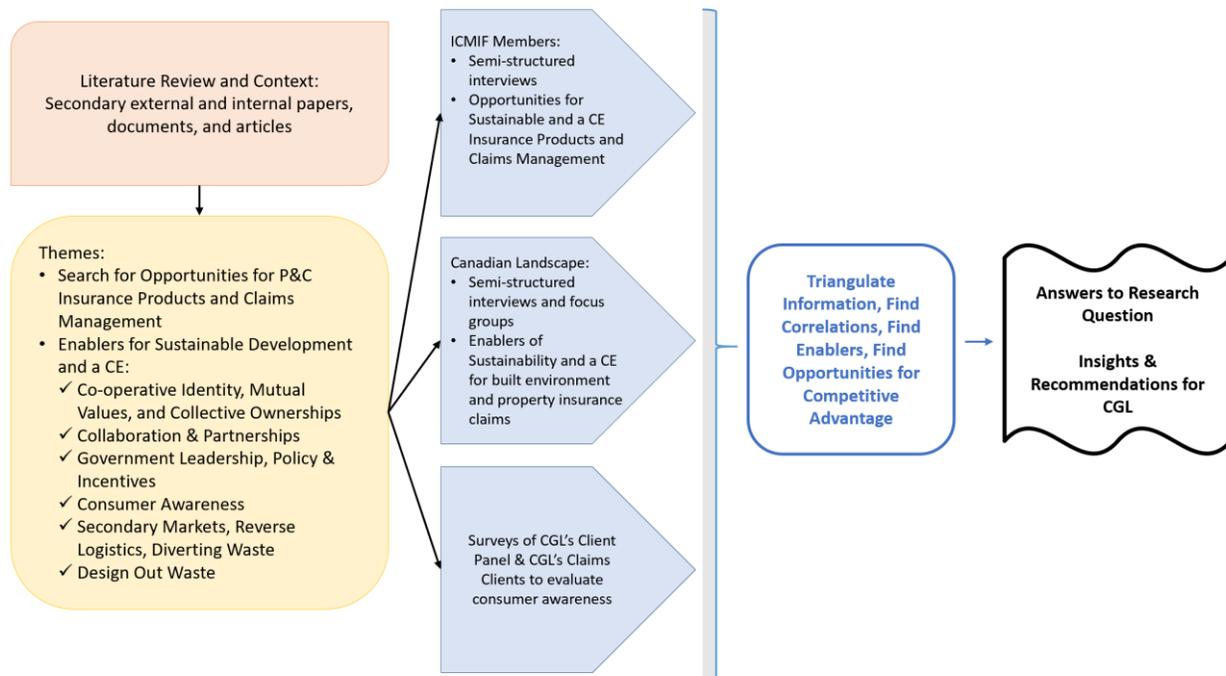
- collective ownership, mutual values, and the co-operative identity
- collaboration and partnerships
- developing infrastructure and secondary markets
- designing out waste
- government policy and incentives
- consumer awareness and interest

The semi-structured interview guide used for all the interviews and focus groups is shown in Appendix C. All participants were asked to rate the enablers as 'not important to success', 'important to success' or 'critical to success'.

To directly investigate consumer awareness and interest in sustainability and a CE, identical electronic surveys (Appendix D) were undertaken through CGL’s client panel, administered by the marketing department, and through CGL’s claims survey, administered by the national claims department. Both surveys achieved response rates above normal. CGL’s client panel is comprised of 464 clients who have signed up for one year, providing CGL with an online forum to survey interest in new products and services. The client panel survey had a response rate of 57% with 264 surveys returned between February 6 and 19, 2021. The claims survey was sent between March 1 and 15, 2021 to the last 2,609 CGL clients with a home property claim and a response rate of 36.8% returned 960 surveys.

All the information was triangulated and analysed to answer the research question and provide CGL with insights and recommendations. The author’s work experience is entirely within the insurance claims world, and she has an in-depth understanding of CGL’s insurance products and claims management. The triangulation of information safeguarded against personal bias and brought credibility to the insights and recommendations. The conceptual framework is shown in Figure 5.

Figure 5: Conceptual Framework



The Search for Opportunities

As established in the literature review, insurance companies outside of North America are more advanced in integrating sustainability and a CE into their core insurance products and services. The four mutual or co-operative insurance companies interviewed shared interesting and dynamic sustainability and circularity strategies. The top strategies are shared below.

Helping Customers Mitigate Loss from Weather Events

All four insurance companies have mobile apps that notify customers of impending weather and provide advice on reducing or avoiding loss. The most advanced mobile app was developed by VH, the largest crop insurer in Germany, through collaboration with its members and weather science experts. VH provided the following information in their interview. More frequent and severe storms are impacting crop insurance affordability and there is no government subsidy as seen in other parts of Europe or Canada. To provide more detailed, localized weather information to its

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members, VH strategically placed 600 weather stations to complement the existing government stations. Members receive localized notifications and information to inform decisions about planting, maintenance, and harvest. The system provides hourly, 7-day, and 14-day forecasts for a member's localized area, using 12 different weather modelling algorithms in the background. For example, a member can make an informed choice to harvest Section B of their land first over Section A if the mobile app shows Section B has a significant chance of exposure to a storm while Section A does not. The next step in development is refining insurance product offerings for their members based on localized weather data, helping members buy affordable insurance to safeguard their farming operations long term.

