

Corporate and Cooperative Responsibility Report



Sollio
Cooperative Group

2022 Edition

Summary

What is Sollio Cooperative Group? 7

Governance 18

Implementing best governance practices

Prosperity 29

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

Planet 51

Protecting resources, ecosystems and life

People 66

Putting people at the centre of our decisions

Conclusion 80

Looking to the future



Table of Contents

What is Sollio Cooperative Group?	7
Mission / Vision / Values	8
Highlights	9
President's message	11
Message from the executive of Sollio Cooperative Group	12
Message from the CEO of Sollio Agriculture	13
Message from the CEO of BMR Group	14
Message from the President and CEO of Olymel	15
About this report	17
Governance	18
Responsibility: A pillar of our business strategy	20
Our 14 ambitions and contributions to the SDGs	21
Our stakeholders	22
How we will achieve our goals	23
Ethics at Sollio Cooperative Group	27
Data privacy	28
Prosperity	29
Maximize the regional benefits of our investments and economic development projects	31
Fully apply our cooperative business model in how we conduct our economic activities	32
Promote healthy and responsible products to our customers	47
Ensure animal welfare	49
Planet	51
Set and achieve a target for reducing greenhouse gas emissions from our operations	53
Give farmers the tools to better manage the effects of climate change	57
Minimize the impact of our operations on water resources	58
Support farmers in sustainable water management	59
Reduce waste generated by our operations and stop it from ending up in landfill	60
Eliminate food waste and recover organic waste generated by our operations	60

Promote sustainable agriculture among farmers and other agri-food industry players	62
Be the benchmark in sustainable agriculture and agri-food in Canada	64

People 66

Develop a forward-thinking work model built on a strong employer brand	68
Support the physical and mental well-being of every member and employee across all our operations	75
Implement the measures necessary to achieve our “0 accident” target	78

Conclusion 80

Looking to the future	82
---------------------------------------	----

Appendix I 84

CR action plan – Sollio Agriculture	86
CR action plan – BMR	88

Appendix II 89

Corporate responsibility materiality matrix	90
Our workforce in numbers	91



Ferme
Karibel inc.
Production laitière

Isabelle et Luc Lasalle,
Jacinthe Breault
Producteurs membres
Novago Coopérative



Sollio
Agriculture

ciac

What is Sollio Cooperative Group?

Founded in 1922, Sollio Cooperative Group is the largest Canadian agricultural cooperative with Quebec roots and the 24th-largest agricultural cooperative in the world according to the World Cooperative Monitor 2022. We spend every day growing, rearing, farming and processing, thereby building the economy of tomorrow. For 100 years, serving farmers has been our primary purpose. We are over 120,000 farmer and consumer members across 43 agricultural and consumer cooperatives.

Our sales total \$8.9 billion from our three divisions and over \$11.6 billion including our affiliated cooperatives. With strong roots in rural Canada, the organization serves as an engine of economic and social development.

Sollio Cooperative Group's three divisions are:



Sollio Agriculture

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



BMR Group Inc.

This division includes over 275 renovation centres and hardware stores in Quebec, Ontario and the Maritime provinces. It is a leading player in Quebec's hardware sector and operates under the BMR, Agrizone and Potvin & Bouchard banners. BMR Group also has a stake in the Lefebvre & Benoît business group and CDL Sugaring Equipment, where it implements multiple initiatives to maximize synergy.



Olymel L.P

A Canadian leader in the production, processing and distribution of pork and poultry, Olymel has production and processing facilities in Quebec, Ontario, Alberta, Saskatchewan and New Brunswick. It markets its products primarily under the Olymel, Lafleur, Flamingo, Pinty's, Tour Eiffel and F. Ménard brands.



Our mission

Rooted in the regions and leveraging our collective strengths, we help feed the population and ensure prosperity for farming families to create a sustainable future for everyone.

Our vision

To be recognized as a leading player in Canada's retail industry, the North American agriculture industry and the international agri-food industry.

Our values

Honesty

Equity

Responsibility

Solidarity

Recognized and promoted by the International Cooperative Alliance, our four cooperative values reflect who we are and bring us together, giving meaning to our work and guiding our daily choices and actions. They are also a reflection of how we put cooperation into practice.

Highlights

We conducted a greenhouse gas inventory and water balance use in each of our divisions in order to set reduction targets. This assessment will allow us:

- To establish an effective data collection method
- To better understand the organization's carbon and water footprints
- To mobilize teams to help identify meaningful initiatives to reduce greenhouse gas emissions and water consumption
- To adopt best practices that aim to reduce the organization's emissions using reduction targets and an action plan that takes our operational reality into account
- To contribute to the national and international fight against climate change

We implemented a CR action plan at Sollio Agriculture. Olymel aims to finalize its CR policy and action plan in 2023. BMR Group will begin this process over the coming year.

We tested management practices to enhance the use of inputs and optimize yields at the Sollio Agriculture research farm and transferred sustainable agriculture knowledge to farmers.

We clarified our environmental, social and governance indicators to add specificity to annual reporting and quantify the impact of our actions.

