



2021

Corporate and Cooperative Responsibility Report

Table of Contents

Section 1 **13**

Implementing best governance practices
in corporate and cooperative responsibility

Section 2 **21**

Contributing to the prosperity of the regions
where we have a presence

Section 3 **39**

Putting people at the center of our decisions

Section 4 **47**

Protecting resources, ecosystems and life



Whos is Sollio Cooperative Group?

Founded in 1922, Sollio Cooperative Group is the largest agricultural cooperative in Canada with roots in Quebec. The organization has over 120,000 members, agricultural producers and consumers in 47 traditional agricultural and consumer cooperatives.

With its three divisions, Sollio Cooperative Group is proud to be a driver of economic and social development. Rooted in the regions, the organization generates \$8.3 billion in sales (over \$11.5 billion including affiliated cooperative sales).

Sollio Cooperative Group's three divisions are:



1 Sollio Agriculture, a Canadian leader in the agriculture industry, specializing in marketing agricultural inputs and value-added agronomic services. The organization supplies the Agrocentre, Agrico and Agromart distribution networks and cooperatives in Quebec and the Atlantic provinces. It produces and markets Elite and Maizex seeds, as well as F. Ménard animal feed products.



2 Olymel L.P., the Canadian leader in pork and poultry meat production, processing and distribution. The company owns production and processing facilities in Quebec, Ontario, Alberta, Saskatchewan and New Brunswick. It markets its products primarily under the Olymel, Lafleur, Flamingo, Pinty's, Tour Eiffel and F. Ménard brands.



3 BMR Group, which includes nearly 300 renovation centres and hardware stores in Quebec, Ontario and the Maritime provinces. It is the leading player in Quebec's hardware sector and operates under the BMR, La Shop BMR, Agrizone and Potvin & Bouchard banners.

Our mission

Rooted in the regions and leveraging our collective strengths, we contribute to feeding people and bringing prosperity to farming families while ensuring that the world has a sustainable future.

Our vision

Be recognized as the reference point for our Canadian retail sales sectors, the North American agricultural sector and internationally in the agri-food sector.

Our values

Recognized and promoted by the International Cooperative Alliance, our four cooperative values resemble us and bring us together, giving meaning to our work and guiding our day-to-day choices.

- Honesty**
- Equity**
- Responsibility**
- Solidarity**

Our achievements

The following are some of the year's highlights in corporate and cooperative responsibility.

Adoption of 14 ambitions that define our vision of responsibility, based on the United Nations Sustainable Development Goals.

New direction for the Sollio Agriculture crop production research farm mandate, now geared towards sustainable production areas and organic agriculture.

Acknowledgement of the excellent work done by Sollio Agriculture in human resource management with the Gallagher Award for HR Team of the Year at the Canadian HR Awards 2021.

Recognition of our commitment to gender parity for the fifth straight year with the certification of parity awarded by the organization *La gouvernance au féminin*.

Inclusion among Canada's Best-Managed Companies for 2021 for our overall performance and sustainable growth.

Inclusion of Sollio Cooperative Group once again this year on the prestigious list of Montreal's Top Employers.

Donation of cash, food and volunteer hours for a combined amount of over \$2.5 million.



President's Message

I am pleased to add my signature to this Corporate Responsibility Report, which for the very first time includes our Cooperative Report.

In my view, the notions of responsibility and sustainable development are inextricably linked to the cooperative model. Our governance is based on a system of principles and values that puts people at the centre of our decisions, and our process of redistributing wealth makes it possible to foster the vitality of our network and create value for our members. This is the same model that guides our actions and decisions on a daily basis, with a view to ensuring the sustainability of Quebec and Canada's agricultural heritage.

Now 100 years old, Sollio Cooperative Group can see the extent to which resilience and adaptation to the various issues of the past century have been key factors enabling the organization to grow, be resilient and fulfil its mission over time. The issues of corporate responsibility from social, economic and environmental standpoints are increasingly important in our society.

For Sollio Cooperative Group, it is imperative that we integrate these issues across all our activities and operations so that our actions reflect what we do already and where more work needs to be done.

We must support our members as they adapt to climate change, which is already becoming apparent in Quebec and Canada. We also want to support them as they shift to more sustainable

agricultural methods that will make it possible to minimize the use of resources, limit greenhouse gas emissions and ensure that we protect a healthy food supply for the entire planet.

I am also proud to present our Cooperative Report, which sets us apart as a responsible organization. Combining the seven cooperative principles and the United Nations Sustainable Development Goals with the corporate responsibility ambitions we have adopted gives us a clear vision for the future. I trust you will appreciate the path we have travelled and the path we have ahead of us.

I therefore acknowledge all the work accomplished by the parent company and our three divisions in the area of corporate responsibility, the results and highlights of which are outlined in this report.

As Sollio Cooperative Group celebrates the 100th anniversary of its founding in 2022, I am proud to note that we are constantly striving to ensure a healthy and sustainable future for our network and society in general.



GHISLAIN GERVAIS, ASC
President
Executive Committee Member

Executive Message

Sollio Cooperative Group is proud to present its fourth Corporate Responsibility Report, which this year includes its Cooperative Report. After integrating sustainable development as part of its core mission and its strategic vision, Sollio Cooperative Group thus goes a step further by making its cooperative nature an explicit part of the corporate responsibility process. Our Cooperative Report therefore becomes an integral part of the reporting exercise in order to better reflect the nature of our organization.

Steadfast in its commitment to a corporate responsibility process since 2019, Sollio Cooperative Group this year sets new milestones, consolidating its commitment to sustainable development. As the organization celebrates its 100th anniversary in 2022, Sollio Cooperative Group turns toward the future, fervently aspiring to promote the sustainability of its members' businesses and their communities through additional concrete corporate responsibility initiatives.

Sollio Cooperative Group and its three divisions therefore worked together to finalize their overall corporate responsibility action plan, adopting as a shared reference system six United Nations Sustainable Development Goals and 14 ambitions selected as part of the process. This action plan comprises structural initiatives connected to the various roles and responsibilities the parent company has towards its members, its network, its divisions, its stakeholders and its own operations. The plan is meant to guide and support the actions and efforts of the parent company, but also its entire cooperative network, in the coming years.

Sollio Cooperative Group then undertook a detailed assessment of its greenhouse gas emissions and its water consumption in order to set goals for the coming years at both the parent company and its three divisions. This major project will give us a detailed, robust analysis of our emissions and enable us to build a roadmap for improving our environmental performance.

Indeed, the growing challenges facing Canada's agri-food sector, like the retail sector, more than ever demand courageous collective action in order to combat issues like climate change, the global COVID-19 pandemic and the shortage of labour, to name just a few.

Sollio Cooperative Group is a key player and it wants to play its part in the thought process and the efforts to be implemented in sustainable agriculture and environmental management in our country.

To that end, we ask our members, suppliers, employees and partners to help address this collective challenge and thus contribute to sustainable and responsible development of the sectors in which we operate.



PASCAL HOULE, CPA, CMA
Chief Executive Officer



STÉPHANE FORGET, MBA, ASC
Senior Vice-president Public affairs,
Cooperation and Corporate responsibility



About this report

This report highlights the efforts of Sollio Cooperative Group and its three divisions. It covers the period from November 1, 2020 to October 31, 2021, the organization's fiscal year. The report does not cover the activities of the network of affiliated cooperatives.

The document is divided into four sections, reflecting the major pillars of a corporate and cooperative responsibility process, i.e. governance, economic development and social and environmental aspects. The section titles are:

- 1 Implementing best governance practices in corporate and cooperative responsibility;
- 2 Contributing to the prosperity of the regions where we have a presence;
- 3 Putting people at the centre of our decisions;
- 4 Protecting resources, ecosystems and life.

The topics covered in this report are the result of a materiality analysis conducted by an external third party. The process builds on best practices in the agri-food industry domestically and internationally and also benefits from the insights derived from several meetings with the Corporate Responsibility Functional Committee, senior management and the Sustainable Development and Environmental Compliance Committee of Sollio Cooperative Group's Board of Directors. The information in this report has been collected by the organization, which considers it to be reliable and accurate, although it has not been subject to an external audit.



Section 1

Implementing best governance practices in corporate and cooperative responsibility

Responsibility, a pillar of our business strategy	14
Acting collectively	14
Our vision of corporate and cooperative responsibility	15
Our stakeholders	16
How we will ensure our goals are achieved	18
Corporate and cooperative responsibility governance	19
Ethics and confidentiality of data	20

Responsibility, a pillar of our business strategy

Sollio Cooperative Group has engaged in a structured corporate and cooperative responsibility process since 2019. In addition to making it a pillar of its 2020-2025 strategic plan, Sollio Cooperative Group has identified this responsibility as a priority for the organization and its new CEO, Pascal Houle.

Highlights of the past year:

1. Group-wide adoption of 14 corporate and cooperative responsibility ambitions;
2. Development of a corporate and cooperative responsibility action plan for Sollio Cooperative Group;
3. Update (ongoing) of its environmental policy;
4. Process (ongoing) of adopting the most relevant accountability indicators for the organization, in line with recognized international standards¹;
5. Process (ongoing) of establishing a corporate responsibility strategy for Sollio Agriculture inspired by that of the parent company.

Acting collectively

In 2019, Sollio Cooperative Group chose to align itself with the United Nations Sustainable Development Goals (SDGs), a recognized international reference system. By aligning its efforts with those across the globe, the cooperative will help shape a sustainable future.

