

Corporate Responsibility Report **2019**





About Sollio Cooperative Group

Sollio Cooperative Group is one of the largest agri-food companies in Quebec and the only agricultural supply cooperative that covers the country from end to end. The organization has more than 120,000 members, agricultural producers and consumers who belong to 50 cooperatives.

The cooperative's activities are organized into three divisions:

Sollio Agriculture (under the La Coop and Elite, Agrocentre, Agrico and Agromart banners), **Olymel L.P.** (under the Olymel, Flamingo and Lafleur banners) and **BMR Group Inc.** (under the BMR, Unimat, Agrizone, Potvin & Bouchard and La Shop banners).



**Animal and crop production
and grain marketing**

**Production, processing and distribution
of pork and poultry products**

**Retail
(hardware)**

Since 1922, producers have been at the heart of Sollio Cooperative Group. They are in charge of their cooperative through a democratic process that gets them involved and gives them a say in their future. The solid supply network of products and services into which the organization is embedded allows them to produce food to meet the daily needs of consumers at home and abroad.

ABOUT THIS REPORT

This corporate responsibility report highlights the initiatives, programs, and efforts made by Sollio Cooperative Group in terms of corporate responsibility (CR).

The period covered is from November 1, 2018 to October 31, 2019, corresponding to fiscal year 2019. The report also describes the strategic choices made by Sollio Cooperative Group in December 2019 regarding its corporate name, purpose, and CR guidelines.

Unless otherwise indicated, the data presented concerns the activities of Sollio Cooperative Group and its divisions (Sollio Agriculture, BMR Group and Olymel). They exclude the activities of the network of affiliated cooperatives.

The report is divided into four sections (governance, economy, environment, and human resources) that present the programs, initiatives, and main results for fiscal year 2019 in connection with each of these four cornerstones.

The data provided in this report comes from a rigorous data collection system implemented by the organization. The organization believes that this data is reliable and accurate, although it has not been verified externally.

This report was published on the Sollio Cooperative Group website in March 2020.



Over the past fiscal year, Sollio Cooperative Group undertook an in-depth consultation and review process that led to important strategic decisions in December 2019. First of all, a name change: La Coop fédérée became Sollio Cooperative Group in order to unite and assemble the divisions together under one strong identity. The strategic planning carried out in 2019 also resulted in the following new core statements.

Our mission

Rooted in the regions and leveraging our collective strength, **we help to feed people while ensuring that farm families thrive, to ensure a sustainable future for the world.**

Our vision

To assume our role as a leading player in our Canadian **retail**, North American **agriculture** and **international agri-food sectors.**

Our core values

These **4 guiding cooperative values** resemble us and bring us together.

Honesty

Equity

Responsibility

Solidarity

Our achievements in 2019

Some of the year's corporate responsibility highlights:

- Implementation of a **sustainability working committee** composed of representatives from each division;
- Adoption of the **United Nations Sustainable Development Goals** as a frame of reference for corporate responsibility;
- Publication of a **white paper** by the Sollio Agriculture division on the theme of **sustainable agriculture**;
- **Participation** of Sollio Cooperative Group and its Sollio Agriculture division in the hearings of the Committee on Agriculture, Fisheries, Energy and Natural Resources (CAPERN) at the National Assembly;
- Once again this year, **Sollio Cooperative Group appears on the prestigious Montreal's Top Employers list**, which recognizes organizations considered to be **Montreal's best employers**;
- **Recognition of our commitment** to gender parity through the Gold-level 2019 Women in Governance Parity Certification;
- **Involvement in the L'Effet A initiative**, which aims to drive the professional engagement of women, with a fourth cohort from the various divisions.





A Word from Management

Building on its first sustainable development summary report, published last year, Sollio Cooperative Group is proud to present its most recent corporate responsibility report. In an environment where citizens, consumers, and business partners expect business practices to be guided by transparency, honesty, and rigour, Sollio Cooperative Group feels that it is essential to conduct an annual accountability exercise regarding its performance in corporate responsibility.

Why talk about corporate responsibility instead of sustainable development? The approach must be seen as a whole, with the objective being sustainable development, and corporate responsibility being the means to achieve this at the organizational level.

As such, over the past year, we have laid the foundation for a concerted, structured and pragmatic approach to corporate responsibility. The new

mission statement places sustainable development at the heart of our organization's purpose, formalizing what has been implicit to date.

Moreover, since December 2019, Sollio Cooperative Group has aligned its approach with the United Nation's Sustainable Development Goals (SDGs). The aim is to offer a common vision across each of its divisions, adapt this international program to its cooperative context and establish a clear reference within its business ecosystem.

As you will see from this report, the approach initiated during the last fiscal year more directly addresses issues of concern to society, such as fighting climate change, managing plant protection products and animal welfare.