We updated Sollio Cooperative Group's environmental policy, which inspired Sollio Agriculture's policy, also updated. BMR Group is developing its policy and intends to adopt and release it in 2023.

We developed a diversity and inclusion policy at the parent company level to help recruit and retain employees from all backgrounds.

Our commitment to gender parity was recognized for the fifth straight year with the Parity Certification awarded by the organization Women in Governance.



President's message

I am pleased to be among the signatories of Sollio Cooperative Group's 2022 Corporate and Cooperative Responsibility Report.

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

Now 100 years old, Sollio Cooperative Group can see the extent to which resilience and adaptation to the various challenges in the past century have been key factors enabling the organization to grow, be resilient and fulfil its mission over time. Corporate responsibility is everywhere. Whether social, economic or environmental, it is ever more important in our society. For Sollio Cooperative Group, incorporating corporate responsibility into all our activities and operations is crucial.

When it comes to climate change, agriculture is both a victim and a solution. It is our duty to equip all our members with the tools to confront these changes and the many challenges they bring, which are already being felt in Quebec and Canada. We want to support them as they shift to more sustainable farming methods that will make it possible to minimize the use of natural resources, limit greenhouse gas emissions and ensure that we produce a healthy food supply for the entire planet.

I am proud to present our Cooperative Review, which sets us apart as a responsible organization. By incorporating the seven cooperative principles, the United Nations Sustainable Development Goals and our corporate responsibility ambitions, we have gained a clear vision for the future.

I wish to acknowledge all the work accomplished by Sollio Cooperative Group and our three divisions in the area of corporate responsibility, the results and highlights of which are outlined in this report. I hope that you appreciate the steps we have taken and the path ahead of us.

Sollio Cooperative Group celebrated its 100th anniversary in 2022, and I am proud to see that we are working hard to ensure a healthy and sustainable future for our network and society for what I hope will be the next 100 years.



Ghislain Gervais, ASC

President of Sollio Cooperative Group

Messages from the executive



Sollio Cooperative Group is proud to present its fifth Corporate and Cooperative Responsibility Report, which includes its Cooperative Review. This review outlines the actions taken to advance the seven cooperative principles universally recognized by the International Cooperative Alliance.

The findings of the Intergovernmental Panel on Climate Change (IPCC) are clear: global warming is caused by human activity. The panel's latest report is categorical in asserting that we are headed towards a point of no return. We must act, and that is exactly what Sollio Cooperative Group is doing.

Our commitment to environmental protection is nothing new. In 1994, we implemented our very first environmental policy, which has been updated several times since then. It ensures that our operations are compatible with current environmental concerns and the concerns of our stakeholders. It is also in line with the commitments made in Sollio Cooperative Group's corporate responsibility process, which is integral to the cooperative model.

After celebrating its 100th anniversary in 2022, Sollio Cooperative Group turns toward the future, strongly aspiring to promote the sustainability of its members and their communities through additional concrete corporate responsibility initiatives.

In this vein, Sollio Cooperative Group and its three divisions have worked to craft a comprehensive corporate and cooperative responsibility action plan. Its key points of reference are six Sustainable Development Goals (of the 17 established by the UN) and 14 ambitions that we set during the process. This action plan comprises structural initiatives

connected to the various roles and responsibilities that Sollio Cooperative Group has towards its members, its network, its divisions, its stakeholders and its workforce for the coming years.

In 2022, Sollio Cooperative Group undertook a detailed assessment of its greenhouse gas emissions and its water consumption in order to set goals for future years across the entire organization.

More than ever, the growing challenges facing the agri-food and retail sectors call for strong collective action to better navigate these significant issues. We must accelerate our capacity to innovate in all areas, reassess our supply chains to promote resilience, and gain a better understanding of the emerging threats posed by climate change so that we can better manage risks.

People are at the centre of our decisions, and our process of redistributing wealth makes it possible to foster the vitality of our network and create value for our members. We can be proud that our organization is caring, responsible and committed to leaving a sustainable future for generations to come.

We ask our members, collaborators, suppliers, employees and partners to help address this shared challenge and thus contribute to the sustainable and responsible development of the sectors in which we work.



Pascal Houle, CPA
Chief Executive Officer



Stéphane Forget, MBA, ASC
Senior Vice-President, Public Affairs, Cooperation
& Corporate Responsibility



Corporate and cooperative responsibility: Our commitment and our purpose

The achievements in this report demonstrate our commitment to making a positive and measurable impact on the well-being of our people, the communities in which we operate and the environment. Our structured, proactive approach is embodied in this report through our product and service offering, the research we conduct, our active role in the industry, the impact of our operations and our sound governance.

Beginning in 2021, we established an effective and participative governance structure to ensure that we fully contribute to the 14 ambitions of Sollio Cooperative Group. Based on these ambitions, we have adopted our first action plan to improve our corporate responsibility (CR) performance by 2025. I am proud that our CR action plan is the result of strategic analysis and a consultation process with our employees. It proposes sustainable solutions to the challenges of a constantly changing world. We want to contribute to farm profitability over the long term and help farmers adopt sustainable practices. To achieve this, we have spent the past year benchmarking against best industry standards and defining the purpose of our approach. Corporate responsibility is now represented on the division's Executive Committee by the Vice-President, Marketing, Communications and CR.

