

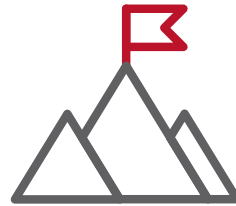


Lloydminster
& District

2022

Report to the Community

Mission



Members together, growing community.

Values



Community

Community grows when we care for others.

Community celebrates our rich diversity.

Community honours our local legacy.

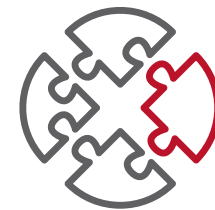


Integrity

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,

Co-ops do business differently.

They're owned by people here at home, they put profits into members' pockets, and they invest in local causes that matter most.

Throughout the following pages you'll see the ways Lloydminster and District Co-op cared for the environment, invested in our community and people, and shared in our success through good governance in 2022.

This year, the Association paid back over \$5.4 million in cash and equity to member-owners. Achievements like this are possible because of people: members like you, who choose Co-op to feed and fuel their farm, family, and fleet, and our dedicated team of employees who provide compassionate customer service across 11 retail locations in our region.

To quote former Canadian Prime Minister Stephen Harper, "Co-operatives are a model of excellence that, by their very nature, encourage leadership and self-reliance at the local level." 2024 will mark 110 years of co-operative service to Lloydminster and surrounding region, and we are humbled to see this on our horizon.

Thank you for your continued, faithful support. We know you always have a choice as to where you can spend your money, and we're deeply grateful you choose the local, co-operative option.

Yours in community,

Lloydminster and District Co-op Board of Directors and CEO



Lloydminster & District

2022 Board of Directors and Chief Executive Officer



Barry Davis,
President

Term: 2019 - 2025



Sherri Stephens,
Vice President

Term: 2022 - 2025



Shea Kelly,
Secretary

Term: 2020 - 2023*



Lawrence Olsen,
Member at Large

Term: 2021 - 2023



Helen Rogers

Term: 2017 - 2023*



Penny Manners

Term: 2021 - 2024



Kemi Antonio

Term: 2021 - 2025



Chantelle Lefebvre

Term: 2021 - 2024



Bernadette Poppleton

Term: 2022 - 2023*



Peter Brown,
Chief Executive Officer

*allowing their names to stand for re-election in 2023

SERVING LOCAL MEMBERS SINCE 1914

- Did you know Mr. T.A.A. Wright was the first General Manager of Lloydminster and District Co-op? His original Co-op membership share was purchased on August 7, 1914, for \$10.
- The original Co-op store was a fixture in the downtown core of Lloydminster for many decades, selling everything from boots and shoes to dry goods, groceries, hardware, and harnesses.
- Lloydminster and District Co-op has been fuelling families since 1957, when the first Co-op Service Station opened. Though technology has changed, Co-op's commitment to quality fuels and stellar customer service remains.



- Lloydminster and District Co-op has served farmers since 1914, with many shifts in products and services as farming changed. Here was Co-op's feed mill and farm supply. The feed mill burned to the ground in December 1983.
- Feeding families is at the heart of Lloydminster and District Co-op's offerings, and though grocery shopping trends have shifted, a commitment to freshness, quality, and compassionate customer service continues.
- Lloydminster and District Co-op propane services have fuelled families, farms, and work sites since 1964.

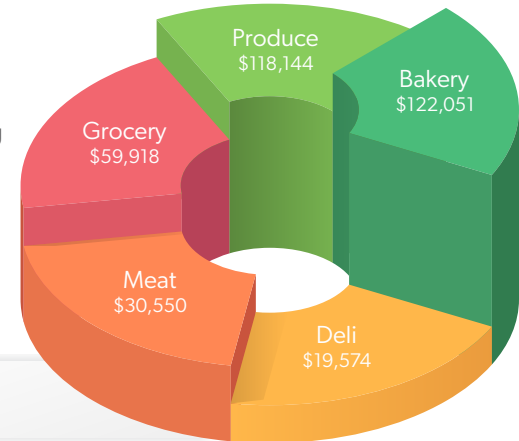
Caring for our Environment



Surplus Food Distribution

Charity Donations

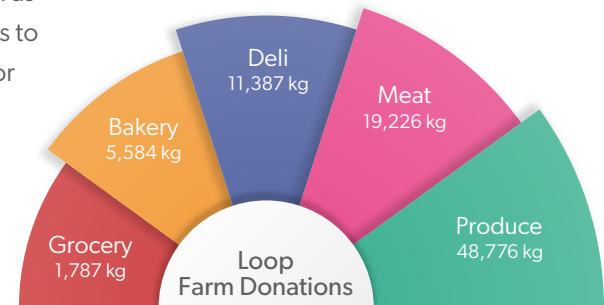
Lloydminster and District Co-op is committed to diverting as much as possible from landfills. At Lloydminster Co-op Marketplace, food that does not meet customer standards (such as close dated or imperfect items) are donated to local charities. These items are picked up five days per week from local charity partners including The Olive Tree Lloydminster, Lloydminster Native Friendship Centre, and Lloydminster Men's Shelter. In the fiscal year ended January 28, 2023, food rescue donations carried a total retail value over \$350,000.



Charity Donations
(retail value)

Loop Resource

In addition to food donated to charity, in June 2021, Lloyd Co-op announced a partnership with Loop Resource. In fact, Lloyd Co-op Marketplace was the first grocery retailer in Lloydminster to engage the services of Loop Resource. Loop Resource partners with local farms to use food not fit for human consumption as feed for livestock, as bioenergy, or as compost. The goal is to further divert food, including recalled foods, scrap, trim, or distressed products, from the landfill. In the fiscal year ended January 28, 2023, over 86,500 KG was diverted from the landfill.



Waste Diversion

Plastic & Cardboard Reduction

Effective July 1, 2022, Lloydminster and District Co-op phased out single-use plastic checkstand bags from all retail locations across the Association. Alternatives include reusable bags or cardboard boxes repurposed from incoming stock. Because of this decision, Lloydminster and District Co-op will eliminate an estimated 1.3 million single-use plastic checkstand bags a year.

Cardboard used throughout the Association is recycled through on-site collection bins, repurposed to take home groceries, or baled up and sold to Cascades, a company who offers sustainable, innovative, and value-added solutions for packaging, hygiene, and recovery needs.



Electronic Waste

Electronic waste including computers, tablets, cell phones, monitors, and televisions is recycled through the Electronics Recycling Association (ERA). ERA is a non-profit organization committed to reducing unnecessary electronic waste by recycling and repurposing used electronics. They work with companies to repurpose used electronics and IT equipment in a safe and secure manner. In addition, ERA works with community charities to provide repurposed computers and electronics to those in need. Used toner cartridges are recycled through a local vendor: Wisser Computer Services.