To meet these challenges, organizations must adopt strong governance to transform intentions into action. At Sollio Cooperative Group, we have formed a corporate responsibility

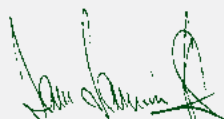
working committee made up of representatives from each division. This committee is responsible for implementing the corporate responsibility plan, which includes precise objectives and monitoring indicators. Its publication is scheduled for 2020.

The cooperative nature of Sollio Cooperative Group makes the organization fundamentally committed to sustainable development. It is therefore only normal for the cooperative to embark upon this process of continuous improvement.

For us, corporate responsibility implies, first and foremost, acting with goodwill. Rest assured that this approach will continue to motivate us over the coming year, so that we can create value for our members, naturally, but also for society as a whole.



Gaétan Desroches
Chief Executive Officer



Jean-François Harel
General Secretary,
Sustainable Development and Cooperative Affairs



Governance

The cooperative values that have inspired Sollio Cooperative Group for almost 100 years are reflected in the organization's current governance structure, based on representative democracy. The members of the Board of Directors (BOD), who are elected, have a duty to see to the interests of the cooperative and its members, while monitoring trends and issues in its sectors of activity.

Governance Structure

Sollio Cooperative Group is an operating cooperative and a federation of cooperatives. Together with its affiliated cooperatives, it forms the large La Coop network. Its members are mainly agricultural cooperatives, but it also includes individuals and corporations grouped into divisions as well as several consumer cooperatives. Member cooperatives and divisions have variable voting rights based on the number of members and sales generated with Sollio Cooperative Group. Each year, these members elect directors from their community to represent them on the Board of Directors. The men and women elected as members' representatives are accountable to them. Members are therefore at the head of the organization's highest decision-making body, ensuring a constant exchange between them and management. They play an active role in policy development and also participate in decision-making.

Board of Directors

The Board is the central governing body responsible for the general interests of the members and the organization. It oversees management, participates in the development of strategic directions and advises senior executives. It acts as the watchdog for the values, ethics, and reputation of Sollio Cooperative Group.

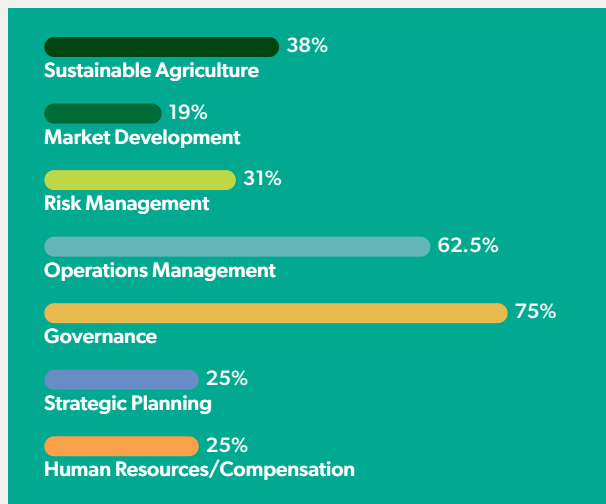
To assist the Board in its duties, six specific committees have been established:

- > Executive Committee, Risk Management and Investment
- > Audit Committee
- > Governance and Cooperative Education Committee
- > Human Resources Committee
- > Sustainable Development and Environmental Compliance Committee
- > Information Technology Committee



The Board of Directors of Sollio Cooperative Group is composed of 16 directors elected at the annual general meeting. They are member producers (with the exception of guest members) representing each of the electoral districts, to which are added positions reserved for representation of women and representation of special-purpose or consumer cooperatives, as well as a guest director (external).

The members of Sollio Cooperative Group's Board of Directors come from a variety of backgrounds and make up the skill set required to make informed decisions. In 2019, the 16 members of the Board of Directors declared their competency in the following areas:



Towards Stronger Governance in terms of Corporate Responsibility

Strong governance is crucial for a rigorous and structured approach to corporate responsibility. For this reason, in December 2019, Sollio Cooperative Group formed the corporate responsibility working committee. Coordinated by the organization's Senior Vice-President, Cooperative and Institutional Affairs and Sustainable Development, and made up of managers from the three divisions, this committee aims to coordinate accountability for the implementation of each division's action plan.

A Vibrant Network

A network as vast as that of Sollio Cooperative Group must be well structured in order to meet the needs of its members effectively. This is why cooperatives work together within local, regional, national and even international structures, in order to strengthen the cooperative movement.

Members of Sollio Cooperative Group's management team are also present in the field to motivate this network of cooperatives. In 2018, a network of ambassadors was formed to ensure close contact with the local realities of each cooperative. In 2019, the initial goal of 300 ambassadors was reached. Over the next few years, greater efforts will be made to coordinate and facilitate this level of governance to ensure effective communications throughout the La Coop network.

