



Social Responsibility Report 2013-14



Federated Co-operatives Limited



We Care



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About this report

This is Federated Co-operatives Limited's (FCL) second Social Responsibility Report. Data contained in the 2013–14 report references FCL's fiscal period from Nov. 1, 2012, to Oct. 31, 2013, with editorial features referencing events up to June 2014. The report discusses FCL's five pillars of social responsibility: fiscal responsibility; environment; community investment; employee engagement; and co-operative leadership.

We are open to your thoughts, ideas and feedback. Please email socialresponsibility@fcl.ca.

CEO's Message



FCL and 225 retail co-ops across Western Canada comprise the Co-operative Retailing System (CRS). Together, the CRS helps build, feed and fuel Western Canada. We're invested in our communities: our home and yours. This is why we look for ways to improve our business, not only in what we do, but how we do it.

Although this is only FCL's second report that outlines our sustainable business practices, we've been implementing sustainability practices across the organization for years. Our various business units work with a dedicated team to improve these practices, reporting to the Board of Directors on their progress. Put simply, we believe that sustainability is everyone's responsibility.

Creating long-term value for our 225 retail member co-operatives – and in turn for their 1.6 million individual co-op members – across Western Canada is our primary purpose. Being fiscally responsible is only one component to building this value. Our commitment to social responsibility also includes environmental sustainability, community investment, employee engagement and co-operative leadership.

We're proud of the work we've done, but understand there is more to do. Improving safety at the Co-op Refinery Complex (CRC) and increasing the level of employee engagement throughout our organization are just two examples of our priorities in this regard.. FCL employees see challenges as opportunities to show leadership and innovation.

We'll be guided by our five-year strategic plan, which is grounded in our corporate and brand values. In 2015, we'll be conducting a materiality analysis – the engagement of stakeholders and analysis of their feedback – and selecting a social responsibility reporting framework. This will bring even more focus to our long-term strategy, allowing us to make informed decisions and improve our reporting to meet the expectations of our members and of the communities we serve.

A handwritten signature in black ink that reads "D. Scott Banda". The signature is fluid and cursive.

Scott Banda

About Us

Vision

Federated Co-operatives Limited will set the world standard in consumer co-operative excellence.

Aspirational Statement

Strong co-operative governance is the foundation upon which we pursue a common purpose with our retail owners. Working together, we sustain a vibrant Federation by creating shared value.

We leverage our financial strength to steward the sustainable growth of our Co-operative Retailing System. At Co-op our members/customers feel at home, because we are part of the fabric of the communities we serve. We foster meaningful careers and inspire our employees to bring our brand to life every day. We model and celebrate a culture of teamwork, learning and innovation.

Mission

To provide responsible, innovative leadership and support to the Co-operative Retailing System, for the benefit of members, employees and Canadian communities.



Stay connected

Business Profile

Federated Co-operatives Limited is a second-tier co-operative. It is not owned by individuals but by 225 autonomous retail co-operatives across Western Canada. These retail co-ops, in turn, are owned by 1.6 million members, people who have taken out a membership in their local co-op. FCL's overall purpose is to serve its member retails, and through those retails serve individual co-op members and consumers, while striving to incorporate sustainability and social responsibility in all its business operations.

Wholesaling

FCL sources and distributes products across all primary consumer goods lines: food, home and building supplies, crop supplies, livestock feed and petroleum. FCL's subsidiary, The Grocery People (TGP), delivers fresh produce to Co-op communities. The CRS benefits from combined purchasing power, which allows local co-ops to remain competitive with larger, integrated companies in all business areas.

Manufacturing

The Co-op Refinery Complex in Regina, Sask., has the capacity to process 130,000 barrels of crude oil per day, enough to fuel the needs of the CRS. FCL is also a member of Interprovincial Co-operatives (IPCO), which produces crop protection products, primarily glyphosates. FCL also contracts the manufacturing of a variety of Co-op private-label products: CO-OP® GOLD, CENTSIBLES™, MARKET TOWN™ AND CARE+®.

Administrative Support

FCL provides a range of services to enhance retail members' capacity and reduce the members' cost of doing business. For example, FCL provides IT infrastructure support, accounting, risk management services, human resources support recruitment and ongoing employee training. FCL also assists with planning and developing capital construction projects, and owns and maintains a trucking fleet for distribution of fuel, food and home and building supplies across the CRS.

Marketing Support

FCL provides comprehensive marketing support across all major business lines, including centralized and regional campaigns, point-of-sale promotions, centralized flyers and digital marketing services. FCL also provides market research analysis to identify consumer needs and perceptions, and to determine the viability of new programs and services, as well as product and service development.

Stakeholder Engagement

As a co-operative, FCL makes it a priority to engage with the following groups on an ongoing basis:

Our member-owners

FCL's operations are guided by a democratically-elected board of directors chosen from the 225 retailers that own the organization. There is an established, year-round cycle of meetings, which culminates with the annual meeting in March each year. This offers both democratically elected officials and general managers from our retail member-owners frequent opportunities for dialogue on the strategic direction of FCL.