Concrete and impactful projects

We have taken several major steps in the past year. We conducted eight CR steering committees and five CR committees that led to the establishment of a CR action plan, which we have integrated into our master plan. We also completed an inventory of greenhouse gas emissions and water consumption for all Sollio Agriculture sites, including our joint ventures. We deployed an integrated communications plan explaining the rationale for our CR plan to employees and calling on contributors to work actively to make it a reality.

The projects we have completed show our teams' commitment to implementing sustainable solutions that bring positive changes to our operations and to farming. From knowledge transfer in our retailer network to sustainable agriculture research projects to the rollout of an integrated health and safety management platform, our initiatives confirm the importance of our role as a responsible organization and reinforce our cooperative values.

In the coming years, we will work hard to implement our corporate responsibility plan. Inspired by our 100-year history and bolstered by generations of expertise, we will continue to carry out initiatives that make agriculture more sustainable and help farmers prosper in Quebec and Canada.



Casper Kaastra

Chief Executive Officer, Sollio Agriculture



In recent years, we have witnessed a major shift in the public's consumption habits. People now care more about where the products they buy come from and the companies that make them: their community involvement, their manufacturing processes, their environmental impact, their management philosophy and more.

BMR Group is very aware of this trend. We have pursued numerous initiatives to promote procurement from local suppliers and reduce our carbon footprint, generate significant economic benefits for many regions and be a responsible and committed corporate citizen in the hundreds of communities where we operate. The year 2022 was no exception, with BMR Group taking action on multiple fronts.

At a time when many businesses are faced with an ongoing labour shortage, BMR Group worked to attract and retain top talent while helping employees reach their full potential. With a view to continuous improvement, the company surveyed all its head office employees on its organizational health. We measured employee satisfaction with the physical work environment, management practices, work-life balance and general well-being. In addition, the human resources team launched a Boîte à outils containing all services and tools offered to employees. It also regularly holds lunchtime talks and webinars on various health and wellness topics.

The organization demonstrated its strong commitment to the community. This year, a record amount of nearly \$220,000 was



given to organizations, foundations and community initiatives. In 2022, donations and sponsorships supported more than 60 wide-ranging causes and organizations across Quebec, Ontario and the Maritimes, including community agriculture, sports teams, the performing arts, medical research, municipal development and much more. In this way, BMR truly paid it forward, assisting the communities where we operate and above all, supporting citizens in all regions.

Finally, BMR Group adopted an official diversity and inclusion policy. While the company already adhered to the key principles of this policy, it became important to codify our actions and guidance in a proper policy to ensure that they are always fully present at the heart of our operations.

These are just a few examples of the work accomplished by the BMR Group team in 2022, and they demonstrate our deep commitment to corporate responsibility.



Alexandre Lefebvre, MBA

Chief Executive Officer, BMR Group



Over the past 30 years, Olymel has experienced uninterrupted growth. Through three decades of development and challenges, our company has strived to responsibly manage the impacts of its operations. It will continue to do so in the decades to come.

Science and the media no longer allow us to ignore the impacts of human activities on our planet. We must take action. Companies, even more than individuals, have a duty to set an example.

Our social responsibility is based on Olymel's three core values of integrity, respect and trust. The way we work towards the well-being of our employees, support the communities in which we operate, and care for animals is the true manifestation of our corporate responsibility. It is also reflected in how we produce without destroying, how we use energy and water resources, how we invent, how we market, and even how we grow. Across all these areas, we always strive to do better.

We are conscious of the challenges that lie ahead. Every day, Olymel improves upon how it operates in all its sectors thanks to the commitment of its leaders and employees. This is what future generations expect of us.

In 2023, we are focusing on the following initiatives: heat recovery projects, the acquisition of electric heavy vehicles, a packaging review, the optimization of business processes by implementing SAP (systems analysis programs) and the establishment of greenhouse gas reduction targets.

We will be even more passionate about feeding the world if we know we are making it better.



Yanick Gervais

President and CEO, Olymel



About this report

This report outlines the corporate and cooperative responsibility efforts of Sollio Cooperative Group and its three divisions (Sollio Agriculture, BMR Group and Olymel). It covers the period from November 1, 2021, to October 31, 2022, the organization's fiscal year.

This document is organized into four major sections to reflect the four pillars of our corporate and cooperative responsibility (CCR) process.

1. Governance

Implementing best governance practices

2. Prosperity

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

3. Planet

Protecting resources, ecosystems and life

4. People

Putting people at the centre of our decisions

The topics covered in this report result from a materiality analysis process led by Sollio Cooperative Group's Senior Vice-President, Public Affairs, Cooperation & Corporate Responsibility, assisted by an outside party and in collaboration with several internal committees and teams. The process builds on national and international best practices for sustainable development, such as the United Nations Sustainable Development Goals.