Unipol, located in Italy, explained in their interview that while it has a weather app for storm notifications to clients, their more intriguing sustainability strategy, the Derris project, was a private and public collaboration to reduce climate risk and mitigate damage. Unipol partnered with select municipalities, climate and science experts, trade associations, customers, and businesses to mitigate risks and reduce damages caused by seven types of weather events. Working together, a free on-line modelling tool was implemented for residents, municipalities, and businesses to understand, assess, and mitigate damage related to these weather events. Transferring the climate risk knowledge from Unipol to all stakeholders was a significant outcome of the project, and pivotal to building trust for future collaborations. The Derris project was the starting point for many other collaborations, such as the ADA project now underway to build resiliency and sustainability in the dairy, wine, and fruit and vegetable agricultural industry

Leaving No One Behind with Parametric Insurance

Two insurance companies, Unipol and Tajy, have developed parametric insurance products that provide coverage for loss of business or farming income from weather events. In their respective interviews, they indicated that the design of their products is based on pre-determined dollar limits tied to different levels of storm or drought severity. When the weather event reaches a pre-set level, the income loss, based on the pre-determined dollar limit, is automatically paid directly to the customer's bank account. There is no claims process. For Tajy, located in Paraguay, this product enables farmers in conflict areas to sustain their family business after a drought event, keeping them safe and out of danger. Unipol developed their parametric product to provide business income coverage to hotels located on coastal flood areas in Italy.

Parametric products could be researched further to provide business income coverage for pandemic events which are currently excluded from coverage in Canada, resulting in an unmet need for businesses. This would align with CGL's stated commitment to leave no one behind through meeting the unmet needs of Canadians.

Building Sustainable Communities by Leveraging Vehicle Big Data

Unipol was the first insurer in Italy to install monitoring devices in customer vehicles. They reported in their interview that using the devices promotes positive social and environmental impact by providing financial incentives for customers to use their vehicles less, calculating and informing customers on their GHG emissions based on vehicle use, and providing information on how often their vehicle is parked to drive use of public transportation. In the unfortunate circumstance of a vehicle accident, the monitoring device will notify authorities depending on the intensity of the accident. Further, for accidents where both vehicles are equipped with Unipol monitoring devices, instant claims settlement is offered. Unipol and municipalities collaborate to use big data collected in vehicles for public good – to research eco-friendly and safe mobility such as evaluating accident frequency by location for safe road design, assessing travel patterns to improve public transportations routes, and determining the best locations for installation of electric charging stations. Unipol leverages its significant auto insurance size to provide meaningful insights to municipalities and assist in building sustainable communities.

Insuring Sustainable Development Through Risk Selection

The UNEP Principles of Sustainable Insurance (UNEP-PSI) working group developed the ESG factors to offer guidance for assessing climate change, ecosystem degradation, pollution, animal welfare and testing, child labour, controversial weapons, and bribery and corruption in P&C insurance risk selection and underwriting (UNEP, 2009; UNEP, 2012). During their interview, Unipol shared their ESG experience. In 2020, they integrated the ESG factors

into their insurance risk selection and underwriting processes, procedures, and reporting. This enables accurate assessment of risk exposure against the ESG criteria and outlines responsibilities and actions. In underwriting operations, when a risk is flagged for review, meaning the risk does not meet ESG factors, the process dictates review by the sustainability team and the ESG taskforce to decide whether to provide insurance coverage. Throughout 2021, Unipol is designing benefits and rewards for businesses who have positive ESG factors. This is an interesting strategy since it could help businesses transform to lead sustainable development. CGL is a member of the UNEP-PSI working group and is researching the incorporation of ESG factors into its risk selection and underwriting frameworks.

Advancing Sustainable Development with Circular Insurance and Claims Management

Folksam described its approach in their interview as follows. Sustainability has been deeply integrated into Folksam's insurance product and claims strategy since 2002. Folksam, located in Sweden, has achieved circularity in their core insurance products and claims services, with 1.3 million customers insured under an environmentally friendly labelled auto and home insurance product. The 'Good Environment Choice' label, introduced ten years ago, is certified by the National Conservation Society based on meeting specific criteria. Within Sweden, sustainable building products cost 10% more than regular products, but the increased cost has been offset by changes in Folksam's claims handling, allowing them to offer sustainable repairs and replacements as part of their main policy wording without an increase in policy price. These claims management practices have reduced cost, saved energy, decreased waste, and created secondary industries and jobs within Sweden. Folksam was the first insurance company in Sweden to offer these environmentally friendly products and services which has provided a competitive advantage for many years. Now, approximately 20% of their competitors have similar products and services, including Länsförsäkringar, their main mutual insurance competitor and a member of ICMIF. Nevertheless, a European sustainability survey named Folksam the most sustainable insurance brand in 2020.