Our employees

FCL values its team members and actively manages employee engagement. FCL has conducted employee surveys, implemented action plans and continues to monitor results. FCL's senior and organizational leaders engage with team members in quarterly town halls, business unit updates and departmental gatherings, allowing for in-person, two-way dialogue. FCL's Research and Development Unit (RDU) also surveys employees to allow them to weigh in on a variety of topics that impact FCL business.

Co-op members and customers

FCL's RDU gathers key insights from customers to help retailers deliver on Co-op's brand values. FCL's latest survey of more than 1,300 consumers from communities across Western Canada suggests more than two-thirds of Western Canadians feel Co-op is an important part of their community. Seventy per cent agree Co-op supports the communities in which it operates. FCL is also developing its online presence to engage members and customers in dialogue about our programs and services, and seeking advice about how to improve.

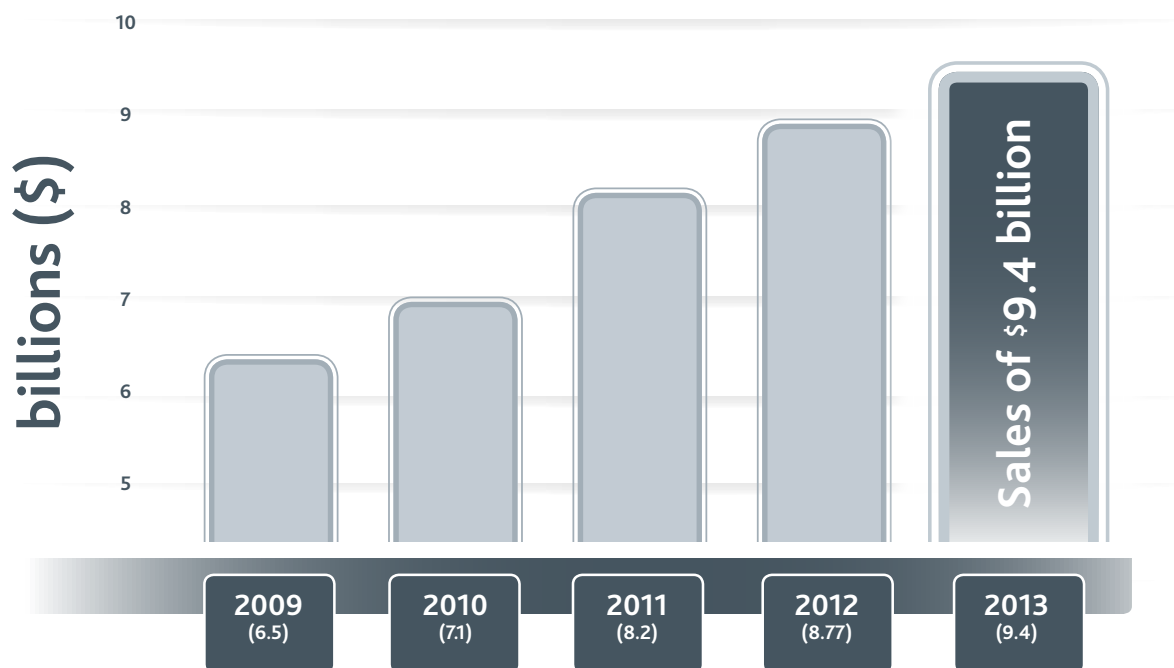
Our industry and co-operative partners

FCL is an active member in several leading industry associations, including the Retail Council of Canada, Canadian Federation of Independent Grocers and the Canadian Fuels Association. FCL believes in the co-operative movement and supports co-operative leadership development for youth and provides training for democratically elected board members who, in turn, serve as leaders in communities across Western Canada. FCL is also a proud supporter of a variety of co-operative organizations, including: Co-operatives and Mutuals Canada; the Co-operative Development Foundation of Canada; and the provincial co-operative associations in all four western provinces.

Fiscal Responsibility

We care about being good economic stewards, making investments and supporting causes that benefit our members. We support our local economy as a responsible employer, business and community leader.

Economic impact



FCL has experienced a significant transformation from its humble beginnings. In 2013, FCL announced a record \$9.4 billion in sales. FCL earned the top spot in SaskBusiness magazine's ranking of the top 100 businesses in the province and the Financial Post named FCL the 45th largest company in Canada.

FCL and retail co-ops also reinvest in the community through capital investments. Over the past five years, FCL has invested almost \$4 billion into capital projects, including \$3 billion into petroleum manufacturing and distribution systems. These projects employed thousands of contractors across Western Canada and had a cumulative economic impact of over \$6 billion.

Patronage allocation

If you're a member, you're an owner. That means our profits are your profits. FCL shares profits with retail member-owners based on their purchases. This is what co-ops call patronage. In the past five years, FCL has provided a \$2.2 billion patronage allocation to its retail member-owners. These local co-ops, in turn, returned over \$1.1 billion to their individual members and invested the rest in building their communities. In 2013 alone, FCL returned \$574 million to its members.

