

2024

Report to the Community



**Lloydminster
& District**



Mission



Members together, growing community.

Values



Community

Community grows
when we care for
others.

Community
celebrates our rich
diversity.

Community
honours our local
legacy.



Integrity

Integrity means we
do what we say.

Integrity
emphasizes
quality: in member
experience and
product.

Integrity happens
when we serve
with compassion.



Teamwork

Teamwork
confirms everyone
matters.

Teamwork proves
we're stronger
together.

Teamwork
highlights the
good in everyone.

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TO OUR MEMBERSHIP

At Lloydminster and District Co-op, we're proud to be a cornerstone of the community. We believe in putting people first—fostering member ownership, prioritizing local impact, and building stronger neighborhoods. As a Co-op, we stand as steadfast pillars of support, reinvesting profits into the hands of those who help us thrive, and championing initiatives that benefit our community.

In the following pages, you'll see how Lloydminster and District Co-op made a difference in 2024—whether through our environmental stewardship, commitment to local people and projects, or dedication to good governance.

In 2024, our collective efforts led to impressive sales of over \$192 million, with \$4.4 million returned to our member-owners in cash and equity. This success is made possible by people—members like you, who choose the Co-op to meet the needs of their farm, family, and fleet. It's also thanks to our dedicated employees, whose exceptional service spans across 14 retail locations in our region.

We are truly thankful for your ongoing support. Your loyalty allows us to continue making a positive impact in our community. We're grateful to have you as part of the Lloydminster and District Co-op family.

Yours in Community,

Lloydminster and District Co-op Board of Directors and
CEO



2024 **BOARD** OF DIRECTORS AND **CEO**



Sherri Stephens

Vice - President
Term: 2022-2025



Stacy Cadzow

Secretary
Term: 2024-2026



Barry Davis

Term: 2019-2025



Chantelle Lefebvre

Term: 2024-2027



Alan Lorenz

Term: 2024-2027



Peter Sandercock

Term: 2024-2027

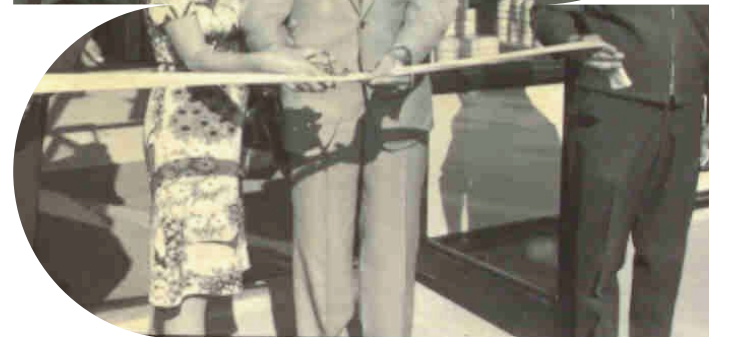


Peter Brown

Chief Executive Officer

SERVING LOCAL MEMBERS SINCE 1914

- In 1914, when the Lloydminster Co-op was founded, Lloydminster was actually two separate communities: a Saskatchewan Town and an Alberta Village. Despite being divided by the provincial border, the Co-op was created to serve both sides.
- Plans to expand into the gas and oil business started in 1944, and by 1948, the Co-op began selling and distributing oil and gasoline.
- The Bulk Plant officially opened on October 29, 1949, marking a key moment in the Co-op's growth. Then, in February 1957, the Co-op opened its first Service Station.
- By 1964, the Lloydminster and District Co-op celebrated 50 years and began expanding services to include bulk fertilizer, feed mill services, and propane distribution. The Co-op even jumped into the propane market by offering it at 5 cents less per gallon than the competition, ensuring loyal customers.
- In 1986, plans were started to build the new Lloydminster Co-op Agro Centre which officially opened for business on July 25, 1990. Over 400 people attended the Grand Opening Celebration.
- In 2013, the Lloydminster and District Co-op experienced significant growth with the acquisition of a new agro site (formerly Viterra), a massive renovation of the Lloydminster Co-op Marketplace, and the construction of the brand-new Ironwells Gas Bar, Convenience Store, and Car Wash.
- In June 2024, the Co-op expanded further with the opening of its 14th location: the Southview Car Wash and Liquor & Spirits store.



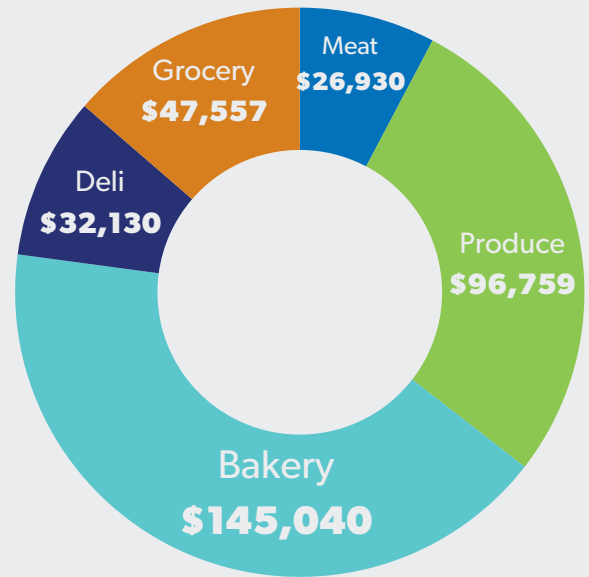
Caring for our **Environment**



Surplus Food Distribution

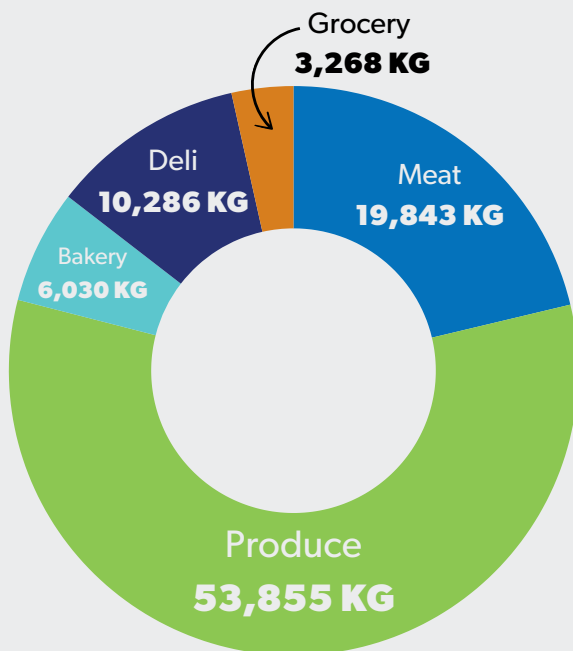
Charity Donations

Lloydminster and District Co-op is committed to diverting as much food waste as possible from landfills. At our Lloydminster Marketplace, food that does not meet our customer standards, such as close dated or imperfect items are donated to our local charity partners. These items are picked up 5 days per week by The Olive Tree Lloydminster, Lloydminster Native Friendship Centre, and the Lloydminster Social Action Coalition Society. Our fiscal year ended February 1, 2025 included donations with a total retail value of \$348,416.