It also benefits from insights derived from several meetings with the Corporate Responsibility Functional Committee, senior management and the Corporate Responsibility Committee of Sollio Cooperative Group's Board of Directors. This process led to the selection of performance indicators inspired by the Global Reporting Initiative (GRI)¹ framework and the Sustainability Accounting Standards Board (SASB)². Indicators will be added on an annual basis to ensure comprehensive tracking of the issues considered most important in our sectors of operation and for our stakeholders.

The terms "the cooperative," "the organization" and "the group" used in the report refer to Sollio Cooperative Group, which comprises the parent company and its three divisions, namely BMR Group, Sollio Agriculture and Olymel. The term "parent company" refers only to Sollio Cooperative Group and not to its three divisions. The parent company firstly represents the federative role that Sollio Cooperative Group plays for its members. It is also the primary body that, in addition to stewarding cooperative values, ensures that the group performs and functions effectively, issues guidelines, promotes synergy and carries out the decisions of the Board of Directors.

The data contained in this report was collected by the organization. While this data has not been subject to an external audit, the organization believes it to be reliable and accurate.

¹ Global Reporting Initiative (GRI): The Global Reporting Initiative is an independent international body that sets standards for the sustainability performance of companies, government bodies and non-governmental organizations, and for disclosure. The GRI provides guidelines for annual social and environmental responsibility reporting.

² SASB: The Sustainability Accounting Standards Board (SASB) is a non-profit organization that sets sector-specific standards for U.S. public companies regarding calculation and disclosure for issues with significant environmental, social responsibility and governance impacts.



1

Governance

Implementing best governance practices



Responsibility: A pillar of our business strategy

Sollio Cooperative Group has engaged in a structured corporate and cooperative responsibility process since 2019. In addition to being a pillar of its strategic plan, responsibility is also one of the organization's four values.

Sollio Cooperative Group ensures sound management of its members' shared heritage; fulfils its individual, mutual and collective responsibilities; and works towards the United Nations Sustainable Development Goals (SDGs).

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

To learn more about the United Nations Sustainable Development Goals, go to:

un.org/sustainabledevelopment/sustainable-development-goals/

Big mission. Big ambitions.

Our corporate and cooperative responsibility approach at a glance

mission

Rooted in the regions and leveraging our collective strengths, we help feed the population and ensure prosperity for farming families to create a sustainable future for everyone.

Our **14** ambitions and contributions to the SDGs

2 ZERO HUNGER



1 Promote sustainable agriculture among farmers and other players in the agri-food sector.

2 Be the benchmark in sustainable agriculture and agri-food practices in Canada.

3 GOOD HEALTH AND WELL-BEING



3 Support the physical and mental well-being of every member and employee across all our operations.

4 Implement the measures necessary to achieve the "0 accident" target.

5 Develop a forward-thinking working model built on a strong employer brand.

6 CLEAN WATER AND SANITATION



6 Minimize the impact of our operations on water resources.

7 Support farmers in sustainable water management.

8 DECENT WORK AND ECONOMIC GROWTH



8 Maximize the regional benefits of our investments and economic development projects.

9 Fully apply our cooperative business model to how we conduct our economic activities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



10 Reduce the waste generated by our operations and stop it from ending up in landfill.

11 Eliminate food waste and recover organic waste generated by our operations.

12 Promote healthy, responsible products to our customers.

13 CLIMATE ACTION



13 Set and achieve a target for reducing greenhouse gas emissions from our operations.

14 Give farmers the tools to better manage the effects of climate change.

Our stakeholders

Thanks to its cooperative model and governance, Sollio Cooperative Group is able to maintain close ties with its internal stakeholders, i.e. its members (cooperatives and farmers) and its employees. We also collaborate actively with various levels of government, sector committees, and working groups, including the Conseil québécois de la coopération et de la mutualité (CQCM), Co-operatives and Mutuals Canada, the Quebec Business Council on the Environment (CPEQ), Éco Entreprises Québec, Au Cœur des Familles Agricoles (ACFA) and Groupe Production-transformation, which works to make Quebec's bio-food policy a success.

The 2021 Corporate and Cooperative Responsibility Report was shared with over 200 people over the past year. Its objective is to clarify the CR and cooperative needs and expectations of our stakeholders in order to better meet them. This will be a continuous process over time, as practices evolve.



How we will achieve our goals

Strong governance is essential to any corporate responsibility approach. Sollio Cooperative Group has therefore created bodies responsible for corporate responsibility at all levels of the organization.