\$2.2 billion
Patronage Allocation



Major employer

FCL, its wholly owned subsidiaries (CRC and TGP) and IPCO provide jobs to over 3,000 employees in Western Canada. Together, retail member-owners and FCL employ over 24,500 people across the CRS.

Environmental Sustainability

We care about our communities and the environment that we share. We are committed to using our resources wisely and making responsible decisions that consider the short-term and long-term effects on our environment.



FCL invested over \$7.5 million in 2013 for research, infrastructure and programs benefitting the environment.



FCL's waste diversion rate was 42 per cent for its distribution centres and office buildings.

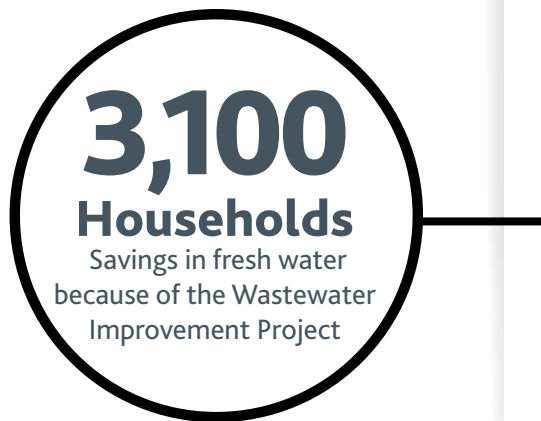


Ammonia refrigeration was installed as part of an expansion at the Saskatoon warehouse. Ammonia does not deplete ozone or contribute to greenhouse gases.



In Fall 2013, FCL partnered with SaskPower to offer instant rebates on over 24,000 bulbs and 1,200 Christmas lights in Saskatchewan. The result will be the reduction of greenhouse gases produced annually by 103 households.

Reducing fresh water in refining



As FCL strives to meet the petroleum needs of consumers and businesses in Western Canada, the CRC aims to set new standards in environmental stewardship.

One step towards that goal is the commissioning of the Wastewater Improvement Project (WIP) this fall. The project is a \$200-million investment that will reduce fresh water use and limit outgoing wastewater by recycling 65 per cent of the CRC's wastewater.

During refining, water is heated to produce steam that keeps pipes from freezing in the winter, to drive turbines, and to produce hydrogen that breaks down hydrocarbon chains and remove sulphur. Water is also used for cooling in various process units at the complex.

In the past, treatment of wastewater involved the manual separation of oil and solids from water. This manual process had limitations, meaning that the water was further treated at the City of Regina's wastewater treatment plant. The WIP will utilize state-of-the-art biological technology that will treat water far more effectively and will enable wastewater to be recycled.

The completion of the Section V expansion and revamp project, officially opened in 2013, made this project a high priority for FCL and CRC. The need to prioritize this project was simple. Prior to the expansion, CRC was using 1,725 US gallons per minute (GPM) of fresh water primarily sourced from the Regina Aquifer and supplemented by the City of Regina's system. Section V would have drawn additional fresh water which would have surpassed the CRC's water allocation for the Regina Aquifer set by the Saskatchewan Water Agency.

However, the WIP changes that picture dramatically. Despite a 30 per cent increase in refining capacity, the WIP is expected to reduce fresh water consumption. Rather than see usage increase to 2,125 GPM, usage will actually decline to 1,600 GPM – a 28 per cent reduction. This reduction is equivalent to the water usage of 3,100 households.



GE Awards

In 2013, GE Water and Process Technologies awarded the CRC a Proof Not Promises (PNP) Award for the collaborative efforts of the WIP team and project success. The award recognized the CRC's efforts to reduce groundwater usage and wastewater production by 20 million gallons over 75 days. While this is a great achievement, even greater recognition followed. GE also awarded the CRC with a Return on Environment (ROE) Award. While 1,000 projects are recognized globally with a PNP Award every year, only 10 projects worldwide – or one per cent of PNP recipients - qualify for an ROE Award.

Leadership in environmental protection

FCL ensures environmental protection is integral to facilities and transportation that it designs, upgrades and constructs for the organization and retail co-operatives. FCL regularly evaluates the environmental performance of these assets to identify opportunities for improvement.

Building codes and regulations only go so far. FCL has learned that it needs to go beyond, raising the bar to be leaders by design. Retail facilities, petroleum facilities and industrial engineering teams focus on leading-edge technologies that have positive impacts on safety, energy consumption, employee well-being and overall environmental sustainability.

Sustainable design highlights

- New refrigeration technologies are being incorporated into all food store projects, which use dramatically less electricity. Energy loss from units is reclaimed and converted to heat facilities and water.
- Lighting technologies such as light-emitting diodes (LED), high-performance fluorescent bulbs and motion sensors substantially reduce the energy required to light facilities – a major achievement because lighting is one of the major consumers of electricity in facilities. Better lighting also provides a much improved work environment for employees, and an improved experience for customers.
- Testing new car wash water reclamation systems, targeting a 50 per cent reduction in water consumption.
- Gas bars are less likely to impact the environment due to innovations like: improved infrastructure monitoring; double-walled fibreglass underground storage tanks; and tertiary containment for underground product lines.
- New bulk plants exclusively use double-bottomed storage tanks as wells as secondary containment systems employing a new double-liner system. Bottom loading when filling delivery trucks drastically reduces the number of spill incidents at the bulk plants.
- Anti-skid and advanced vehicle monitoring systems on transport vehicles are designed to prevent accidents and associated environmental risks.