Loop Resource

In addition to food donated to our charity partners, we have partnered with Loop Resource to further divert food not fit for human consumption. These items include recalled foods, scrap, trim, or distressed products. Loop partners with local farms to use this food for feed in their livestock operation, as bio-energy, or as compost. This fiscal year these items totaled 93,281KG diverted from the landfill.



Waste Diversion

Plastic & Cardboard Reduction

In 2023, Lloydminster and District Co-op took a significant step towards sustainability by eliminating single-use plastic checkstand bags across all retail locations within the Association. Instead, customers are encouraged to use reusable bags or repurposed cardboard boxes from incoming stock. As a result of this initiative, Lloydminster and District Co-op has successfully removed an estimated 1.3 million single-use plastic bags from circulation annually.

Additionally, the cardboard used throughout the Association is either recycled through on-site collection bins, repurposed for grocery transport, or baled and sold to Cascades, a company known for its sustainable and innovative solutions in packaging, hygiene, and recovery. For more information about Cascades and their commitment to sustainability, visit their website at www.cascades.com.

Electronic Waste

Electronic waste including computers, tablets, cell phones, monitors, and televisions is recycled locally. Used toner cartridges are recycled through a local vendor.



Power Consumption

With 14 retail locations, many of which are open seven days a week, power consumption and its associated costs are an inherent part of doing business. To remain both fiscally responsible and environmentally conscious, Lloydminster and District Co-op has implemented positive changes at several of its sites.

In February 2023, Lloydminster Co-op Marketplace completed a full lighting conversion in its warehouse, retrofitting to energy-efficient Light Emitting Diode (LED) lighting. The sales floor was upgraded to LED in 2019, and in 2021, the bakery, deli, bistro, and customer entry and exit areas also transitioned to LED lighting.

Lloydminster and District Co-op expanded its lighting upgrades to Neilburg Co-op Grocery Store in March 2023, replacing the store's lights with LED fixtures. Other locations that saw LED upgrades in 2023 included the Lloydminster Co-op Fuel Centre office, Ironwells Co-op (including the car wash bays), and the Bulk Fuel shop bay at the Lloydminster Co-op Fuel Centre.

In November 2023, Lloydminster and District Co-op opened its fourth local cardlock location on Highway 16 and 21 near Maidstone, Saskatchewan. The Co-op collaborated closely with Paragon Solar Energy to integrate solar power into the site, resulting in reduced operating costs. In 2024, this site generated 37,229 kWh and consumed 45,875 kWh, achieving an impressive 81% efficiency.

We're proud to announce that in 2024, Lloydminster and District Co-op successfully reduced the total kilowatt-hours (kWh) consumed across the association by 11.1% year over year.



LOW CARBON ECONOMY

Federated Co-operatives Limited (FCL) does business differently. At its core, FCL is a co-operative that supports other co-operatives – like Lloydminster and District Co-op – that serve people across Western Canada.

FCL is a wholesaling, manufacturing, marketing and administrative co-operative owned by more than 150 independent local co-operative associations. Similar to how local members own Lloydminster and District Co-op, retail co-operative associations across Western Canada, including ours – own FCL.



At Lloydminster and District Co-op, local members own and operate:

- Agro Centres (Two Lloydminster locations, Lashburn and Neilburg)
- Grocery Stores & Pharmacy (Lloydminster and Neilburg)
- Gas Bars, Convenience Stores, and Car Washes (Four Lloydminster Gas Bars, Two Lloydminster Car Washes)
- Liquor and Spirits Store - Newly opened in Lloydminster in 2024
- Cardlock Facilities (Two Lloydminster Locations, Neilburg, and Maidstone)
- Propane (Central office in Lloydminster with satellite stations in Kerrobert and Turtleford)

Together, FCL and local retail co-operatives form the Co-operative Retailing System (CRS). The CRS serves members and communities with products and services that help grow, build, feed and fuel individuals and communities from Vancouver Island to northwestern Ontario.

An integral part of the co-operative model is the distribution of earnings and sharing our financial success directly with our member-owners. Every dollar of our profits stays right here to support members and help to make a difference in the communities where we live and work. Over the past five years, FCL has returned \$1.5 billion in patronage to local Co-ops, and in turn, local Co-ops — such as ours — have returned a total of \$1.4 billion to members.

CO-OP ENERGY ROADMAP - PATHWAYS TO COMPLIANCE

At Lloydminster and District Co-op, we are proud to source fuel for our retail gas bars and cardlocks from FCL's Co-op Refinery Complex (CRC), in Regina, Sask. Transportation fuels are an integral part of our business, and we take great pride in how we help fuel Western Canada.

As part of the Co-operative Retailing System (CRS), we understand the critical importance of liquid transportation fuels to our Co-op and recognize that new transportation fuel sources will play a role in the future. The Co-op Energy Roadmap will guide our transition and be essential to our operations, as we explore new fuel sources both now and in the future. Ultimately, the Energy Roadmap is Co-op's pathway to compliance with the Federal Government's Clean Fuel Regulations. The plan focuses on reducing emissions from transportation fuels, maximizing current fuel producing assets, and offering a competitive and sustainable path that cares for the environment and meets the needs of Co-op members, customers, and Western Canadians alike.

FCL is making important investments in carbon capture projects at CRC and the Co-op Ethanol Complex, while proceeding with plans that involve co-processing and the blending of renewable fuels at CRC. As FCL works to meet compliance obligations, the Co-op Energy Roadmap ensures that all investments are appropriate, provide value and benefit to the CRS and supports its short and long-term sustainability goals.