Over the past fiscal year, Sollio Cooperative Group has defined how the goals will take shape within the organization. This iterative exercise involved leaders and employees and concluded with the adoption of 14 ambitions. The ambitions set out a clear, shared vision and pave the way for action plans to be developed and updated for each division and the parent company. The following sections of this report are structured around those ambitions and reflect the work done to achieve them in 2020-2021.

From these sustainable development goals, Sollio Cooperative Group has identified six priority ones that are issues in its sector and over which it has power to take action:

- **Goal 2:** End hunger, achieve food security and improve nutrition and promote sustainable agriculture;
- **Goal 3:** Ensure healthy lives and promote well-being for all at all ages;
- **Goal 6:** Ensure availability and sustainable management of water and sanitation for all;
- **Goal 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- **Goal 12:** Ensure sustainable consumption and production patterns;
- **Goal 13:** Take urgent action to combat climate change and its impacts.

To learn more about the United Nations Sustainable Development Goals, go to <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

¹ Including the standards adopted by the Sustainability Accounting Standards Board and the Global Reporting Initiative.

Big mission. Big ambitions.

Our corporate and cooperative responsibility approach at a glance

Our mission | Rooted in the regions and leveraging our collective strengths, we contribute to feeding people and bringing prosperity to farming families while ensuring the world has a sustainable future.

Our 14 ambitions aligned with 6 UN Sustainable Development Goals



- 1** Promote sustainable agriculture among producers and other players in the agri-food sector
- 2** Be the benchmark in sustainable agriculture and agri-food in Canada



- 3** Promote physical and mental well-being in our operations, farms and communities
- 4** Implement measures for a zero-accident culture
- 5** Strengthen the employer brand through our forward-thinking working model



- 6** Minimize the impact of our operations on water resources
- 7** Actively support agricultural producers in their sustainable water management



- 8** Maximize regional benefits from investments and economic development projects
- 9** Promote our cooperative business model in how we conduct our economic activities



- 10** Reduce waste generated by our operations and stop them ending up in landfill
- 11** Eliminate food waste and recover organic residues generated by our operations
- 12** Promote healthy and responsible products to our customers



- 13** Set and achieve a GHG emissions reduction target for our operations
- 14** Promote climate change adaptation among agricultural producers



Our stakeholders

The cooperative model and governance established enable Sollio Cooperative Group to maintain close ties with its main stakeholders, i.e. its members (cooperatives and producers) and its employees. For example, at the February 2021 Annual General Meeting, member delegates were able to state their views on the priority to give the various ambitions. Employees were also given a voice during the internal consultation process led by Sollio Agriculture in summer 2021.

Sollio Cooperative Group intends to continue this thrust to ensure that the action plans implemented across its divisions and at the parent company are a true reflection of the main concerns of these interest groups. Among other things, there are plans for a consultation process to be held in 2022 to broaden the dialogue to other stakeholders over the coming years.



How we will ensure our goals are achieved

Strong governance is critical to any robust corporate responsibility process. To that end, Sollio Cooperative Group has established bodies responsible for these issues at all levels of the organization.

Sollio Cooperative Group's Sustainable Development and Environmental Compliance Committee comprises the President and four other members of the Board of Directors, as well as the CEO. The committee met four times this year and issued recommendations to the Board regarding major sustainable development directions.

The Senior VP of Public Affairs, Cooperation and Corporate Responsibility is responsible for conveying the directions set by the directors. These directions are communicated to the executive committee, as well as the corporate and cooperative responsibility support team and the strategic projects team, which coordinates the entire corporate and cooperative responsibility process for the parent company.

The Corporate and Cooperative Responsibility Committee, coordinated by the SVP of Public Affairs, Cooperation and Corporate Responsibility, is made up of managers and employees from the three divisions and the parent company. The committee, which met five times this year, coordinates the reporting on the action plans of each of the divisions and the parent company. It also provides relevant input into strategic thinking and is a platform for exchange of best practices in sustainable development.

Environmental compliance

Sollio Cooperative Group's Environmental Policy is currently being updated. The new version will be adopted and implemented by the organization and its divisions in 2022 and incorporates an updated environmental management system (EMS) for the organization based on the ISO 14001 standard. The entry into force of the 2015 version of the standard brings with it new environmental policy requirements. The updated policy will make it possible to ensure that the practices introduced by the organization are compatible with current environmental concerns of the organization and stakeholders. It also reflects changes in the size and scale of the organization. The 2022 review is a testament to the importance that Sollio Cooperative Group places on environmental management of its activities and falls in line with the other commitments included in its corporate social responsibility process.

Furthermore, the accountability reports will be submitted and presented to the Board of Directors and the Sustainable Development and Environmental Compliance Committee, as well as to senior management of the organization and the Sollio Agriculture and BMR Group executive committees. At Olymel, environmental accountability reports are presented twice a year to its Board of Directors' environmental advisory committee. The directors and executive teams are thus in a position to fulfil their duty of due diligence and can make informed decisions regarding improvements in environmental performance of our business sectors.

Corporate and cooperative responsibility governance

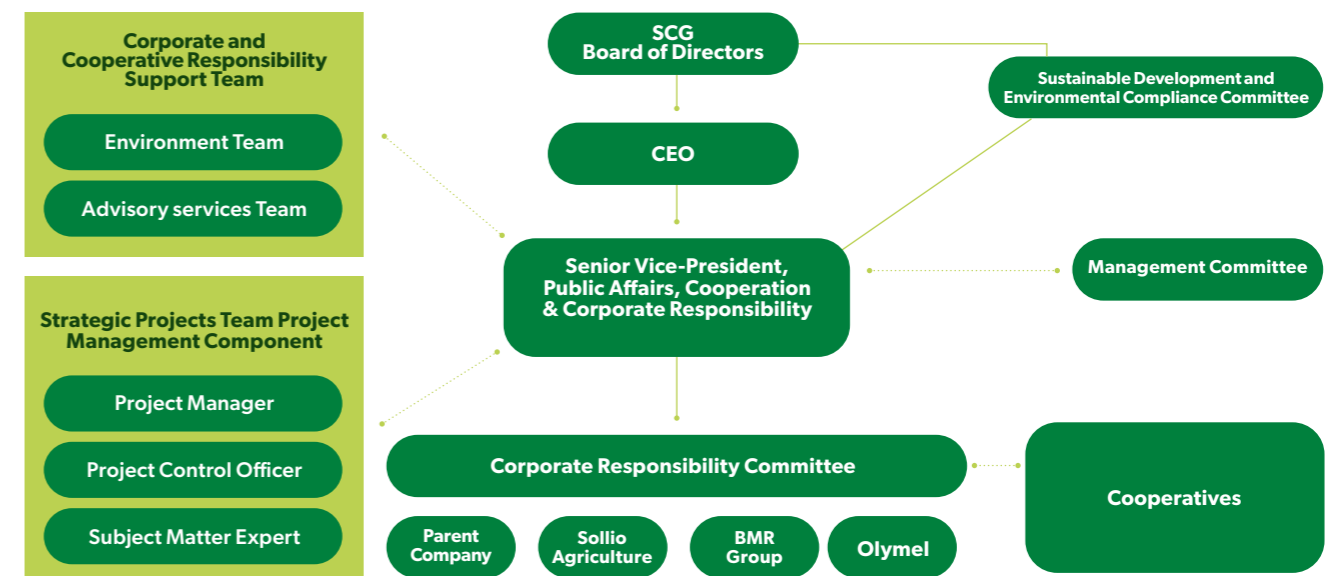
Strong governance is essential to a strong corporate responsibility (CR) approach. This is why Sollio Cooperative Group has different entities responsible for these issues at all levels of the organization.

These issues are taken into account by the BoD of Sollio Cooperative Group, specifically through its Sustainable Development and Environmental Compliance Committee. Meeting at least four times a year, the Committee is composed of the Chair, four other members of the BoD, and the CEO. The company's directions for sustainable development are discussed and approved for recommendation to the BoD.

The Senior Vice-President, Public Affairs, Cooperation & Corporate Responsibility is responsible for conveying the

directions set out by the directors to the organization's Management Committee as well as to the CR support teams and strategic project team. The latter team coordinates the entire CR approach of the parent company.

Finally, Sollio Cooperative Group created the Corporate Responsibility Committee in the last fiscal year. Chaired by the Senior Vice-President, Public Affairs, Cooperation & Corporate Responsibility, and composed of managers from the three divisions and the parent company, this committee coordinates accountability for the implementation of the action plans of each of the division and the parent company and contributes to relevant strategic reflection on sustainable development in each area of the organization.



Ethics and confidentiality of data

Ethics

The ethical principles governing Sollio Cooperative Group are closely tied to its cooperative values. Ethics is based notably on mutual commitments between the cooperative, employees, directors and stakeholders.

Working Alliance

The Working Alliance is a document that reiterates the values that are central to the cooperative culture and guide the actions of each of us on a day-to-day basis. The Working Alliance aims to strengthen ethical behaviour to ensure members' trust.

Acting as a reminder of ethical guidelines, the document defines the four organizational values of Sollio Cooperative Group and ensures a common understanding of cooperative ethics. In addition, the document provides a guide for reflection on personal ethics that can be used as a decision-making tool when doubt arises regarding ethics or a breach thereof. The document states that if deeper personal reflection is necessary, dialogue with a manager, the General Secretary or another trusted individual is strongly encouraged. The Working Alliance is presented to all personnel and board members upon taking office and each of them is asked to read and adhere to it.

The Cooperative is now proudly undertaking a complete overhaul of the ethics program within the parent company and its divisions, a review that will make it possible to maintain a dynamic, evolving and progressive ethics process.