Product responsibility

Co-ops' commitment to providing lifetime membership benefits is one of the things that makes it unique. These benefits include a commitment to high-quality products and service at competitive prices.

Another benefit is FCL's commitment to source materials in an environmentally sustainable and socially responsible manner.

FCL continually reviews our procurement practices, collaborating with suppliers to understand their environmental and social performance and identify future supply chain opportunities across all business lines.

FCL is focused on providing a sustainable product line for our members to address the emerging issues around animal welfare. Working closely with industry experts and farmers through our partnership with the Retail Council of Canada, FCL has made a commitment to purchase pork products from sows raised in improved housing environments by the end of 2022.

Grown at Home

FCL subsidiary The Grocery People established a partnership with the Prairie Fresh Food Corporation in 2013. This group of 16 Saskatchewan producers grows 15 vegetable products such as sweet corn, beets and baby carrots. As a result of the partnership, producers increased their production by 25 per cent and delivered 300,000 kilograms of local produce to 112 participating retail co-ops in Saskatchewan. FCL will be working with producers to explore expanded product offerings in 2014 with a target of 450,000 kilograms.



Raised at Home

Co-op fresh meat products are sourced locally from prairie producers who take pride in their products. Raised at Home is a three-part web series (produced in collaboration with Canada Beef) which focuses on family values, producing quality beef and caring for cattle and the land. The videos and in-store campaigns connect Co-op customers with local ranchers.



Localize

The Localize project identifies products that are truly local; the Localize score considers where the product was made, ownership of the producer and ingredients, giving bonus points for sustainability. The score, along with links to more information, is posted on shelf labels which can be found in Co-op food stores.



Fair trade products

Co-op is committed to raising awareness about fair trade products and currently offers products in six categories: coffee; hot beverages, baking, cereal and ice cream. Selection varies by retail location; however, over 60 fair trade products are available including Co-op Gold organic coffee. FCL launched a Co-op Gold fair trade and organic chocolate bar in February 2014. FCL will continue to explore and expand fair trade offerings. This commitment led to the Co-operative Retailing System and FCL winning the 2013 Canadian Fairtrade Award in the large national or regional grocery chain category for the second consecutive year.



Sustainable seafood

Partnering with SeaChoice since 2010, Co-op ranks and identifies seafood sources as avoid (red) to best choice (green). FCL removed red-ranked items such as rockfish, hake and Atlantic cod and added new green items such as containment-farmed catfish, farmed tilapia, albacore tuna and baja scallops. In-store labelling has also improved to identify seafood as being wild or farmed. FCL is committed to seeking out new opportunities to improve our sustainable seafood offerings in the years to come.





Innovative research partnerships

These trees in Sandy Lake, Man., were planted in 1998 to clean up contamination from a contaminated bulk petroleum plant site.

FCL continues to enhance our research into contaminated site remediation, or cleanup, using sustainable, on-site methods. Our innovative, industry-leading work with academic institutions and industry partners advances education, collaboration and dissemination of knowledge. By sharing findings and involving the regulatory community, FCL research has helped spur the evolution of contaminated-site management.

In 2013, FCL conducted environmental research at 16 sites using 11 different technologies. In one project, FCL used a novel approach to remove historical contamination beneath an occupied, multi-unit residential property without displacing residents. FCL used air injection and vacuum extraction through a subsurface network of horizontal pipes beneath the property to remove contamination and promote bioremediation.

FCL worked with its partners to help author and present two different research papers based on current projects at an international remediation symposium in May 2014. As a result, FCL has discovered more opportunities for collaboration and received significant insight on current projects.

FCL continues to work on two multi-year projects with support from Natural Science and Engineering Research Council of Canada (NSERC). These projects advance its knowledge, support the studies of eight graduate students in Saskatchewan, and expand our research relationship with the University of Saskatchewan.

In this way, FCL continues to be a leader in the industry and among its co-operative peers. That's why FCL took the initiative to create the Sustainable In-situ Remediation Co-operative Alliance (SIRCA) in 2014. This alliance will bring together researchers and universities with co-operatives across Canada and the United States to advance research activities on remediation, with the goal of developing new, more effective remediation technologies in the future.



[Partnership examines gas station clean-up](#)

Reducing product waste

Extended Producer Responsibility (EPR) involves product manufacturers and vendors developing sustainable end-of-life programs to manage waste materials associated with their products. Over the past two decades, FCL has been involved in the development and operation of EPR programs associated with materials such as used motor oil, paint, scrap tires, waste electronics and product packaging. FCL employees participate on EPR industry committees, association boards and government stakeholder groups. In 2013, FCL contributed approximately \$2 million to 33 different EPR programs in Western Canada and the Yukon. This contribution helped fund, establish and maintain recycling programs for these products.