Claims are adjusted in a manner that showcases a high standard of consideration for the environment, and the story of circular claims settlement is shared as a way for customers to meaningfully reduce their environmental impact. Vendors, repair facilities, and general contractors have service agreements that bind them to sustainable choices and environmental requirements, with regular reviews to ensure the eco-labelling criteria are met. For property claims, contractors are provided with a detailed list of the sustainable products to be used for repairs or rebuilding and have requirements for diverting CDW. Drying in place for water claims is standard, which reduces waste, repair costs, and cycle time. Folksam partners with Godsinslösen Nordic AS, a circular goods management company, to reuse and recycle contents – anything from glasses to furniture to carpets to mobile phones. For example, over 47,000 – or 80% – of damaged mobile phones are repaired annually through this partnership rather than replaced. If a mobile phone is replaced, healthy parts from the broken phone are used to repair other phones. Since 2015, Folksam circular phone strategy has reduced GHG emissions annually by 3,000 tonnes. For auto claims, used parts are consistently chosen for repairs rather than new parts, with these parts certified and warranted by Folksam. During vehicle repairs, customers use electric rental vehicles. For prevention of injuries, Folksam uses the accident information to generate their annual vehicle safety rankings and 'Sweden's safest vehicle' to guide consumers towards safe vehicles.

Initially, consumer awareness was a challenge as customers questioned the sustainable claims practices. Folksam's claims team was trained and educated on how to explain circular claims practices. Building customer awareness is key, such as sharing the fact that 60% of the cobalt used to make mobile phones comes from the Congo where children, women, and men endure human rights abuses to mine it. Over time customer awareness has increased and acceptance grown, because customers have understood the positive impact their choices make on the world.

Conclusions from the Exploration of Opportunities

All four companies cited their mutual or co-operative values as the main driver for advancing the sustainability and circular strategies which have provided a competitive advantage in their marketplace. Collaboration and partnering is cited as the top enabler for success, which the companies believe is a natural fit with their mutual or co-operative values. All expressed a need, indeed an imperative, to build a sustainable world, particularly in the wake of COVID-19. Folksam expressed: "What our society finds acceptable is changing because of the damage being done to our environment and our financial systems. Never more than now is change needed." All four companies believe their core purpose is to co-create value with their customers, members, and communities to provide positive social,

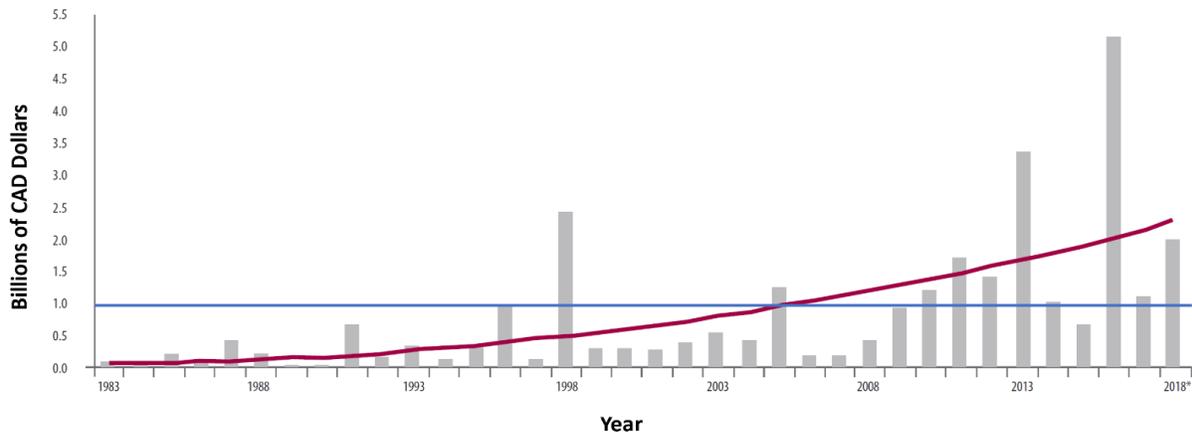
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economic, and environmental outcomes. In their view, every mutual or co-operative insurer that aims to uphold their values should be on a similar path. Soon organizations will not have a choice, as climate change and the resulting damages are addressed by governments and become a significant social media issue with increased consumer interest.

Selecting the Opportunity for Further Research

Like other countries worldwide, Canada has experienced an increased number of catastrophic weather events in the last ten years. In fact, the financial impact of storms has surpassed \$1 billion annually in eight of the last ten years, compared to twice in the previous ten years (IBC, 2019). This has impacted the affordability and availability of insurance for specific types of weather damage for Canadians. For example, coverage for both flood insurance and hail insurance has increased in cost, while the dollar amount of coverage has decreased. The financial increase in Canadian weather catastrophes is shown in Figure 6.

Figure 6: Losses from Weather Catastrophes in Canada from 1983 to 2018 (IBC, 2019, p. 17)



As a result of the 2016 Fort McMurray Wildfire, the largest insured disaster in Canadian history, CGL re-built over 250 homes and businesses for clients. In June 2020, Canada experienced the largest hailstorm in its history, causing \$1.2 billion in damage to homes in Calgary, where CGL replaced over 1000 roofs (CGL, personal communication, February 11, 2021). In addition to storm events, every year over 40,000 clients of CGL suffer damage to their homes, farms, and businesses. Over 98% or 116,534 tonnes of waste from damaged building materials is deposited in the landfill annually by CGL, contributing to GHG emissions and environmental damage (CGL, personal communication, February 18, 2021). CGL uses drying in place and cleaning of soft contents only 25% of the time where it could be applied (CGL, personal communication, March 1, 2021). Folksam has proven these methods reduce cost and waste. The types and weight of damaged building materials CGL deposits in landfills is shown in Table 1. This does not include the 75% of damaged contents which are disposed of annually (contents tonnage weight is difficult to calculate, because the data is not available). These practices for disposal of damaged building and contents are similar across the insurance industry in Canada.

