



2023

# Report to the Community

#### **Mission**



Members together, growing community.



Community grows when we care for others.

Community celebrates our rich diversity.

Community honours our local legacy.

#### **Values**



#### 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,

Here at Lloydminster and District Co-op, we're your community builder. We prioritize community, member ownership and local impact. As a Co-op we stand as pillars of support for the neighbourhoods we serve, channelling profits back into the hands of those who contribute to our successes, and investing in local initiatives.

Throughout the following pages, you will see 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 2023.

In 2023, our collective efforts culminated in record-breaking sales exceeding \$184 million, with an impressive \$5.6 million returned to our valued member-owners in cash and equity. This is only possible because of people: members like you, who chose Co-op to feed and fuel their farm, family and fleet, as well as our dedicated team of employees who provide compassionate customer service across 12 retail locations in our region.

Thank you for your support. We are deeply grateful for your continued support, and grateful you continue to choose Lloydminster and District Co-op.

Yours in community, Lloydminster and District Co-op Board of Directors and CEO



#### 2023 Board of Directors and Chief Executive Officer



Kemi Antonio, President

Term: 2021 - 2025



Sherri Stephens, Vice President

Term: 2022 - 2025



Shea Kelly, Secretary

Term: 2023 - 2026



**Barry Davis** 

Term: 2019 - 2025



**Helen Rogers** 

Term: 2023 - 2026



**Penny Manners** 

Term: 2021 - 2024\*\*



Chantelle Lefebvre

Term: 2021 - 2024\*



Bernadette Poppleton

Term: 2022 - 2023\*\*



Peter Brown, Chief Executive Officer

#### **SERVING LOCAL MEMBERS SINCE 1914**

• The idea of a pharmacy was announced in 1939. During that time, it was against the law to carry aspirin, cough syrup, and other patented medicine on the shelves. The drug department in Lloydminster, SK opened its doors to the public in 1958, where there were no objections or complaints from the Pharmaceutical Association. It was the third Co-op drug department in Saskatchewan.

• Lashburn Co-op was thought of only two days after Lloydminster Co-op was founded.

To celebrate 50 years of the Lloydminster Co-op, the association gathered at the exhibition ground for an Anniversary Picnic in 1964. The group laughed, sang, and played ball! Teams from Hillmond, Marwayne, Lloydminster, Neilburg and Marsden all played, however, Neilburg was the Champion! They finished the night off with local talent and ice cream that could be purchased for a nickel.

• Lloydminster Co-op's building was a part of "The Great Fire" on August 19, 1929, when a fire occurred downtown just north of the train tracks. A new building was scheduled to be built that same year.

Flash Cu

Lloydminster Co-op Kids Club was established in the late 1990s and is still a part of Lloydminster and District Co-op.

 Alberta Community and Co-operative Association awarded the very first "Inspiring Young Co-operators" award to Lloydminster and District Co-op for their Anti-Bullying Campaign as well as Ag Ed Days.

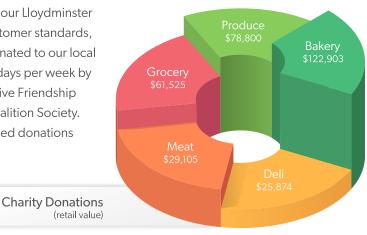




# **Surplus Food Distribution**

#### **Charity Donations**

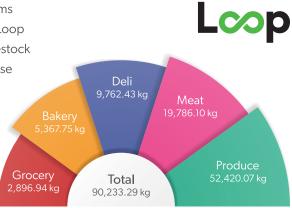
Lloydminster and District Co-op is committed to diverting as much food waste as possible from landfills. At our Lloydminster Marketplace, food that does not meet our customer standards, such as close dated or imperfect items, are donated to our local charity partners. These items are picked up 5 days per week by The Olive Tree Lloydminster, Lloydminster Native Friendship Centre, and the Lloydminster Social Action Coalition Society. Our fiscal year ended February 3, 2024 included donations with a total retail value of \$318,207.



#### **Loop Resource**

In addition to food donated to our charity partners, we have partnered with Loop Resource (https://loopresource.ca/) 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 totalled 90,233.29 Kg's diverted from the landfill.

**Loop Farm Donations** 



#### **Waste Diversion**

#### **Plastic & Cardboard Reduction**

Last year, 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 has eliminated 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. To find out more information on Cascades please head to their website 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.