Training our leaders in corporate responsibility

Training was given to the Board of Directors and Executive Committee of Sollio Cooperative Group, and to the financial departments of the parent company and the divisions. This training focused on three areas:

- The environmental, social and governance (ESG) framework
- Trends in ESG reporting
- ESG governance

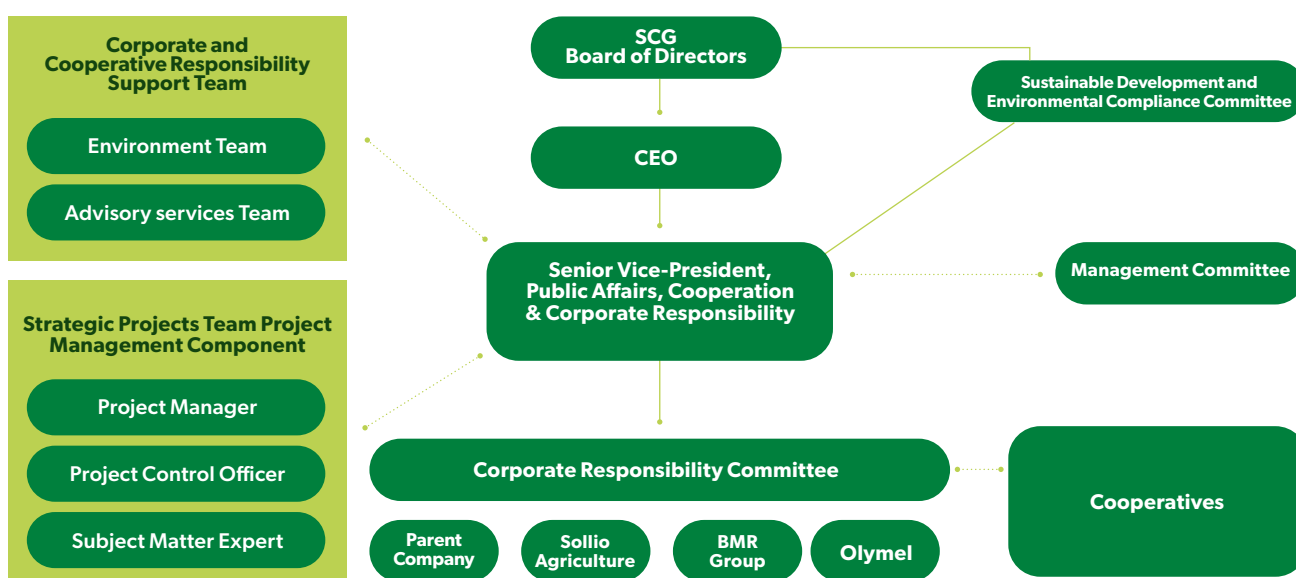
Providing the organization's leadership with the tools they need to better understand ESG issues is crucial for achieving the cooperative's objectives.

Corporate responsibility action plans

The Senior Vice-President, Public Affairs, Cooperation & Corporate Responsibility was tasked with updating the parent company's 2023–2026 CR action plan and bringing it in line with the organization's strategic planning. This action plan reflects the progress made to date to fulfil the organization's CR mission. It identifies the priorities for current projects and work that is upcoming in the next three years. It will also allow the parent company to steward the organization's overall CR approach, ensure the continuous improvement of practices, and help the divisions and the network implement their respective CR plans.

The divisions have created, or are in the process of creating, their own CR action plans. In 2022, Sollio Agriculture established its action plan, which includes targets to meet by 2025. Olymel is finalizing its 2023 action plan, and BMR Group is beginning the process of creating its own plan.

Our instances



Environmental management

Sollio Cooperative Group's updated environmental policy was adopted in 2022. It is part of the organization's environmental management system update based on the ISO 14001 standard. This standard is a framework of requirements that organizations can apply to properly address the environmental impacts of their operations.

In concrete terms, this means that we take proactive and preventive measures to reduce the environmental impacts of our operations, but also that our divisions, suppliers, partners and retailers are required to implement certain practices.

This updated policy will allow Sollio Cooperative Group to ensure that its practices are compatible with current environmental concerns and the concerns of its stakeholders. It also demonstrates the importance that the organization places on environmental management within its operations.

Consult the environmental policy:




sollio.coop/en/our-commitment/environmental-policy

Environmental compliance auditing

The facilities of Sollio Agriculture and BMR Group (fully owned and otherwise) are audited every three to five years by Sollio Cooperative Group's Environmental Department in accordance with the principles of standard Z773-03 established by the Canadian Standards Association (CSA). Environmental compliance audits allow the organization to identify cases of legal non-compliance and areas for improvement. Action plans to correct the observations made are put in place and followed.

Olymel's facilities are audited every five years by the division's own Environmental Department. This team is also in charge of the monthly tracking and application of operational procedures and action plans to manage the environmental impacts of plants, distribution centres and other facilities.

Performance indicators for environmental non-compliance

Fines and non-financial penalties	 Sollio Agriculture	 BMR	
Amount in \$	0	0	140,000
Number of fines and non-financial penalties incurred	1	0	2
Proceedings against the entity	0	0	0
If the organization has not identified any cases of non-compliance with environmental regulations or laws, a brief statement indicating this will suffice	Cases of non-compliance were identified during environmental compliance audits	Cases of non-compliance were identified during environmental compliance audits	Cases of non-compliance can be observed during monthly monitoring

Sollio Agriculture

Sollio Agriculture's updated environmental policy

Sollio Agriculture has updated its environmental policy based on the environmental policy of Sollio Cooperative Group. This policy was shared with its employees and across all fully owned facilities. It enables the organization to take proactive steps to reduce its environmental impact and respond to the concerns of stakeholders. It also serves as a reference text for subsidiaries in controlled partnerships.