Investing in our **Communities & People**



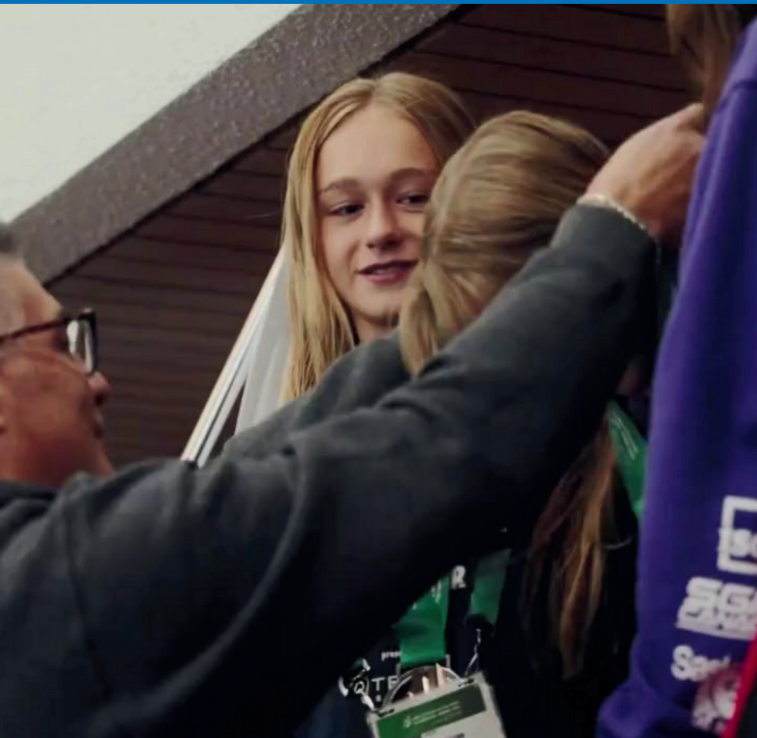
Investing in our Communities & People

Lloydminster and District Co-op has been a cornerstone of the community for many years. With a strong foundation built on the values of Community, Integrity, and Teamwork, Lloyd Co-op is dedicated to supporting the causes that matter most to our local members. As we look ahead, we are committed to maintaining this dedication in the year to come.



In 2024, Lloydminster and District Co-op invested more than \$372,000 into Lloydminster and surrounding communities. This year also marked our 110th Anniversary Celebration, featuring a truck giveaway! Aligned with our community investment strategy, donations and sponsorships were focused primarily on the following areas:

- Arts & Culture
- Children & Youth
- Education
- Food Security
- Healthcare
- School Programming
- Senior Citizens
- Sports & Recreation



Lloydminster and District Co-op invested in the following communities in 2024:

- | | |
|----------------|-------------------|
| • Blackfoot | • Marshall |
| • Hillmond | • Marwayne |
| • Kitscoty | • Neilburg |
| • Lashburn | • Onion Lake |
| • Lloydminster | • Paradise Hill |
| • Lone Rock | • Paradise Valley |
| • Maidstone | • St. Walburg |
| • Marsden | • Waseca |

Throughout the years, Lloydminster and District Co-op has launched several unique initiatives to build and strengthen the community. Our ongoing investment in the local area is made possible by the continued support of our dedicated Co-op members & customers.

110 YEAR ANNIVERSARY CELEBRATIONS

Lloydminster & District Co-op marked an incredible 110 years of serving the community with a series of exciting celebrations and giveaways! The milestone was celebrated with a fun-filled birthday bash outdoor pool party, bringing families together for a day of laughter, swimming, and community spirit.

In honour of this special occasion, Co-op also launched a Rural Community Grant, reinforcing its commitment to supporting local projects and initiatives.

Additionally, the Co-op was thrilled to announce the opening of its 14th location—Southview Car Wash and Liquor and Spirits! This exciting new addition to the Co-op family marks another step forward in their commitment to providing more convenience and top-quality services to the community. To spread even more joy, they gave away \$110 Co-op gift cards to a few lucky winners!

The highlight of the anniversary festivities was the Big 110 Celebration Giveaway, featuring massive prizes including a brand-new truck, free Co-op fuel for a year, a WestJet gift card, a patio furniture set, and amazing Pit Boss/YETI prize packs—just to name a few!

Thank you to everyone who joined in the celebration and helped make 110 years of Co-op history truly unforgettable! Here's to many more years of community, connection, and celebration!





KINDNESS WINS

The Kindness Wins initiative, organized by Lloydminster and District Co-op, continues to make a meaningful impact by promoting kindness, inclusion, and respect. Initially launched in 2011 as an anti-bullying campaign for National Pink Shirt Day, it has evolved into a powerful movement raising awareness about kindness in schools and beyond.

Held on the last Wednesday of February, the initiative has raised over \$48,000 through Kindness Wins gear sales. These funds support Beyond Borders Circle of Change, which uses donations to fund anti-bullying programs and the Kindness Wins Grants through the Lloydminster Public and Catholic School Divisions. The grants empower students to educate their peers and younger students about the importance of kindness and respect.

This year's special edition shirt, designed by Brandi Hofer and The Art Academy of LPSD, represents the ongoing spirit of the movement. The Kindness Wins initiative aligns with the core values of Lloydminster and District Co-op: Community, Integrity, and Teamwork, reinforcing the importance of kindness in building a positive community.

CO-OP COMMUNITY OUTDOOR POOL

2024 marked the start of a five-year partnership with the City of Lloydminster to support the Co-op Community Outdoor Pool. This sponsorship highlights the Co-op's commitment to the community, fostering connections among members and continuing its legacy of support. The Co-op Community Outdoor Pool embodies the Co-op's core values—building relationships and creating spaces for people to come together.

Lloyd Co-op is proud to help maintain this cherished community resource and looks forward to serving Lloydminster for years to come.



FUEL GOOD DAY

Each September, Lloyd Co-op Gas Bars gear up for their annual fundraiser, Fuel Good Day. This special event benefits the breakfast programs of the Lloydminster Public and Catholic School Divisions. For every litre of fuel purchased, \$0.05 is donated to support local students. Since its inception in 2017, the event has raised nearly \$61,000. Fuel Good Day takes place at all four Lloyd Co-op Gas Bar locations: North Stop (Highway 17 North), Ironwells (Highway 16 East), Hampton Square (Highway 16 West), and 18 Street Crossing (Highway 17 South).



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TRUNK OR TREAT

In 2024, the Lloydminster Agricultural Exhibition Association partnered with Lloyd Co-op to host the third annual Trunk or Treat. This free indoor event provided an inclusive and accessible space for families to enjoy safe trick-or-treating in a warm environment. Children in costumes visited various trunks, collecting treats and exploring themed displays from local businesses and non-profits. With over 3,000 attendees, the third annual event was a huge success.

SPREAD A LITTLE LOVE THIS CHRISTMAS

The annual Spread a Little Love This Christmas program honors the region's original community builders: local senior citizens. Inspired by the desire to recognize those who helped establish both the Co-op and the community, the program invites members and customers to visit a Lloyd Co-op location, choose an ornament from a Christmas tree, and purchase the requested gift. Lloyd Co-op employees then organize and deliver the gifts before Christmas. Since its inception in 2015, the program has expanded significantly, reaching even more seniors in 2024, with nearly 900 seniors across six communities and 14 senior homes receiving gifts from their local community.





