

PERSPECTIVE

2017-18 Sustainability Report



FEDERATED
CO-OPERATIVES
LIMITED

CONTENTS

02

About Us

03

Message
from the CEO

04

Celebrating
90 Years

07

Environmental
Sustainability

12

Community
Investment

16

Employee
Engagement

19

Co-operative
Leadership

22

Fiscal
Responsibility

Perspective is about looking at the connections we share in our journey to build sustainable communities together.

About us

Federated Co-operatives Limited (FCL) is a co-operative that works in partnership with 180 independent, locally owned and operated member-owner co-operatives across Western Canada. FCL serves our member-owners, which in turn serve their 1.9 million individual members and many more non-member customers. Together FCL and local member-owners form the Co-operative Retailing System (CRS). Our business operations include wholesaling across all primary consumer goods lines (e.g. food, home and building supplies, crop inputs and livestock), administrative support and marketing programs. FCL also owns and operates the Co-op Refinery Complex (CRC) – which manufactures and supplies petroleum products that are distributed across the CRS.

Co-op is a different kind of business – because co-ops are owned by people who live in the communities that co-op serves. Because these owners are also customers, profits are invested right back into the local economy. While we offer our members and customers high-quality products and exceptional service at fair prices, co-op members also have the opportunity to share in their co-op's success through cash back and equity payments.

Report Profile

This report highlights FCL's sustainability and social responsibility efforts, highlighting its five pillars: Environmental Sustainability, Community Investment, Employee Engagement, Co-operative Leadership and Fiscal Responsibility. Data contained in this report reference FCL's fiscal period from Nov. 1, 2016, to Oct. 31, 2017, with editorial features referencing events up to June 2018.

*Co-op Refinery Complex carbon footprint data is based on data from the 2017 calendar year.

CEO's message

2018 marks FCL's 90th anniversary. As we celebrate this milestone, we reflect on our past, our present, and our future. FCL was built by people with a vision for a different way of doing business; people who worked together to form local retail co-operatives to meet the needs of their community through a company they owned. These co-ops recognized the value in working together to build their buying power and formed provincial wholesale federations which later amalgamated to form Federated Co-operatives Limited.

Today, FCL works together with about 180 locally owned co-ops in a Federation called the Co-operative Retailing System (CRS). Through this collaboration locally owned co-ops provide goods and services from locations in more than 580 communities across Western Canada. The value the CRS creates through building, fueling, feeding and growing these communities stays here; our profits are invested locally and returned to our members.

A lot has changed in the past 90 years, but our purpose has not; we work together to make things better now and for tomorrow by investing in the long-term sustainability of our Co-op, for the members yet to arrive. In 2018, we launched a new vision - Building Sustainable Communities Together - further enhancing our commitment to building resilient communities with a strong focus on long-term growth through our collaborative co-operative model.

I'm proud to introduce our 2017-2018 Sustainability Report, which highlights some of the steps we're taking to embed sustainability in our business and the communities where co-ops operate. Highlights include the following:

- We're expanding our portfolio of sustainable, locally-produced products. As a part of our commitment to supporting local producers, we've partnered with local growers and processors to develop our offering of local, plant-based proteins like chickpeas and lentils.
- We believe the co-op model can offer sustainable solutions and community services in circumstances that challenge other businesses and organizations. Our continued support of Co-operatives First, and its work in rural and Indigenous communities is helping people identify local solutions that empower people and create meaningful change.

- We're investing in the resilience of the Co-op Refinery Complex, working to realize our vision of being an industry leader in safety, reliability and sustainability. Ever since it was first built in 1935, the Co-op Refinery Complex has been an economic driver for Western Canada. Turnaround – the refinery's annual maintenance period – invested over \$100 million in safety and reliability in 2018 while boosting Regina's economy with 1,300 additional jobs. We're also continuing to focus on energy efficiency improvements to reduce greenhouse gas emissions at the complex.

While we are proud of our accomplishments over the past 90 years, we recognize that there is a great deal of work to do as we prepare for the future. A major part of our considerations for the future is ensuring that we continue on a path to building sustainable communities together by investing in the future of the CRS to ensure that the legacy of the past supports a strong future.

We are proud of our progress and our accomplishments and I would encourage you to read the rest of this year's Sustainability Report.



D. Scott Banda,
Chief Executive Officer



Celebrating 90 years

Co-ops are built by and for the communities they serve. Our historic commitment to being a sustainable, socially responsible business is embedded in our purpose and is expected by our members, who are also our owners.

FCL has demonstrated its leadership by supporting co-operative education as well as provincial and national co-operative associations for many years. Our support of Co-operatives First is allowing the organization to increase awareness of the co-operative business model and inspire development in rural and Indigenous communities (see page 20).

We have helped support local economies by sourcing products from communities across Western Canada. Formed as a joint effort of the provincial wholesales in 1940, Interprovincial Cooperative Limited (IPCO) procured Co-op Flour from Saskatoon, Co-op Vegetable Oil from Altona, Man., Co-op jam from the B.C. Fruit Growers and Co-op Salmon from the B.C. Fishermen's Co-operative Federation. We continue to source products today from local farmers, ranchers and food processors (see pages 9 and 10) and work with co-operative businesses (see page 21).