Sollio Agriculture's corporate responsibility action plan

Sollio Agriculture has committed to implementing a CR process by 2025 that is based on the organization's business reality. Sollio Agriculture wishes to use its corporate responsibility approach to generate a positive, measurable impact on the environment, on the well-being of its people and on the communities where it operates.

This action plan centres around eight commitments comprising 20 targets. It can be consulted in full in Appendix II. Each target in the CR action plan was assigned to a member of the Sollio Agriculture Executive Committee, who will be responsible for its implementation.

Corporate responsibility and accountability at Sollio Agriculture are led by a dedicated team represented on the division's Executive Committee by the Vice-President, Marketing, Communications and CR since September 2022.

Groupe BMR

Governance and HR action plan

In 2022, BMR Group began a corporate responsibility governance process. In 2023, a CR committee will be put in place to determine orientations and actions in order to produce a CR action plan during the year.

The process that began in 2022 will be finalized by the committee, which will implement sound CR governance along well-defined levels of responsibility to ensure consistency and rigorous management of actions to take, all while adhering to the division's vision and orientations.

The plans and reports of the corporate responsibility initiative must be approved by the Board of Directors of Sollio Cooperative Group. A dedicated team within Sollio Cooperative Group will also assist BMR Group with governance for the initiative.

The role of the executive team of BMR Group is to approve the vision and directions of the CR approach and the resulting action plan, and to integrate it into the group's overall business strategy. BMR Group's environmental policy and associated action plan will accompany this initiative.

The office of the Vice-President, Human Resources of BMR Group will also establish directions for the corporate responsibility initiative. It will track progress with various teams and share its report with the company's Executive Committee and Governance Committee.

Finally, BMR Group's internal teams will advance initiatives to meet the objectives, timelines and targets set by the vice-presidents in charge of programs under the corporate responsibility plan. They will also constantly seek out new opportunities to improve the practices and processes in place.

Environmental policy

In late 2022, BMR Group developed an environmental policy to be adopted and distributed to its employees and in its facilities at the beginning of 2023. This policy will be accompanied by an action plan.

Olymel

The implementation of a corporate responsibility policy allowed Olymel to integrate environmental, social and governance issues into its management processes in order to proactively take the expectations of internal and external stakeholders into account. The work that has been done will also enable Olymel to measure and transparently communicate its efforts and results using established tracking indicators.

The President and CEO of Olymel oversees the application of the corporate responsibility policy. The Corporate Social Responsibility (CSR) committee, which was established this year, is made up of employees who represent every sector of the organization. The committee's mandate is to follow up on actions

downstream from the corporate responsibility policy. It must submit an annual performance report to the CR Committee of the Board of Directors covering the following:

- Major initiatives that could have a positive or negative impact on the environmental and social performance of Olymel, its businesses or its operations
- Actions in the corporate responsibility action plan and their progress
- Tracking of performance indicators and the extent to which objectives and targets have been achieved



Ethics at Sollio Cooperative Group

Promoting ethics and organizational values is a priority for Sollio Cooperative Group. In 2022, the cooperative fully overhauled the ethics program at Sollio Cooperative Group. This process will continue at the division level throughout the year. This overhaul enables us to keep our ethical approach alive, progressive and evolving.

Let's Talk is a program that was recently launched with the aim of

1 The Working Alliance

The *Working Alliance* is a document that reiterates the values that are central to the cooperative culture and that guide the actions of all on a day-to-day basis. The Working Alliance aims to strengthen ethical behaviour to ensure members' trust. It highlights the partnership and trust fostered between members of the organization.

The document defines the four organizational values of Sollio Cooperative Group (honesty, equity, responsibility and solidarity) and ensures a common understanding of cooperative ethics. The Working Alliance integrates our three pillars of commitment: the employee's commitments, mutual commitments and the commitments of Sollio Cooperative Group. In addition, it provides a guide for reflection on personal ethics that can be used as a decision-making tool when doubt arises regarding ethics or a breach thereof. The *Working Alliance* contains reference tools, including all information relating to the Alliance-Line. It is presented to new personnel and board members, who are asked to read and adhere to it.



2 Alliance-Line

The Alliance-Line is an anonymous and confidential reporting system that allows employees to share their concerns, flag issues, ask questions and convey their thoughts in order to keep building trust within the cooperative and ensure that employee actions are compliant. Through its confidentiality and non-retaliation policy, Sollio Cooperative Group offers its employees a positive, healthy and safe work environment free of any form of retaliation for reporting.

3 Ethical reflection

Ethical reflection comprises all conversations and tools necessary to facilitate our work on both an individual and collective level. It also supports decision making and the expression of our cooperative identity and values.