CO-OP COMMUNITY ARENA

The Lloydminster Co-op has made a lasting impact on the community with its generous \$300,000 sponsorship of the Co-op Community Arena at the Cenovus Hub. This project stands as a true reflection of the spirit of unity and collaboration within Lloydminster. It represents the outcome of collective hard work, dedication, and an unwavering commitment to building a stronger, more connected community.

This contribution is more than just a sponsorship; it's an investment in the future of the community, fostering local pride, inclusivity, and an active lifestyle for generations to come.

The Co-op Community Arena will come to fruition in the fall of 2025.

RINSE TO RESCUE

Lloydminster & District Co-op partnered with the Lloydminster Rescue Squad for the Rinse to Rescue initiative—an effort to help raise funds for a much-needed new rescue boat. For one month, \$1 from every car wash purchased at the Southview Carwash was donated to support this vital community service.

Thanks to the incredible support of Co-op members and customers, a total of \$8,868 was raised and donated to the Lloydminster Rescue Squad! This contribution brings them one step closer to enhancing their water rescue capabilities, ensuring they can continue their life-saving work in and around our community.

A huge thank you to everyone who participated—every wash made a difference!



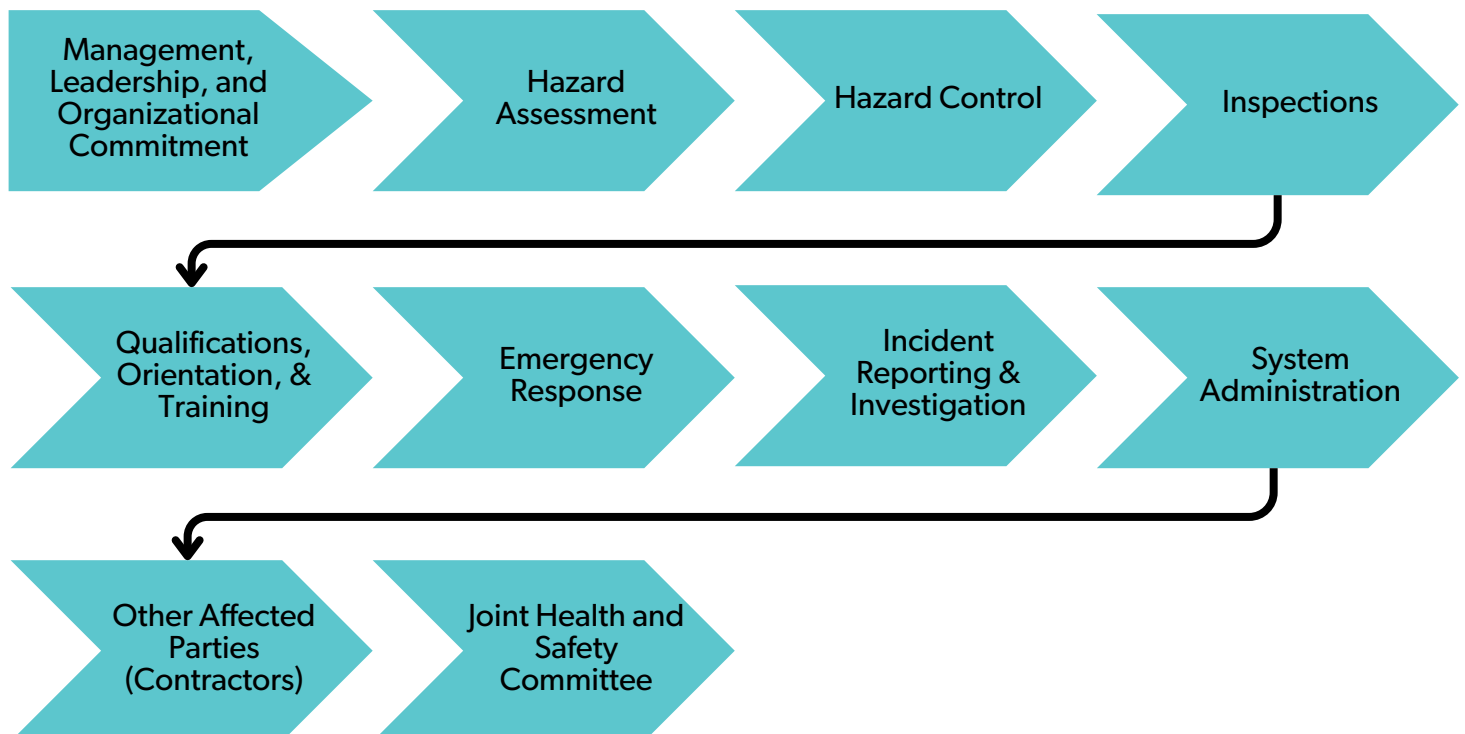


Commitment to Safety

Health and Safety

The health and safety of the membership, employees, and customers is of paramount importance to Lloydminster and District Co-op. It is a guiding principle in decision making.

Lloydminster and District Co-op holds a Certificate of Recognition (COR) designation from Energy Safety Canada. COR certified employers ensure workers and workplaces are safe and secure from injury, illness, and disease. Lloydminster Co-op has developed and implemented a strong health and safety program that meets provincial standards for Alberta and Saskatchewan. The Co-op developed a best practices approach to health and safety, which has ten (10) components:



A strong workplace safety culture is established and supported at the highest level, then flows throughout the Association. The health and safety department works closely with the occupational health and safety representatives, committees, employees, managers, and senior leadership team to proactively identify and reduce risks across all locations.

Five (5) health and safety committees operate in both provinces and assist in the establishment and maintenance of the health and safety program. The committee structure exists within each of the commodities and support teams: fuel centre, grocery, gas bar, agriculture, and administration. Safety committees play an active role in live emergency response drills, tabletop exercises, workplace inspections, and audits.

In 2024, Lloydminster and District Co-op participated in 5 Live Emergency Drills with participation from local fire departments and other government agencies to practice our plans for our Anhydrous Ammonia (NH₃) and Propane operations. These drills are carried out every 5 years in accordance with our Emergency Response Assistance Plan (ERAP) requirements through the Government of Canada (Emergency Response Assistance Canada- ERAC).

We also completed a COR recertification audit in October 2024 and earned a score of 97%. With our Certifying Partner, Energy Safety Canada, companies who achieve 85% or higher on their COR qualified to participate in an Action Plan Program in place of an external Maintenance Audit. These plans allowed us to focus on areas for improvement and to continue to build and enhance our safety program including contractor management, maintenance and emergency response training. Lloydminster & District Co-op will again participate in this program and complete action plans for 2025 and 2026.