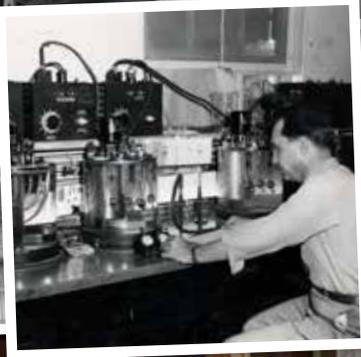
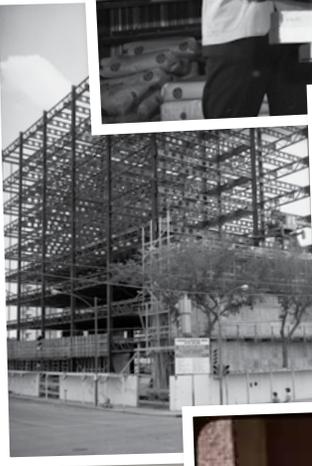
One of the first public references to environmental sustainability initiatives was in 1978, when FCL reported saving as much as 13.6 per cent on fuel costs for transport trucks by driving 55 miles per hour. We found further reductions with improvements like air deflectors, radial tires and cooling fans. Fleet improvements continue today and include trailer skirts and super-single tires (see page 9).

Over the past 90 years, there are many examples of FCL making sustainable investments. FCL strives to be a responsible business that benefits its member-owners while also ensuring a sustainable approach to people, the environment and Western Canadian communities.





Co-op first introduced reusable cloth checkstand bags in 1990 to manage waste produced by the food industry.



2017-18 Sustainability Highlights

Here's a by-the-numbers look at 2017-18 sustainability highlights at FCL and throughout the Co-operative Retailing System.



Diverted **52%** of waste



Recycled **275,000 kg** of plastic



Procured more than **90%** of fish and seafood from sustainable sources



Sourced over **17.3 million kg** of fresh fruits and vegetables from Western Canadian farmers in 2017



Co-ops and their customers raised over **\$570,000** for 160 registered charities and non-profits on Fuel Good Day



Co-op Community Spaces provided **\$2 million** to **24** community projects across Western Canada in 2017



Approximately **180** cyclists stopped by the Bike to Work Day station at FCL's Home Office



More than **2,000** employees participated in the Diversity and Inclusion survey



FCL's Winnipeg Distribution Centre reduced the amount of time lost due to injuries by 90%



FCL supports the Co-operative Development Foundation's Breaking New Ground Campaign, which aims to improve the social and economic well-being of 500,000 men, women and children around the world through co-operative development.



Co-operatives First, funded solely by FCL, is helping hundreds of Métis and First Nation fishers to market their products to international buyers through the Turtle Island Commercial Fishers Co-op Limited.