Membership Profile in 2019

At the end of the 2019 fiscal year, regular membership in the Sollio Cooperative Group included:

- > 26 traditional agricultural cooperatives;
- > 24 consumer cooperatives.

In addition to these members, 43 agricultural equipment co-ops (CUMA) are auxiliary members. A new division was also created to accommodate 61 independent hardware retailers from BMR Group.

Ethics at Sollio Cooperative Group

Within the Sollio Cooperative Group, the *Working Agreement* represents both a code of ethics and a code of conduct. This document is based on the reciprocal commitment between employees, directors and the organization. The *Working Agreement* is signed by all employees and directors upon taking office. Each year, employees and directors are invited to discuss the interpretation of organizational values and establish links between their decisions and these values.

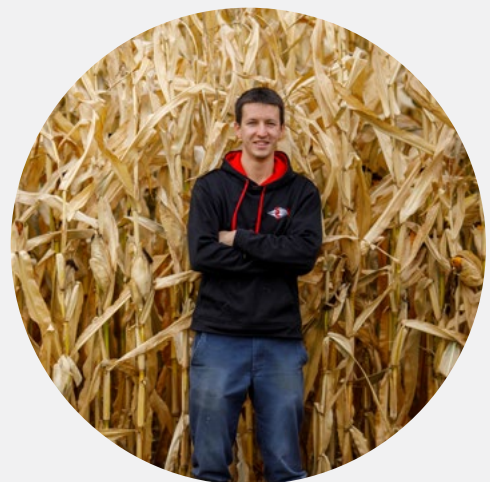
In the event of an ethical question or a breach of ethics, employees can refer to a guide to personal reflection before discussing any issue with their manager, if necessary, or consulting key persons identified in the *Working Agreement*. The Organizational Ethics Learning Community is another resource they can turn to.

The Learning Community Supports Ethics Within the Organization

Because Sollio Cooperative Group is committed to providing its employees with a respectful work environment, the Organizational Ethics Learning Community continued its activities for a third year. Made up of volunteer employees from all hierarchical levels, this group's mission is to support ethics within the organization.



In addition to regular meetings, in 2019 the community developed a web video to enable employees to get a grasp on the *Working Agreement*, met with the Chief Executive Officer to discuss ethical issues, organized a lunchtime conference with ethicist René Villemure and launched a survey on the perception of organizational ethics within Sollio Cooperative Group.



Economy

To maintain many quality jobs, support causes it believes in, invest in communities and take care of its members, notably through the distribution of annual patronage dividends, Sollio Cooperative Group must enjoy strong financial health. The organization's solid financial performance is the driving force behind all its projects.

Sollio Cooperative Group in a Few Figures

During fiscal year 2019, Sollio Cooperative Group surpassed the \$7 billion mark in sales (\$7.3 billion). This result marks the cooperative's entry into a tightknit circle of major national organizations in Quebec and Canada. As the country's agri-food leader, Sollio Cooperative Group is a true driver of regional and national development, with more than 35,000 direct, indirect and induced full-time jobs in Canada.

The provincial and federal tax contributions from the activities of the cooperative, which exports its products around the world, amount to more than \$1 billion, while its direct, indirect and induced effects contribute nearly \$4 billion to Canada's GDP. In addition, \$17.6 million in patronage dividends were paid out in 2019, for a total of \$245 million since 2015.

7.3 BILLION

IN SALES

15,521

DIRECT EMPLOYEES

\$3.8 BILLION

IN ASSETS

SALES EVOLUTION

(IN BILLIONS OF DOLLARS)



Sollio Cooperative Group continued its expansion over the past year. In particular, the organization and its Olymel and Sollio Agriculture divisions entered into an agreement with F. Ménard to acquire its assets in the pork and feedmill sectors. BMR Group also acquired a minority interest in CDL, a Quebec-based maple syrup equipment company, in addition to acquiring shares in the building materials distributor Lefebvre et Benoît.

Two major launches also took place in 2019. First, a new division of independent BMR merchants was created, giving these families of entrepreneurs access to the advantages of

the cooperative formula while helping to consolidate BMR Group's position in its market sectors. The second major launch was the new identity of the Agricultural Division, now Sollio Agriculture, which continues to position itself advantageously in its market. This dynamism gives Sollio Cooperative Group its recognition as a key player in its field. The group's culture, values and excellent working conditions are universally recognized.

For more information about the financial performance of Sollio Cooperative Group, please refer to the annual report, available here: lacoop.coop/en/finances/annual-report-2019.