As a part of our continuous efforts to improve the Health and Safety Management System, Lloydminster & District Co-op implemented Site Docs, a new safety software program in the spring of 2024. With both web based and mobile App capabilities this software has put the Health and Safety system into the hands of the employees, allowing for real time reporting and resolution. This implementation is also helping us reach our goals of reducing the amount of paper we use as part of our environmental initiatives.





Commitment to Employees



Lloydminster and District Co-op employs over 290 individuals dedicated to serving members and customers across two provinces and multiple retail locations. Ninety-five percent of the workforce is employed in the city of Lloydminster with most of the job creation (185 positions) on the Alberta side.

Code of Conduct

The code of conduct is a set of minimum standards of professional conduct, plus legal and ethical principles that guide employees to live up to Co-op's values of integrity, teamwork, and community.

To foster a culture of integrity and ethical decision-making, Co-op established the Ethics Hotline as a mechanism for employees to report what they believe to be fraudulent or unethical behaviour. The Hotline is managed by an independent third party and ensures confidentiality and anonymity. The hotline is available 24/7 by calling, texting and online reporting.

Benefits, Rewards, and Recognition

At Lloydminster and District Co-op, people are at the centre of the work. Co-op is committed to providing competitive salaries, short-term incentives, a comprehensive benefits package, and an employer-contributed pension plan.

Full-time and regular part-time employees (working 24 hours or more) are eligible to participate in all benefits. Group benefits include:

- life insurance
- dependent life insurance
- short and long-term disability
- dental and extended health care (vision, prescription drugs, out-of-country travel)
- plus optional, additional life insurance.

These rewards are designed to be competitive and equitable, meet the diverse needs of employees, and reinforce Co-op's values.

Community Involvement Policy – Introduced in October 2023.

Lloydminster and District Co-op acknowledges and encourages employee involvement in community activities. It donates \$100 to nonprofit, charitable or community groups and organizations that our employees volunteer their time with. This policy makes a visible statement to our employees about living our brand, mission, and values. It also ensures that employees have a strong say, through their volunteer work, in which groups are supported by the Lloydminster and District Co-operative Limited.

Volunteer Recognition Program – Introduced in February 2024.

To encourage and support volunteerism among employees by recognizing the contributions of our employees who go above and beyond their paid duties by volunteering at events and with groups in our communities. These events include Lloydminster and District Co-operative Limited sponsored events, as well as approved non-profit, sporting, cultural, charitable or community events and groups. Lloydminster and District Co-op employees have the ability to be recognized via a gift card annually for their volunteerism efforts. Employees simply report volunteerism within the communities we serve by reporting their activities each calendar year. In 2024, under this program, our employees volunteered a total of 1387 hours in our communities.

Profit-Sharing Program

Financial performance plays a significant role in Co-op's incentive programs. As part of the total compensation plan eligible employees are paid a share of annual profits when annual pre-determined financial targets are met. The Profit-Sharing program applies to all active employees and is shared in the form of an annual bonus. 2024 profit sharing was paid at 4.9%.

Well-being and Mental Health

Co-op's approach to employee well-being is holistic, focusing on supporting employees' physical, emotional, and financial well-being with programs and learning opportunities. As part of this investment, Co-op offers employees an annual Fitness Allowance, access to an Employee and Family Assistance Program (EFAP) and educational seminars.

Other notable benefits, rewards and recognition programs include:

- Sick Leave Program
- Service Awards Program for long service employees
- Clubs and professional memberships reimbursement
- Employee Discount Bonus Program – based on employees' annual purchases to a maximum of \$1,000 in any fiscal year.
- Tuition Reimbursement
- Social Club – a committee of volunteer employees oversees employee functions and helps recognize life's events (example: birth of child, retirement, hospitalization).



Diversity, Equity and Inclusion

Employee diversity enhances Co-op's ability to meet the needs of a unique and varied member population. Inclusion is the human connection, a sense of belonging, leading with purpose, creating safe and welcoming spaces by having familiar faces with shared values. Equity means more than treating everyone the same. It means creating workplaces free from discrimination and accommodating differences, so no person is denied employment opportunities or benefits for reasons unrelated to ability.

Lloydminster and District Co-op is committed to creating a multi-year, diversity, and inclusion strategy. The outcome will be a documented comprehensive strategy aimed at helping our employees be more inclusive, feel psychologically safe and have a sense of belonging at work. This will enable our employees to build richer, more meaningful connections with their colleagues and our members. We will solidify our diversity and inclusion mindset through ongoing training, fostering diverse thinking, encouraging cultural celebrations, and maximizing opportunities for connection, so it becomes ingrained into who we are and how we work. Our values of integrity, teamwork and community will guide the development and implementation of this strategy and will include measurable and actionable items in the following target areas :



TRUTH AND RECONCILIATION



Lloydminster and District Co-op is committed to the Truth and Reconciliation Commission of Canada (TRC) Calls to Action, specifically call 92, which pertains to the corporate sector.

Learning and action items include:

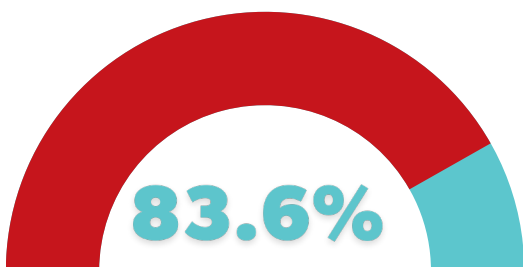
1. Actively participating on the Heart of Treaty 6 (HOT6) Truth and Reconciliation Committee.
2. Re-signed the Heart of Treaty 6 Reconciliation company commitment of relationships and trust in 2023.
3. Indigenous diversity awareness and training opportunities available to all employees across the Association.
4. Human Rights, harassment, and unconscious bias training for all managers available across the Association.
5. Gainful employment of indigenous people and equitable access to jobs, training, and education opportunities.
6. Foundational policies and training on harassment, pay equity, and protection of human rights. Internal audit and reporting controls in place.

EMPLOYEE ENGAGEMENT AND DIVERSITY AND INCLUSION SURVEYS

Inclusion and engagement goals are measured with two key metrics:

- Employee Engagement survey
- Diversity and Inclusion survey

The Employee Engagement survey is completed every two years, and the Diversity and Inclusion survey is conducted in alternative years. Higher scores for engagement, diversity and inclusion correlate with lower turnover, higher productivity and increased business performance and results. We completed our most recent Diversity and Inclusion Survey in December 2024. The participation rate in this survey increased by 16.5% compared to the previous one, and our employees rated our Diversity and Inclusion initiatives at 83.6%.