Power Consumption

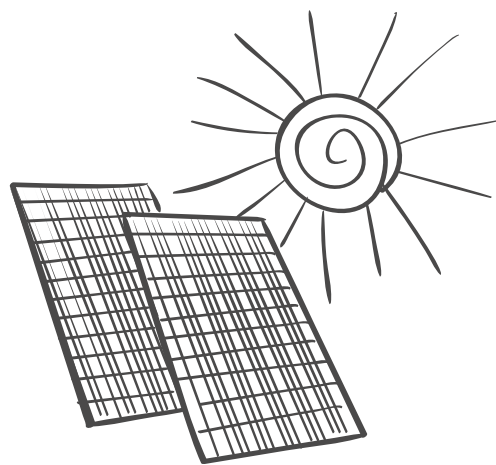
With 11 retail locations, many of which are open every day of the week, power consumption and its associated costs are part of doing business. To continue being fiscally and environmentally responsible, Lloydminster and District Co-op has made positive changes at several sites.

In 2019, Lloydminster Co-op Marketplace received a full lighting conversion on the sales floor to Light Emitting Diode (LED). The bakery, deli, bistro, and customer entry and exit were converted to LED lighting in 2021.

When Lloydminster and District Co-op's 18 Street Crossing Gas Bar officially opened in 2009, it was constructed with lighting systems that were up-to-date at the time. In 2021, the under-canopy lighting at this site was upgraded to LED and the in-store lighting was upgraded in early 2022. Ironwells Co-op Gas Bar (located on Highway 16 east) was built in 2013 with similar lighting systems and is slated for upgrades to lighting over the next few years.

Lloydminster and District Co-op's Hampton Square Gas Bar (located on Highway 16 west) was built in 2015, and technology had changed, so this site included LED lighting upon construction. The fourth gas bar, North Stop Co-op Gas Bar (located on Highway 17 north) was also constructed with LED lighting.

Lloydminster and District Co-op's newest and fourth local cardlock location, slated for construction on Highway 16 and 21 near Maidstone, Saskatchewan, will be the Association's first project to integrate **solar power**. This site will realize the benefits of reduced operating costs due to greater efficiency.



Low Carbon Economy

At its core, Federated Co-operatives Limited (FCL) is a co-operative that supports other co-operatives - like Lloydminster and District Co-op - as they serve people in Western Canada.

FCL is a wholesaling, manufacturing, marketing, and administrative co-operative owned by more than 160 independent local co-operative associations. In the same way local members own Lloydminster and District Co-op, retail co-operative associations - like Lloydminster and District Co-op - own FCL.



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

- Agro Centres (four locations in Lloydminster, Lashburn, and Neilburg)
- Grocery Stores and Pharmacy (locations in Lloydminster and Neilburg)
- Gas Bars, Convenience Stores, and Car Washes (four Gas Bar locations in Lloydminster, with a new stand-alone car wash coming on Highway 17 south in 2024)
- Cardlock facilities (three locations in Lloydminster and Neilburg, with a new location coming near Maidstone, SK in fall/winter 2023)
- Propane (central office in Lloydminster, with satellite stations in Kerrobert and Turtleford)

Working together, FCL and local retail co-operatives form the Co-operative Retailing System (CRS), which helps feed and fuel individuals and communities from Vancouver Island to northwestern Ontario.

Considering fuel, unlike other refiners, Co-op's profits stay where they operate. Over the last five years, FCL has returned \$2.3B in patronage to local Co-ops and local Co-ops have returned \$1.4B to local members.

Lloydminster and District Co-op sources fuel for retail gas bars and cardlocks through FCL.

In October 2021, FCL announced plans to reduce its greenhouse gas emissions by 40% below 2015 levels by 2030.