Protection of privacy and personal information

The digital shift in the economy and business has resulted in a major increase in data in the public realm. This poses challenges in terms of data security and confidentiality.

Parent Company

The parent company is aware of these challenges. Like Sollio Cooperative Group's divisions, it is currently putting in place a structured process of strengthening the organization's cybersecurity. Its goal is also to ensure its practices comply with various current and future regulations.

Sollio Agriculture

Sollio Agriculture completed a comprehensive exercise to optimize, streamline and automate its human resources processes, with a particular focus on security of employees' confidential and personal data.

In accordance with Sollio Agriculture's AgData Transparent certification, its AgConnexion Platform notifies producers of any handling of their data, thus ensuring responsible and transparent management of user data.

Olymel

This year, Olymel introduced a number of measures and tools to protect its technological environment. Among other things, the division began developing an information governance policy to ensure sound management and protection of its corporate data as well as information on its employees. This type of responsibility framework promotes best practices in the creation, retention, storage, archiving and destruction of data. It is also designed to protect all private, personal and confidential information held by the organization and to manage the risk and security associated with digital information. The policy will comply with the legal and regulatory requirements for information retention and destruction applicable in each Canadian province.

BMR Group

For its part, BMR Group asked independent auditors to complete intrusion testing on its transactional websites and its order management system (OMS). This process made it possible to test the security level of its sites and systems, prepare findings and make recommendations. The division also tightened the governance rules pertaining to its websites and OMS. BMR Group undertook this process on a voluntary, proactive basis, despite never having received a complaint regarding any of its online purchasing platforms.

Section 2

Contributing to the prosperity of the regions where we have a presence



Our ambition: Maximize the regional spinoffs of economic development investments and projects	22
Our ambition: Showcase our cooperative business model in the way we conduct our business	23
Our ambition: Promote healthy and responsible products among our members and customers	37

Our ambition: Maximize the regional spinoffs of economic development projects and investments

Sollio Cooperative Group is a business leader in a number of areas of Quebec and Canada. The scale of the organization and its cooperative business model mean that it can create many high-quality jobs, support causes it believes in, get involved in communities and look after its members.

\$8.3 B

in sales

16,361

employees in Canada

A leader in Canada's agri-food sector

A driver of regional and national development

Sales over the years

in thousands of dollars

2021

\$8,341,089

2020

\$7,581,737

2019

\$7,007,173

2018

\$6,461,345

2017

\$6,221,000

Our ambition: Showcase our cooperative business model in the way we conduct our business

Sollio Cooperative Group is proud of its cooperative roots. They have enabled it to build a strong foundation in Quebec's regions and to develop seamlessly across the rest of Canada, through a philosophy of service to its members and contribution to community.

For us, cooperation is more than just a business model; it is a driver of economic and social development. That's why this year the organization chose to incorporate its annual cooperative report into the corporate responsibility report and entitle it the Corporate and Cooperative Responsibility Report. In preparing this report, we take inspiration from the seven globally recognized cooperative principles, as we are determined to protect and value our cooperative identity.

Cooperative benefits

Sollio Cooperative Group's cooperative business model represents an undeniable competitive advantage, because it unites resources and strengths within its greater network. This allows us to offer significant savings to all affiliated cooperatives, notably through the coop network purchasing group. This year, overall savings of more than \$1.5 million were therefore achieved

By joining forces, our network is able to undertake business acquisitions and create structural, agile joint ventures. Each acquisition helps strengthen the network. For example, in 2021,

four agricultural cooperatives along with Sollio Agriculture acquired the hatchery Couvoir Côté. The acquisition would not have been possible without the joint strength of Sollio Cooperative Group.

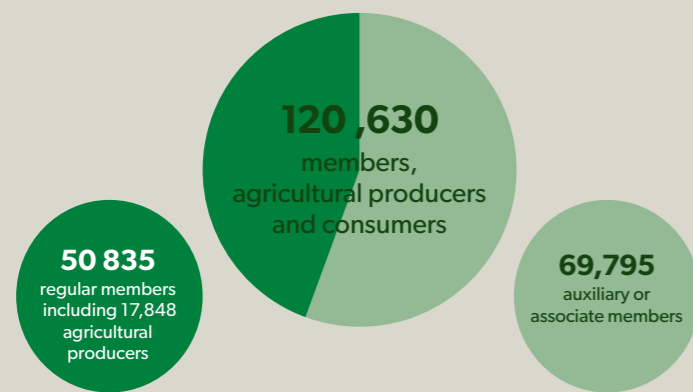
In addition, Sollio & Agiska Agriculture coopérative, as well as Sollio & Uniag Agriculture coopérative, were launched. Establishment of agricultural partnerships between consolidated cooperatives and Sollio Agriculture is designed to pool agricultural assets and create a business model that establishes a direct relationship with producers without intermediary. This business model results in a competitive, high-quality service to producers, who benefit from an informed supplier that can offer the latest in technological developments and a genuine business partnership. The new model addresses a concern for profitability among producers who want to maintain a high level of independence in their operations but also have easy access to decision-makers.



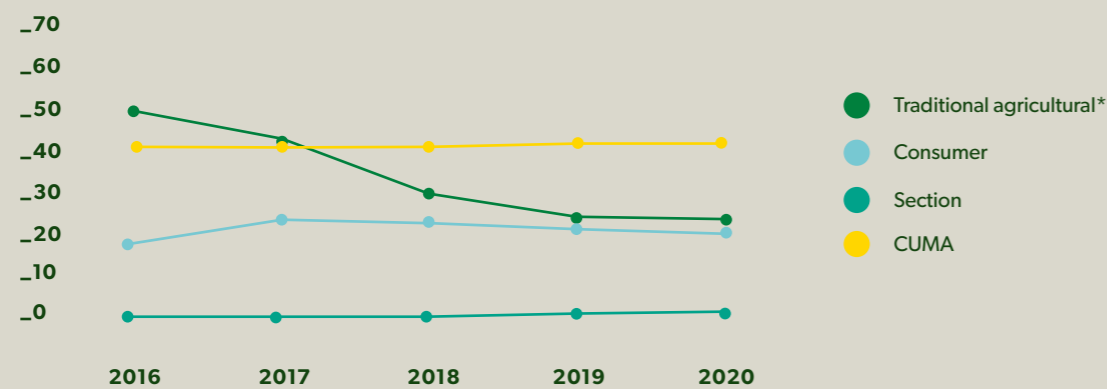
Cooperative Principle 1 Voluntary and open membership

Cooperatives become members of Sollio Cooperative Group on a voluntary basis. They work with the group to form the greater federated network of agricultural cooperatives.

At year-end, Sollio Cooperative Group members included 25 traditional agricultural cooperatives, 22 consumer cooperatives and three sections as regular members, as well as 44 agricultural equipment user cooperatives (“CUMA”) as auxiliary members. The three sections correspond to two groups of hog producers and one group of 75 independent BMR merchants. The network’s cooperatives included over 120,000 voluntary members.



Changes on the number of member cooperatives

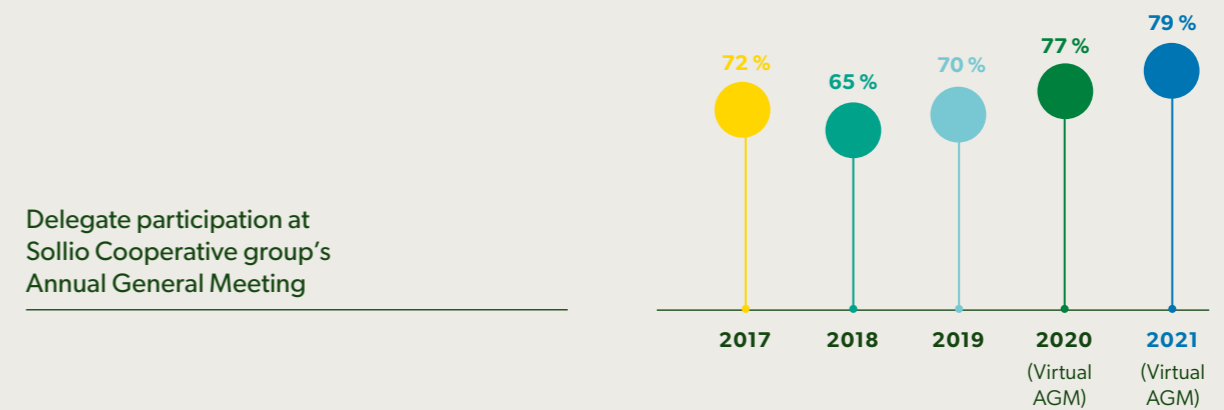


* Including Citadelle, cooperative of maple syrup producers.

Cooperative Principle 2 Democratic member control

The agricultural members of the federated network take part in the deliberations of Sollio Cooperative Group’s Annual General Meeting by delegation. The number of delegates assigned to each cooperative is based on a calculation that factors in the number of its members and its sales volume with Sollio Cooperative Group during the year. In 2021, 79% of the delegates (243 out of 306) exercised their rights.

During the year, the President’s Tour, the Presidents’ Forums and the bi-annual meeting also allowed the federated network’s elected officials to work together, exchange ideas and report transparently on Sollio Cooperative Group’s actions.



Sollio Cooperative Group’s Board of Directors is made up of:

- 15** members, including 3 women (20%).
- 1 seat** is reserved for women.
- 1 seat** is reserved for a special interest cooperative.
- 1 seat** (non-voting) is reserved for an external director.