Producers Close to their Communities

Sollio Cooperative Group was founded by producers who banded together to help one another. It is therefore natural for the cooperative to support many community initiatives that contribute to community well-being and promote sustainable development. Here are the main avenues for donations and sponsorships:

Donations and Sponsorships

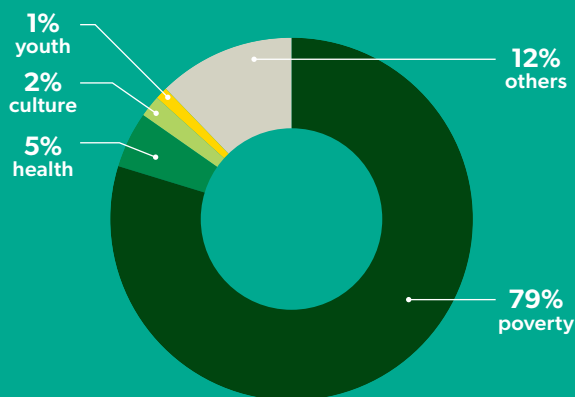
-  Fostering and supporting the cooperative movement.
-  Promoting and supporting the agricultural community.
-  Encouraging and supporting initiatives that enhance Sollio Cooperative Group's reputation.
-  Encouraging and promoting healthy lifestyles.
-  Supporting communities in the event of climatic or social emergencies.
-  Encouraging and supporting the next generation of farmers.

Although these objectives are those prioritized by the parent company, each of the divisions remains free to develop its own criteria.

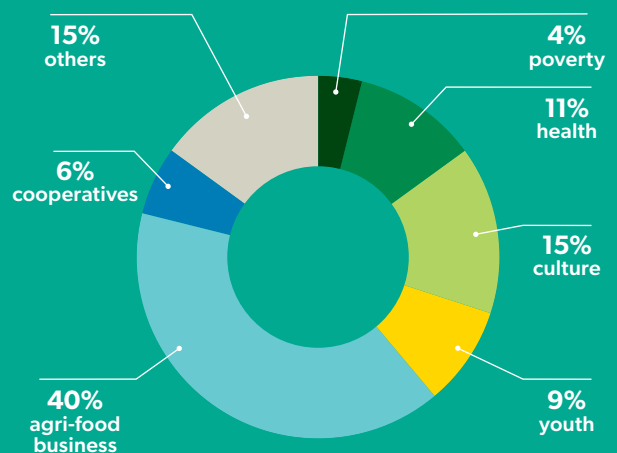
During the previous fiscal year, Sollio Cooperative Group and its subsidiaries contributed \$4.4 million in donations and sponsorships to communities. Donations, valued at \$2.6 million, were largely assumed by Olymel, which helpfully donated food products, mainly to food banks, for a total value of \$2 million. Sponsorships, worth \$1.8 million, were mainly disbursed to organizations or events promoting agri-food, health and next-generation farmers.

The list of organizations and activities that benefited from Sollio Cooperative Group's contributions in 2019 includes: the Conseil québécois de la coopération et de la mutualité, Bibliothèque et Archives nationales du Québec, the Lauriers Awards of Quebec Gastronomy, the Ordre national du mérite agricole, Edikom (DUX Gala) and the Union des producteurs agricoles (open house activity).

Percentage Share of Donations



Percentage Share of Sponsorships



Contributing to Community Well-Being

The organization's cooperative values explain why it is so strongly involved at the heart of communities. Through their community involvement, Sollio Cooperative Group and its divisions contribute to the creation of value and participate to the well-being of the regions where their members and employees live and work.

In addition, Sollio Cooperative Group encourages its employees to get involved in their communities. This is why the organization is proud to highlight the success of the sixth edition of the Défi vélo La Coop (La COOP Cycling Challenge). This sporting event represents an opportunity for the employees of the organization, its divisions and its network of cooperatives to participate in a unique experience of mutual support, cooperation and promotion of health. The 2019 edition raised a record amount of \$305,000 thanks to the participation of some 160 cyclists, 90 volunteers and 30 partners. The funds were donated to local and provincial organizations.





BMR Group, a Proud Builder of Hope Since 2015

For the past five years, BMR Group has been one of the proud partners of the Children's Wish Foundation. Thanks to the generosity of its customers and employees, who joined in various fundraising activities, the group donated \$81,900 to the charitable organization in 2019. This amount made it possible to grant Gabriel's wish to renovate his room to display his important LEGO collection.



Second Edition of the PURCHASE AND GIVE BACK Program

The Olymel division has far exceeded the charitable goal it set for itself in 2019. Thanks to the PURCHASE AND GIVE BACK program, which brings together its Olymel, Lafleur and Flamingo brands, the company donated 7 million portions of deli meats, pork and poultry to the Banques alimentaires du Québec (BAQ) (Quebec Food Banks), valued at \$1.5 million, compared to the initial goal of \$1.25 million. This resounding success has strongly motivated Olymel to renew its commitment for 2020, this time with a target of \$1.5 million from the outset, not counting the 1,500 hours of volunteer work performed by its employees.