Table 1: CGL’s Damaged Building Materials Annually Deposited in Landfills

Type of Building Material	Annual Average in Tonnes
Flooring	2,582
Concrete	388
Wood	20,912
Drywall	7,883

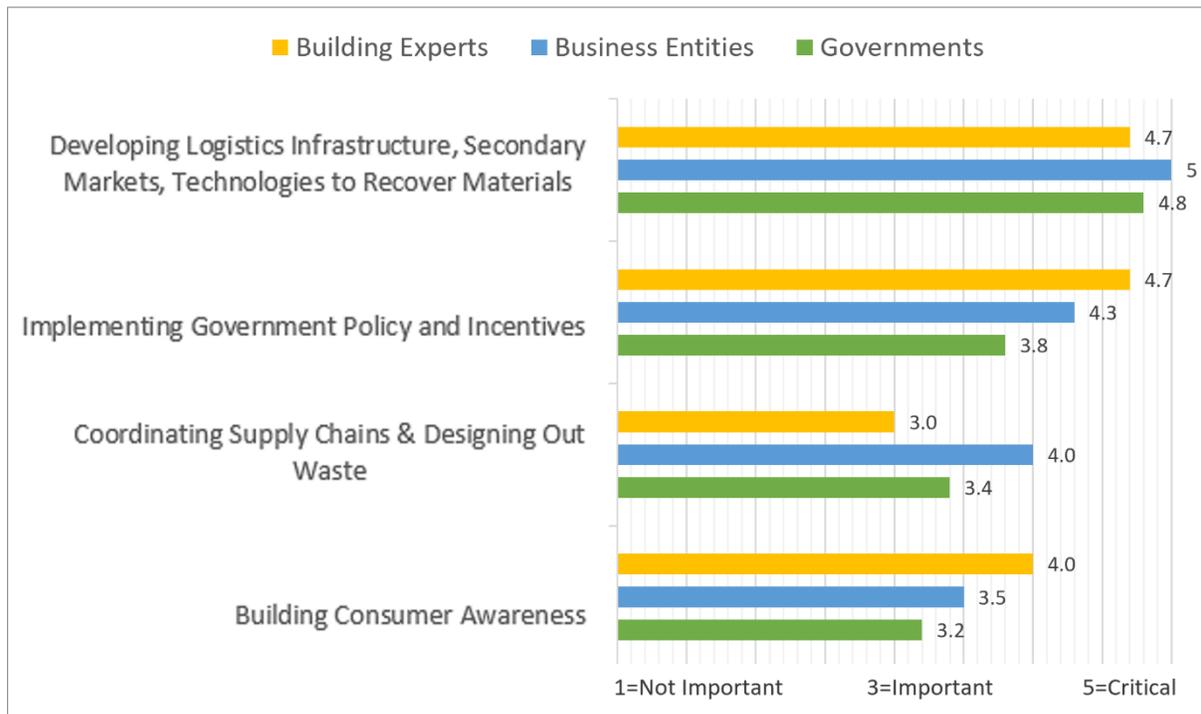
Type of Building Material	Annual Average in Tonnes
Fibre Glass	979
Metal	4,360
Asphalt	11,269
Siding	63,654

Unfortunately, that is not the end of the story. The situation is compounded by unsustainable, less resilient repairs and replacements in the insurance claim process. Practically, the 116,534 tonnes of waste generate an equivalent amount of unsustainable, less resilient building materials CGL uses to repair or rebuild clients' homes, farms, and businesses. Four of the five elements EMF cites as able to reduce GHG emissions by 25% globally through circularity are used in property insurance claims. In Canada, the coverage for sustainable materials is only available through an endorsement with an additional premium because their cost is 25–30% higher. The prevailing opinion is that to include this coverage in the main wording for insurance claims would cause an increase in premiums that would make any insurer offering it uncompetitive in the market. Instead, offering it through endorsement is the common practice. CGL insures approximately 1.2 million homes, farms, businesses, and offers up to \$50,000 coverage in sustainable repairs and replacements through an endorsement costing an extra \$40 annually. However, only 13,619 clients have purchased it (CGL, personal communication, March 24, 2021). The current property insurance model is therefore negatively impacting the environment as, simultaneously, CGL works to reduce climate change through other initiatives, such as impact investing. The business model of circular insurance products and claims management is proven in Europe and could be an excellent opportunity for CGL to differentiate itself in Canada through its co-operative identity and accelerate its achievement of the UN Agenda 2030. Thus, the focus of the research has narrowed to gaining an understanding of the barriers to and the enablers of success for CGL to advance circularity in property insurance products and claims management in Canada.

Exploring the Canadian Landscape for Sustainability and a CE

The interviews and focus groups with Canadian organizations provided interesting perspectives on the enablers of sustainability and a CE within Canada and CGL's property insurance and claims management. The information was compared across the following three categories of participants: (a) building experts; (b) business entities; and (c) governments. The results are shown in Figure 7 and commentary follows.