1

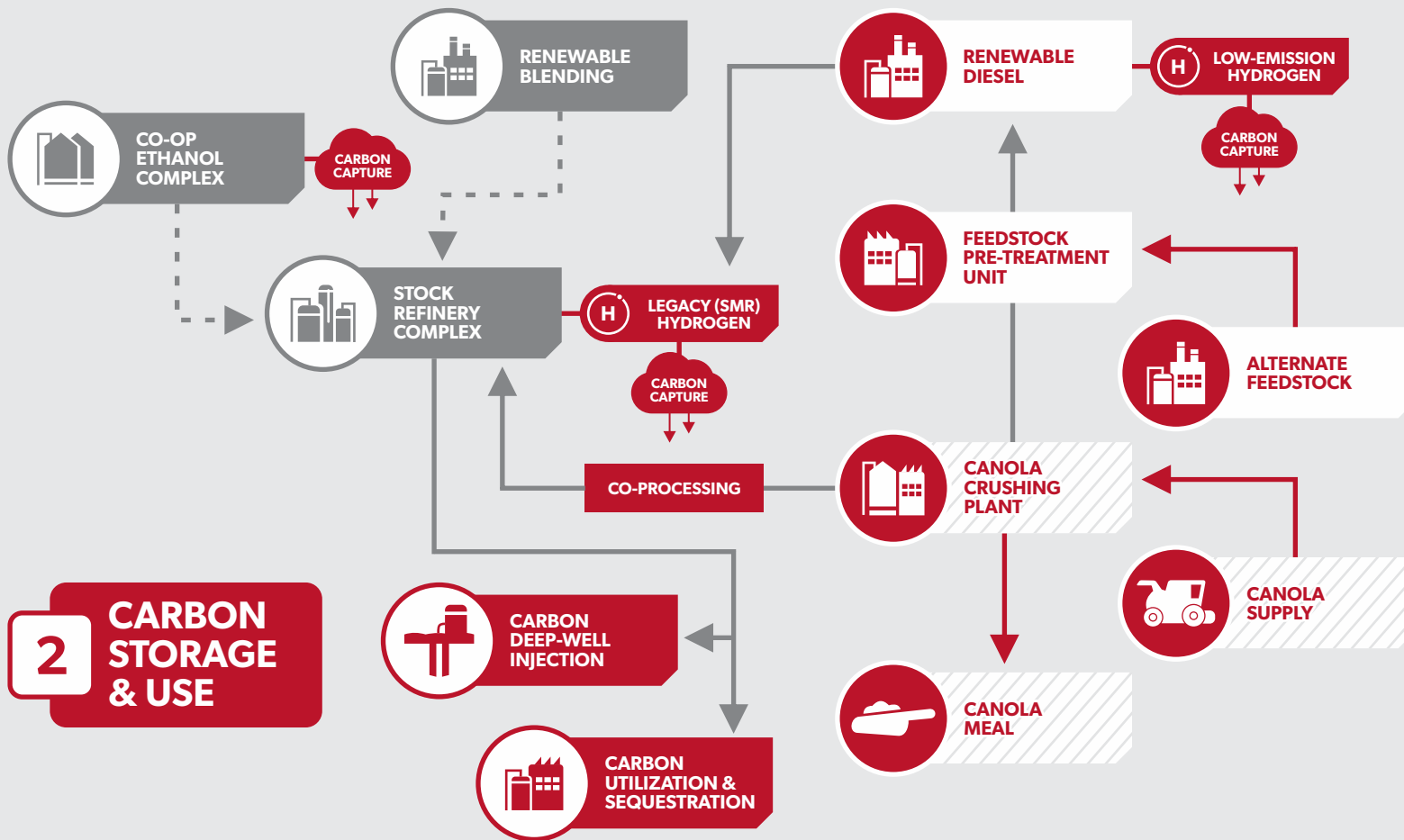
DECARBONIZING PROJECTS

3

RENEWABLE DIESEL

2

CARBON STORAGE & USE



PIPELINE

RAILWAY

GENERAL TRANSPORT

3RD PARTY PARTNERSHIP

Energy Roadmap

An Energy Roadmap was developed and provides a pathway to a low carbon future.

It includes two major streams:

1. Decarbonization of existing fuel-production assets
2. New renewable diesel manufacturing

Current decarbonization projects include carbon capture and storage, identifying and implementing refinery efficiency improvements, and co-processing at the Co-op Refinery Complex (CRC).

Three carbon capture projects FCL is evaluating include:

- Implementing carbon capture at two hydrogen plants at Co-op Refinery Complex (CRC) that will capture ~600,000 tonnes of CO₂/year, to be commissioned in 2027-2028.
- Implementing carbon capture at the Co-op Ethanol Complex (CEC) that will capture 170,000 tonnes of CO₂/year. This project will be completed in 2024.

The second stream is new capabilities around renewable diesel manufacturing. FCL is planning to construct a renewable diesel facility that will enable Co-op to have access to renewable diesel needed for blending. The plant will be capable of producing 15,000 barrels per day of renewable diesel. The plant will have the ability to run many feedstocks, however the basis will be Western Canadian canola.

On January 17, 2022, FCL announced a memorandum of understanding to form a joint venture (JV) partnership with AGT Foods and Ingredients Inc. (AGT Foods) to create an Integrated Agriculture Complex (IAC) that includes a canola crush facility, a pre-treatment unit, and a protein concentration plant. The canola crush facility will supply approximately 50% of the feedstock required for a renewable diesel plant, with the remainder of the supply contracted from other canola crush facilities.

The IAC will be integral for bringing low carbon intensity fuels into the market, expanding the alternative uses for canola proteins, and lowering emissions on farms.



Did You Know?

- Lloydminster and District Co-op Agro Centres are getting “back to bin-ness” in spring 2023, with a range of bins and hopper cones for quality, on-farm storage.
- Lloydminster Co-op Marketplace offers online grocery shopping! Fill a digital basket online, submit your order, select a pickup date and time, and leave the heavy lifting to the friendly team.
- Just like local citizens are member-owners of Lloydminster and District Co-op... Lloydminster and District Co-op is a member-owner of Federated Co-operatives Limited (FCL). Lloyd Co-op earns patronage from annual purchases, and receives a payout each year... part of which is paid back to local members.
- Community collaborations with small businesses and local vendors abound at Lloydminster Co-op Marketplace and Neilburg Co-op Grocery Store. Products from Spiro’s and Cedar Kabob are extremely popular! During special holiday celebrations, Flowers on the Fly by Audina hosts a pop-up of her floral creations. In Neilburg, holiday wares are crafted by local entrepreneurs including Dwight’s Woodworking, Art by Joan Herbert, Bellezza Moda, Simple Farmer, plus calendars, cards, and books by Sharon Sawtell.



Fun Fact!



Co-op member number 1
(yes, you read that right...Co-op number: One!)
is still in use in Lloydminster and District Co-op.



***Investing in our
Communities
and People***

Community Investments

Investing in Our Communities and Our People

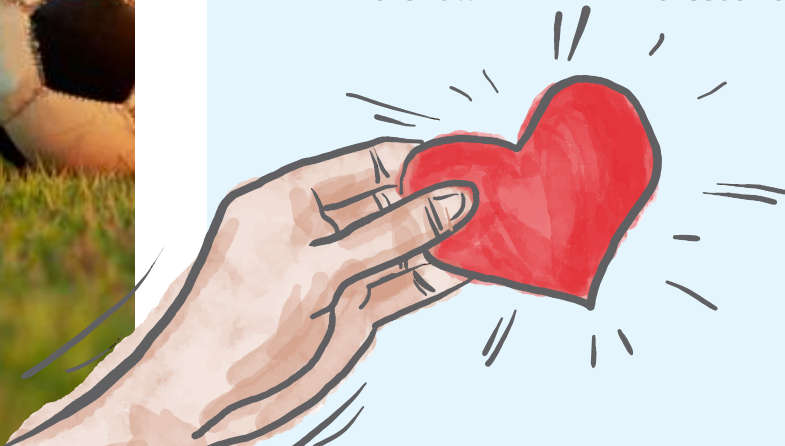
After almost three years of restrictions due to the pandemic, the return of events, fundraisers, and community activities occurred in full force in 2022. Lloydminster and District Co-op was infused in the community, fully invested in the causes that matter most to local Co-op members.

In 2022, Lloydminster and District Co-op invested over \$150,000 in Lloydminster and surrounding communities. Guided by the organization's community investment strategy, donations and sponsorships were primarily made in the following areas:

- Arts and culture
- Food security
- Senior citizens
- Children and youth
- Healthcare
- Sports and recreation
- Education
- School programming

Lloydminster and District Co-op invested in the following communities in 2022:

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



Over the years, Lloydminster and District Co-op created several unique **community building campaigns**, which returned in full force in 2022. As always, investment in the local community is possible because of the support of faithful Co-op members and customers.