\$9.8B
SALES

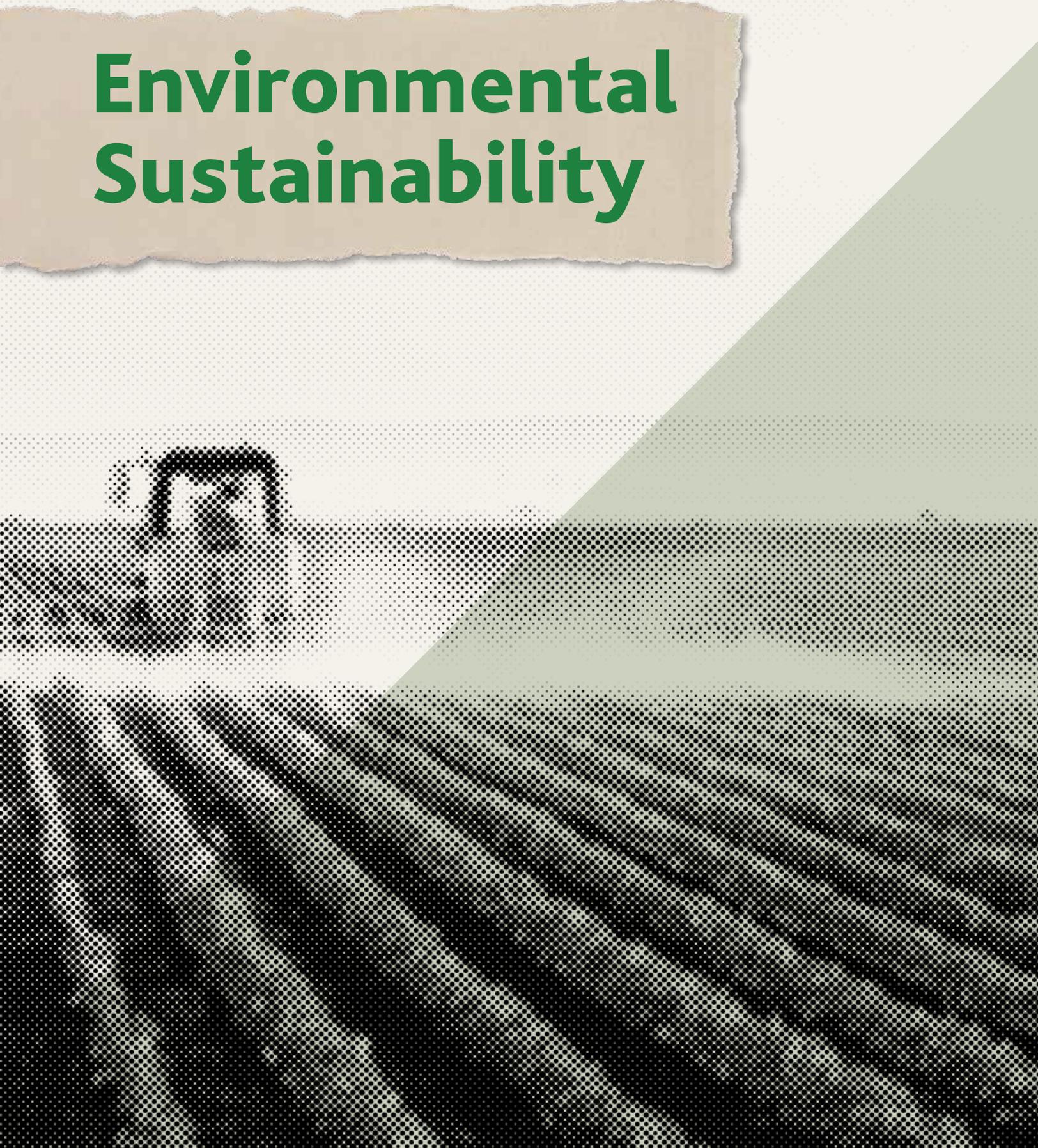
\$575M
NET INCOME

\$410M
PATRONAGE TO LOCAL CO-OPS

>\$417M in salaries and benefits in 2017

\$100M+ FCL investment during the 2018 Co-op Refinery Complex turnaround project

Environmental Sustainability



Working together to fuel tomorrow

Two years ago, a team of energy industry experts from Federated Co-operatives Limited (FCL) and the Co-op Refinery Complex (CRC) were given a big task – envisioning the future of the fuels they supply to the Co-operative Retailing System.

In early 2019, the first product of this initiative – CO-OP® FLEX E-85 GASOLINE™ – will hit the market at a test location in British Columbia.

“The goal here is to develop a strategy for FCL to remain competitive and relevant in the low-carbon environment we are all striving towards” said Gurpreet Bhatia, Product Supply Manager with CRC in Regina, Sask.

“We are continuously looking at what options we have as an entity to reduce our carbon footprint and continue to meet the needs of Western Canadians.”

Identifying solutions

In the coming years and decades, provincial and federal regulations will require transportation fuel suppliers to lower the carbon intensity of their products. One way to achieve this is by producing new fuel blends.

Typically, the regular gasoline produced at CRC is a fuel blend containing up to 10 per cent ethanol, a feedstock produced from renewable sources like wheat, most of which is sourced from within Western Canada. Drivers with Flex Fuel Vehicles, however, can use fuels containing much higher percentages of ethanol – up to 85 per cent (E-85).

“There’s more renewable content,” said Kevin Mack, Energy Products Development Manager with FCL. “It brings the carbon intensity value down and you get a cleaner fuel.”

Bringing innovation to the pump

Today, Flex Fuel Vehicles are available from most major auto manufacturers, but owners have had few – if any – opportunities to take advantage of the technology built into their vehicles.

In B.C., the team identified an opportunity to bring a new E-85 fuel to market and provide those drivers with an alternative to regular gasoline.

Teams from FCL and CRC collaborated to identify a suitable retail location, solve storage and transportation challenges and test the blended product to ensure it meets every specification for quality.

The result is a fuel that produces significantly fewer emissions while maintaining a high level of performance. The finished product has an octane rating exceeding that of premium gasoline.

“This is our first go at a new alternative fuel offering and there’s going to be more to come,” said Mack.

“The reason why it’s so exciting is that it’s all new territory. Nobody really has the right answer and it’s just a matter of digging into it. That’s the stuff that we do here every day.”



FLEX
E-85 GASOLINE

FLEX
E-85 GASOLINE

Push Here

ENVIRONMENTAL SUSTAINABILITY

On the road to a greener fleet



In 2017, FCL's fleet travelled over 76.1 million kilometres – equivalent to almost 1,900 trips around the world. As FCL upgrades its 250 merchandise trailers and 213 petroleum tankers, we're exploring new ways to make the fleet more efficient than ever.

Placed between axles, side skirts improve aerodynamics by preventing air from going underneath trailers. The National Research Council has reported fuel consumption is reduced by three to seven per cent, which is consistent with the results of an FCL pilot project on merchandise trailers. On petroleum tankers, a skirt can only be placed on one side opposite loading and unloading systems. Although not as efficient as using side skirts on two sides, fuel consumption was still reduced. The skirts have become standard on all new merchandise trailers and petroleum tankers.