Figure 7: Ranking of the Enablers of Sustainability and a CE



Developing Infrastructure, Markets, and Technology

The most significant enabler for creating a CE in Canada, identified by all three categories of participants, is the development of reverse logistics, secondary markets, and technologies for recovery to divert waste. The low value of materials and products at end of life is driven by the limited availability of markets to which they can be diverted. If markets do exist, the issue is compounded by lack of knowledge about them. For instance, Lafarge, a large concrete manufacturer, has converted its concrete plant in Richmond, BC, to utilize fuel sources other than coal and fossil fuels, such as burning construction waste and debris, to power the plant. The ash is then used as aggregate in the concrete. Lafarge is in the process of converting their Exshaw plant located near Calgary, AB, to do the same (Lafarge, n.d.). Another example is the City of Richmond which has a pilot project underway to use recycled asphalt for repaving their main roads (Hixon, 2020). Business Entity A shared that one of the challenges is the lack of certification for recycled asphalt to ensure the safety of the new road, but a future can be seen in which damaged asphalt shingles are reused to make roads. WINMAR indicated that another example of a secondary market is drywall recycling in local markets in Ontario. Further, in Quebec, the province partners with 50 Construction Debris and Waste (CDW) sorting facilities to divert waste. Such secondary markets are unknown to many business entities. Disaster Kleen-up International (DKI) Canada, a national general contractor, shared in their interview: “There is significant opportunity for CGL to divert waste from landfills in property insurance claims”.

The analysis of all the information – the literature review, interviews, and focus groups – shows there is an opportunity for CGL, in partnerships with private and public stakeholders, to communicate, research, develop, and implement secondary markets and reverse logistics, promoting a CE in property claims management. One critical point agreed by all participants is that solutions to expanding reverse logistics and secondary markets would be different across municipalities and regions. This is a perfect fit for building co-operative networks, which thrive with local co-operatives and like-minded businesses that are integrated in varying degrees to provide capital, innovation, education, and systems thinking across the networks. The experience of the insurers interviewed in Europe is that the benefits of these collaborations drive the formation of new businesses and jobs that remain within the local region. With CGL’s unique ability to research, capitalize, and collaborate, developing CE enablers in Canada, it is very

well-positioned to build resilient businesses and communities, promote the co-operative economy, and gain a competitive advantage.

Implementing Government Policy and Incentives

The groups believe that more government policy and incentives are needed to influence businesses to turn towards sustainability and a CE in Canada. The majority shared that most businesses would not see a clear business case to make the transition, since profit is the main driver of business strategy today. It is interesting that the municipalities rated the need for government intervention lower than the other groups. There was agreement across groups that both incentives and legislation are needed; it was only in the degree of each where opinions differed. The municipalities would rather use incubator labs, innovation forums, and research incentives to drive business change, as regulation does not lead to absolute compliance and requires a high level of policing at a significant cost. There are examples of illegal landfill and dumping sites in every province. The business entities and building experts feel that a strong political and governmental commitment is needed for citizens and businesses to change. All expressed that municipal or provincial government involvement would be better than federal because the availability of infrastructure, markets, and logistics varies across Canada. There was agreement across groups that business collaboration and advocacy could influence governments to provide incentives and enact policy.

Within the EU, government commitment and leadership has been key to successful implementation of a CE through a combination of local and national legislation and incentives. The EU developed the framework with its members and funded research projects on the CE in conjunction with numerous stakeholders, which has driven the development and innovation needed to achieve success. The implementation of government regulations and incentives has varied amongst EU members, but the CE has been more successful in countries where local governments acted, most notably Sweden, Belgium, the Netherlands, France, and Germany (EC, 2020; Ghisellini et al., 2016). Both the experience in the EU and the commentary provided by the participants align well with a co-operative networked business model, where local solutions can be different, and strength is provided by the connection between co-operatives and like-minded organizations. These strategic co-operative networks would be leveraged for advocacy with governmental bodies at all levels across Canada. CGL and its member co-operatives have extensive experience in this regard which could be leveraged to make circular insurance a reality in Canada.

Coordinating Supply Chains and Designing Out Waste

Coordination of the supply chain and designing out waste was considered important by all groups. They agreed that urban planning and building design need significant innovation and change for a sustainable future. Many felt the fragmented nature of the built environment, including silos in the supply chain, significantly increases costs of designing out waste, and there is a lack of incentives and an unclear business case for stakeholders to make the transition. Within Europe and the UK, Extended Producer Responsibility (EPR) makes the producer responsible for the entire life cycle of a product, including the cost of collection and recovery at end of life. Folksam related in their interview that the EU is currently in discussions to make insurance companies surrogates for producers, with the result that EPR would apply to insurance companies within the next year. Within Canada, EPR exists for producers in nine out of ten provinces, but only for a limited selection of products, which is different in every province. The National Zero Waste Council recently published a white paper which asserts that strong collaboration with all stakeholders involved is needed to address the product development and design barrier. For example, the City of Brussels, Belgium collaborated with urban planners, developers, and builders to develop a web platform which provides detailed information and measures for sustainable design in the built environment (NZWC, 2021). For CGL, one of the best ways to address designing out waste is to expand insurance coverage to allow clients to repair or replace products and contents with sustainable and resilient materials. The participants highlighted that as this type of coverage becomes more prevalent in the marketplace, economies of scale would be achieved to overcome the barrier of costs; expertise and knowledge of sustainable and resilient products would be expanded; consumer interest and awareness would be fostered; and partnerships would be built among insurers and building associations, developers, and communities to influence design of the built environment for sustainability and a CE.