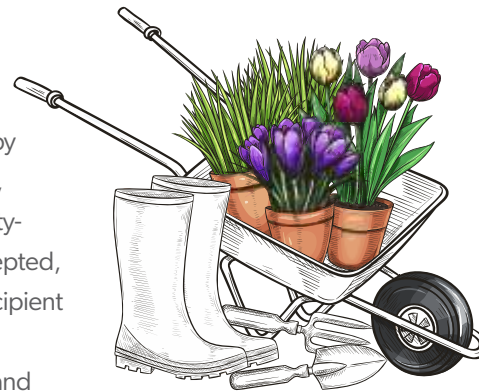
Kindness Wins

Established in 2011, Kindness Wins is Lloyd Co-op's anti-bullying campaign. The campaign is modelled after national Pink Shirt Day, which occurs the last Wednesday of February across Canada. Since inception, over \$37,000 has been raised through the sale of limited-edition Kindness Wins merchandise, available for sale at select Lloyd Co-op locations. Over the past few years, Lloyd Co-op partnered with local artist Brandi Hofer to design the unique merchandise. Funds from the sale of Kindness Wins merchandise are invested in Beyond Borders Circle of Change, a non-profit coalition including Lloydminster Public School Division (LPSD), Lloydminster Catholic School Division (LCSD), Alberta Health Services, Saskatchewan Health Authority, Lloydminster Community Youth Centre, and Lloydminster Sexual Assault Services. Beyond Borders facilitates Kindness Wins grants for LPSD and LCSD schools, plus trains and empowers the Kindness is Power (KIP) Team, which includes local teens who facilitate sessions for Grade 5 and Grade 8 students across LPSD and LCSD.



Growing the Good

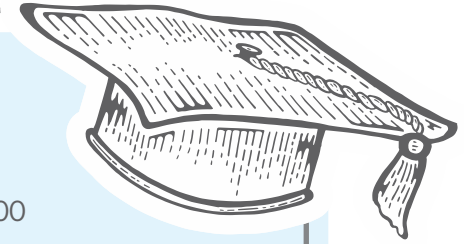
This program was established in 2015 with the belief that good can happen in our own backyards, and sometimes the best way to fundraise (especially with kids and teens!) is by getting your hands a little dirty with some old-fashioned hard work. Each spring and fall, Lloyd Co-op partners with Blooms for Healthcare, a small but mighty group of community-minded volunteers who work to beautify local healthcare facilities. Applications are accepted, reviewed by a committee of Co-op employees, then a funding decision is made. The recipient group plants (or removes, depending upon the season) flowers in outdoor locations at Lloydminster Hospital, Lloydminster Continuing Care Centre, the Home Care Building, and more. In return for their efforts, the recipient group receives a \$750 donation for their cause.



Growing the Good

Scholarship Program

Lloydminster and District Co-op offers a scholarship program to high school students graduating each spring and attending full-time Post Secondary studies in the fall. Four \$1,000 scholarships are available for students hailing from Lloydminster and surrounding areas. The application process includes a brief overview of each student's achievements, plus a short essay explaining what community, integrity, and teamwork (Lloyd Co-op's values) mean to them. Applications open online early in the new year and are due in June.

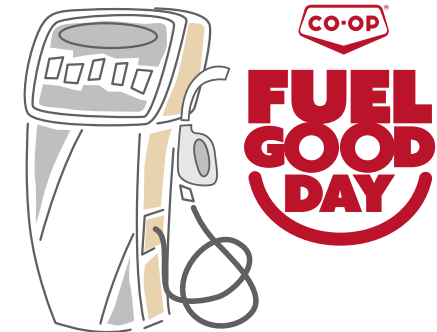


Kindergarten Coupon Program

Since 2017, Lloyd Co-op has offered all Kindergarten-aged students attending school in Lloydminster and surrounding areas a free \$10 coupon redeemable at Lloydminster Co-op Marketplace or Neilburg Co-op Grocery Store. The idea behind the program is simple: the students' first lunch is on Co-op, with no strings attached. Each year, over 750 coupons are issued to local Kindergarten students.

Fuel Good Day

Each September, Lloyd Co-op Gas Bars prepare for an important annual fundraiser: Fuel Good Day. Traditionally hosted in benefit of Lloydminster Public and Catholic School Division breakfast programs, Lloyd Co-op donates \$0.05 from every litre of fuel pumped to help feed local students. Since inception in 2017, the event has raised almost \$50,000 and is hosted 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).



Spread a Little Love this Christmas

Lloyd Co-op's annual Spread a Little Love this Christmas program focuses on the original community builders: local senior citizens. Born from the desire to honour and recognize those who established both the Co-op and the region, Spread a Little Love this Christmas invites Co-op members and customers to attend a Lloyd Co-op location, select an ornament (or several) from a Christmas tree, then purchase the gift request listed. Lloyd Co-op employees then receive the gifts, organize by location, and hand deliver prior to Christmas. Since 2015, the program has grown in breadth, depth, and impact, with Lloyd Co-op receiving Western Canada-wide recognition. Perhaps most importantly, over the years several neighbouring Co-ops adopted the concept for their own markets.

A partnership with The Olive Tree allows for even more seniors to be included in Spread a Little Love this Christmas. In 2022, nearly 900 seniors residing in six unique communities across 14 senior's homes and long-term care centres received a gift from their community.



NEW! Trunk or Treat

Lloydminster Agricultural Exhibition Association and Lloyd Co-op partnered to host the first-ever Trunk or Treat. This free, indoor event celebrated inclusive access to trick or treating in a safe, warm, and accessible environment. Costumed children travelled from trunk to trunk collecting goodies, enjoying themed displays by local businesses and non-profits. Over 2,500 attended the inaugural event.



Feeding Local Families

Feeding and fuelling local families is at the heart of Lloydminster and District Co-op's business. In 2022, the following initiatives and programs were supported:

- The Olive Tree - Food Rescue Program
- Bike for Breakfast - School Breakfast Program investment alongside Sobeys Lloydminster
- Lakeland College - Lloydminster and Vermilion Campuses - Grocery gift card program in partnership with Cornerstone Co-op

With the rising impacts of inflation affecting the price of groceries (among other goods), food security continued to be a top priority. Lloyd Co-op partnered with the Lloydminster RCMP and 106.1 FM The Goat to host the following fundraisers in 2022:

- Operation Help our People (H.O.P.) - Raised over \$3,800 during Easter
- Squash Hunger - Raised over \$3,400 during Thanksgiving
- Project Pallet - Raised over \$26,000 over the Christmas season



L to R: Peter Brown, Lloyd Co-op CEO, Gracie L., Lloyd Youth Council member, Councillor Lorelee Marin and Mayor Gerald Aalbers, City of Lloydminster