Data privacy

The digital shift in the economy and business has resulted in a major increase in available data. In addition, the Act to modernize legislative provisions as regards the protection of personal information (Law 25) and other laws increase our responsibility as an organization to protect the privacy of our employees, our suppliers and any individuals we deal with. While Sollio Cooperative Group and its divisions have not received any complaints or experienced any data leaks in the past year, our digital era still presents numerous challenges for safety and privacy.

The organization believes in the importance of protecting the privacy of the individuals with whom it interacts. It commits to implementing and maintaining suitable practices to protect personal data. A major project was launched in 2021 by Sollio Cooperative Group. The organization is also preparing to face emerging threats in the future by drafting a new standards framework to protect the personal data it controls, in accordance with regulations in effect. Sollio Cooperative Group has identified the guidelines it must put in place and has established a plan to adopt them by September 2023.

The framework aims to apply organizational and technical measures to ensure that personal data is protected, based on the risk entailed in processing the data. It also aims to design mechanisms so that individuals can exercise their rights over their data and be informed. We are currently drafting policies,

guidelines and standards to this effect. These policies will guide the way for controls, which will be assessed according to their efficacy and our level of compliance.

The standards framework will be directed by a master policy, which will be adopted by the Board of Directors. In this master policy, the organization will adopt the fundamental principles set out by the Privacy Commissioner of Canada and establish the bases of the mandate and the roles of privacy officers.

The CEO of the cooperative will delegate the privacy officer's responsibilities for the entities that make up the organization's three divisions.



2

Prosperity

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





Our ambition

Maximize the regional benefits of our investments and economic development projects

Sollio Cooperative Group is an economic leader in a number of regions of Quebec and Canada. Over all its divisions, Sollio Cooperative Group has created more than 45,000 full-time jobs that generate \$1.2 billion in tax revenue. The scale of the organization and its cooperative business model mean that it can create many high-quality jobs, support the causes it believes in, be involved in communities and look after its members.

8,9 G\$

in sales

15,908

employees in Canada

A leader in
Canada's
agri-food
sector

A driver of
regional
and national
development

Sales over the years

in thousands of dollars

2022 **\$8,876,043**

2021 **\$7,925,637**

2020 **\$7,259,446**

2019 **\$6,697,484**

2018 **\$6,461,345**

Economic impact

Total GDP (closed including induced)

2020 - **\$5,156,936,000**

Full-time equivalent (FTE)

2020 - **\$46,987**

Taxes

Total taxes paid

2020 - **\$1,240,000,000**

Taxes on products and production (closed model)

2020 - **\$488,708,000**

Our ambition

Fully apply our cooperative business model in how we conduct our economic activities

Sollio Cooperative Group is proud of its cooperative roots, which date back 100 years. They have enabled the organization to build a strong foundation in Quebec and to develop harmoniously across Canada with a focus on serving its members and contributing to communities.

Benefits of the cooperative model

Mutual assistance and exchange are in our DNA. Sollio Cooperative Group's cooperative business model represents an undeniable competitive advantage, as it amalgamates resources and strengths within its network. The consolidation of agricultural cooperatives boosts our ability to address modern challenges, increases our market power and enables economies of scale for amalgamated operations. The business partnerships established with consolidated cooperatives also strengthen our network.

Thanks to this model, the network is able to acquire companies, such as Couvoir Côté in 2021, and to create meaningful and agile regional partnerships such as Sollio & Unoria Agriculture coopérative. Each acquisition helps bolster the network.

The establishment of agricultural partnerships between consolidated cooperatives and Sollio Agriculture aims to pool agricultural assets and create a business model that secures a direct relationship with farmers, without intermediaries.

The preparation of our annual Cooperative Report is a practice that sets us apart from other kinds of companies. We are pioneers in conducting this best practice in cooperative governance, which is in line with the Statement on the Cooperative Identity adopted by the International Cooperative Alliance. For nearly 20 years, we have taken stock of our achievements on the basis of the seven international cooperative principles.

The Sollio & Unoria Agriculture coopérative partnership

Sollio & Unoria Agriculture coopérative was launched in 2022. This is the fifth partnership resulting from the Vision Plus plan. It strengthens the regional positioning of the cooperatives while modernizing our business model in Quebec. As we can see from our other joint ventures, our efforts are paying off.

Sollio Agriculture's role is to listen to farming families to ensure we always keep our offer relevant. This includes procurement expertise, sharing of agronomic knowledge, research, technological tools, buying power and financial competence. By combining our expertise with Unoria Coopérative's market knowledge, Sollio Agriculture is better placed to understand the realities of farmers and meet their needs.