The Board of Directors sets the strategic directions for the organization and ensures its sustainability. To provide sound governance, the Board also has the following committees:

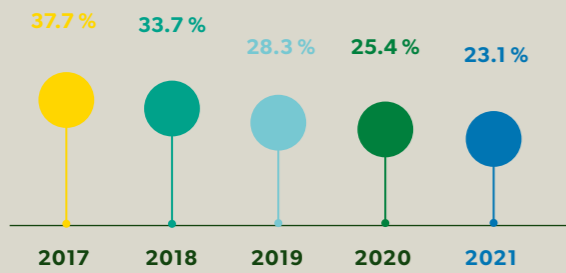
- Executive Committee, Risks and Investments
- Audit Committee
- Governance and Cooperation Committee
- Human Resources Committee
- Sustainable Development and Environmental Compliance Committee
- Information Technology (IT) Committee



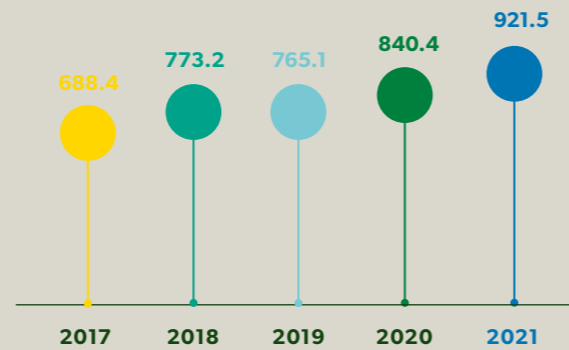
Cooperative Principle 3 Member economic participation

The cooperatives contribute equitably to Sollio Cooperative Group’s capital. Together, they hold \$319.3 million in Sollio Cooperative Group shares and \$921.5 million in a collective reserve.

Ratio of member’s equity to assets

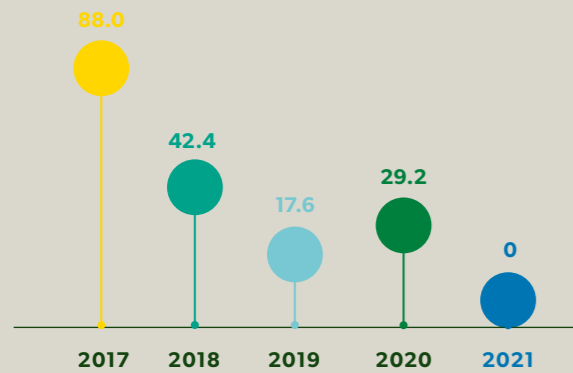


Statement of collective reserve - (\$M)

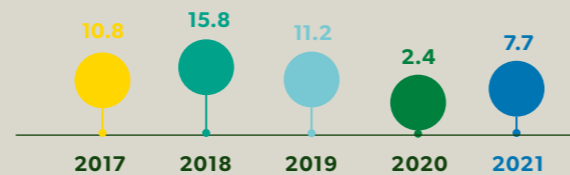


Sollio Cooperative Group redistributes a sizeable proportion of its surplus in the form of patronage refunds to the cooperatives and dividends to the Cooperative Pork Chain. The amount is set by the Board of Directors based on financial performance for the year.

Patronage refunds distributed to member cooperatives - (\$M)



Dividends paid to the Cooperative pork Chain - (\$M)



Cooperative Principle 4 Autonomy and independence

Sollio Cooperative Group is an autonomous organization, under the control of its member cooperators. The organization ensures its continued independence from lenders by maintaining conservative financial ratios. It follows sound governance practices, most notably by separating the positions of President and Chief Executive Officer, by ensuring directors’ independence from management and by pursuing sustainable results. Sollio Cooperative Group also recognizes the autonomy and independence of its member cooperatives.



Cooperative Principle 5

Education, training and information

Sollio Cooperative Group provides its members, directors, managers and employees with the education and training they need to make an effective contribution to the organization's development. The organization attaches great importance to continuing education. Due to a change in the calculation tool and method, the number of training hours and amounts allocated are not available for 2021. However, many training activities were held and the associated investment exceeded 1% of payroll.

In conjunction with the Collège des administrateurs de sociétés (CAS), the organization also offers customized advanced training for the network's directors. The training is aimed at creating value for boards of directors, while promoting good cooperative governance practices. At more than 20 hours in length, the training covers six topics, including roles and responsibilities of the board of directors and best practices in cooperative governance. Over the past fiscal year, a group of 57 people received their *Attestation en gouvernance des coopératives* (certificate of cooperative governance).

Furthermore, Sollio Agriculture supports Canada's Outstanding Young Farmers (OYF) program, in which it will be a partner until 2024, providing a financial contribution of over \$175,000. Sollio Agriculture is proud to highlight the remarkable work of farmers aged 18 to 39 who embody excellence in their profession and to promote closer ties between urban and rural populations.

Cooperative Principle 6

Cooperation among cooperatives

Sollio Cooperative Group promotes inter-cooperation among its member cooperatives. It is also associated with many other cooperative organizations dedicated to promoting cooperation and sustainable development. They include the *Conseil québécois de la coopération et de la mutualité* (CQCM), Cooperatives and Mutuals Canada (CMC), the *Fondation québécoise pour l'éducation à la coopération et à la mutualité*, the *Société de coopération pour le développement international* (SOCODEVI), the *Consortium de ressources et d'expertises coopératives*, *Coop Carbone*, the Chair in management and governance of cooperatives and mutual organizations of the *Institut de recherche sur les coopératives et les mutuelles de l'Université de Sherbrooke* (IRECUS) and the *Centre interdisciplinaire de recherche et d'information sur les entreprises collectives* (CIRIEC-Canada).

In 2021, the organization helped launch the Sollio Cooperative Group collection on the CoopGateway of HEC Montréal's *Institut international des coopératives Alphonse-et-Dorimène-Desjardins*. The collection was compiled from a selection of archives and includes nearly 2,000 items tracing the history of Sollio Cooperative Group since its establishment in 1922, featuring the important figures, documents and initiatives that have marked its development until today.

Finally, this year, Sollio Cooperative Group donated \$15,000 to the Save MEC campaign created to explore opportunities to put a stop to the sell-off and privatization of the major outdoor recreation cooperative. For the organization, it was important to demonstrate solidarity by joining other Canadian cooperatives in an effort to protect MEC's status as a cooperative.



Cooperative Principle 7 Concern for community

Sollio Cooperative Group was founded in a spirit of mutual aid by agricultural producers who came together to provide one another with the products and services they needed. Naturally therefore, concern for community is one of the principles that guide the cooperative's action.

Sollio Cooperative Group supports numerous initiatives that contribute to the collective well-being. It has identified six main avenues for donations and sponsorships on which it focuses its efforts:

1. **Fostering and supporting the cooperative environment**
2. **Fostering and supporting the agriculture and agri-food community**
3. **Encouraging and supporting social and community-based initiatives**
4. **Encouraging and promoting sustainable development, local consumption and healthy lifestyles**
5. **Supporting the economic development of the industry**
6. **Fostering and supporting the next generation**

In the past fiscal year, Sollio Cooperative Group and its divisions awarded over \$2.5 million in donations and sponsorships in the form of cash, food and volunteer hours.

Sollio Cooperative Group

\$965,000

\$382,000 in donations and
\$583,000 in sponsorships

Sollio Agriculture

\$170,000

\$15,000 in donations and
\$155,000 in sponsorships

Olymel

\$1,466,700

\$1,333,520 in donations and
\$133 175 in sponsorships

BMR Group

\$115,000

Over \$75,000 in donations and
over \$40,000 in sponsorships



From **Us** to **You**.



Sollio Cooperative Group and its divisions care about prosperity in the regions and actively contribute to thriving communities. They encourage their members and employees to do likewise through the "From Us to You" campaign.

This major mutual aid initiative feeds people dealing with food insecurity by distributing a wide variety of fresh products purchased from farm businesses that are members of participating cooperatives. For the second year, from Us to You rallied 18 network cooperatives to join us in assisting the community and supporting the regional economy.

Employees of Sollio Cooperative Group and its divisions also mobilized to collect donations. They collectively ran, biked, walked, swam and even roller-bladed over 40,000 kilometres and collected over \$53,000 in the process. This was added to the over \$510,000 worth of cash and food donations from Sollio Cooperative Group and its partner cooperatives that went to several regional food banks.

**From Us to You,
by the numbers**

**Number of meals distributed thanks to
Sollio and it's network in 2021:**

613,000

**Amounts donated since 2020:
Over**

\$1 million

Since 2019, Sollio Cooperative Group has also established a volunteer program that allows employees to give generously as individuals or groups by participating in a volunteer day organized by their team.



Sollio Agriculture supports innovation in agriculture

Sollio Agriculture contributed to a large number of Canadian events and contests on themes associated with the agricultural lifestyle, the future of agriculture and knowledge transfer. In 2021, it granted \$170,000 in donations and sponsorships. In addition, it entered into an official partnership with the Fondation de l'Université Laval to give a total of \$250,000 along with Sollio Cooperative Group over the next 10 years. The donation will go towards renovating the Paul-Comtois Building, which houses the faculty of agriculture and food science, as well as to expand the research capacity of the Institut sur la nutrition et les aliments fonctionnels (INAF).

At Olymel, we give back, together

Olymel has a structured donation program that enables it to maximize its charitable work. In line with its mission to “feed the world,” Olymel’s philanthropic and social engagement program makes food security of Canadians its prime concern.