NEW! Paint the Town Positive

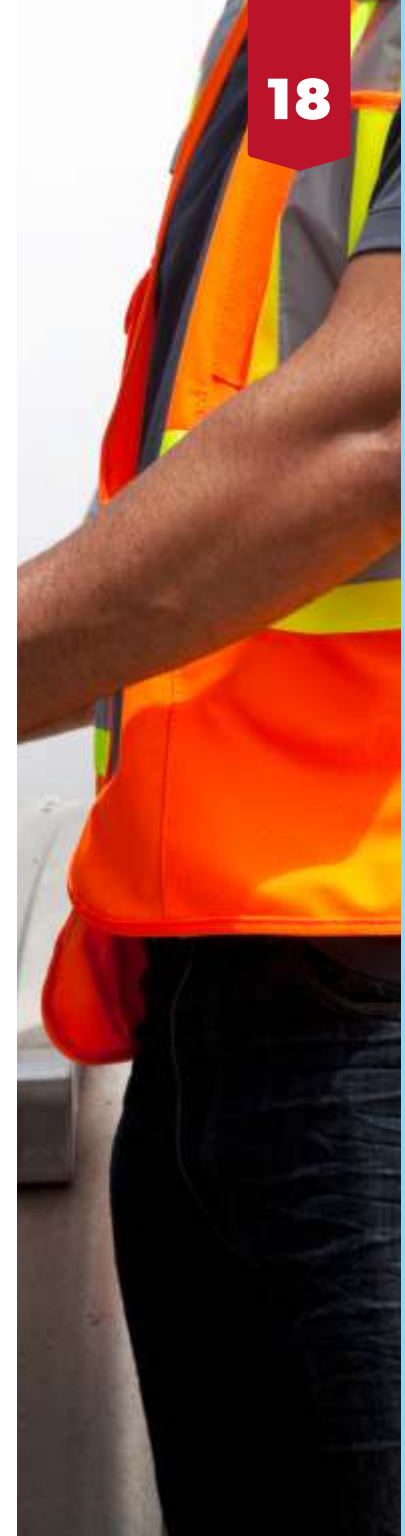
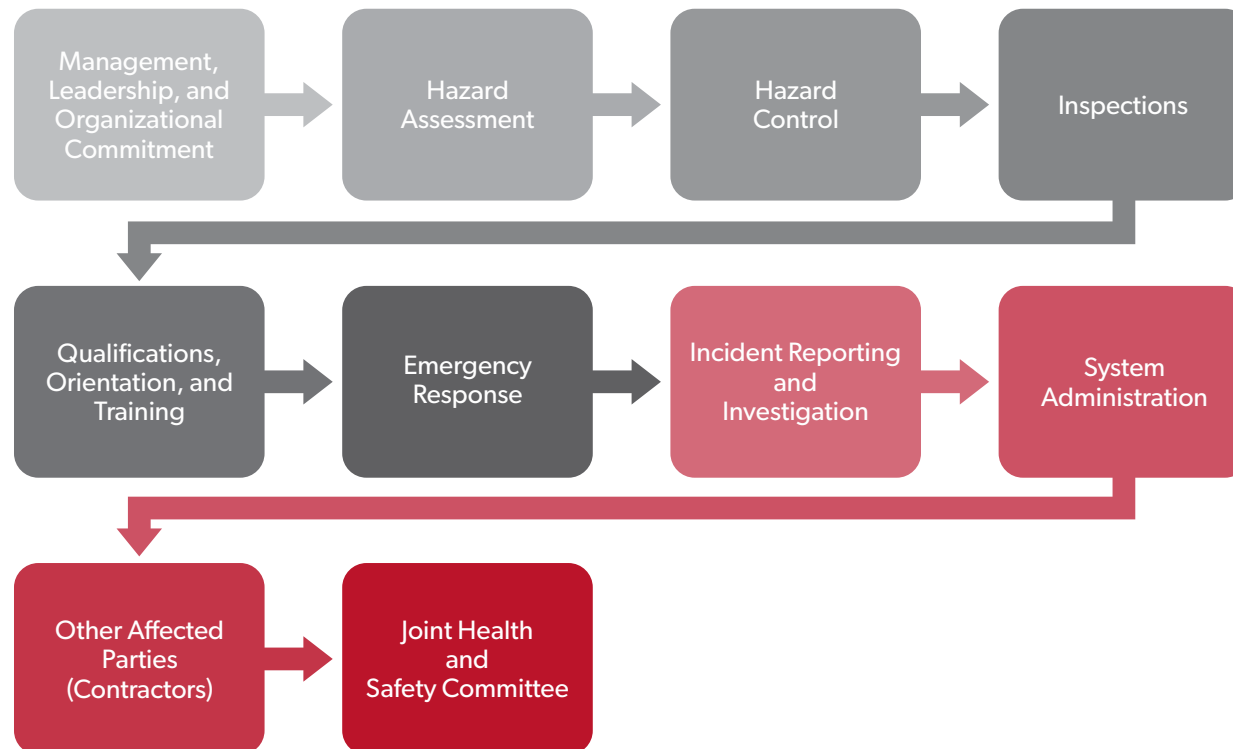
In spring 2022, painted activity stencils began popping up on pathways in Lloydminster. Dubbed "Paint the Town Positive", this was an initiative of Lloydminster Youth Council, YLL My Home, and the City of Lloydminster, sponsored by Lloydminster and District Co-op. It encourages screen-free, outdoor play in accessible greenspaces, pathways, and parks across the community. More stencils will be painted in 2023.

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 and District Co-op has developed and implemented a strong health and safety program that meets provincial standards for Alberta and Saskatchewan. The best practices approach to health and safety 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 2022, Lloydminster and District Co-op achieved a COR audit score of **98%**.

In 2019, Lloydminster and District Co-op was honoured with the Excellence in Health and Safety award as part of the annual Co-operative Retailing System (CRS) awards.



SAFETY FIRST



PROTECTION



COMMITTEES



HAZARDS



HEALTH

Commitment to Employees

Lloydminster and District Co-op employs over 260 individuals dedicated to serving members and customers across two provinces in multiple retail locations. Ninety-five percent of the workforce is employed in the city of Lloydminster with most of the job creation (169 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 community, integrity, and teamwork.

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 through 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.

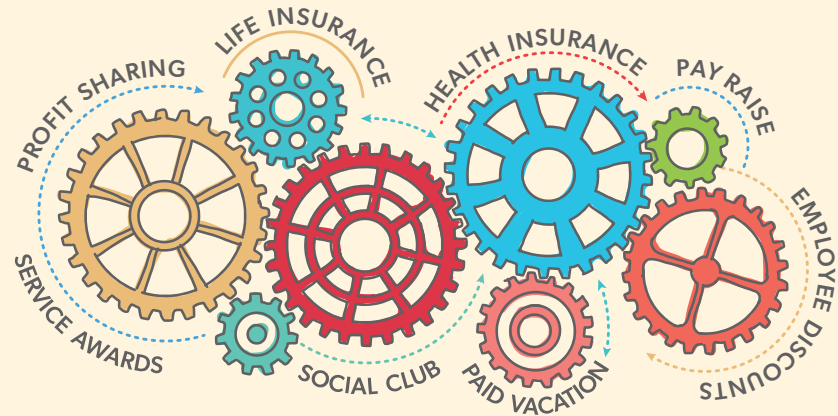
Group benefits include:

- 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.

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. 2022 profit sharing was paid at 6.8%.