Economic Development That Is Environmentally- and Community-Friendly

In 2019, Sollio Agriculture began construction of a grain export marine terminal on the territory of the Quebec Port Authority (QPA). This \$90 million project is intended to open new markets in Europe and Asia. An environmental impact assessment (EIA) was conducted in the summer of 2018 to ensure the social acceptability and environmental compliance of the project. Accordingly, mitigation measures were implemented during construction:

- > Participation in public consultation meetings, orchestrated by the QPA;
- > Work hour restrictions;
- > The installation of white noise reduction devices.

Several technologies will also limit the terminal's impact on its surrounding environment when it becomes operational:

- > All loading and unloading operations as well as conveyors will be covered, and motors (fans, conveyors) will be enclosed in soundproof boxes, which will limit noise and the emission of vegetable dust;
- > Trucks delivering grain to the site will travel in a loop, thus avoiding reversing signals.

In addition, Sollio Agriculture is participating in the financing of the Quebec Port Authority's (QPA) Foulon Harbour Promenade project to minimize the visual impact of its facilities and showcase their economic contribution.

Environmental and other Societal Issues

Today, more than ever, companies are called upon to address numerous environmental challenges and implement solutions to meet societal expectations. Adhering to the Sustainable Development Goals of the United Nations, Sollio Cooperative Group is committed to corporate responsibility. To this end, it has equipped itself with the means to reduce the environmental footprint generated by its activities, taking into account the concerns of citizens and consumers.

The environmental department plays a key role in the implementation of Sollio Cooperative Group's environmental policy. Composed of a team of 10 professionals, its mandate is to "ensure that the organization's facilities, activities and products are compatible with the environment and enable sustainable development." While the responsibilities of this department have remained the same over the years, the scope of its activities has broadened with acquisitions and the expansion of operations of the cooperative and its divisions.

Effective Measures for Managing Environmental Risk

Sollio Cooperative Group's environmental policy governs the activities of the cooperative and its divisions. Distributed to its employees and managers, the policy is applied to member cooperatives, partners, joint ventures and associates, who are required to ensure compliance with it. In particular:

- > All Sollio Cooperative Group facilities, whether wholly owned or in partnership, are subject to an environmental compliance audit;
- > A report including an environmental compliance record is given to managers of the facilities visited so that corrective measures can be taken. The objective is to improve the level of compliance by 10% over two years for all sectors.

Better Environmental Management of Mills

The acquisition of the Moncton, New Brunswick, Truro and New Minas, Nova Scotia feed mills is a successful example of Sollio Agriculture's environmental management model. Thus, in accordance with Sollio Cooperative Group's environmental policy, an environmental emergency measures plan, as well as procedures for managing environmental complaints, hazardous materials and petroleum products and equipment, have been implemented at all three sites. Thanks to the commitment of the employees, these facilities now practise much better management of the environmental aspects inherent to farm animal feed production.

Environmental Performance

With the aim of reducing the environmental footprint of its activities and optimizing all of its practices, Sollio Cooperative Group began an in-depth process in 2018 to evaluate the most relevant environmental indicators. The consolidation of data

over the years has enabled it to develop a transparent profile of its situation, structure the measurement of its environmental performance and build a sustainable development strategy that is both realistic and concrete.

The Fight Against Climate Change and for Energy Efficiency

The fight against climate change is one of the great challenges of our time. Sollio Cooperative Group and its divisions want to respond to the calls for action from the international scientific community. To do so, the cooperative measures the carbon footprint of its activities on a bi-annual basis.




The 2018 results indicate that most of the cooperative's emissions are indirect – or scope 3, i.e. they derive from sources owned or controlled by third parties – the production and transportation of purchased goods figure among these sources of emissions. The organization can, however, reduce its Scope 1 emissions, which consist of direct emissions from facilities or equipment under its control, such as those resulting from fuel and refrigerant gas consumption.

Several initiatives are underway or are to be implemented to reduce these emissions. Initially, most of the efforts of Sollio Cooperative Group and its divisions will be focused on energy efficiency projects aimed at optimizing energy consumption at all levels, affecting buildings as well as operations and transportation.

The next review, scheduled for 2020, will make it possible to evaluate the evolution of the organization's greenhouse gas (GHG) emissions and set targets.