FCL has been active in working with provincial regulatory authorities in Alberta and Saskatchewan to help develop practical and efficient methods of dealing with waste agricultural plastics such as twine, net wrap, silage wrap and grain bags. FCL also collaborates with CleanFarms, a non-profit agriculture industry stewardship organization, which recycled four million chemical containers on the Prairies in 2013; the CRS participated by hosting 52 collection sites.

Measures that matter

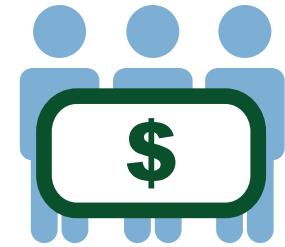
Measurement is central to tracking and improving our performance. FCL has been collecting data related to our environmental performance for over 30 years. In 2008, FCL began to calculate the greenhouse gas emissions of our organization. Today, this is only one of many sustainability metrics developed for each business area that are being used to gauge our success. As our organization and business continues to grow, measurement will maintain perspective and help FCL manage its impact. FCL's greenhouse gas emissions intensity is 228 tonnes of carbon dioxide equivalent per \$1 million in revenue.

Operations	Tonnes of CO ₂ e ¹ (000)
Co-op Refinery Complex	2,004
Crude oil	83
Facilities, buildings and fleet	60
Total	2,147

¹Carbon dioxide equivalent

Community Investment

We care about the causes that are important to you. We are proud to be a part of your community and are happy to lend a hand towards projects and partnerships that are doing good things close to home.



Community donations

Over \$2 million dollars donated to charities and non-profits in 2013.



United Way
Saskatoon & Area

United Way donations

Over \$300,000 raised for United Way across Western Canada.

A future without breast cancer

It all started with a cup of coffee in 2010 when FCL and retail co-ops partnered with Van Houtte Coffee Services to create Drink Pink, a fundraising and awareness campaign that donated 10 cents from every cup sold to the Canadian Breast Cancer Foundation (CBCF).

The relationship with the foundation has grown ever since, and so has the amount that has been raised. Over \$457,000 has been raised from sales of coffee and merchandise, such as travel mugs, with additional contributions from the CRS.

In March 2014, though, the CRS announced a major donation – funding of \$1.5 million over three years for leading-edge breast cancer research across Western Canada.

“Thank you Co-op for your leadership and generosity and for your significant contribution toward creating a future without breast cancer,” said Liz Viccars, CEO of the Canadian Breast Cancer Foundation – Prairies/N.W.T. Region.

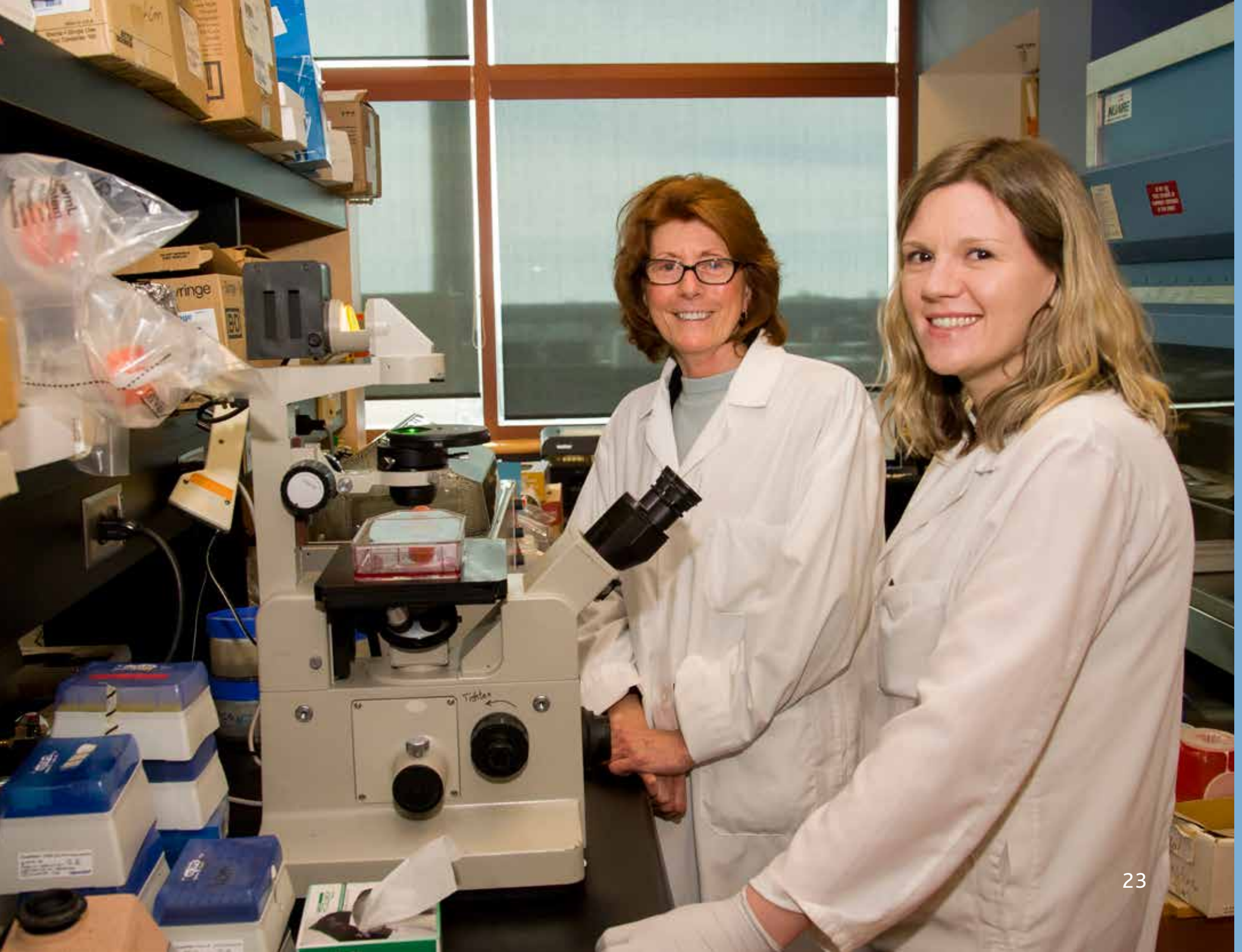
The research will help advance prevention, diagnosis, treatment and care being completed by researchers from the four western Canadian provinces. This research will help the estimated 23,800 Canadian women and 200 Canadian men diagnosed with the disease last year.