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:

- Maternity and Parental Leave Benefits
- Sick Leave Program
- Vacation Time
- 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 creating a multi-year diversity and inclusion strategy which will help employees be more inclusive, feel psychologically safe and have a sense of belonging at work. Ultimately, this will aid employees in building richer, more meaningful connections with their colleagues and Co-op's members. The values of community, integrity, and teamwork will guide the development and implementation, 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. Financial investment as part of the HOT6 Truth and Reconciliation Committee, specifically in the categories of Membership Contributor and Action Circle Sponsor.
3. Steering Committee Member with the Saskatchewan Indian Institute of Technology (SIIT); offering practical work experience opportunities to students.
4. Indigenous diversity awareness and educational presentations from local speakers.
5. Human Rights, harassment, and unconscious bias training for all managers across the Association.
6. Gainful employment of Indigenous people and equitable access to jobs, training, and education opportunities.
7. Creation of foundational policies and training on harassment, pay equity, and protection of human rights. Internal audit and reporting controls in place.



Co-op Connector - Employee Event

In October 2022, Lloyd Co-op employees gathered for the Co-op Connector. Here they learned about Co-op's Diversity, Equity and Inclusion (DEI) strategy. In addition, Kevin John, an Indigenous speaker and founder of They Build Bridges, shared a presentation entitled "Why Reconciliation?". He touched on Indigenous history, shared his lived experiences, and emphasized the importance of reconciliation.

L to R: Leah Andrew, FCL, Kevin John, They Build Bridges, and Greg Johnson, The Toronto Hunter

Employee Engagement and Diversity and Inclusion Survey

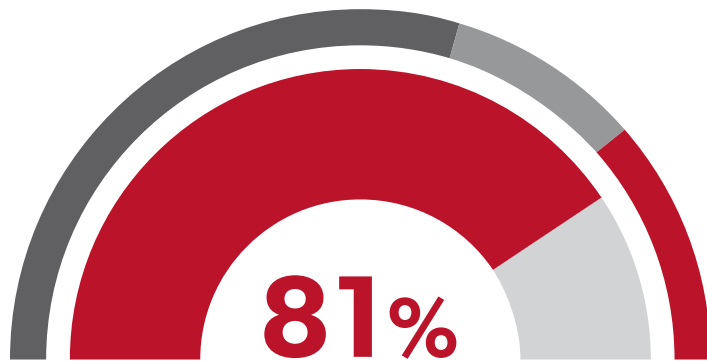
Inclusion and engagement goals are measured with two key metrics:

1. Employee Engagement survey
2. Diversity and Inclusion survey

Employee Engagement is measured every three years, while the Diversity and Inclusion survey is conducted on an annual basis. Employee Engagement is measured to understand the organization’s engagement level at a given point in time, and to understand where challenges exist and provide opportunities for improvement. Higher scores for engagement, diversity and inclusion correlate with lower turnover, higher productivity and increased business performance and results. While many organizations saw a decrease in their engagement ranking due to the impact of the pandemic, Lloydminster and District Co-op rose in seven (7) benchmark points from 2017 to 2020, and 13 points above the Canadian industry average. In fact, Lloyd Co-op achieved an industry leading engagement score of 81%. A new survey is planned for fall 2023.

2020 Engagement Survey Results

Overall Engagement Score



↑ 7 points	74%
2017	
↑ 13 points	68%
Canada Average	
↑ 20 points	61%
Co-operative Retailing System	