A reflection of the organization’s values and goals, the *Ensemble, on redonne* (together, we give back) program is geared towards supporting local and national food banks, as well as the organization *La Tablee des Chefs*. Since 2016, an average of \$1.25 million in cash, volunteer hours and foodstuffs has been donated annually to food banks, the equivalent of nearly 5 million servings of chicken and pork, to families and children from disadvantaged backgrounds. Olymel also routinely responds to its customers’ requests to contribute to causes that are important to them.

BMR Group in solidarity

In 2021, BMR Group gave nearly \$115,000 to support community organizations, foundations and initiatives. Of that figure, over \$75,000 was donated and over \$40,000 was given in the form of sponsorships.

As a major partner, BMR Group notably donated \$10,000 for the CHUM Research Centre prize draw and also helped publicize the draw by selling tickets via its website and advertising in 14 of its stores. The division also made a commitment to the Make-a-Wish Foundation, helping fulfill the wishes of five children with critical illnesses.

Our ambition: Promote healthy and responsible products among our members and customers

Consumers are increasingly becoming informed about and mindful of their health. They also want to support their local economy and reduce the consequences of their lifestyle choices for the environment. Sollio Cooperative Group wants to address those expectations by adopting good practices and offering responsible products. For that reason, the organization is striving to reduce negative impacts all along the value chain.

Sollio Agriculture

New mandate for the crop production research farm

Since its inception, the crop production research farm in Saint-Hyacinthe has played a key role in developing seeds and new production techniques, particularly in the grain sector. Sollio Agriculture’s plant production sector has adopted a goal of setting up a dedicated organic agriculture service by 2025 and devoting the entire research farm site to sustainable agriculture.

This new approach at its research farm will better meet the needs of organic producers. The connection between field and research also makes it possible to develop recognized expertise in organic and sustainable agriculture in order to promote it and transfer knowledge to advisors and members.

Olymel

Quality, security and traceability of products

All of Olymel’s processing facilities have quality certifications recognized by the Global Food Safety Initiative (GFSI), a standard that certifies compliance with high standards and safety of food products. The certification programs guarantee that food products are manufactured, processed, prepared and handled in accordance with applicable regulatory requirements and with Canadian and international food health and safety methods. They provide oversight of the reliability of the global food product distribution system.

In 2021, Olymel set up a microbiology laboratory in order to offer analysis services tailored to the needs of its plants. Microbiological analyses are critical for verifying food safety and a hygienic production environment, as well as compliance with current regulations. Establishment of the lab will make it possible to reduce dependence on private labs as well as testing costs, and thus allow for more testing, which will result in more robust monitoring plans and greater flexibility during investigations.

BMR Group

Greener paint

BMR Group has joined forces with *Société Laurentide*, a home-grown, family-run business and pioneer of sustainable development, to launch a new line of house brand paint called Splendi and Splendi Suprême. Designed and manufactured entirely in Quebec and developed in *Société Laurentide*’s Ontario lab, Splendi gives consumers zero-VOC, 100% acrylic, washable, durable and easy-to-use paint for their indoor and outdoor renovation projects. Splendi contains no toxic products or solvents and meets the highest performance standards. By the end of the 2020-2021 fiscal year, Splendi accounted for 25% of the gallons of paint sold in BMR’s stores.

Ensuring animal welfare

Sollio Cooperative Group has been working with its members to improve animal health and welfare for a number of years by promoting production methods that meet the expectations of customers and society in general.

Sollio Agriculture

The broiler farms are equipped with features like teeter totters that allow the chickens to express their natural behaviour. This is one of the requirements of the Certified Humane program for which Sollio Agriculture is accredited. Sollio Agriculture also ensures that it keeps less than 28 kg of chicken per square metre, another program standard.

In an effort to provide an enriched environment at its poultry farms, Sollio Agriculture has also added wood chips and distributed pecking blocks to encourage the birds' natural pecking instincts. For over 10 years, the farms have been equipped with temperature and humidity sensors and controls that allow real-time adjustments for bird comfort (air intake, heat and light).

Olymel

Good practices and freedom of movement

In 2021, Olymel developed a training course on best practices for avoiding stress, injury and suffering in poultry when they are transferred from the poultry house to the slaughter plant. The training is for the workers responsible for capturing the birds, as well as truckers and slaughterhouse and procurement personnel.

The division has also made a commitment to installing open stalls for gestating sows at its hog operations. It has begun converting its nurseries and is encouraging its suppliers to do likewise. Right now, 40% of the pens have been replaced with an open stall system and Olymel plans to replace them all by 2029.

The support program to bring nurseries up to group housing standards has been in place since 2017. Sollio and Olymel have joined forces in providing a subsidy of up to \$300 per sow for conversion or construction of sow barns that meet the new animal welfare standards. By 2022, over 50 producers will have taken advantage of the program, making it possible to convert barns housing nearly 44,000 sows.

BMR Group

Offering products that promote animal welfare

A number of new products that emphasize animal welfare have appeared on BMR's store shelves. For example:

- a range of mats and mattresses to increase dairy cow comfort
- new light therapy products for animals
- improved ventilation products
- Canadian-source bovine colostrum for newborn calves

Section 3

Putting people at the centre of our decisions



Our ambition: Strengthen our employer brand through our cutting-edge work model	42
Our ambition: Promote physical and mental well-being of everyone in our operations, on our farms and within our communities	44
Our ambition: Target zero accidents	46



lia Surge

BIOSECURITÉ



Our ambition: Strengthen our employer brand through our cutting-edge work model

Sollio Cooperative Group has intensified its efforts in recent years to position itself as an employer of choice. Its employer brand places as much focus on the employee experience as the member or customer experience. Brand development relies on recruiting and retaining the best talent, who are drawn by its openness to diversity and innovative ideas.

Sollio Agriculture

Training of advisors

This year, 11 grants were awarded for expert advisors to undertake internships, with a total of 22 internships completed with 15 member cooperatives in the network. In addition to the 25 technical training courses delivered within the cooperative network, new and much-appreciated training content has been added to the program. Topics include customer service and satisfaction, influence communications and sound customer relationship management.

Fostering harmonious labour relations

To foster a health work environment, Sollio Agriculture created a code of civility to serve as a guide to interpersonal relations. The code defines the qualities, abilities and behaviours to be encouraged, which everyone can tailor to their own situation and work context.

Maximizing employee well-being

At the Canadian HR Awards 2021, Sollio Agriculture won the Gallagher Award (organization of 500 employees or more). In 2020, the human resources team adopted a goal of ensuring that employees feel secure, engaged and productive. That is the purpose of the *On tient le fort* (We hold the fort) program, which has helped improve employee well-being despite the pandemic situation. A collaborative effort by the HR, marketing and communications and corporate responsibility teams, this initiative in particular drew the attention of the awards panel.

Olymel

Professional development and inclusiveness programs

Attentive to developing the skills and knowledge of its employees, Olymel is constantly improving its professional development programs for managers, technical staff and

workers alike. The Continuum program was established to facilitate access to resources and create a culture of leadership. It incorporates management, leadership and technical and professional skills training options.

Because of its exceptional growth, Olymel welcomes a large number of new employees each year, many of whom are from diverse backgrounds. To facilitate their integration and promote a culture of inclusion, Olymel holds awareness, communications and training activities. At most facilities, the organization has also created integration and retention advisor positions to ensure the process of onboarding and integrating new employees is followed and monitored.

In a labour shortage context, Olymel also recruits internationally and hires temporary foreign workers each year under current government programs. To foster integration of these workers into their host community, Olymel informs the municipal and regional authorities of their arrival, checks on availability of housing and provides support with their applications for permanent residence.

BMR Group

Tailored and flexible training programs

For its part, BMR has broadened its range of learning opportunities with 11 training programs intended for store personnel. In addition, a brand new training section has been added to the merchant portal, bringing all relevant training information together in one location. This year, the group also ran its *Le Relais* (Relay) program for a third cohort and its first *Le Tremplin* (Springboard) program, with a view to training the next generation for BMR merchants and corporate stores.

Inclusion and parity

The values of equity and solidarity prompt Sollio Cooperative Group to create an inclusive work environment in which everyone feels respected and a valued part of the organization. That's why it does its utmost to help employees to develop a genuine sense of belonging. Promoting good practices towards achievement of gender parity is among its priorities.

L'effet A

Sollio Cooperative Group wants to support professional development for women within the organization by offering the opportunity to participate in the *L'effet A* (A Effect) 100-Day Challenge, an initiative designed to encourage the ambitions of women by helping the participants to:

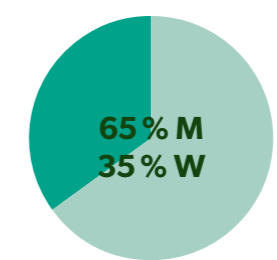
- identify barriers to realizing their aspirations;
- adopt a more positive mindset;
- acquire strong reflexes.

Since 2017, nearly 30 women in our organization have taken up the challenge, the most recent group made up of three employees. Sollio Cooperative Group has also brought new and former participants together in a community to enable them to share their experiences. They continue the discussion on topics that affect them personally, such as the evolving role of women in positions of leadership and the effects of the pandemic on their place in the organization.

A female style of governance

For the fifth time, Sollio Cooperative Group was awarded the "certification of parity" by the organization *La gouvernance au féminin*. In 2021, the acknowledgment was awarded to 58 organizations across Canada that demonstrated exceptional commitment to parity, diversity and inclusiveness. The award speaks eloquently to the importance that Sollio Cooperative Group places on gender equality in its workplaces.