Another innovative development under review is switching to what is known as a super-single tire. This is a wider tire designed to replace today's standard dual-wheel setup. With half the number of tires, the trailer itself weighs nearly four per cent less allowing more product to be loaded. The tires improve stability, decrease stopping distances and lower environmental impacts. Our initial tests on one unit show payload increased 578 litres – which provides the ability to deliver more petroleum products without additional travel. Fuel consumption also decreased by five per cent on the test unit when compared to dual-wheel units.

We continue efforts to green our fleet for the future by participating in the SmartWay Transport Partnership, a group of more than 3,000 North American companies invested in reducing fuel costs, improving efficiency and encouraging best practices in their freight supply chains.

Catch of the day

When FCL launched its first sustainable seafood policy in 2010, only 60 per cent of our fish and seafood products were sourced from sustainable sources. After several years of focused effort, we're proud to be procuring more than 90 per cent of all fish and seafood from sustainable sources today.

"Our customers are looking for more transparency on where their food comes from," said Ed Dzik, FCL's Meat/Seafood Category and Operations Manager. **"The policy connects with FCL's corporate values in that we need to be responsible when sourcing our seafood."**

Sustainable fish and seafood is caught or farmed in ways that consider the long-term viability of harvested populations and the health and ecological integrity of their water habitats. We want to provide seafood products that are attractive to customers, but also want a secure supply into the future.

The latest Sustainable Fish and Seafood Policy outlines six guiding principles: make a public commitment; collect data on fish and seafood products; make responsible sourcing decisions; be transparent; educate staff, customers and vendors; and support improvements in fisheries and aquaculture.

FCL will use programs from five environmental non-governmental organizations (Seafood Watch, Marine Stewardship Council, Aquaculture Stewardship Council, Ocean Wise and Best Aquaculture Practices) to guide its fresh and frozen seafood procurement criteria. We have expanded the policy to include tuna and other shelf-stable products. The new seafood policy is available online at www.fcl.crs.



The sustainable pulse



As the world's population continues to climb, there is increasing need for alternative sources of protein. These alternative proteins include pulses, the dry, edible seeds of plants in the legume family like chickpeas, lentils, dry peas and beans.

FCL is supporting the availability of locally grown pulses on Co-op Food Store shelves and promoting pulse-based recipes. FCL sources navy beans, red split lentils, Laird lentils, French lentils and chickpeas for its CO-OP GOLD PURE® products through Regina-based AGT Food and Ingredients.

Pulses are high in protein, fibre and nutrients with virtually no fat. Plant-based proteins like pulses offer more than just nutritional benefits, though. Economically, pulses are an affordable product that can be stored for months without losing nutritional value.

Pulses also require less fertilizer – fixing nitrogen in the soil – and less water – making them a drought-tolerant crop. They have a low carbon footprint and have a positive impact on soil quality and fertility, while also breaking disease, weed and insect cycles.

Supporting local farmers and supplying a sustainable source of protein makes this superfood an easy win for everyone.



We sourced over 17.3 million kilograms (38.1 million pounds) of fresh fruits and vegetables from Western Canadian farmers in 2017. This includes the 23 producers of the Prairie Fresh Food Corporation, who we've partnered with since 2013 to make more locally grown Saskatchewan produce available to Co-op customers.



The Canadian Association of Agri-Retailers presented the Co-operative Retailing System with its 4R Nutrient Stewardship Retailer of the Year Award, recognizing Co-op for its commitment to promoting sustainable agriculture practices.



ENVIRONMENTAL SUSTAINABILITY

FCL is committed to reducing our carbon footprint while continuing to provide high-quality products and services to our members. In 2017, we invested in infrastructure at the Glen Ewen central facility in southern Saskatchewan, tying it into a third-party plant that allows gas to be conserved and sold as natural gas liquids instead of being flared. This resulted in a reduction of 61,000 tonnes of carbon dioxide equivalent from our crude oil operations. We are also continuing to invest in energy efficiency at the CRC, which will in turn reduce its carbon footprint.

CARBON FOOTPRINT

TONNES OF CO₂e¹ (in thousands)

	2017	2016	2015
Co-op Refinery Complex	2,031	2,062	2,145
Crude Oil	65	126	91
FCL Operations	53	55	50
Total	2,149	2,243	2,286

¹ Carbon dioxide equivalent (CO₂e)

WASTE DIVERSION

	2017	2016	2015
Waste Diversion	52%	48%	48%

*Waste diversion rate excludes Co-op Refinery Complex and Crude Oil Department.

Recycling plastic

Since 2008, FCL warehouses have collected unwanted plastic and sent it to a supplier to be used in durable, low-maintenance deck materials. In 2017 alone, we recycled over 275,000 kilograms of plastic.



In 2017, Co-op Home Centres collected 79.1 per cent of the automotive batteries it sold for recycling.