Participation Rate

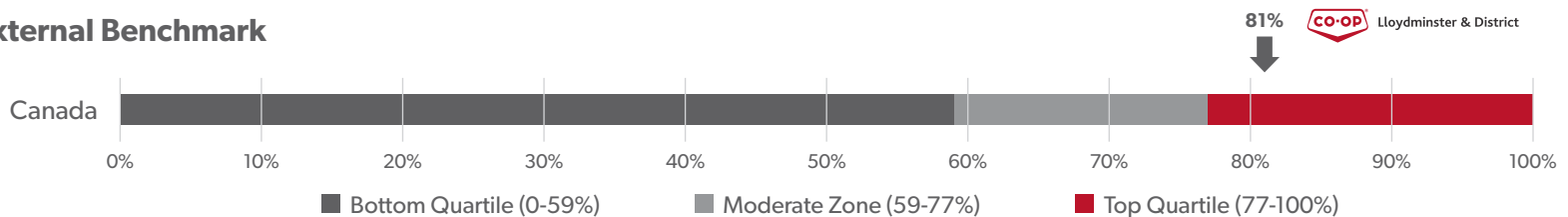


■ Completed

Number of Participants

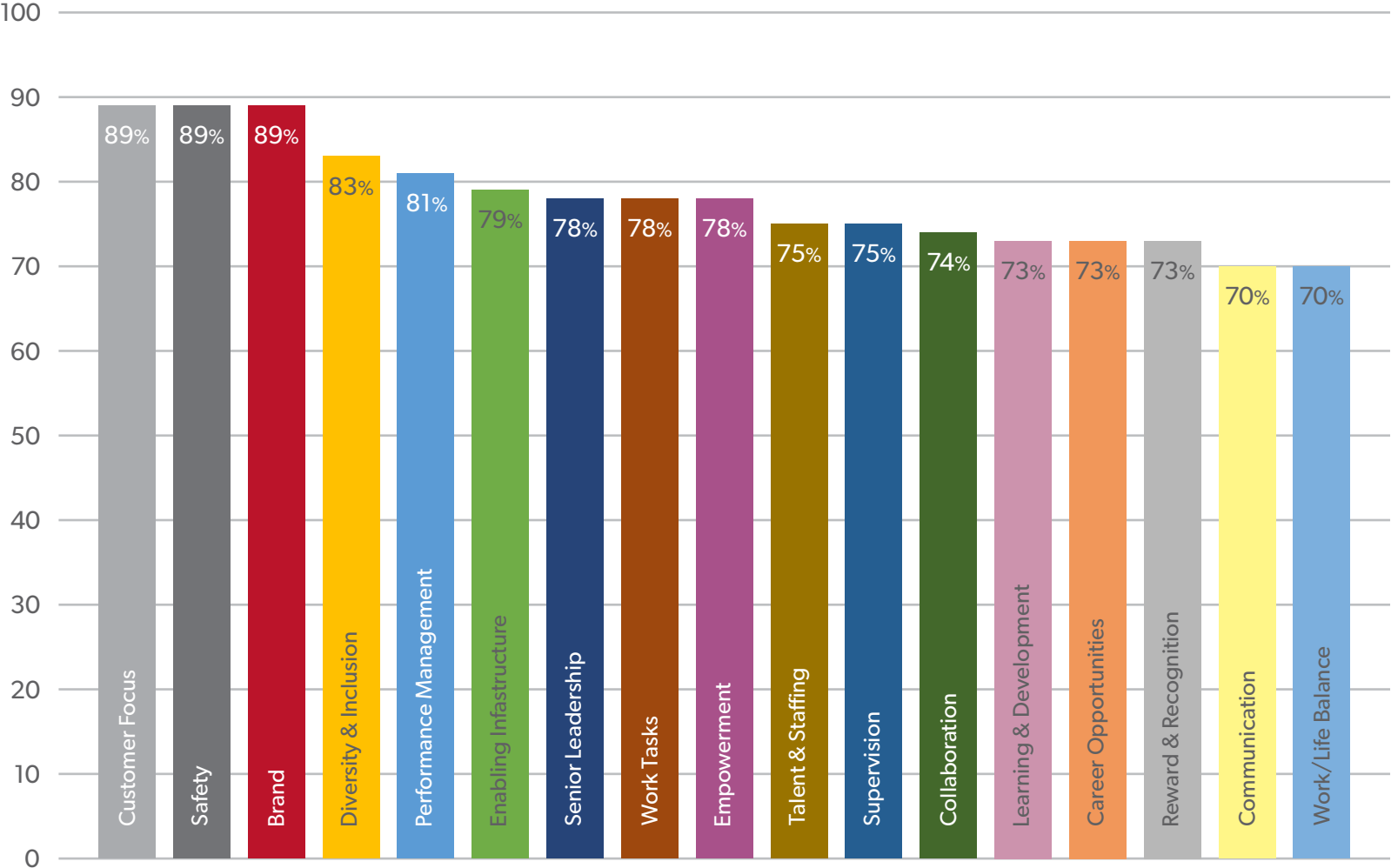
Completed	134
Invited	211

External Benchmark



2020 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 17 engagement dimensions. The chart below shows Lloydminster and District Co-op's 2020 employee engagement scores as ranked from highest to lowest.



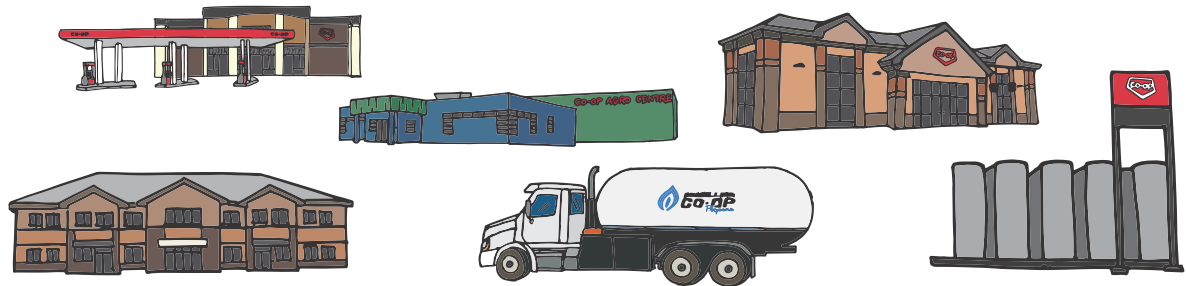
*Sharing in our Success
Through Good Governance*



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 gives a portion of annual net savings back to the membership, with the remainder of earnings used for future growth and development. Since 2015, Lloyd Co-op invested over \$25 million in new builds and renovations including Ironwells Co-op Gas Bar (Highway 16 east), Hampton Square Co-op Gas Bar (Highway 16 west), North Stop Co-op Gas Bar (Highway 17 north), and Lloyd Co-op Fuel Centre, home to propane, bulk petroleum, and lubricants. Most recently, two new developments - the car wash on Highway 17 south and cardlock near Maidstone, Saskatchewan - will expand Lloyd Co-op's ability to serve the membership. Continued support from members and customers ensures the Co-op's financial strength, viability, and ability to return profits back to local members.



Each year, the local Board of Directors agrees on an allocation percentage per commodity. The allocation rate is applied to members' purchases and receives equity on those purchases.

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.

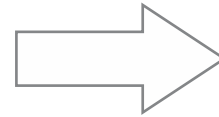
Over the past 10 years Lloydminster and District Co-op has given back \$36 million to members, \$25 million of that in cash.



In 2022, Lloyd Co-op had 22,785 members, of which 19,002 are deemed active.



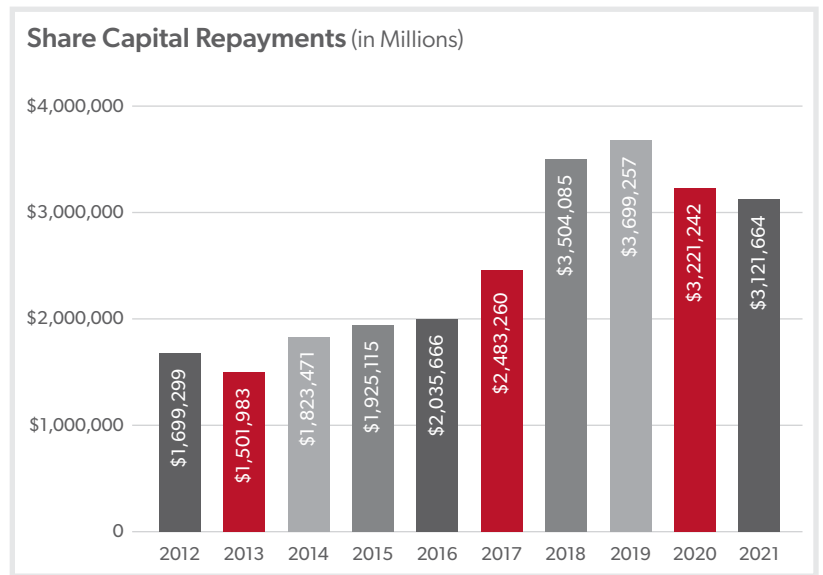
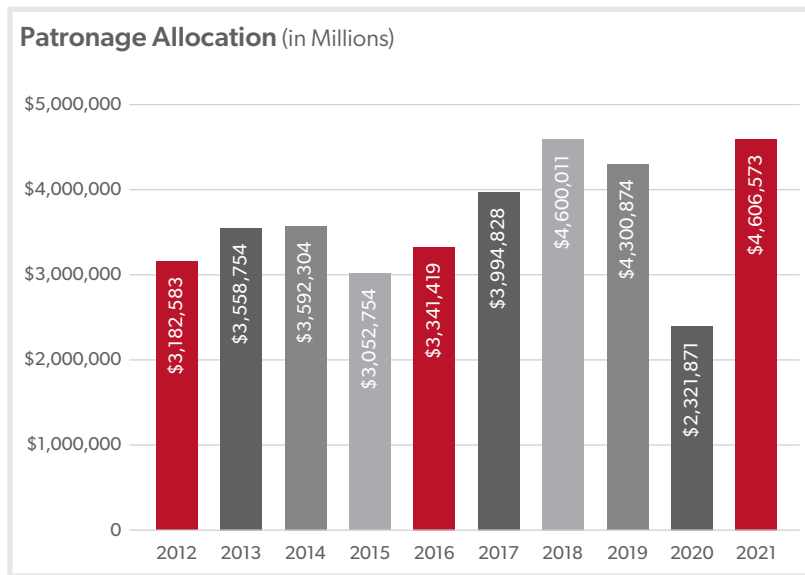
22,785 TOTAL MEMBERS



**83.4%
ACTIVE**

19,002 ACTIVE MEMBERS

This year (2022) Lloydminster and District Co-op is giving back over \$5.4 million in equity to local members!