Breakdown of GHG Emissions by division

	Head Office	 BMR	 Sollio Agriculture	 OLYMEL
Tot. 2018 (t eq. CO ₂)	2,751	922,282	4,375,362	4,699,092
Tot. 2018 (kt eq. CO ₂)	2.751	922.282	4,375.362	4,699.092
Scope 1	229	15,869	7,517	298,716
Scope 2	4	204	43	58,733
Scope 3	2,518	906,209	4,367,802	4,341,643
Scope 1	8.3 %	1.7 %	0.2 %	6.4 %
Scope 2	0.1 %	0.0 %	0.0 %	1.2 %
Scope 3	91.5 %	98.3 %	99.8 %	92.4 %

Trucks Fuelled by Propane

Seven new propane-powered delivery trucks were added to BMR Group's fleet in 2019. This division is increasingly switching from diesel to alternative fuels, such as propane, for ecological and economic reasons. Recognized by Quebec's energy policy as "green energy"¹, propane allows for greenhouse gas emissions to be reduced by 24% to 30% compared to gasoline.

BMR Group is proud to count on a fleet of 15 propane-powered trucks, which contributes to reducing its environmental footprint.

¹ Source: https://mern.gouv.qc.ca/energie/politique/pdf/lettre/HY_20150612_037AQP.pdf

Results that Exceed Expectations

In order to reduce its greenhouse gas emissions, the Olymel division committed to implementing an energy recovery and management project at its Saint-Esprit plant in 2019. The initiative consisted of recovering heat emitted by refrigeration system and slaughter line operations and diverting it to heat water and air in the plant's warmer areas. The purpose of this recovery was to reduce the use of natural gas in the plant's operations. Initially, GHG emissions were estimated to be reduced by 5,974 tons. The project reduced GHG emissions by 6,147 tons. This success inspired Olymel to roll out the system in three other plants, namely the Vallée-Jonction, Yamachiche and Sainte-Rosalie plants. The work should be completed in 2020.

Waste Materials Management

Ensuring effective waste management is an economically- and environmentally-sound decision. Several initiatives have been put in place to this effect. A waste material sorting process and supplier harmonization efforts are underway to optimize processes across the group. The objective is to reduce materials at the source and recover them more effectively. Other projects have also been deployed within the divisions, as illustrated by the following examples.

Nothing Is Lost, Everything Is Transformed

The Olymel division recycles, recovers and reuses 98% of its waste materials. Its annual operations generate more than 310 million kilograms of inedible products, such as parts of carcasses not intended for consumption (feathers, hair, blood and protein). To avoid waste, Olymel sends these materials to Sanimax, which transforms them into animal meal, heparin and fat, which are in turn used in animal feed. Some of the fat is also directed to the production of biodiesel and the oleochemical industry. In addition to inedible products, Olymel recovers sludge from wastewater treatment plants and recycles its packaging products.

Acting on Several Fronts

BMR Group is committed to reducing, recycling and reusing its waste materials. Here are a few 2019 highlights in this regard:

- > End of the sale of plastic water bottles in stores. This measure prevented 17,802 kg of single-use plastic from entering the market;
- > Entered into an agreement with a supplier to recover components from damaged products, in addition to efforts to reclaim these products for refurbishing;
- > Recovery of nearly 210,000 kg of paint in the BMR network through 125 collection points and efforts to raise awareness among merchants;
- > Establishment of a partnership with GEEP to recycle BMR Group's obsolete electronic equipment.

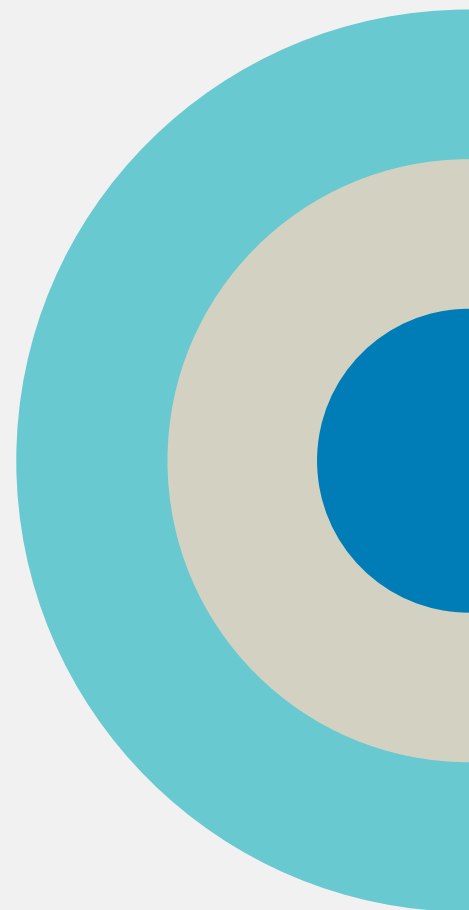
Water Management

Within Sollio Cooperative Group, Olymel is the company that consumes the most water for its operations. In 2019, Olymel's water consumption amounted to 7.1 million cubic metres, compared with 5.9 million cubic metres in 2018. The increase in measured volumes is due to acquisitions made by the company during the year.