Furthermore, in line with the cooperative's principle #1, i.e. open membership, the Board of Directors promotes involvement of women on boards within the network. It has



Employee breakdown in 2021

adopted specific goals in this area and closely monitors progress. Sollio Cooperative Group this year adopted its Action plan for the equitable representation of women in network governance with the aim of matching female representation in governance positions to the percentage of women members, which is about 30%, by 2025. When it set up the Ad Hoc Governance Committee, the Board also agreed with the network that the committee would have equal representation from women and men.

Across the federated network:

395 directors, including:

- 81 women (21%) on the boards of directors of affiliated cooperatives.
- 43 young people under 35 (11%) serving on various boards of directors.

Our ambition: Promote physical and mental well-being of everyone in our operations, on our farms and within our communities

Through this ambition, we aim to create conditions conducive to building capacity of employees, managers, producers and citizens, from both professional and personal standpoints. This means taking action on mental health, diversity, equity and inclusiveness in the workplace, but also in communities, through establishment of measures to foster global health, which include protecting ecosystems and upholding our community.

Parent company

Wellness and telework

A health and wellness program is available to employees of Sollio Cooperative Group. It provides capsules, training activities and tips in four health areas: physical, mental, financial and social.

The program has evolved over time and has been adapted for the specific pandemic context. During this period, a number of initiatives have been initiated to support employees:

- customized support involving nine mental health sessions as part of our telemedicine service;
- mental health capsules (three segments that demystify the stigmas surrounding mental health, among other things);
- ergonomics workshops for teleworkers;
- a new agreement with Nautilus Plus to provide discounted access to its online nutrition and work-out platform;
- meditation and nutrition sessions (4 sessions on each of the health themes);
- an improved health spending account (\$250 annually) providing reimbursement for home office equipment and materials, in the telework context.

Mutual aid network for farm workers and their families

By its cooperative nature, Sollio Cooperative Group also cares about improving health and well-being of its members and their communities. That is why it has provided financial support for many years to the organization *Au cœur des familles agricoles* (ACFA), supporting the organization's mission to establish a psychosocial assistance network in the farming community. In 2020-2021, Sollio Cooperative Group gave \$60,000 to the ACFA to help the organization increase its services in the regions.

This financial support enables ACFA to broaden its network of actions, offer greater support to producers and enhance its prevention initiatives. Sollio Cooperative Group has Sponsor status as the organization's largest non-governmental financial contributor. We have donated over \$300,000 since 2017.

Sollio Cooperative Group is also committed to the *Table de concertation santé, sécurité et mieux-être en agriculture* run by the *Union des producteurs agricoles*. Its annual contribution of \$50,000 supports the development of health and safety and agriculture programs.

Sollio Agriculture

Promote mental and physical health

In 2021, managers underwent three virtual mental health training courses to equip them to monitor the mental health of their teams. Throughout the year, resources have been added to the intranet (resilience tools, applications to manage stress, etc.). The assistance program also continued to offer many services, not only to employees but also to their families.

To encourage its employees to get moving, Sollio Agriculture issued a challenge to go outside, get active and count their minutes of activity. For this *Défi Nordique*, all types of activity counted – walking, shovelling snow, skiing – and gave them a chance to win prizes. In 2021, nearly 300 Sollio Agriculture employees took up the challenge.

Other actions helped maintain employee health this year, including interactive and participatory workshops on ergonomics to ensure comfort and safety of work stations at the office and at home. A total of 127 employees took part in these workshops.

Reducing health and environmental risk indices

Sollio Agriculture has offered a variety of activities designed to raise awareness among its retailers of the need to consider the environmental risk index (ERI) and the health risk index (HRI) when it provides agronomic recommendations. Produced jointly with the *Ordre des agronomes du Québec*, the training courses and accompanying tools are aimed at encouraging responsible use of pesticides and supporting the government's goal of a 40% reduction in the risk indices by 2030.

Olymel

Reinforced programs

The ergonomics program is designed to identify and control ergonomic risks as well as to train and support stakeholders who implement corrective measures. It is currently being rolled out at six of the organization's facilities.

The Employee and Family Assistance Program (EFAP) was adjusted for the pandemic by our external provider, with counselling services delivered in person, by phone or via video, legal and financial advice and nutrition support. The program is available to anyone who wants to set goals for maintaining physical and mental balance, make a plan to improve wellness, adopt healthy lifestyle habits, etc. The telemedicine service also remains available.

BMR Group

Promotion of physical and mental well-being

Through the months of telework, the division held president's dinners with the CEO and employees. The virtual get-togethers allowed employees to see one another after lengthy months of telework and thus reinforced their sense of belonging.

BMR Group initiated a return to work on a hybrid basis starting in September 2021. The long-awaited return was marked by a number of activities, including a breakfast, a food truck lunch, a visit from Hugo Girard and mid-week gourmet surprises.

A number of actions were also introduced for the employees' physical and mental health. For example, the division expanded its work-out room and enhanced its chair massage program. The Employee Assistance Program was also promoted to help employees cope with issues around stress, anxiety, interpersonal relations and more.



Our ambition: Target zero accidents

Ensuring employee health is one of Sollio Cooperative Group’s primary responsibilities, which is why the organization adopted the ambition of targeting “zero accidents” with a focus on prevention. Rigorous monitoring of the frequency and seriousness of accidents is done at each of its divisions and a report is submitted to the Board of Directors’ Human Resources Committee.

Sollio Agriculture Strengthened OHS management

Sollio Agriculture standardized its policies and practices to increase its effectiveness and performance in the area of occupational health and safety (OHS). The division also began introducing an OHS management system that makes it possible to take corrective action, monitor and rigorously manage accidents and near-accidents. To that end, since April 2021, monthly OHS performance reports have been sent to managers of operational sites (with frequency and seriousness rates, areas of injury, seriousness indices and number of corrective measures).

Also of note, the organization introduced a COVID-19 vaccination campaign in the summer of 2021.

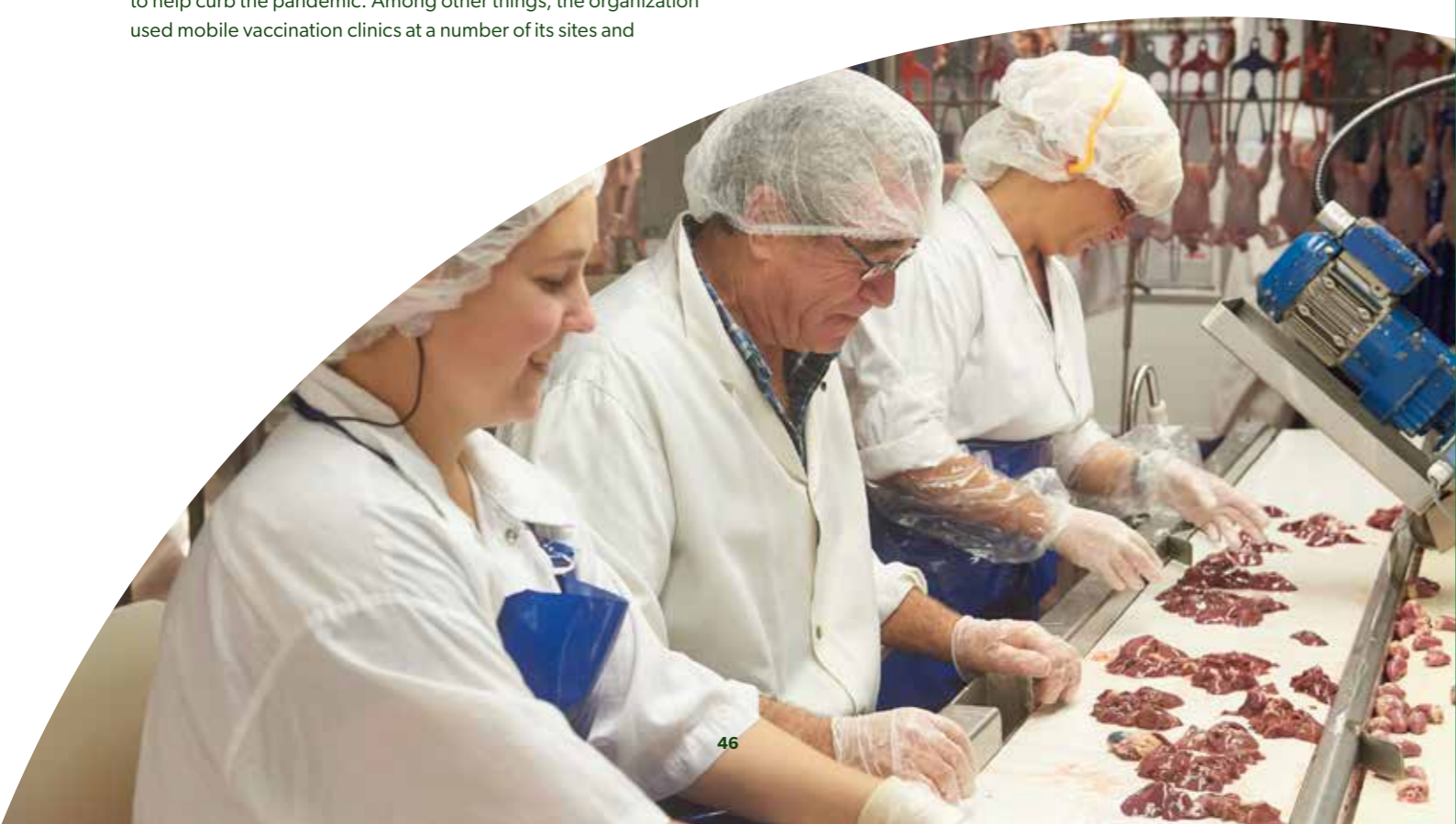
Olymel Health and safety, a constant priority

Aside from its many tools and resources to prevent workplace accidents and illnesses and its rigorous management of OHS matters, Olymel has this year taken a number of additional steps to help curb the pandemic. Among other things, the organization used mobile vaccination clinics at a number of its sites and

launched internal competitions to promote them. Rapid antigen test kits were distributed at all facilities, while the hybrid model of telework was introduced at administrative centres.