Building Consumer Awareness

Consumer awareness was mentioned as important during each conversation but was rated the lowest as an enabler. The shared opinion was that people are increasingly aware of the global problems within the social, economic, and environmental arenas. Two participants shared that most research shows that Millennial and Gen Z generations have more knowledge and are more interested in sustainability than previous ones. The building experts shared that project managers for contractors and insurance company adjusters would need to be fully educated about sustainability if CGL undertook circular claims management. As this group would be responsible for ensuring clients are aware of their sustainable choices on every claim, it makes sense that the building experts rated this enabler higher than the two other groups. Overall, the prevailing belief was that consumer awareness could be fostered through different types of consumer education campaigns and during the claims process.

CGL's Survey Results for Consumer Awareness

CGL's client panel survey represents people who have not had an insurance claim, while its claims survey represents people who have had a home insurance claim. The results are shown in Table 2.

Table 2: Results of CGL's Client Surveys

Question	Client Panel Survey	Claims Survey
Awareness of the term 'circular economy' prior to participating in the survey		
Yes	23%	24%
No	77%	76%
Likelihood of purchasing a home insurance policy that allows replacement with sustainable materials and contents		
Definitely/probably would buy	51%	56%
Might or might not buy	41%	38%
Would not buy	8%	6%
Likelihood of purchasing a home insurance policy that allows replacement with sustainable materials and contents if more expensive than current policy		
Definitely/probably would buy	13%	18%
Might or might not buy	45%	46%
Would not buy	42%	36%
Does a CE align with CGL's brand?		
Completely/somewhat agree	45%	55%
Neither agree nor disagree	50%	41%
Completely/somewhat disagree	5%	4%

The results from CGL's client panel and CGL's claims survey indicate:

- Awareness of the circular economy is limited among CGL's clients, although awareness of sustainability is much higher given the interest in purchasing coverage for sustainable materials and contents.
- The majority of clients have an interest in purchasing home insurance with sustainable repairs and replacements when there is no increase in price. Within both surveys, the age groups between 18 to

54 were more interested in purchasing this insurance coverage. Interest in purchasing this insurance was higher after experiencing a claim.

- The majority of clients do not see the benefit of paying a higher price for the coverage, although more clients with a claim than clients without a claim would consider purchasing for an increased price.
- Clients with a claim regard a CE as aligning with CGL’s brand more than clients without a claim, although results are good in both groups. It is difficult to understand what this means, as it could be that clients do not understand CGL’s co-operative identity or focus on sustainability unless they have had a claim.

The conclusion is that providing coverage by way of endorsement is unlikely to attract many clients because of the additional price. It is clear that coverage for sustainable building materials and contents must be incorporated into the main policy wording for clients to utilize it. DKI Canada made this important point in their interview: “Including sustainable repairs in the policy coverage would be a competitive advantage for CGL. Then clients have to opt out at time of claim versus having to opt in for the endorsement when they purchase their policy”.

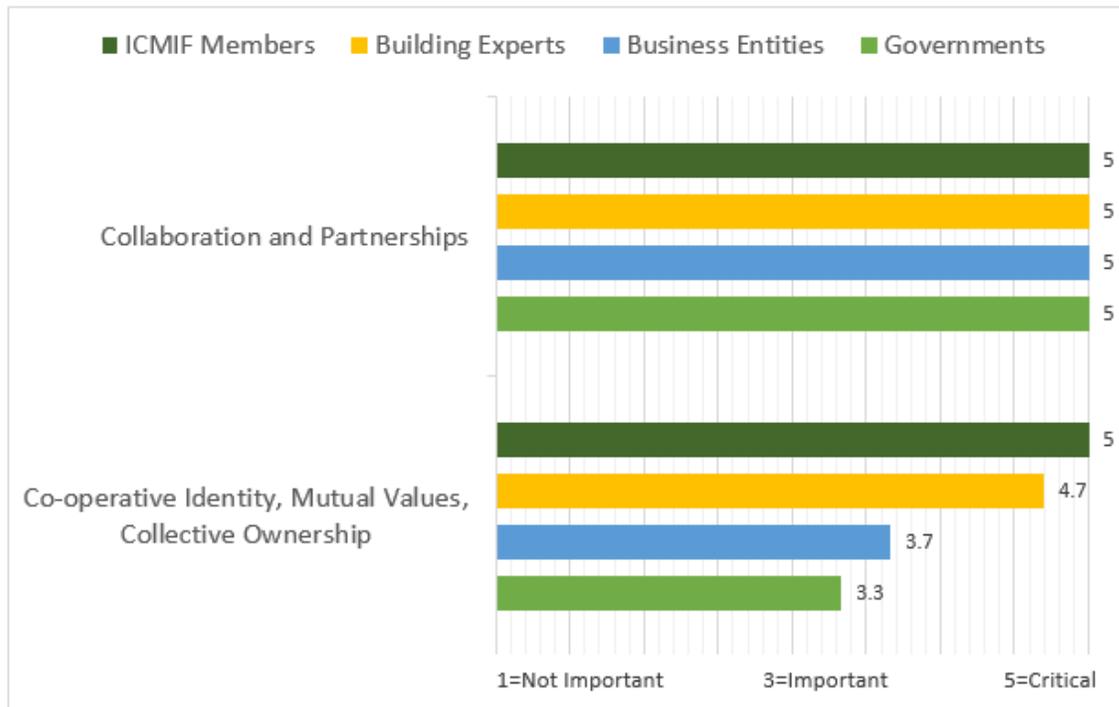
The keystones for success: Collaboration, Partnerships, and the Co-operative Identity