Step 1:

Customers are provided products in plastic bags.

Step 2:

Customers return plastic bags to be recycled.

Step 3:

FCL collects plastic bags from retail co-ops and plastic pallet wrap from distribution centres.

Step 4:

Plastic is sent to supplier to be incorporated into composite decking.

Step 5:

Decking is available at Co-op Home Centres.



FCL helps design, upgrade and construct facilities for the organization and its retail co-operative members, identifying opportunities to improve environmental performance. Recent upgrades at the Saskatoon Co-op Food Store at Centre have reduced electricity consumption by 32 per cent and its carbon footprint by 600 tonnes of carbon dioxide equivalent every year.



The Wastewater Improvement Project at the Co-op Refinery Complex received two more awards: Exceptional Engineering and Geoscience Project Award (Association of Professional Engineers and Geoscientists of Saskatchewan) and National Water Wise Award (Canadian Institute of Plumbing and Heating).

Community Investment

Painting prehistoric creatures on the prairies

In the heart of the Canadian Badlands, Drumheller, Alta., is known for being the “dinosaur capital of the world.”

In addition to a world-class dinosaur museum and a 25-metre tall T-Rex – known as the World’s Largest Dinosaur – the town of 8,000 just northeast of Calgary boasts a DinoWalk with over 35 outdoor sculptures.

“There are so many dinosaurs to maintain plus they’re all outside, so they’re in the elements all year round,” said John Shoff, past president of the Drumheller DinoArts Association. “They just kind of deteriorate on their own. They need some TLC to keep them looking good.”

The association organizes volunteers and artists to paint the dinosaurs. The non-profit group fundraises throughout the year for the upkeep of the dinosaur sculptures. In 2017, the association received 100 cans of paint as part of a donation from our Communities in Full Colour Program.

Launched in 2016, Communities in Full Colour helps enhance and beautify communities across Western Canada. The program donates interior paint, exterior paint, primer,

stain or specialty coatings to a range of charitable, non-profit and community groups.

“It’s amazing what a fresh coat of paint can do to improve not only the appearance, but to change the whole atmosphere of a space and organization,” said Cody Smith, FCL’s Director of Home and Building Solutions. “Volunteers are often the driving force behind many of these projects, which are a good way to bring people together.”

Since the program began, Co-op has donated more than 12,000 cans of CO-OP® IMAGINE paint to over 460 community projects.

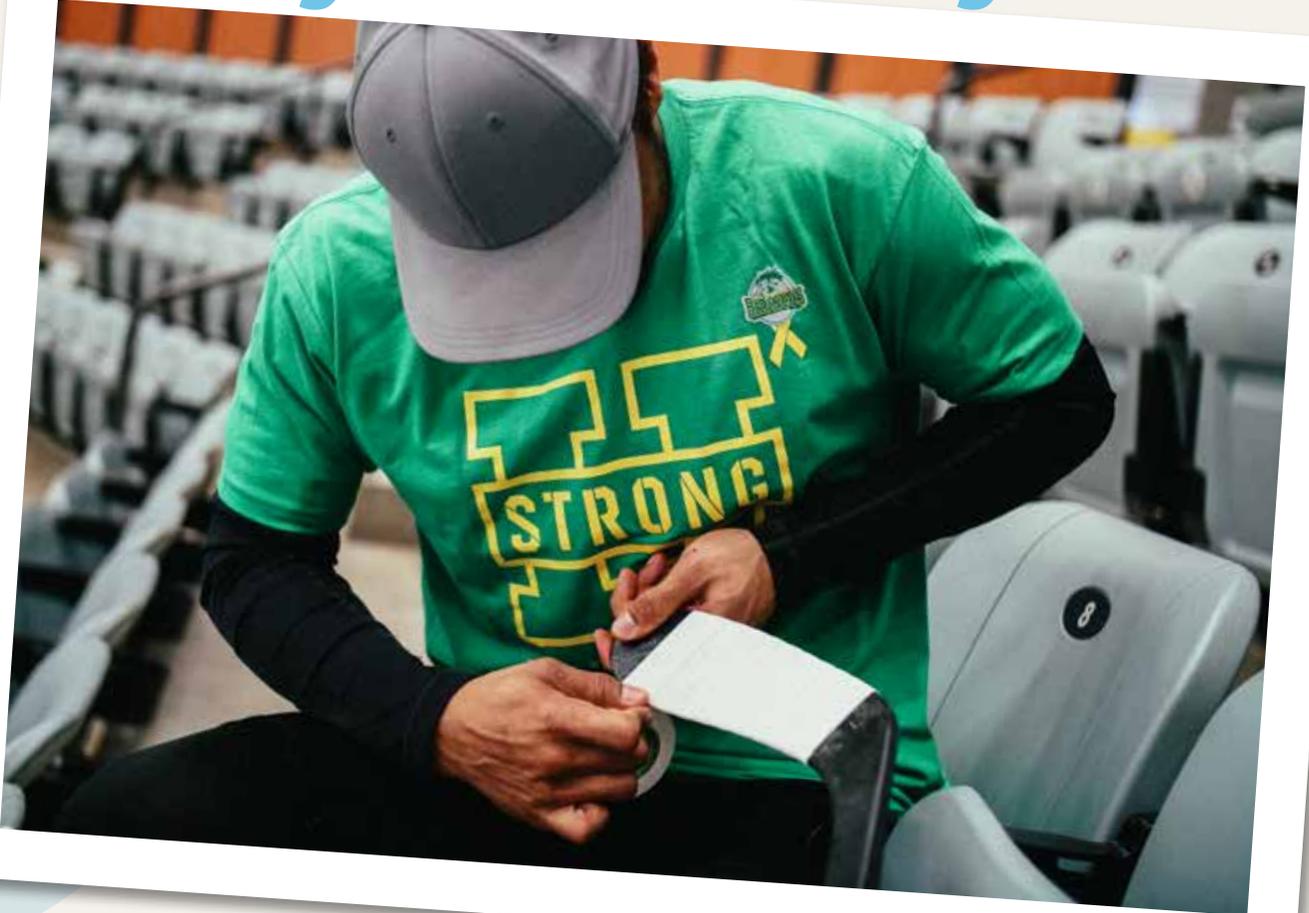
For groups like the Drumheller DinoArts Association, the donation goes a long way to maintain the pieces, which create a positive experience for both tourists and locals.