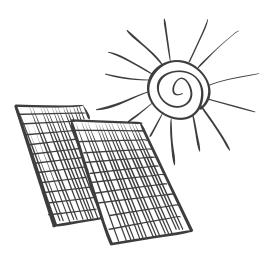
# **Power Consumption**

With 12 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 February of 2023, Lloydminster Co-op Marketplace received a full lighting conversion in the warehouse retrofitting to Light Emitting Diode (LED). The sales floor was done in 2019, and the bakery, deli, bistro, and customer entry and exit were converted to LED lighting in 2021.



Other sites that were upgraded to LED in 2023 were the Lloydminster Co-op Fuel Centre office, Ironwells Co-op including the car wash bays, as well as Lloydminster Co-op Fuel Centre Bulk Fuel shop bay.



Lloydminster and District Co-op's newest and fourth local cardlock location, which opened November 2023, is located on Highway 16 and 21 near Maidstone, Saskatchewan. The Association worked closely with Paragon Construction to integrate solar power. This site will realize the benefits of reduced operating costs due to greater efficiency.

Lloydminster and District Co-op is pleased to announce that in 2023, we successfully reduced the total kilowatt-hours (KW/H) consumed across the association by 12%.

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 standalone car wash coming on Highway 17 south in 2024)
- Cardlock facilities (four locations in Lloydminster, Neilburg and Maidstone)
- Propane (central office in Lloydminster, with satellite stations in Kerrobert and Turtleford)

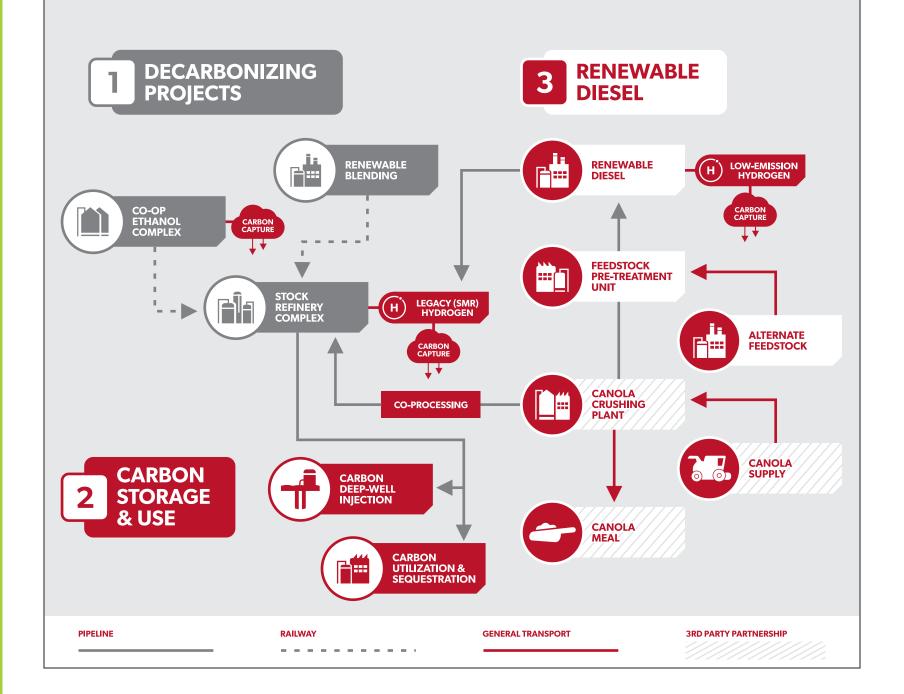
Working together, FCL and local retail co-operatives form the Co-operative Retailing System (CRS), which helps feed and fuel individuals and communities from Vancouver Island to northwestern Ontario.

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 the Co-op Refinery Complex, owned and operated by FCL.

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





#### **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 (IV) 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?**

 In 2023 the Lloydminster and District Co-op Cardlock locations expanded into Maidstone. This location is our first location to use solar power.

• In 2023, Lloydminster and District Co-op announced their expansion into liquor and spirits which will be held in the same location as the brand-new Co-op car wash!

The Lloydminster and District Co-op Kids Club has over 800 monthly mailers!

 Over 3000 people attended Trunk or Treat 2023. Congratulations to all the first-place winners!

 Spread a Little Love this Christmas grew in 2023, with over 900 gifts distributed to 17 different senior homes and programs. We are so thankful that our community continues to show up for each other around the Holidays.