Since water is a scarce, fragile and essential resource that must be protected, Olymel is stepping up its efforts to make optimal, responsible use of it while respecting ecosystems and other users. Several initiatives have been undertaken to optimize the use of this resource at numerous sites.

Wastewater Transformed Into Drinking Water

A few years ago, problems with the drinking water supply in the Saint-Esprit region prompted the team at the Olymel plant to establish a reverse osmosis system to transform wastewater into drinking water in order to support the plant's operations. This initiative has resulted in the recovery of 33% of wastewater to turn it into drinking water, which is reused in the plant. In 2019, the second phase of this project was developed. The goal is to increase the recovery rate to 50%.



Addressing Social Concerns

Society is changing, and with it consumers' and citizens' perceptions of production methods in the agri-food sector. This is particularly true with respect to animal welfare and the use of crop protection products, commonly known as pesticides.

Sollio Cooperative Group is focused on responding to the concerns expressed and taking proactive measures to reassure the public about current practices, while continually seeking new ways to improve the situation.

In this spirit, Sollio Cooperative Group and the Sollio Agriculture division have presented several recommendations to the Committee on Agriculture, Fisheries, Energy and Natural Resources (CAPERN) to ensure the rational use of phytosanitary products in agriculture. Commitments were also made, including the reorientation of the mission of the Sainte-Rosalie research farm to test and develop emerging technologies to reduce the use of synthetic inputs, and acceleration of the development of the parasite detection and analysis tools associated with AgConnexion.

For their part, Olymel and Sollio Agriculture have a reputation for their practices that respect animal welfare.

Emerging Products and Technologies in the Crop Protection Field

In April 2019, Sollio Agriculture tabled a white paper on the use of chemical pesticides and opportunities to migrate to alternative products and emerging technologies. In addition, the Governance Committee developed 18 initiatives related to the practices and training of the agronomists, technologists and agronomic advisors of Sollio Agriculture and its retailer networks. This process aims to:

1. Showcase the efforts currently underway to research and market innovative methods and products;
2. Reduce the impact of chemical pesticide usage on the farm.





Prevention and Control of African Swine Fever

African swine fever (ASF) is a viral disease that affects pigs in several countries in Africa, Central Asia and Europe, but has never been detected in Canada and poses no risk to humans. In collaboration with other industry experts, Sollio Agriculture's animal production division has implemented various prevention and control measures:

- > In November 2018, a complete audit was conducted of ingredients purchased from all suppliers from countries at risk and intermediaries;
- > In December 2018, a questionnaire was distributed to all suppliers in the animal production sector in order to conduct a detailed assessment of their procedures for the prevention and control of ASF, which made it possible to prioritize the actions to be taken in order to reduce the risk within the group's feed mills. For example, an external warehouse is used in Saint-Hyacinthe to receive merchandise considered to be at risk.

Olymel Promotes Animal Welfare

The company is a Canadian leader in animal welfare. Several initiatives have been undertaken within its operations:

- > Improvements in poultry transportation;
- > Firm commitment to transition from caged sows to free-stall housing;
- > Design and implementation of training program for catching crews in poultry barns;
- > Development of six e-learning modules on animal welfare, hog behaviour and handling techniques to minimize stress in hogs*;
- > Conversion of Olymel's plants to CO₂ stunning (completed or in progress).

*On November 14, 2019, Olymel received a Coup de cœur award at the annual general meeting of the partners of the Quebec Animal Health and Welfare Strategy for this program.



Human Resources

Sollio Cooperative Group makes continuous efforts to attract and retain the best talent within its teams. The cooperative's employees represent its greatest strength, and their involvement is taken to heart at every step. Diversity is encouraged in order to foster an exchange of ideas that reflects today's society.

A Stimulating and Inclusive Work Environment

Because Sollio Cooperative Group wants to offer the best to its employees, important initiatives were launched over the past year:

1. The Talents and Culture project was introduced, supporting three areas of intervention: succession planning, implementation of a culture of mobility between divisions, and development of implementation capacity through a leadership path;
2. BMR Group entered the pension plan master trust, which has more than \$600 million in assets. This network strength provides access to more competitive fees and innovative investments;
3. Since the overall health of employees – both physical and psychological – is one of Sollio Cooperative Group's priorities, several advances have been made in this regard, including burgeoning growth of the cooperative prevention mutual group, the implementation of a wellness account by the organization's insurer and the introduction of access to telemedicine.

For the third year in a row, Sollio Cooperative Group has obtained the Women in Governance Parity Certification, this time attaining the gold level. This mark of recognition underscores the cooperative's commitment to gender equality in its workplaces. Since the integration of women is a very real objective, a brainstorming workshop reserved for women on the boards of directors was held during the semi-annual meeting. The organization is also continuing its involvement in L'Effet A, a professional development path for women, with a fourth cohort from the various divisions.