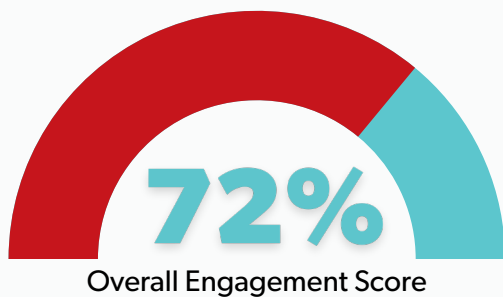
**DIVERSITY AND INCLUSION
PROGRAMMING AND
INITIATIVES RATING**

Employee Engagement

Employee Engagement is measured to understand the organization's engagement level at a given point in time, and to understand where challenges exist and to provide opportunities for improvement.

When done well, employee engagement improves effectiveness and increases contributions to help achieve desired business results.

2023 Engagement Survey Results

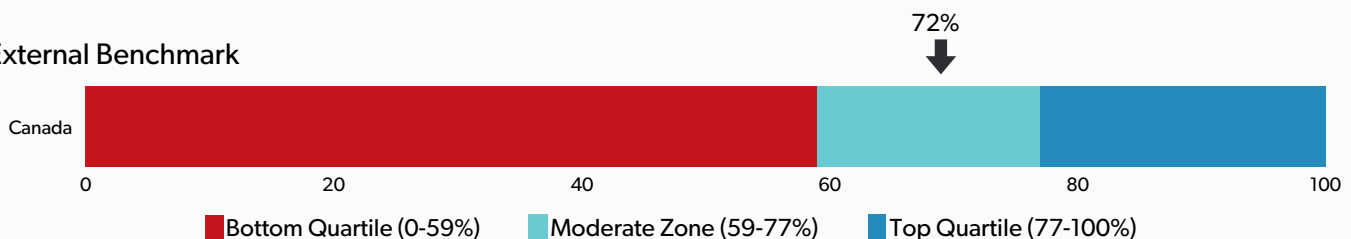


↑ 4 points	68%
Canada Average	
↑ 12 points	60%
Co-operative Retailing System	



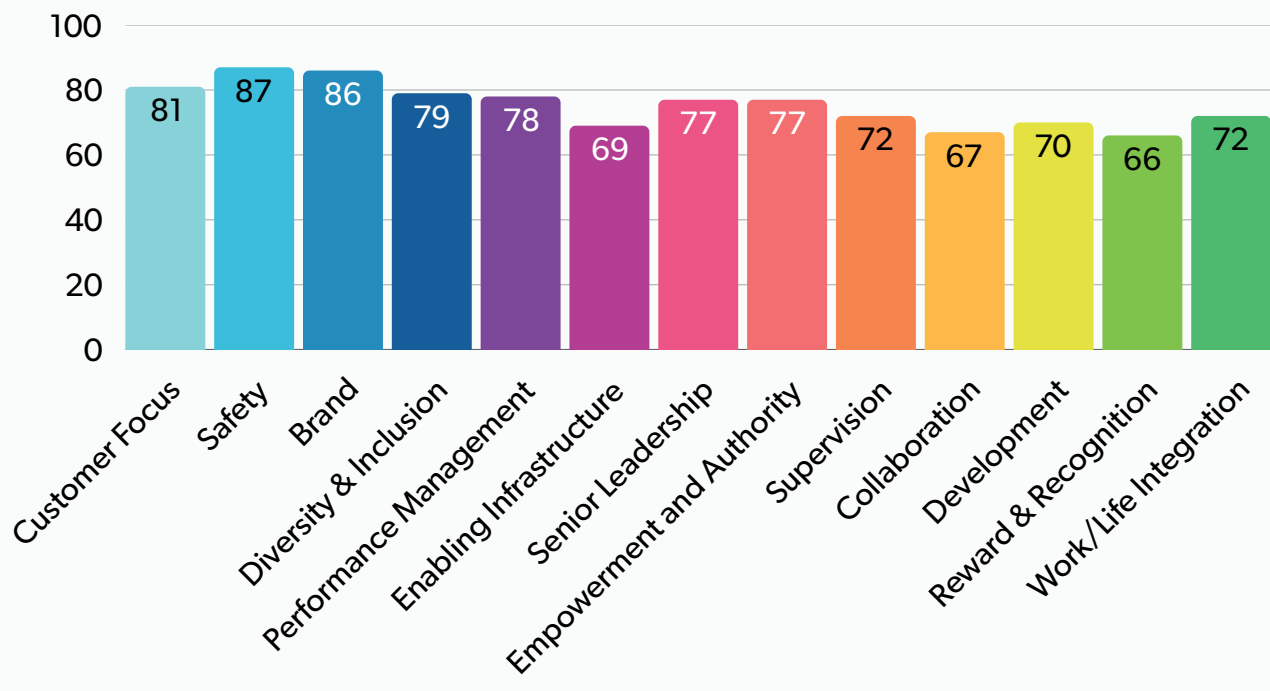
Number of Participants	
Completed	171
Invited	225

External Benchmark



2023 Engagement Dimensions and Results

The Employee Engagement survey includes 68 questions. They help determine an employee's overall score and identify areas of strength and improvement in the following 13 engagement dimensions. The chart below shows Lloydminster & District Co-op's 2023 employee engagement scores.



Sharing in our **Success** through **Good Governance**



MEMBERSHIP AND EQUITY

Co-ops are a different type of business. As a co-operative, Lloydminster and District Co-op is owned by its members. Membership costs \$10 and is good for life. This one-time fee earns individuals a lifetime of benefits! Individuals must be age 16 or older to purchase a membership and can buy it online through www.lloydminstercoop.com, or in person at any Lloydminster and District Co-op location.

Lloydminster Co-op reinvests a portion of its annual net savings into its membership, with the remainder directed toward future growth and development. Since 2015, the Co-op has invested over \$52 million in new builds and renovations, including the Ironwells Co-op Gas Bar (on Highway 16 East), Hampton Square Co-op Gas Bar (on Highway 16 West), North Stop Co-op Gas Bar (on Highway 17 North), and the Lloyd Co-op Fuel Centre, which offers propane, bulk petroleum, and lubricants.

Additionally, Lloydminster Co-op has continued to expand with the solar-powered Maidstone Cardlock and two new locations opened in the spring of 2024 at the Southview property: a Car Wash and a Liquor & Spirits store. These investments are key to enhancing our ability to serve both members and customers. The ongoing support from our members and customers strengthens the Co-op's financial health, ensuring its long-term sustainability and the continued ability to return profits to the local community.