The Lloydminster and District Co-op Lashburn Agro Centre got a fresh new look. A
new mobile trailer was placed on the property to revitalize and update the current
Agro Centre.

# Check it out!

You can manage your prescription medications online through our local FCL Pharmacy app!









# **Community Investments**

#### Investing in Our Communities and Our People

Lloydminster and District Co-op has been deeply ingrained in the community for numerous years. Embracing the values of Community, Integrity, and Teamwork, Lloyd Co-op is wholeheartedly committed to the causes that are most significant to our local Co-op Members. We promise to further grow this commitment in the coming year.

In 2023, Lloydminster and District Co-op invested over \$164,000 in Lloydminster and surrounding communities. In addition, we committed to \$300,000 for the Co-op Community Rink located in the Cenovus Hub, over the next 10 years. Guided by the organization's community investment strategy, donations and sponsorships were primarily made in the following areas:

- Food security

- Senior citizens

- Healthcare

- Sports and recreation
- School programming

Lloydminster and District Co-op invested in the following communities in 2023:

- Lloydminster
- Neilburg
- Lone Rock
- Onion Lake
- Maidstone
- Paradise Hill

- Marsden

- Paradise Valley

- Marshall

- St. Walburg
- Marwayne
- Waseca

Over the years, Lloydminster and District Co-op created several unique **community building campaigns**. 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 \$42,300 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.



#### **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 \$62,000 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

their own markets.

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

A partnership with The Olive Tree allows for even more seniors to be included in Spread a Little Love this Christmas. In 2023, over 900 seniors residing in six unique communities across 14 senior's homes and long-term care centres received a gift from their community.



#### **Trunk or Treat**

In 2023, Lloydminster Agricultural Exhibition Association and Lloyd Co-op partnered to host the second annual 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, and enjoying themed displays by local businesses and non-profits. Over 3,000 people walked through the doors of the Exhibition for our second annual event.

Spread a litt

ove this Christmas

#### **Feeding Local Families**

Feeding and fuelling local families is at the heart of Lloydminster and District Co-op's business. In 2023, the following initiatives and programs were supported:

- The Olive Tree Food Rescue Program
- 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 2023:

- Operation Help our People (H.O.P.) Raised over \$3,700 during Easter
- Squash Hunger Raised over \$5,500 during Thanksgiving
- Project Pallet Raised over \$12,300 over the Christmas season



#### Paint the Town Positive

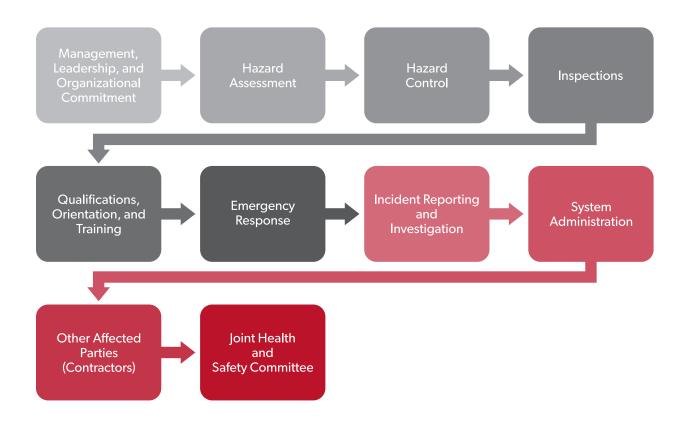
In spring 2023, additional painted activity stencils began popping up on pathways in Lloydminster. "Paint the Town Positive", was an initiative of Lloydminster Youth Council, YLL My Home, and the City of Lloydminster, sponsored by Lloydminster and District Co-op. It encourages screen-free, outdoor play in accessible greenspaces, pathways, and parks across the community. With more stencils planned to be painted in 2024.

# **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 2021 we completed a COR recertification audit and earned a score of 98%. New to Energy Safety Canada, companies who achieve 85% or higher on their COR qualified to participate in an Action Plan Program in place of a Maintenance Audit. Lloydminster & District Co-op participated in this program and completed action plans for 2022 and 2023. These plans allowed us to focus on areas for improvement and to continue to build and enhance our safety program including contractor management and emergency response training. Another External COR audit is scheduled for Fall 2024

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.