This funding supplements Drink Pink’s success. In the campaign’s four years, which also includes a portion of sales from merchandise such as travel mugs, Drink Pink has raised over \$457,000 thanks to the support of Co-op members and customers.

“This \$1.5 million donation highlights their passion for the cause and is one of the largest one-time corporate donations received by the Prairies/N.W.T. Region.”

Liz Viccars, CEO of the Canadian Breast Cancer Foundation
– Prairies/N.W.T. Region

The Canadian Breast Cancer Foundation funds researchers such as Dr. Leigh Murphy (left) and her team member Dr. Christine Bruce, who are researching preventative hormonal therapies at the Manitoba Institute of Cell Biology and the University of Manitoba.



Extra yardage for children



It's crunch time as rivalries are rekindled for the 2014 Canadian Football League season both on and off the field. The Game Day Approved lineup was expanded to include the Calgary Stampeders, Edmonton Eskimos and Winnipeg Blue Bombers into the program that originated with the Saskatchewan Roughriders.

By purchasing Game Day Approved products, Co-op members and customers can support local children's hospital foundations while cheering on their favourite team. A portion of sales from a variety of specially marked food and general merchandise items are donated to four children's hospital foundations: Alberta Children's Hospital Foundation; Stollery Children's Hospital Foundation; Children's Hospital Foundation of Saskatchewan; and Children's Hospital Foundation of Manitoba.

The success of Game Day Approved is undeniable. Since 2010 sales of more than two dozen food and general merchandise products co-branded with the Saskatchewan Roughriders resulted in Co-op donating \$416,000 to the Children's Hospital Foundation of Saskatchewan.

Now an expanded line up offers over 50 products including food items such as Cornish Flakes and Nick's Quick Score Chips, as well as cups, coolers, footballs and more to make game day more memorable and help the kids.

"Research is critical because that's where advancements come in healthcare," said Lawrence Prout, President and CEO of the Children's Hospital Foundation of Manitoba. "And then we do the actual clinical side, when children are in the hospital being taken care of by nurses, doctors and allied professionals."

The Game Day Approved campaign is in addition to 2013's historic \$5 million gift over five years to the five children's hospital foundations in Western Canada. Both this gift and Game Day Approved donations will help children and families feel at home while in hospital and ensure a healthier future for all.



Alberta
Children's
HOSPITAL
FOUNDATION



Other highlights



Employees are united

FCL, CRC and their respective unions engaged employees in community-giving campaigns to the United Way in Saskatoon, Regina and Winnipeg. Employee pledges were matched dollar-for-dollar, which amounted to over \$300,000 to United Way-supported organizations across Western Canada.

CRC supports burn fund

The Saskatchewan Professional Fire Fighters Burn Fund has been helping support Saskatchewan burn patients by funding treatment, burn unit equipment, and care and rehabilitation since 1974. The CRC donated \$15,000 to Regina Fire Fighters Association in support of the burn fund in December 2013.

Emergency preparation and response

In April 2013, FCL announced a \$1 million donation over five years to the Canadian Red Cross. The donation was used to develop the Regina Disaster Operations Centre, pre-position goods, launch education activities and train volunteers, including 34 reservists from six retail co-operatives.

The funds were also put to use in southern Alberta in 2013, as well as Saskatchewan and Manitoba in 2014.

Other highlights

International aid

In support of Filipino employees impacted by Typhoon Haiyan, which hit the eastern coast of the Philippines in November 2013, FCL donated \$10,000 to the Canadian Red Cross for disaster relief efforts. In May 2014, Newman's Own, the foundation of one of FCL's suppliers, also made a \$10,000 donation to Typhoon Haiyan relief at FCL's request.