In addition, Sollio Cooperative Group is once again on the prestigious *Montreal's Top Employers* list, which features employers that provide exceptional workplaces.

Our Human Resources by the Numbers

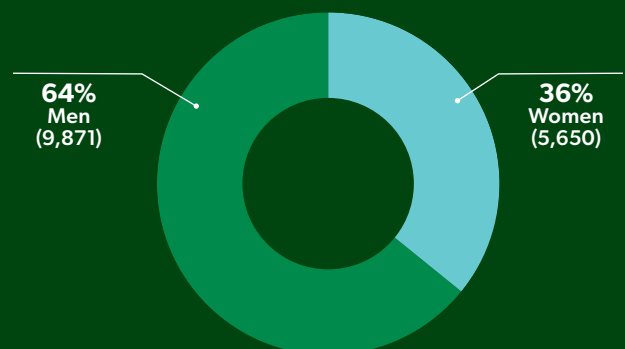
15,521

Employees in 2018

786

Training hours offered

Breakdown by gender



Worker Integration Support

For Olymel, workforce diversity is invaluable. That is why the employer does everything possible to facilitate the hiring of refugee workers and accompany temporary foreign workers as they settle in Quebec.

Olymel has established partnerships with organizations that work with newcomers to help them find jobs quickly. In 2019, this initiative resulted in the hiring of more than 350 employees, including 240 in the regions.

To assist persons admitted under the federal temporary foreign worker program, the company offers comprehensive guidance. From purchasing airline tickets, to helping them find housing and opening a bank account, Olymel assists newcomers throughout the integration process. Over the past year, 120 temporary foreign workers benefited from this valuable assistance. To date, more than 90% of the employees recruited in this way and who have obtained permanent residency are still employed by Olymel.

Health and Safety

Human beings are at the heart of the concerns of Sollio Cooperative Group, which is committed to providing its employees with the healthiest possible work environment. Our employees work in various types of environments, and since the best way to protect them is through prevention, this is the focus of our occupational health and safety program. This program covers both physical and mental health (through the Santé La Coop program). Moreover, the organization's culture, based on cooperative principles, encourages the diversification of points of view in order to promote psychological health in the workplace.

With respect to workplace accidents, each division collates their severity rate and frequency. This data is forwarded annually to the Human Resources Committee of the Board of Directors. Once again this year, Sollio Cooperative Group posted good results, with a rate representing 50% of the industry average.

Reinforcement of Occupational Health and Safety Initiatives

In recent years, Olymel has seen increasing numbers of occupational injuries and days lost due to occupational injuries. To correct this situation, several measures have been introduced:

1. Optimization of critical programs and policies;
2. Systematization of actions through a better definition of the roles and responsibilities of each stakeholder;
3. Identification of risks for all workstations, communication of these risks to employees and development of action plans;
4. The conducting of management reviews in all establishments in order to put prevention of occupational injuries at the core of discussions and decisions;
5. The hiring of an ergonomist to provide assistance in the prevention of musculoskeletal injuries.

Grand Prize in Occupational Health and Safety

In September 2019, Sollio Agriculture won the Grand Prize in Occupational Health and Safety in the category "Innovation-Large Enterprises", Montreal region, for its pilot project of smart sensors in agricultural silos.

Sollio Agriculture's sensor service will allow a producer or livestock farm employee to evaluate the amount of feed remaining in a silo without having to climb up the silo. Sollio Agriculture seeks to provide an accessible and efficient solution that will not only optimize farm operations, but also reduce the risk of falling, a danger that is still all too present in the agricultural sector.

This service is currently being tested on some 60 farms, mainly in Quebec, Ontario and New Brunswick.

BMR Group Looks After the Health of Its Employees

Setting goals to accelerate change: this is the strategy employed by BMR Group, which is determined to obtain the Healthy Enterprise standard from the Bureau de normalisation du Québec (BNQ) over the next few years. To achieve this goal, the group has advanced several initiatives, including an extensive survey of managers and employees at head office and in the warehouses. The results enabled the health and wellness committee to prioritize actions to be taken, including the implementation of flexible schedules and the construction of a health room at head office.

Focused on the Future

In 2019, Sollio Cooperative Group laid the solid foundation for a structured, concerted and pragmatic approach to corporate responsibility to meet the expectations of its stakeholders, along with those of consumers in general. A working committee dedicated to corporate responsibility was formed, and an action plan based on the United Nations' Sustainable Development Goals (SDG) will result from its work in 2020.

Sollio Cooperative Group is truly committed to corporate responsibility. Given the nature of the organization, the cooperative values that inspired its founders and the current context, it is only natural that Sollio Cooperative Group's growth should be based on a sustainable development approach.

Each year, the cooperative will publish a report to measure the tangible results derived from its initiatives and track the evolution of its approach.





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