BMR Group OHS in a pandemic

Optimum management of employee health in the context of the pandemic is an ever-present concern for BMR Group. The division strengthened health measures among workers at distribution centres, head office and corporate stores. These actions made it possible to prevent major outbreaks that could have resulted in closure of facilities. It was thus possible for operations to continue uninterrupted. BMR also had visits from the CNESST and Public Health on a number of occasions and received very positive results each time.



Section 4

Protecting resources, ecosystems and life



Our ambition: Set and achieve a target for reducing the GHG emissions of our operations	50
Our ambition: Promote adaptation to the consequences of climate change among agricultural producers	51
Our ambition: Minimize the consequences of our operations for water resources	52
Our ambition: Support agricultural producers with sustainable water management through our actions	53
Our ambition: Reduce the amount of waste generated by our operations by eliminating food waste and reclaiming organic waste generated by our operations	54
Our ambition: Promote sustainable agriculture among producers and other agri-food industry players	56
Our ambition: Be a leader of reference for sustainable agriculture and agri-food in Canada	58



Our ambition: Set and achieve a target for reducing the GHG emissions of our operations

Sollio Cooperative Group and its divisions intend to take action to combat climate change and its impacts. The organization has therefore adopted the ambition of reducing its overall greenhouse gas (GHG) emissions.

In 2021, the organization began taking an inventory of its GHG emissions and conducting a water assessment at its three divisions and will compile all of this information.

It is also continuing and increasing its efforts of the past several years to reduce its energy consumption.

Olymel

Optimizing energy efficiency

In 2019, Olymel introduced a broad-based heat recovery program. Unused residual energy (heat or cold) is stored and then recovered for other uses, such as ventilation, refrigeration or heating. The practice makes it possible to save on energy costs while reducing GHG emissions. Once complete in 2023, the project will reduce GHG emissions at all Olymel industrial sites by approximately 20%.

In the area of transportation, Olymel updated its fleet, with trucks boasting greater energy efficiency. Equipment is also added to its tractor trailers when they are replaced that can reduce the environmental impact of transportation activities. In addition, to save on fuel, a specialized software program called ISAAC tracks performance and provides real-time feedback on driving speed, engine RPM, braking and idling. Used by Olymel and its subcontractor Transport Transbo, the

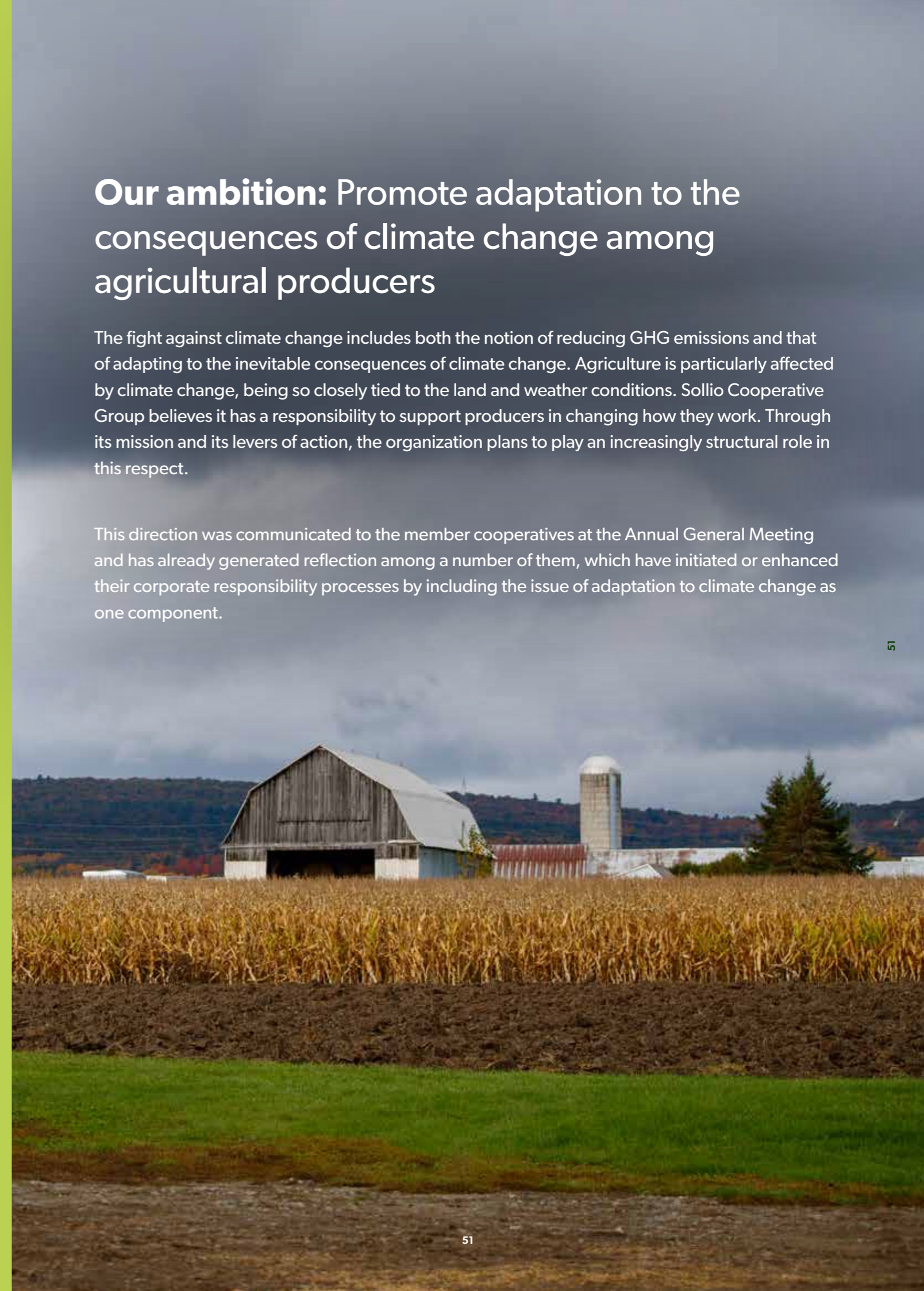
software encourages drivers to slow down or change gears using an incentive program to encourage good behaviour. The initiative is having very positive results, with an average grade of 80% among drivers. Transport Transbo is committed to monitoring its fuel consumption and improving its performance each year. Data gathered from members also enables them to compare themselves on an industry-wide basis.

Olymel also installed charging stations at its facilities' parking lots to encourage people to switch to low-carbon means of transportation like electric vehicles. To date, ten stations have been installed at five facilities.

Our ambition: Promote adaptation to the consequences of climate change among agricultural producers

The fight against climate change includes both the notion of reducing GHG emissions and that of adapting to the inevitable consequences of climate change. Agriculture is particularly affected by climate change, being so closely tied to the land and weather conditions. Sollio Cooperative Group believes it has a responsibility to support producers in changing how they work. Through its mission and its levers of action, the organization plans to play an increasingly structural role in this respect.

This direction was communicated to the member cooperatives at the Annual General Meeting and has already generated reflection among a number of them, which have initiated or enhanced their corporate responsibility processes by including the issue of adaptation to climate change as one component.



Our ambition: Minimize the consequences of our operations for water resources

Protecting water is a major concern for Sollio Cooperative Group. The organization aspires to minimize the consequences of its operations for this valuable resource. In 2021, work was initiated on an environmental status report regarding the use and management of water at its three divisions. In addition, for several years, Olymel has increased its efforts to reduce its water consumption.

Olymel

How Olymel saves water

Olymel's program to reuse the water from its bird chillers allows it to save 7.5 million litres of water per year at the Sunnymel, Port Colborne and Unidindon slaughterhouses. At a number of plants, steps have been taken to reduce water consumption during cleaning and sanitation. Olymel also has several water reduction committees that suggest corrective steps and propose solutions such as process automation.

Most production facilities have treatment chains that make it possible to relieve municipal treatment facilities. Olymel is also exploring treatment options to recover water for its own use.

For example, the pork slaughtering and cutting plant in Saint-Esprit is helping coming up with innovative practices. A membrane filtration system introduced in 2014 makes it possible to transform wastewater into drinking water without compromising on production quality or food safety. The system was improved in 2021 with the addition of ultrafiltration and reverse osmosis units. The process now supplies 50% of the drinking water required to meet the plant's daily needs, compared with 30% at the start. Since the system was installed, quality of recycled water has been monitored continuously and filtration system performance has exceeded expectations. Development of the project is likely to inspire other facilities across Canada to search for solutions to reduce their water consumption.

Our ambition: Support agricultural producers with sustainable water management through our actions

Availability and quality of water are crucial to the sound practice of agriculture. At the same time, production methods have repercussions for protection of the resource. Sollio Cooperative Group believes it has a responsibility to support farm producers with optimal and sustainable water management, just as it does in the area of climate change.

Sollio Agriculture

Fertilizer coating plant

Relying on the participation of several cooperatives and cooperative network retailers, as well as Agromart, Sollio Agriculture began building a new controlled-release fertilizer plant in St. Thomas, Ontario in fall 2021. A \$20 million investment, the project was made possible through a partnership with the American fertilizer manufacturer Pursell.