Local support

In 2013, FCL established two employee-led committees to support its local giving efforts in Saskatoon, see page 32 for details. In 2013–14, the committees donated \$80,000 to local organizations such as the Meewasin Valley Authority, to which FCL contributed \$10,000 as part of a fundraising campaign to add 27 kilometres to the Meewasin Trail.

Feeding families

FCL's food distribution centres in Calgary, Edmonton, Saskatoon and Winnipeg have on-going partnerships with their local food banks. In 2013, these perishable food donations made a difference for food banks and allowed FCL to divert the food items from landfills.



Employee Engagement

We care about providing rewarding experiences for our employees. We encourage our teams to do their best and become their best – at work and in the community.



Training

Over 22,000 eLearning course completions in 2013.



Safety

Eighteen FCL facilities have achieved Certificate of Recognition (COR) safety certification.

Online learning and development courses, known as eLearning, began in 2009 as a way to deliver customized and timely training for specific business lines. Federated Co-operatives Limited's Human Resource business unit not only provides this service to the organization's own employees, but to retail co-operatives' employees across Western Canada.

In 2013, there were 22,859 course completions, with over 100,000 completions by current employees in the last five years. FCL produced courses last year on brand, petroleum products and enterprise risk management. In the last five years, training has grown exponentially to meet demand and evolved by using engaging videos and games. For instance, Fill 'Er Up is a game for retail employees to play with the goal of reducing errors when filling gasoline and diesel vehicles.

The benefits of eLearning are clear. Previous paper manuals for policies and procedures were costly to produce and distribute and could not be updated quickly. There is no need to travel as internet connections are widely available, with some employees even completing training from home. Both of these benefits support FCL's commitment to sustainable business practices.

Demand continues to grow. With over 20 courses available, FCL and retail co-operatives can customize training to invest in their employees and meet their individual development needs. There are 21 certifications, 83 videos and 79 reference manuals available. Learning and development is central to a skilled, engaged workforce. FCL's eLearning courses are only one component of a comprehensive strategy aimed to meet our employees' learning, training and development needs.

Investing in team members



A photograph of a worker in a blue safety harness working on a large industrial machine. The worker is wearing a blue long-sleeved shirt and dark pants. The machine has a yellow number '582' on it. The background is a blurred industrial setting with yellow structural elements.

Building a safe work culture

Federated Co-operatives Limited wants happy and healthy employees who go home at the end of the day to their families. FCL strives to be proactive in its approach to safety; it establishes policies and procedures, lives those policies and builds a safe work culture. In a diverse company in multiple businesses, there will be challenges. This only strengthens the need for continual improvement.

FCL has been investing the resources by certifying safety programs, by implementing process safety management at the CRC and by adding dedicated safety and training coordinators.

Certificate of Recognition (COR)

COR is a nationally recognized program, administered by provincial bodies, that requires companies to outline their training procedures, health and safety charters, safe job procedures (e.g.: emergency response; fall protection) and safe work practices (e.g.: equipment operation; Workplace Hazardous Materials Information System). While specific elements may vary by province, COR establishes the requirements for a consistent safety program that is audited internally every year and audited externally every three years.

The Calgary food and home and building warehouses, as well as the feed mill, have been COR certified since 2008. Since November 2012, FCL has become COR certified at TGP (Edmonton), Petroleum Facilities (Regina), Winnipeg warehouse, Saskatchewan propane branches and Saskatoon warehouse. Alberta and Manitoba propane branches are expected to be certified in late-2014.

Process Safety Management

Process safety considers a facility's design, construction, operation and maintenance in order to prevent release of hazardous chemicals that can result in fires, explosions and toxic effects to people and the environment.

A formal Process Safety Management (PSM) program at the refinery complex began in 2005 with a committee that evaluated, managed and controlled changes to equipment, procedures and practices.

"Process safety looks at reinforcing management systems that need to be in place and need to be working well together in order to prevent an incident," said Ray Merk, superintendent of process safety and training. "It's changing our safety culture. We are asking employees to look at the impact of decisions on a whole process and getting input from everyone who may have a stake in it."

The CRC's PSM program composed of 12 essential elements that is changing culture by: continually identifying gaps; documenting recommendations; implementing improvements; training employees and contractors; and auditing processes.

Other highlights



Employees making a difference

Employee teams are made up of individuals from across the organization. This cross-function model encourages discussion, promotes engagement and fosters leadership.

- The Employee Giving Committee at Home Office and Saskatoon warehouse are responsible for allocating FCL's local community giving in Saskatoon. The committee directs funds that align with causes that FCL employees care about, and are guided by FCL's social responsibility principles.
- The Environmental Sustainability Team, comprised of employees from various business units, works to communicate and advance environmentally sustainable initiatives. The team hosts regular lunch and learn seminars on topics such as alternative commuting and home energy efficiency tips. It also launched an expanded recycling program and the 'See spot, recycle' communications campaign. Spots were used through a two-phase campaign, which introduced coloured dots on recyclable items throughout Home Office prior to the rollout of corresponding coloured bins and spotted signs. The campaign encouraged employees to recycle materials beyond copy paper, including coffee cups, wet paper towel and plastics. This has resulted in a 10 per cent waste reduction in the first six months.