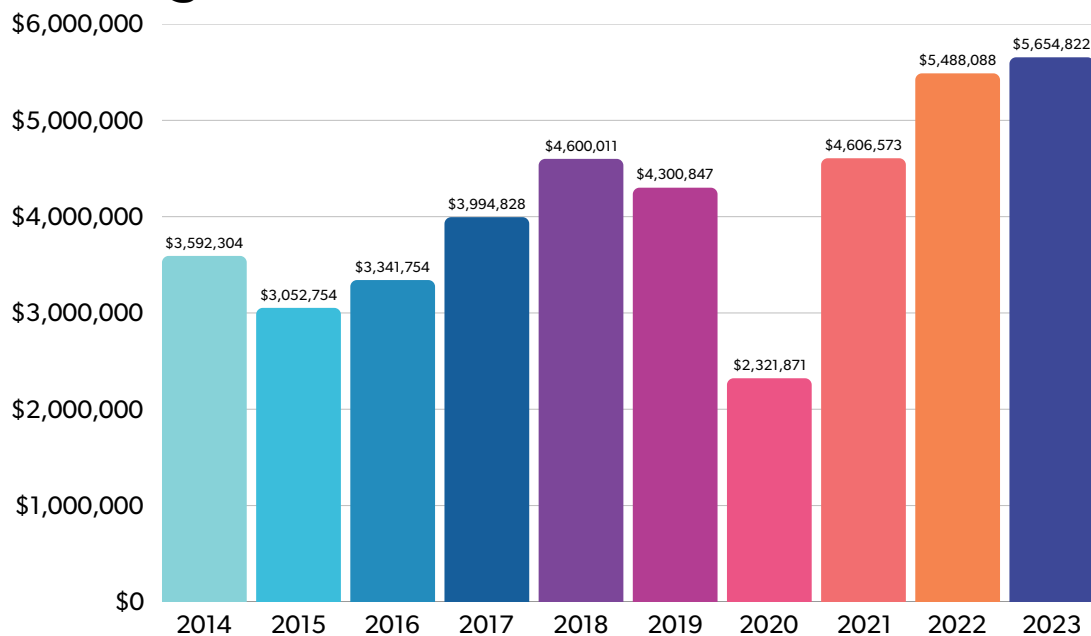
Each year, the local Board of Directors agrees on an allocation percentage per commodity, which could be paid to the membership. Patronage is based on members' purchases. The allocation rate is applied to members' purchases to calculate equity.

Typically, Lloydminster and District Co-op members see a cheque every spring for a portion of the previous year's equity earned. Their remaining equity is accumulated and can later be withdrawn once the member reaches the age of 65, moves out of the trading area or becomes part of an estate.

Over the past 10 years, Lloydminster and District Co-op has given back \$41,799,935 to members, and paid out over \$32 million in cash.



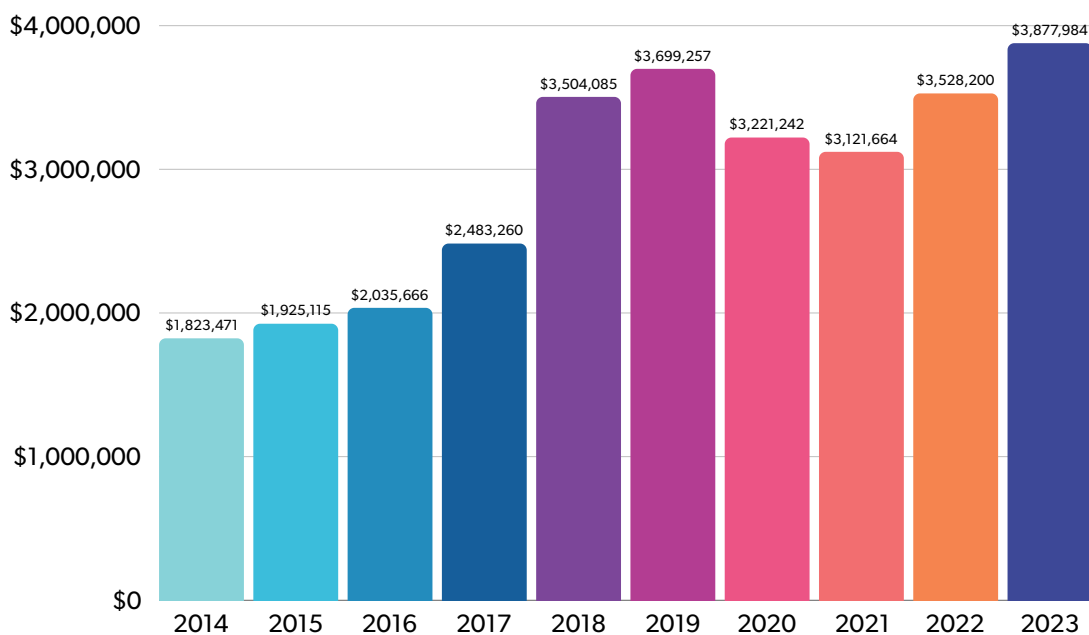
Patronage Allocations



In 2024, Lloyd Co-op had 24,921 members, of which 20,644 were deemed active.

72% Active Members

Share Capital Repayments



This year (2024) Lloydminster and District Co-op is giving back over **\$4.4 million** in equity to local members!



Lloydminster and District Co-op is governed by a local Board of Directors, who are elected by the membership to represent their needs and interests. Up to nine individuals can sit on the Lloydminster and District Co-op Board and may serve up to four consecutive three-year terms.

Policy Governance is a model of governance created by Dr. John Carver. It enables boards to provide strategic leadership in creating the future for their organization and to focus on the larger issues, to delegate with clarity, to control management's job without meddling, and to rigorously evaluate the accomplishment of the organization; to truly lead its organization. Policy Governance ensures accountability of the CEO to the Board, and of the Board to the owners (Lloydminster and District Co-op members). Its principles are internally consistent, designed to work effectively only when used together. Policy Governance is a complete operating system for boards. If the entire system is not used, it is not Policy Governance.

Policy Governance is a complete system that helps the Board:

- Be accountable in the position of trust in which it has been placed by its ownership.
- Provide strategic leadership to the organization—its key responsibility—by clearly defining, on behalf of this ownership, what needs are to be met, for whom, and at what cost or worth.
- Distinguish clearly between Ends (as described below in Policy Categories) and Means (ways of doing things).
- Be involved in appropriate decisions without meddling or rubber stamping.
- Set parameters for acceptable organizational performance and for itself by establishing broad policies in four logical categories that make intuitive sense.

Policy Categories

Ends: The benefits the organization is to produce, for which people, at what cost or worth. Ends are developed based on the Board's knowledge of and interaction with the owners—those to whom the Board is morally accountable.

Executive Limitations: The boundaries of prudence and ethics within which the Board allows staff to make further decisions about means, the way things are done.

Board–Management Delegation: The manner in which the Board delegates authority to staff through the CEO and measures staff performance through evaluation of the CEO.