HAZARDS HEALTH

# **Commitment to Employees**

Lloydminster and District Co-op employs over 260 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 (170 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

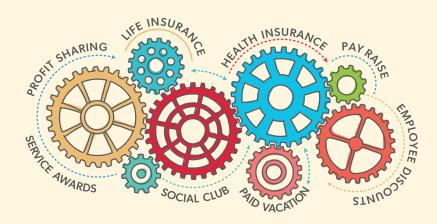
- life insurance
- dependent life insurance
- short and long-term disability
- dental and extended health care (vision, prescription drugs, out-of-country travel)
- plus optional, additional life insurance.

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



#### **Community Involvement Policy**

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. 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 groups which are supported by the Lloydminster and District Co-operative Limited.



**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. 2023 profit sharing was paid at 7.0%.

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 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.

Inclusion and engagement goals are measured with two key metrics:

- 1. Employee Engagement survey
- 2. Diversity and Inclusion survey

The Employee Engagement survey is measured 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.

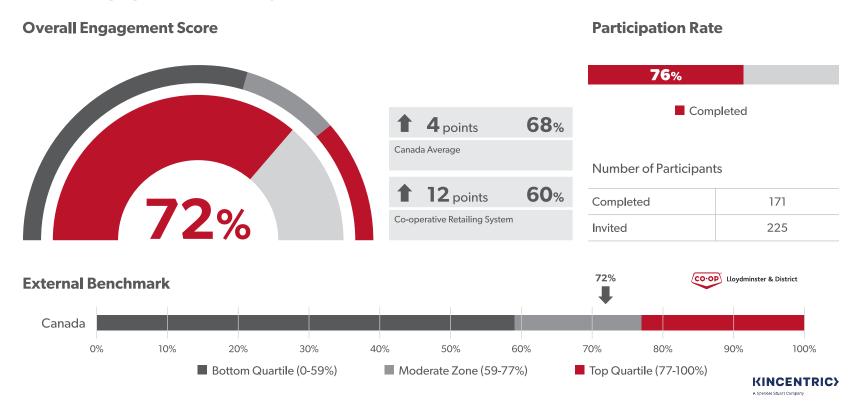
Lloydminster and District Co-op engagement results showed an engagement score of 72%, which was 4% higher than the Canadian industry average. Our score was also 12% higher than the other 23 Retail Co-op's that participated in the 2023 survey. The participation rate of 76% was 12% higher than our 2020 survey rate.

#### **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.

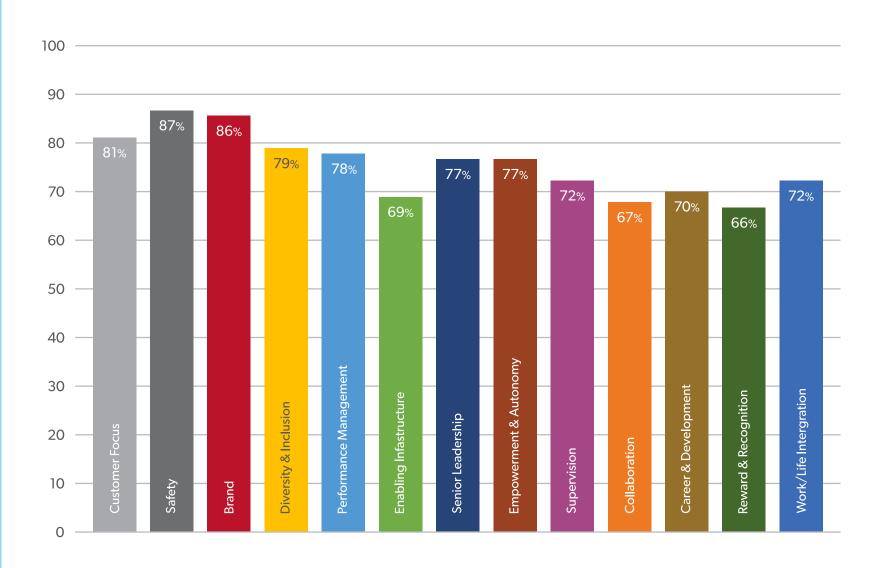
When done well, employee engagement improves effectiveness and increases contributions to help achieve desired business results.

#### **2023 Engagement Survey Results**



#### 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 and District Co-op's 2023 employee engagement scores as ranked from highest to lowest.









# **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 <a href="https://www.lloydminstercoop.com">www.lloydminstercoop.com</a>, or in person at any Lloydminster and District Co-op location.