All participants, including ICMIF members, were asked to comment on two factors identified in the literature review as critical to success of sustainable development and a CE:

- collaboration and partnerships
- co-operative identity, mutual values, or collective ownership

The results are shown in Figure 8.

Figure 8: Importance of Collaboration, Partnerships, and the Co-operative Identity



All participants viewed collaboration and partnerships as the most critical enabler of sustainable development and circularity. For business and government entities, the co-operative identity was ranked lower, because they have experienced collaborating with other types of organizations. However, these participants recognize that CGL, as a co-operative entity, aligns more effortlessly with a CE. Municipality A believes: “The co-operative model and CGL

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could more easily enable a systems approach and would do the right thing because they care about democratizing the economic and social aspects of circularity". For ICMIF members and the building experts, collaboration and partnerships is synonymous with the co-operative or mutual identity, since operating in this manner is engrained in the core values and purpose. One building expert, a CGL property building appraiser, shared: "Other insurance companies are not having this conversation, because shareholder value is the main driver of business decisions. CGL is the only insurance company that talks seriously about sustainability".

Recommendations and Conclusions

The world is at a tipping point where the course of recurring environmental damage to the Earth caused by human activity must be altered to avoid a future with irreversible damage to earth and human systems. A Circular Economic system can bring the economy within planetary boundaries and co-operatives are well-positioned to lead a CE and deliver urgent social equality, economic equity, and planetary protection. Further, a CE is a remarkable opportunity for growth of the co-operative movement through developing inter-cooperation, integrating pools of capital, building adaptive systems, and collaborating to co-create shared value. The literature review, interviews, focus groups, and surveys all show that a CE, co-operatives, and CGL are a natural fit.

The business case and competitive advantage of circularity within property insurance products and claims management is proven by Folksam Mutual Insurance in Europe. All research participants believe the business case is strong for CGL to integrate circularity into its insurance products and claims management, because circularity reduces claims costs, waste, and cycle time. This approach must only be a full business strategy because it is a balance between the inclusion of coverage for sustainable repairs and replacements while reducing claims costs and diverting waste through circularity, essentially creating 'circular insurance', without an increase in price. CGL's co-operative identity and experience with collaboration would enable flexibility, innovation, and synergy amongst stakeholders to advance sustainability and circularity within its core insurance products and claims management.

Throughout this research, businesses, organizations, and municipalities have expressed an interest in collaborating with CGL to advance a CE within Canada. For many participants, it was an eye-opening experience to understand the impact insurance claims have on our environment. It is recommended that CGL advance a circular strategy using a co-creation and shared value model by initiating a multi-stakeholder, enterprise project owned by CGL's home product and national claims leaders, with full support from executive management and CGL's board. The key deliverables of this project would be:

- Researching, analysing, and implementing partial or full coverage of sustainable repairs and replacements within the main policy wording. Within this research, serious consideration must be given to also including repairs and replacements with resilient materials and contents that withstand damage from severe storms.
- Developing and implementing guidelines and strategies for property circular claims management, including metrics and measurements of the environmental impacts of the claims process.
- Identifying and partnering with two municipalities and local stakeholders to collaborate, develop, and implement diversion of CDW. Once expertise and knowledge are gained, undertake thoughtful expansion of diversion of CDW to additional locations and geographical areas.
- Partnering with CGL's two national building contractors to advance diversion of CDW on property insurance claims which would include (1) utilizing drying in place as business as usual; (2) certified restoring and cleaning of soft contents, such as clothes, shoes, and linens, with consideration for CGL to provide financial incentives for clients to avoid disposal; (3) building partnerships with like-minded, local businesses to support diversion of waste; and (4) investigating turning waste into a revenue stream.
- Building collaborations and partnerships with CE organizations, particularly with the NZWC, to advocate for circular economy and zero waste research, strategies, and regulations across Canada.
- Engaging and funding innovation and incubator labs with support from private and public stakeholders to research and develop solutions for secondary markets and technology for the recovery of CDW.

Developing circularity would reduce environmental impacts, decrease GHG emissions, and provide a platform for CGL to influence a networked and distributed approach as a business model, with positive social and economic

impacts that support people and communities. Circular insurance is a substantial opportunity for CGL to co-create shared value through reciprocity and co-operation amongst multiple stakeholders to accelerate sustainable development and achievement of the UN SDGs. CGL can help secure the social, economic, and environmental commons, and accomplish its co-operative promise of promoting and advancing a sustainable, socially-just, equitable, resilient, and democratic economy and society.