“It takes a lot of the burden of that fundraising cost off our group,” Shoff said.

Visit www.home.crs for more information about the program and local impact stories.



In support of the hockey community



Communities across Western Canada and the world mourned following the tragic Humboldt Broncos bus crash in April 2018.

As much as the impact was felt in the east-central Saskatchewan city of 5,900 people, it sent shockwaves across the entire league – a family of players, coaches and volunteers – and the nation.

In the days that followed, the Saskatchewan Junior Hockey League (SJHL) established the SJHL Assistance Program to provide mental health assistance for all players and families in the league. The CRS was among the first to provide support to get the program started.

Our cumulative support included: \$250,000 from FCL on behalf of the CRS, \$225,000 from 87 local co-ops and over \$98,000 from Co-op members and customers.

“We’re thankful for Co-op standing with us to start the SJHL Assistance Program to support those working through trauma caused by the tragedy,” said SJHL President Bill Chow.

“Co-op reaching out to start the program opened the door for others to stand with us. Together, we’re creating a platform to meet the immediate and long-term needs of players, families and billets from Humboldt, from across the SJHL and eventually across Canada.”

Co-op also partnered with the SJHL and 22Fresh to sell #HumboldtStrong T-shirts at participating Co-ops (and online through 22Fresh), with \$191,000 raised in support of the assistance program.

\$768,000

raised for the SJHL Assistance Program through donations and T-shirt sales

COMMUNITY INVESTMENT

Starting to fuel good

Co-ops across Western Canada asked their members and customers to fuel good on Sept. 19, 2017. In a first for the CRS, Fuel Good Day raised more than \$570,000 in a single day for registered charities and non-profits in retail co-ops' local communities.

During the event, a minimum of five cents from every litre of fuel sold at participating gas bar locations was donated. FCL provided the five cents and retail co-ops could top up or match the donation. More than 380 Co-op Gas Bars throughout British Columbia, Alberta, Saskatchewan, Manitoba and northwestern Ontario participated in the event.

Participating retail co-ops worked with local community organizations that make a difference in their communities. Over 160 groups received funding in areas related to recreation, education, emergency responses, crisis services, health and wellness, animal shelters and more.



Places for everyone

In 2018, Co-op Community Spaces provided \$2 million to 24 community projects across Western Canada. These projects include a learning garden at the public library in Victoria, B.C., an inclusive playground in Airdrie, Alta., the Children's Discovery Museum in Saskatoon, Sask., and a multi-use trail network near Dauphin, Man.

Co-op Community Spaces funds projects that bring Western Canadian communities together. Since 2015, we have provided \$6.5 million to 88 projects in three categories: recreation, environmental conservation and urban agriculture.

To learn more about the program and the community recipients, visit communityspaces.ca.

FCL won two awards in 2018 for its work on Co-op Community Spaces: the Retail Council of Canada Excellence in Retailing Award for Philanthropic Leadership and the International Association of Business Communicators Gold Quill Award of Merit for Corporate Social Responsibility.



Employee Engagement

Strides in safety

Creating an injury-free workplace requires constant improvement of FCL's safety standards and performance, while making sure employees have the tools they need to maintain those standards.

The Winnipeg Distribution Centre – which serves 212 Co-op locations in 132 Manitoba communities – has made enormous strides in safety between 2011 and 2017.

In that time, it reduced the amount of time lost to injuries by 90 per cent.

In 2016, our Winnipeg Distribution Centre management team worked with the Workers Compensation Board (WCB) to develop a custom Return to Work Program. The next year, supervisors and managers went through WCB Basics and Return to Work Basics training to ensure that everybody was informed and ready to comply with safety standards.