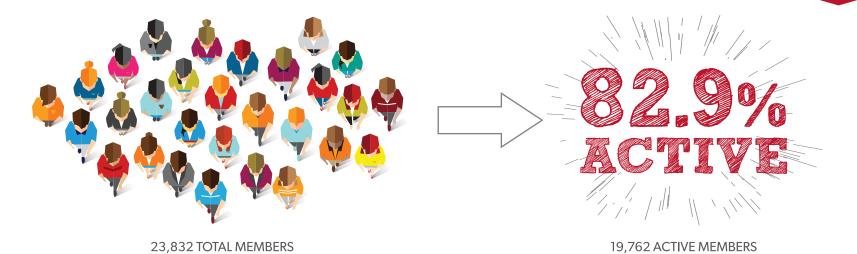
Lloydminster Co-op allocates a portion of its annual net savings back to its membership, with the remaining earnings earmarked for future growth and development. Since 2015, Lloyd Co-op has invested over \$39 million in new builds and renovations, which include Ironwells Co-op Gas Bar (located on Highway 16 east), Hampton Square Co-op Gas Bar (situated on Highway 16 west), North Stop Co-op Gas Bar (positioned on Highway 17 north), and Lloyd Co-op Fuel Centre, housing propane, bulk petroleum, and lubricants. Additionally, our newest properties, the Maidstone Cardlock (powered by solar energy) and the two locations, opening in the spring of 2024, at our Southview property - the Car Wash and Liquor and Spirits – which will further expand Lloydminster Co-op's capacity to serve our membership. Furthermore, Lloyd Co-op has extended its investment in our local area with three Tempo stations - Fuelled by Co-op - situated in Marwayne, Lloydminster, and Maidstone. The continued support from our members and customers ensures the Co-op's financial strength, viability, and its ability to return profits back to local members."



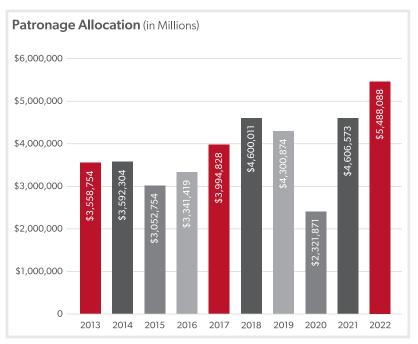
Each year, the local Board of Directors agrees on an allocation percentage per commodity. The allocation rate is applied to members' purchases and receives equity on those purchases.

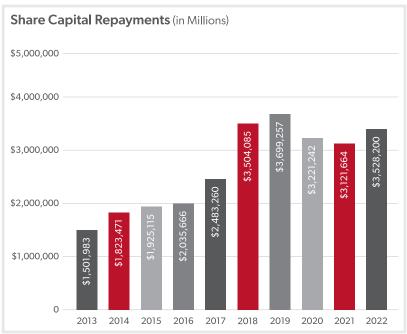
Typically, Lloydminster and District Co-op members see a cheque every spring for a portion of the previous year's equity earned. Their remaining equity is accumulated and can later be withdrawn once the member reaches the age of 65, moves out of the trading area or becomes part of an estate.

Over the past 10 years, Lloydminster and District Co-op has given back \$41 million to members, over \$29 million of that has been in cash.



This year (2023) Lloydminster and District Co-op is giving back over \$5.6 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**

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.

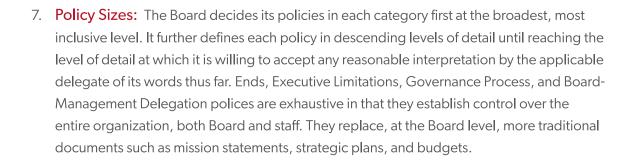


- 2. **Position of Board:** The Board is accountable to the members to ensure Lloydminster and District Co-op is successful. As such it is not an advisory to staff, but an active link in the chain of command. All authority in the staff organization and in components of the Board flows from the Board.
- 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.





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.



- 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.





### HOW LLOYDMINSTER AND DISTRICT CO-OP WORKS







# **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:





- culture
- competencies
- training and development
- safety



- products
- customers
- customer service
- reputation
- brand
- competitors



- processes
- projects
- IT
- physical infrastructure
- planning



- profitability
- growth
- risk mitigation
- cash flow



- 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.



# **Annual Planning Cycle**

#### **Key Inputs**

- Ends Economic conditions
- Trends

#### Strategic Plan

 Budget and plan presentation to Board

#### Risk Matrix Review

Update and set mitigation strategies

#### Goal Development

- Metrics
- Actions



#### **Lloydminster & District**









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