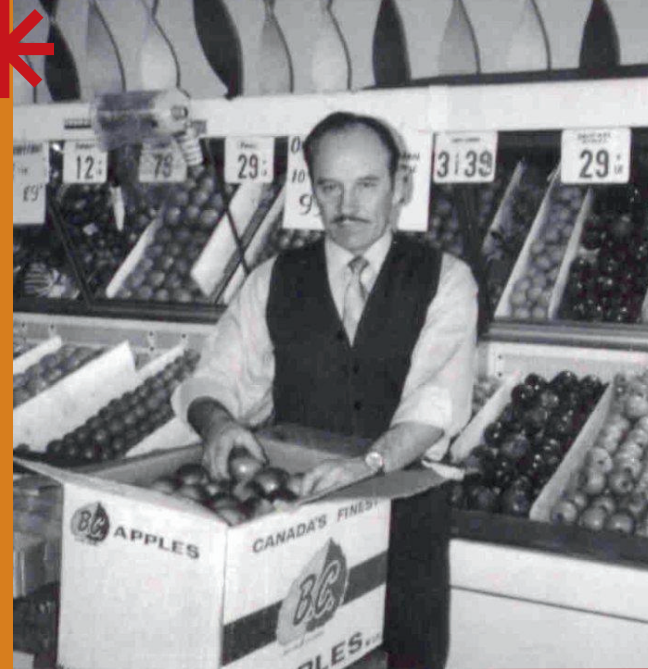
Governance Process: The manner in which the Board itself operates, including its philosophy, accountability, discipline, and its own job.

With these policies in place, the Board can delegate the achievement of the Ends to the CEO, be assured that they are in fact being achieved, and that the manner in which this occurs does not exceed the Board's boundaries of prudence and ethics. This assurance is based, not simply on trust, but on a carefully structured monitoring process.



27 What Policy Governance is NOT!

1. Policy Governance is not a specific board structure. It does not dictate board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a board should do or say about group dynamics, methods of needs assessment, basic problem solving, fundraising, or managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.



What Policy Governance IS!

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership.

Principles of Policy Governance

- **Ownership:** The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit-corporation. In the case of Lloydminster and District Co-op, the owners are the 21,000+ Lloydminster and District Co-op members.
- **Position of Board:** The board is accountable to the members to ensure the Lloydminster and District Co-op is successful. As such it is not an advisory to staff, but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.
- **Board Holism:** The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.
- **Ends Policies:** The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are Means decisions. Hence in Policy Governance, Means are simply not Ends.

- **Board Means Policies:** The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board Means decisions, categorized as Governance Process policies and Board- Management Delegation policies.
- **Executive Limitations Policies:** The board defines in writing its expectations about the Means of the operational organization. However, rather than prescribing board-chosen Means -- which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational Means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those Means that would be unacceptable even if they were to work. These are Executive Limitations policies.
- **Policy Sizes:** The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegate of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation policies are exhaustive in that they establish control over the entire organization, both board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans, and budgets.
- **Clarity and Coherence of Delegation:** The identification of any delegate must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.
- **Any Reasonable interpretation:** More detailed decisions about Ends and operational Means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegates, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board Means, delegation is to the CEO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegate has the right to use any reasonable interpretation of the applicable board policies.
- **Monitoring:** The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands board actions inconsistent with Policy Governance, the board should use a 'required approvals agenda' or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So, in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing board to realize owner accountability. When they are not used completely, true owner accountability is not available.

References:

The Governance Coach - <https://governancecoachonline.com>

Policy Governance - <http://www.carvergovernance.com>

Policy Governance® is an internationally registered service mark of John Carver.



HOW LLOYDMINSTER & DISTRICT CO-OP WORKS



LloyDMINSTER & DISTRICT

Member-owners elect 9 Board Members.

The Board sets expectations for the CEO and outlines End Statements & Policies

The CEO takes the Board's expectations and turns them into a business plan

The CEO delegates tasks to the team, who then help put the plan into action.

Team members work together to assist co-op members at all our locations.

The CEO gathers updates and reports from the team.

The CEO shares the results with the Board.

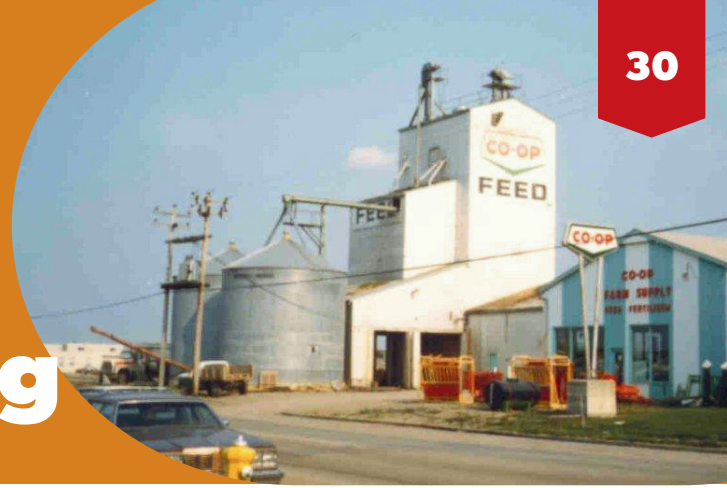
The Board monitors policies and updates them when necessary.

Member-owners share their input and feedback with the Board, CEO, and staff.



MEMBERS TOGETHER, GROWING COMMUNITY

Corporate Performance Management and Strategic Planning



Lloydminster and District Co-op uses a Corporate Performance Management (CPM) program to measure operational progress within itself as well as in comparison to other Co-ops within the Co-operative Retailing System (CRS).

The CPM framework includes five pillars of performance:

1	2	3	4	5
People	Market	Operations	Financial	Sustainability
<ul style="list-style-type: none"> • Employees • Culture • Competencies • Training and Development • Safety 	<ul style="list-style-type: none"> • Products • Customers • Customer Service • Reputation • Brand • Competitors 	<ul style="list-style-type: none"> • Processes • Projects • IT • Physical Infrastructure • Planning 	<ul style="list-style-type: none"> • Profitability • Growth • Risk Mitigation • Cash Flow 	<ul style="list-style-type: none"> • Environment • Community • Regulatory

The process begins with input from the Board of Directors' Political, Economic, Social, Technological, Legal, and Environmental (PESTLE) scan and Ends policy. From there, the Senior Leadership Team (SLT) considers global, national, and local trends while conducting a Strengths, Weaknesses, Opportunity, and Threats (SWOT) analysis for each pillar of performance.

A high-level goal is crafted for each pillar, with a five-year outlook. The goals are assigned measurable action items and timelines. From there, a risk matrix is developed and populated. Finally, the SLT develops Lloydminster and District Co-op's Strategic Plan, which includes the annual budget and three-year forecast.





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