The controlled-release coated fertilizer will help support our producers in their efforts to manage water, air and soil. Using Pursell's technology, which can be used to coat all types of fertilizer, our products deliver more nutrients to crops while reducing loss of nutrients into the environment. The production centre opening in August 2022 will make it possible to package fertilizers based on the needs of producers in our regions. The new products will be distributed in eastern Canada and the northeastern United States.



Our ambition: Reduce the amount of waste generated by our operations by eliminating food waste and reclaiming organic waste generated by our operations

Sollio Cooperative Group wants to manage its waste efficiently and reduce how much it generates. Reducing food waste and reclaiming organic waste are particularly important, because these challenges affect agri-food production directly. Optimization of foods produced and reclamation of organic waste, particularly animal feed, also directly help in the fight against climate change. The two-pronged approach helps reduce food production and prevent GHG emissions that would otherwise be generated by decomposing organic waste in landfills.

Sollio Agriculture

Composting in the hatchery

To reduce the amount of waste generated by its operations, the Victoriaville hatchery set up a program to collect and reuse the absorbent paper used in transportation crates for chick welfare and comfort.

Launched in October 2021, this step will make it possible to reclaim 13,000 kg of paper per year that previously went into the landfill. As part of our efforts to reclaim organic waste, paper collection is done directly at the hatchery by a company that takes the waste to a composting site.

Recyclable polypropylene bags

Producing 27,000 metric tons of minerals and premixes for animal feed annually, the Lévis plant adopted an ambitious project to reduce the amount of waste it sends to landfills. The project involves replacing non-recyclable paper bags with BOPP polypropylene bags and will potentially recycle over 800,000 bags.

Circular economy project in Lévis

When it initiated a project to reduce the amount of waste going into landfills, the team at the Lévis mill had no idea it was getting into its very first circular economy project. In addition to diverting cardboard and other recyclables from landfills, the team set up a new partnership, whereby the compost made up of waste from substances used in the feed production process is used to provide food for insect farming. In total, Entosystem was able to use 300 tons of compost in 2020. Overall, the quantity of waste sent to landfills has been reduced

by 56% and trucking has decreased from 102 to 20 loads per year, saving money in the process. The waste reduction program started up by the Lévis plant could be extended to other Sollio Agriculture facilities.

Olymel

Food reclamation and reduced packaging

In 2020, Olymel acquired Guiltan, a Bécancour plant that produces moist pet food. The transaction allows it to make use of hog and poultry by-products from Olymel's slaughter facilities, such as the viscera and some organ meat. It is estimated that 15,000 metric tons of by-products will thus be reclaimed annually, with only 0.5% wastage.

Olymel also introduced a process of continual packaging improvement to reduce its impact on the environment without compromising on food quality and safety. The company regularly assesses its choice of materials, thickness of cardboard used and other factors to reduce the weight of packaging or increase the ability to recycle or reuse it. In addition, Olymel promotes bulk procurement to reduce the amount of packaging waste.

Paper consumption has also been reduced significantly due to the use of digital processes, particularly for expense accounts and various reports and forms. For the food security and quality system in use at all production and distribution sites, 2,600 paper forms are in the process of being digitized and rolled out on a software platform. This will reduce paper use and improve operational efficiency.

BMR Group

Agricultural plastics collection and recycling programs

BMR Group, through its hardware stores, is participating on a voluntary basis in the agricultural plastics collection pilot projects being run by AgriRÉCUP, a proactive program that is aiming for zero waste in agriculture. AgriRÉCUP has set up 34 collection points, eight of which are at BMR stores. Plastics that can be recovered include tarps, silo bags and tubing.

A number of merchants have also volunteered to be collection points for paint, battery and fluorescent light recycling in order to reduce the amount of hazardous household waste that goes into landfills. This commitment made it possible to recycle 168 tons of paint this year. In addition, BMR Group's battery recycling program *Appel à recycler*, earned the group an award as one of 100 sustainability leaders.



Our ambition: Promote sustainable agriculture among producers and other agri-food industry players

Sustainable agriculture ensures sustainability of production systems in response to the growing global food demand. Resilient agricultural practices help increase productivity, contribute to the protection of ecosystems and strengthen capacity to adapt to climate change. This ambition is fundamental to our organization's very mission.

Parent company

Reducing the environmental impact of farming

Sollio Cooperative Group supports businesses working to reduce the environmental impact of agricultural activities and is thus helping fight climate change. Participating businesses include *Coop Carbone*, with its agricultural biomethanation cooperative project, *Agri-Énergie Warwick*, which converts manure from dairy farms into renewable natural gas, and *Viridis Environnement*, a fertilizer waste management company that offers a range of solutions, including agricultural and forestry recycling, composting and biomethanation. A dozen cooperatives in the Sollio Cooperative Group network as well as Sollio Agriculture are shareholders in *Viridis Environnement*.

Sollio Agriculture

An expanding farm management platform

With digital mapping of nearly 5 million acres and more than 18,400 farms and connecting some 35 retailers across our Canadian networks, the AgConnexion platform continues to expand. Through its Smart Farm module, the platform allows producers to optimize their crop management by adopting precision farming practices. It also facilitates secure, continuous information sharing information with advisors, enabling the advisors to make better recommendations.

Discovering the benefits of cover crops

By protecting the soil and stimulating interaction between different plant crops, cover crops have numerous agro-environmental benefits. In 2021, Sollio Agriculture offered three training sessions to its advisors and four to producer members of the cooperatives *Covris*, *Vivaco*, *Nutrinor* and *Avantis*. The sessions dealt with cover crops and their effects on soil quality and health and the environment. Sollio Agriculture also completed a number of site visits to producers regarding this topic using its advisors and installed demonstration plots and a sustainable agriculture showcase at its crop production research farm.



Our ambition: Be a leader of reference for sustainable agriculture and agri-food in Canada

Sollio Cooperative Group wants to make a greater contribution to sustainable development goals, take part in societal debates related to its mission and participate in developing solutions to ensure a sustainable future for agri-food.

Sollio Agriculture

Promoting 4R nutrient stewardship

Through its involvement in the 4R committee of *Réseau végétal Québec*, Sollio Agriculture is participating actively in promoting 4R nutrient stewardship (right source, right rate, right time, right place). This approach to sustainable fertilizer and input management is among its efforts to ensure sound management of soil, the air and water resources.

This active promotion of 4R stewardship includes raising awareness and transferring knowledge within its distribution network to get retailers to participate actively in the training. The organization is also involved in experiments using test plots at its crop production research farm to assess the optimum rates of nitrogen fertilization.

At the *Ralliement Agro*, an event hosted by Sollio Agriculture in February 2021, three training sessions were also offered on fertilization and the principles of sustainable agriculture, which raised awareness among about 70 expert advisors.

Added to those efforts is the potential of the AgConnexion management platform, which makes it possible to promote precision farming, GPS sampling and 4R stewardship among retailers and producers.

Representation in the grain sector

For Sollio Agriculture, participation and representation in various groups and associations is important to remain abreast of developments and maintain strong ties with the industry. These affiliations are also a means of exercising leadership and promoting inclusiveness and sustainability in the industry as well as to develop public policies and trade agreements that are in line with the interests of our members and our communities.

A member of Soy Canada since 2014, Sollio Agriculture has also been on the Canadian Grain Council since 2020. In 2019, the division also joined or renewed its memberships in GAFTA (Grain and Feed Trade Association), NGFA (National Grain and Feed Association) and NAEGA (North American Export Grain Association), all of which are associations that promote the defence of farmers' interests, good practices and health and safety in grain handling, as well as inclusive and effective international trade.

From the international development standpoint, Sollio Agriculture in 2021 participated in AVETI, a climate change adaptation and cocoa production value chain project in Haiti. Spearheaded by SOCODEVI, the project aims to increase the percentage of Haitian cocoa that is certified organic and fair trade by 25% through knowledge sharing and transfer.

Olymel

Active industry participation

Olymel participates regularly in events to discuss developments, issues and trends in food safety. It also contributes to college and university programs on topics related to meat safety and quality. In addition, some of its staff help share best practices in food safety and work with the following agencies:

- Canadian Meat Council
- Canadian Poultry and Egg Processors Council
- *Conseil de la transformation alimentaire du Québec*
- Safe Quality Food technical advisory committee
- Food and Beverage Canada
- International Association for Food Protection
- Institute of Food Technologists

- *Mouvement québécois de la qualité*
- Quebec Association for Food Protection (AQIA)

With its particular commitment to industry, Olymel has become involved in preparing an emergency response plan for African swine fever (ASF), a serious viral disease that affects pigs. Although no cases have been identified in Canada and the disease poses no risk to humans, ASF is spreading around the world and a first case was detected in Dominican Republic in 2021.



Sustainable commitment for the future

In 2021, Sollio Cooperative Group developed its own distinctive corporate and cooperative responsibility vision, which is built around 14 ambitions based on six United Nations Sustainable Development Goals (of a total of 17) that are most aligned with its mission, vision and values. This vision will enable it to create consistency among the organization's divisions and will form the basis on which they will develop their own action plans tailored to their business reality.

The 2021 fiscal year ended as the Glasgow Climate Change Conference (COP26) was beginning. Issues related to corporate responsibility for ensuring sustainable development and combating climate change are front page news now more than ever. Sollio Cooperative Group wants to do its part. That is why it will continue to publish an annual report to measure and release the tangible results that come out of its ambitions and be accountable for its process.





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