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Appendix A: List of Abbreviations

CGL	The Co-operators Group Limited
CE	Circular Economy
CDW	Construction Debris and Waste
EMF	Ellen MacArthur Foundation
ESG	Environmental, Social, and Governance
EPR	Extended Producer Responsibility
EC	European Commission

The Search for Opportunities: Integrating Sustainability and the Circular Economy
Within The Co-operators Group Limited's Core Insurance Products and Services

EU	European Union
GC	Government of Canada
GO	Government of Ontario
GHG	Greenhouse Gas Emissions
ICMIF	International Co-operative and Mutual Insurance Federation
IPCC	Intergovernmental Panel on Climate Change
NZWC	National Zero Waste Council
PBA	Property Building Appraiser
P&C Insurance	Property and Casualty Insurance
UK	United Kingdom
UN	United Nations
UNDP-MPI	United Nations Development Programme - Multidimensional Poverty Index
UN SDGs	United Nations Sustainable Development Goals
UNEP-PSI	United Nations Environment Programme - Principles of Sustainable Insurance

Appendix B: List of Interviews and Focus Groups

Table B1: External Participants in the Search for Opportunities

Organization	Location	Method
Folksam Mutual Insurance	Sweden	Interview
UnipolSai Mutual Insurance	Italy	Interview
Vereinigte Hagel Mutual Insurance	Germany	Interview
Tajy Co-operative Insurance	Paraguay	Interview

Table B2: External Participants in the Canadian Landscape

Organization	Location	Method	Description
DKI Canada	Across Canada	Interview	National General Contractor
WINMAR Canada	Across Canada	Interview	National General Contractor
Business Entity A	British Columbia	Interview	Secondary Market for CDW and the CE
Business Entity B	British Columbia	Focus Group	Secondary Market for CDW and the CE
Business Entity C	British Columbia	Interview	Secondary Market for CDW and the CE

Organization	Location	Method	Description
Business Entity D	British Columbia	Interview	Secondary Market for CDW and the CE
Business Entity E	Europe & Canada	Focus Group	Secondary Market for CDW and the CE
Municipality A	Ontario	Focus Group	CDW and the CE
Municipality B	British Columbia	Interview	CDW and the CE
Municipality C	Alberta	Interview	CDW and the CE
Government A	Quebec	Interview	CDW and the CE
Government B	Alberta	Interview	CDW and the CE

Table B3: CGL’s Internal Participants in the Canadian Landscape

Group	Location	Method	Description
Property Claims Building Appraisers	Across Canada	Focus Group	Property Insurance Claims

Appendix C: Semi-Structured Interview and Focus Group Guide

Introduction and Set the Stage

1. Introductions. Thank the participant.
2. Provide brief overview of research project.
3. Review confidentiality, anonymity, and privacy.

Experience with the Circular Economy

1. Could you share high level information about your company?
2. What is your knowledge or interest in the circular economy/sustainability/UN SDGs?

Circular Economy and Sustainability

1. What circular economy/sustainability strategies have been developed and implemented within your organization?
2. What are the barriers to sustainability and a circular economy?
3. Probe: How would you rate the barrier: highly significant, significant, low significance?
4. What are the key enablers needed for sustainability and a circular economy?
5. Probe: How would you rate the enabler: critical to success, important to success, not important to success?
6. How has the sustainability or circular economy approach provided your company a competitive advantage?

Circular Economy, Sustainability, Mutual or Co-operative Identity, Collective Ownership

1. What difference does a company's co-operative/mutual identity make to advancing the circular economy/sustainability? OR What difference would collective ownership make to advancing the circular economy?
2. What advice would you have for an organization starting this journey?

Conclusion

1. Provide an opportunity for the participant to ask questions.
2. Review next steps and timeframes.
3. Thank the participant for their time.

Appendix D: CGL's Client Panel and Claims Survey

Intro to Circular Economy
In keeping with its co-operative values and principles, The Co-operators would like to contribute to reducing the planet's reliance on natural resources and waste disposal. This requires moving away from the current model of a 'take-make-dispose' (linear) economy towards a circular economy. In a circular economy, products and materials are longer lasting and are designed for disassembly, recycling, refurbishing, remanufacturing, and raw materials utilization at the end of life. It is believed that advancing this circular economy would diminish the dependency on the planet's resources, reduce climate change, carbon emissions, and create new and innovative businesses.
Awareness of Circular Economy
Prior to today, were you aware of the term Circular Economy? Yes No
Purchase Intent Without Price
How likely are you to purchase a home insurance policy that allows clients to replace damaged materials and contents with sustainable options in the event of a claim? Definitely will buy Probably will buy Might or might not buy Probably will not buy Definitely will not buy

Purchase Intent with Price
How likely will you be to purchase sustainable insurance coverage if it was more expensive than your current policy? Definitely will buy Probably will buy Might or might not buy Probably will not buy Definitely will not buy
Fit with The Co-operators' Brand and Values
Please tell us how much you agree or disagree that the Circular Economy is a good fit with The Co-operators brand and its values. Completely agree Somewhat agree Neither agree nor disagree Completely disagree Somewhat disagree
Age
Please select your age group. Under 18 18-24 25-34 35-44 45-54 55-64 65+