Policy Governance[®]

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.

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.



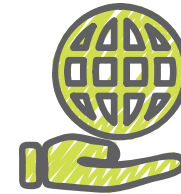
What Policy Governance IS!

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

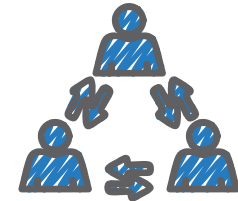
Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership.

Principles of Policy Governance

1. **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 21,000+ Lloydminster and District Co-op members.
2. **Position of Board:** The Board is accountable to the members to ensure 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.
3. **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.
4. **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.
5. **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.



RESPONSIBILITY



COMMUNICATION



SKILLS

6. **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.
7. **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 polices 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.
8. **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.
9. **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.



10. **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 AND DISTRICT CO-OP WORKS



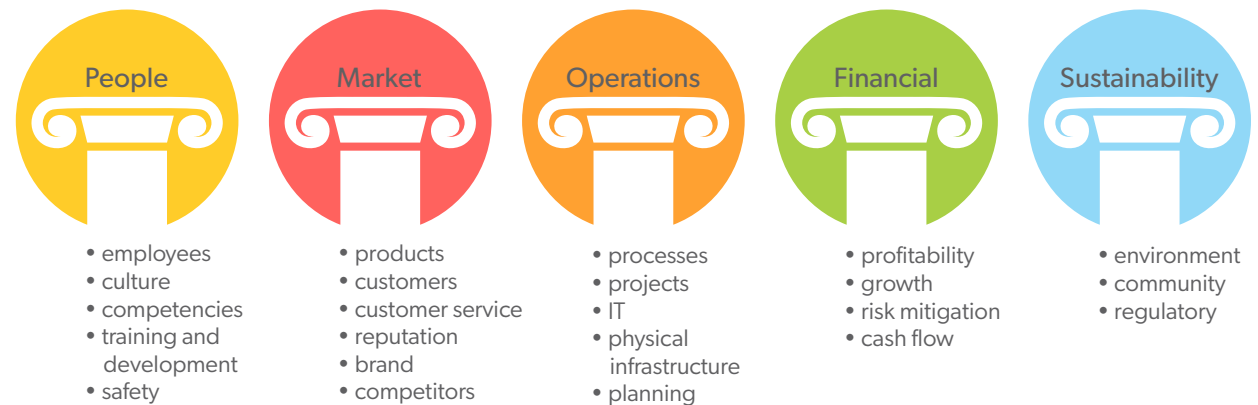
Lloydminster & District

LOCALLY OWNED! MEMBER OWNED!

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).

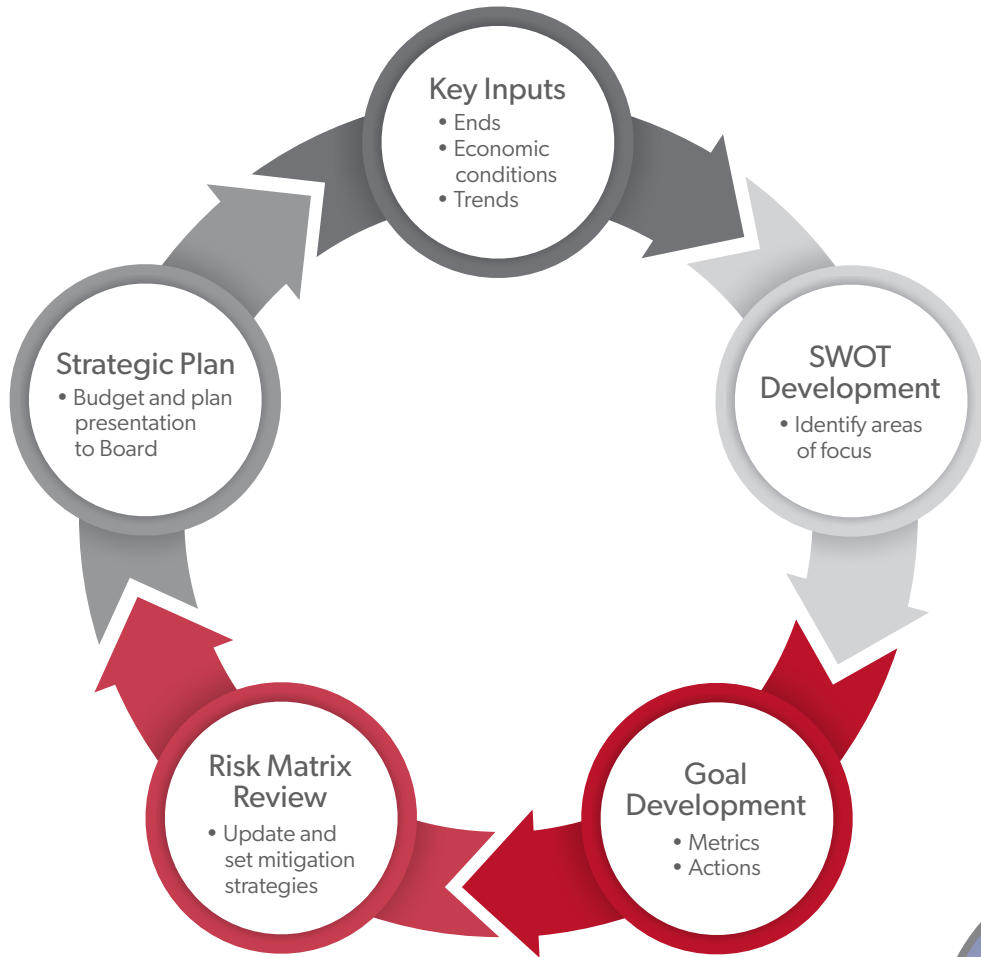
The CPM framework includes five pillars of performance:



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.

Annual Planning Cycle





Lloydminster & District



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