"The increased focus on safety has benefited everybody," said Jim Burkitt, Regional Logistics Director at the Winnipeg Distribution Centre. "Everyone is working towards the same goal of zero injuries."

Extensive group training sessions with all employees covered the custom WCB program, including more clarification from WCB staff about what constitutes a time-loss injury, for example.

Awareness of the safety program is very high, thanks to some small changes.

We designated a bulletin board for all WCB information that is easily accessible by employees, and the Return to Work Program is now covered during each safety meeting. All new employees go through WCB and Return to Work training as part of their onboarding. If an employee is injured at work, we explain the Return to Work Program to them before they leave the building.

"There has been a significant change in the safety culture and a real sense of pride when you see the results," said Burkitt. "Everyone is looking out for their own safety as well as their co-workers', and they understand the importance of the Return to Work program."

The program focuses on helping injured employees return to the workplace in the capacity that suits them. For example, employees who have injured an arm can take on duties that only require the use of one hand, like floor audits, or employees with back injuries can be given office duties which require no lifting.

The Return to Work Program – and its clear, consistent messaging from FCL and the WCB – is a vital part of our distribution centre's safety success today.



Fifty-four employees from Home Office helped collect garbage along Meewasin Valley trails in Saskatoon as part of a riverbank clean-up event in September 2017.



In collaboration with Saskatoon Cycles, FCL hosted a morning commuter station at Home Office for Bike to Work Day in May 2018. About 180 cyclists stopped by our station for snacks and beverages – including over 50 employees and Saskatoon Mayor Charlie Clark.

**EMPLOYEE
ENGAGEMENT**

Get loud for mental health

One in five Canadians experience a mental health issue every year. But every Canadian must be aware of their own mental health.

For the 66th annual Mental Health Week, the Canadian Mental Health Association asked people to #getloud about what mental health really is.

"It's more than being happy all the time. It's about feeling good about who you are, having balance in your life and managing life's highs and lows," reads a campaign poster. "Everyone deserves to feel well, whatever their mental health experience. And we all need a support system to lean on."

FCL helped promote the campaign May 7 to 13, 2018, at our facilities by hanging campaign posters, featuring the topic on our intranet and internal digital signage and posting strategies for well-being. The goal was to increase awareness on mental health and to have employees look for self-help resources, particularly if they identify as having signs of poor mental health.

The campaign also provided the opportunity to share information about the Employee Family Assistance Program (EFAP). We use a third-party provider to offer counselling, coaching, information and support for mental health, career, life balance, health management and overall well-being.

GivingTuesday



November 28, 2017

Giving Tuesday on Nov. 28, 2017, was an opportunity to feature FCL's Community Investment Program and the organizations it supports. The campaign also asked employees to share on social media how they give back.



There is 24-7 access to support, whether that is face-to-face, over the phone or online. Participation is voluntary, confidentiality is guaranteed (within the limits of the law and counseling guidelines) and assistance does not require supervisor or manager approval.



For National Volunteer Week April 15 to 21, FCL organized a lunch and learn event and a contest to apply or refer people to FCL's Co-op Community Builders Program. FCL arranged three events in Saskatoon for employees to volunteer at CHEP Good Food, Ronald McDonald House and Dress for Success.

A supportive work environment

Diversity and Inclusion supports the organization in achieving its corporate goals, such as being a high-performing team and understanding the current and future needs of consumers.

For FCL, diversity represents human qualities (e.g. life experiences, education, gender) while inclusion encompasses the Co-op brand, feeling welcomed, respected and valued.

A diverse and inclusive work environment exposes each of us to different ways of thinking. New perspectives help us solve



problems in innovative and creative ways as we strengthen the Co-operative Retailing System.

We launched this journey by building awareness on the meaning of diversity and inclusion. It started dialogue on the topic through information sessions, with more than 2,000 employees participating in "Diversity and Inclusion in FCL: A Focused Journey" information sessions.

Co-operative Leadership



Expanding co-operative business development

Across Western Canada, rural and Indigenous community leaders are looking for unique and innovative ways to grow their communities and help local economies thrive. With support from FCL and the CRS, Co-operatives First has the mandate and mission to encourage these leaders to “Consider a Co-op.”

Here are two ways they’re making a direct impact.

Creating seniors housing in rural communities

Many rural communities in Western Canada are struggling with increased demand for seniors housing. In Davidson, Sask., older residents are often forced to leave home and family behind in search of appropriate housing in urban centres. To address this challenge, an entrepreneurial group from this small town, in the heart of Saskatchewan’s grain belt, began exploring housing options, which led them to Co-operatives First.

“We’re seeing interest in seniors’ housing from communities across Western Canada, but especially in the Prairie provinces,” said Audra Krueger, Executive Director of Co-operatives First. “Forming a co-op is a tangible solution for smaller communities, and we’re happy to be able to support these enterprising folks with community consultations, planning and incorporation.”

Thanks to guidance from Co-operatives First, the group in Davidson is now on the verge of incorporating and moving forward as Davidson Prairie View Community Services Housing Co-operative Limited.