Engagement survey

At FCL, an employee engagement survey in 2013 initiated a cycle of conducting surveys, gathering and communicating results, developing actions plans and monitoring implemented initiatives. Recent results feature the strength of organizational pride at FCL. They highlight that employees are confident in the corporate direction and enjoy their work and their peers. FCL is focusing on making improvements to employee recognition, career support, developmental opportunities and personal influence. The employee feedback from the survey has helped shape the transformation of FCL's people practices, including the evolution to the overall talent management process.

Co-operative Leadership

We care about the co-operative business model. We invest in programs, research and opportunities that educate others and future generations about what the co-operative business model can do.



Support for Co-operatives

\$465,000 in support of national and provincial co-operative associations.



Building Knowledge

\$348,000 to fund research and education in support of the co-operative movement.

Advancing the co-op model



In November 2013, FCL invested \$1 million on behalf of the CRS to launch the Co-operative Innovations Project. The project will be led by the Centre for the Study of Co-operatives at the University of Saskatchewan in partnership with the Johnson-Shoyama Graduate School of Public Policy, the International Centre for Northern Governance and Development, the Edwards School of Business and the Plunkett Foundation (based in the United Kingdom).

The project aims to:

1. Combine research, education and community engagement to determine the needs of rural and Aboriginal communities; and
2. Determine if an innovative co-operative development model or alternate structure could provide a solution.

The collected research and analysis may help discover why the co-operative model has not been more commonly adopted by aboriginal communities, and how it could be used to further support rural communities working in partnership with aboriginal communities in the future.

There is a strong educational component providing experiential learning opportunities to students, integrating research and teaching tools into course curriculums and developing case studies in rural and Aboriginal social and economic development.


The funding will support the initial planning, research and project development over two years. Following a program assessment after that period, FCL will consider increased levels of long-term funding to support projects identified during this development phase.



Julius Turyahebwa has witnessed the co-operative movement in Uganda coming back from the brink of collapse in the mid-'90s. He is a farmer and project coordinator with the Uganda Co-operative Alliance, which has partnered with the Canadian Co-operative Association on a project to connect financial, production and marketing co-operatives.

Funded by the Canadian government and the Co-operative Development Foundation (CDF) of Canada, the project is building institutions and developing people in a region emerging from civil war. There are many individual stories, including a widow having difficulty providing for her three children. She joined a co-op which provided training and seeds to grow six acres of soybeans and paid for her children to go to school.

FCL is proud to contribute to projects like Julius's through our on-going commitment to the CDF. FCL, on behalf of the Co-operative Retailing System, is supporting the CDF's Building a Better World campaign with a \$500,000 donation over four years.

 [Co-operating for Change in Uganda](#)

Positive returns for international co-operation

This is...

My Co-op

The Co-operative Retailing System held a contest during Co-op Week 2013 to ask customers to express the value and positive impacts their co-op provides.

More than 400 Co-op customers submitted their personal stories.

www.coopstories.ca

Betty B

Tisdale, SK

Locally Invested

Five boys who all happened to live on Golburn Crescent decided to grow pumpkins on the unused garden plot of an elderly neighbour.

A contract was struck with our local Co-op and Golburn Crescent Pumpkins was formed. The best part was when the boys harvested the pumpkins and took them to the Co-op. I wish I had a picture of their smiling faces, grinning literally from ear to ear when they received their cheque. The kids learned a business lesson that summer and they also became life-long Co-op supporters.

Community-minded

I believe in supporting local business, and in return seeing a business that gives back to the community. These are just a few ways that I have seen Co-op support my community:

- 1) Co-op generously provided snacks and juice for many years to a non-profit group that I attended in Stony Plain.
- 2) This summer, I attended a "4H Achievement Day", that was free for the community and Co-op donated and served all the food and drinks.
- 3) Co-op also supports local by selling produce, meat and other products in the store that are produced or made locally.

Kim S

Stony Plain, AB

Pauline U

Beausejour, MB

Lifetime Membership Benefits

In 2009, I moved into the Stony Plains Terrace senior home. In order to keep my independence I had to look to Beausejour Co-op to provide me with home delivery service. The fresh fruit, vegetables and meats I receive are always carefully chosen to provide the highest quality and are as if I've chosen them myself.

The staff at the Beausejour Co-op are a such pleasure to deal with and provide me with an essential service: allowing me to continue to remain independent, cooking my own meals and enjoying the quality products the Co-op has to offer.



Integrity

Be honest and trustworthy

- Communicate openly and with respect
- Act ethically at all times
- Respect your colleagues, our members and our business partners

Excellence

Strive to be the best

- Focus on continuous improvement
- Innovate and evaluate
- Celebrate our success

Responsibility

Accountability matters

- Focus on success every day
- Support our communities
- Respect the environment



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