“Davidson has highly entrepreneurial residents with a keen interest in keeping older members of their families close to home,” said Krueger. “This buy-in and drive is key to their success so far and will be essential in realizing their vision going forward.”

Getting fish to market in Manitoba

Recently federal regulations moved away from single desk marketing, and Métis and First Nation fishers were faced with a challenge and opportunity.

The challenge for the fishers is not only to reduce risk, decrease costs and increase market access, but also to compete with global market forces. The opportunity is to work together with other fishers and fishing co-ops to create a single, significant “voice” for their products, while creating the security, cost savings and consistency that comes with partnership.

“For small, independent business owners – like fishers – accessing broader, more lucrative markets in an affordable and efficient way is nearly impossible without working co-operatively with peers,” said Kyle White, Education and Engagement Lead with Co-operatives First. “With the federal government moving away from single-desk marketing, taking the opportunity to work together makes a lot of sense.”

Today, with the support of Co-operatives First, hundreds of Métis and First Nations fishers are working to structure Turtle Island Commercial Fishers Co-op Limited, which aims to put their products in front of international buyers.

Co-operation among co-operatives

Co-operatives provide a different way of doing business. At FCL, and throughout the CRS, promoting the co-operative model and collaborating with other co-operatives is an important part of our identity.

In May 2018, FCL announced its most recent support to Co-operative Development Foundation of Canada's (CDF Canada) Breaking New Ground Campaign. The campaign aims to improve the social and economic well-being of 500,000 men, women and children and their communities through co-operative development.

"We thank FCL for this generous gift, which will help us build resilient communities around the world and achieve the goals of our Breaking New Ground campaign," said CDF Canada Board Chair Michele Aasgard. "FCL is a valued and longstanding CDF Canada partner, giving generously of their time, money and talent to help others create lasting prosperity through co-operatives."

Established in 2015, funding continues for the CRS Chair in Co-operative Governance at the University of Saskatchewan. As CRS Chair, researcher Murray Fulton conducts and supports leading research into co-operatives and co-operative governance.

Co-op Food Store shelves are also stocked with products from other co-operatives: Bee Maid Honey from Alberta and Manitoba honey producer co-operatives; CO-OP GOLD PURE® Northern Pike, Walleye and Lake Trout caught by members of fishing co-operatives in northern Saskatchewan; Co-operative Coffee beans from co-operatives in five countries (Costa Rica, Ethiopia, Nicaragua, Peru and Sumatra) and Scotsburn ice cream – now a brand of Agropur Cooperative.

There are many ways FCL supports – and celebrates – the larger co-operative community.



Fiscal Responsibility

FISCAL RESPONSIBILITY



Refinery turnaround drives local economy

Every year, the Co-op Refinery Complex (CRC) shuts down equipment for safety maintenance and upgrades in an event known as Turnaround. During Turnaround, equipment is checked, upgraded and added so that the refinery is operating safely and efficiently in the near-term and is set up to sustain operations in the long-term.

"While the general public is sometimes unaware of Turnaround, it is perhaps one of the most important annual economic events in the Regina area," said Gil Le Dressay, Vice-President of Refinery Operations.

"During Turnaround 2018, FCL invested over \$100 million in the safety and reliability of the refinery. Some 1,300 additional jobs were filled through the duration of Turnaround, resulting in a significant economic boost for the Regina and area economy."

This year's event was one of the largest in CRC's history, taking place over more than 40 days from March to May. About 2,200 people worked day and night at the CRC with more night-shift work planned than in past years. Over 700,000 person-hours were required to complete the task.

The operation required the CRC to rent numerous pieces of equipment of all sizes from suppliers in the surrounding area – including everything from space heaters to heavy machinery. There were 50 cranes on site for the duration of the work.

Businesses and homes in neighbourhoods near the CRC would have noticed increased activity and traffic in the area. To reduce disruption, the CRC worked with the City of Regina by paying for dust-suppression tactics and additional Regina Police Service support to direct traffic during peak periods.

Turnaround is just part of the CRC's impact on the city. Since 2013, the CRC has invested over \$2 billion in the local economy. As part of the Co-operative Retailing System, the CRC invests in people and gives back to community. In partnership with Sherwood Co-op, the CRC organizes Litres for Little Ones and Fuel Up 2 Feed. It has also supported United Way Regina, Camp Circle of Friends, McDermid Community School and more.

The CRC continues to invest and build upon a legacy that dates back to 1935 and eight enterprising farmers who believed they could produce and distribute their own gas. It will continue to fuel growth, people, communities and Western Canada for years to come.

FISCAL RESPONSIBILITY

\$9.8B

SALES

\$575M

NET INCOME

(before other comprehensive income)

\$410M

PATRONAGE TO
LOCAL CO-OPS

Over **\$417 million** in salaries and benefits in 2017.

\$2 billion reinvested in capital projects in the past five years.

\$2.2 billion returned to retail co-ops as patronage allocation in the past five years.

For more information, please see FCL's [2017 Annual Report](#).



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