Principle

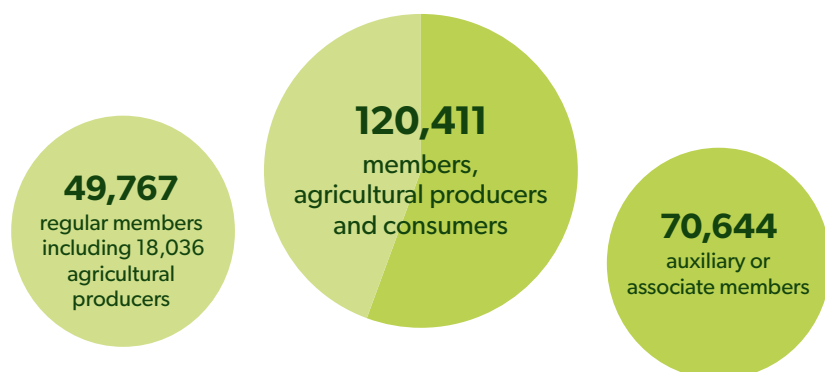
1

Voluntary and open membership

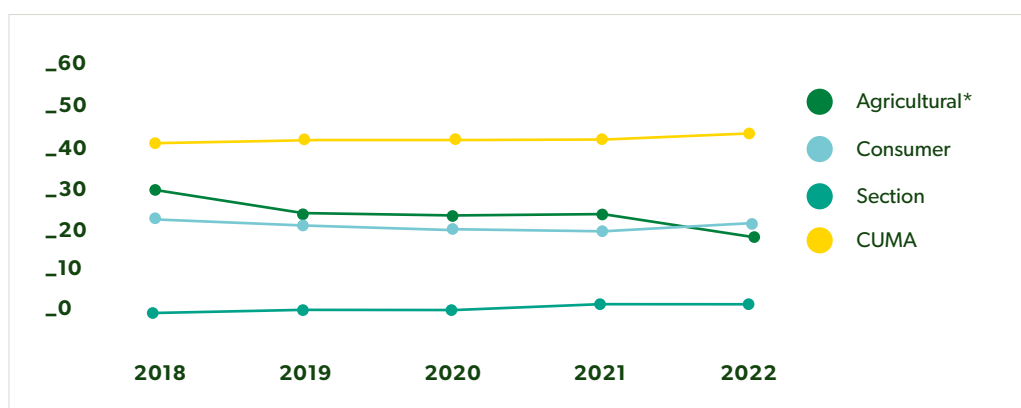
Cooperatives become members of Sollio Cooperative Group on a voluntary basis. They work with the group to form our large, federated network of agricultural cooperatives.

At the end of fiscal year 2022, Sollio Cooperative Group members included 20 agricultural cooperatives, 23 consumer cooperatives and three sections as regular members. It also had 46 auxiliary members, 45 of which are agricultural equipment user cooperatives (CUMAs). The sections correspond to two groups of hog farmers and one group of 82 independent BMR merchants. The network's cooperatives included over 120,000 voluntary members.

In recent years, our business model has had to evolve and adapt to market realities, including through the orchestrated consolidation of agricultural cooperatives and the creation of regional partnerships between the consolidated cooperatives and Sollio Cooperative Group.



Changes on the number of member cooperatives



* Including Citadelle, cooperative of maple syrup producers.

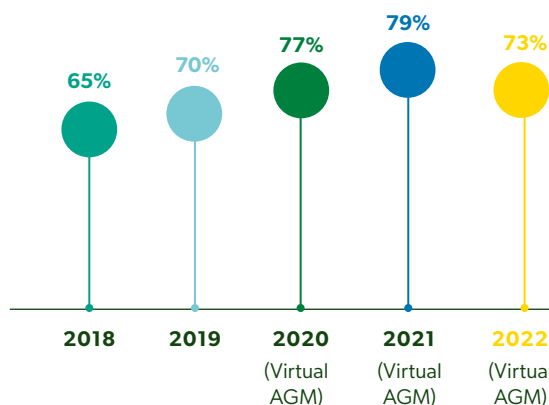
Principle 2

Democratic member control

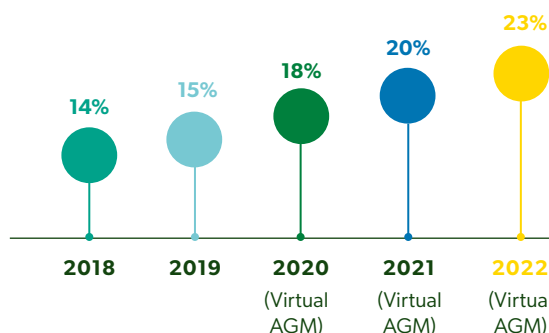
Delegations of members of the federated network take part in the deliberations at Sollio Cooperative Group's annual general meeting. The number of delegates assigned to each cooperative is based on a calculation that factors in the number of its members and its sales volume with Sollio Cooperative Group during the year. In 2022, 73% of the delegates (224 out of 306) exercised their right.

During the year, the President's Tour, Presidents' Forums and the bi-annual meeting also allowed the network's elected officials to work together, exchange ideas and report transparently on Sollio Cooperative Group's actions. In recent years, member cooperatives have built networks of ambassadors to foster a dynamic associative life and democratic process. In addition, for any change in governance that impacts members, Sollio Cooperative Group creates an ad-hoc network governance committee made up of representatives of member cooperatives. This committee studies and analyzes opportunities for changes and makes recommendations to the Board of Directors of Sollio Cooperative Group.

Delegate participation at
Sollio Cooperative Group's
Annual General Meeting



Female representation at
annual general meetings
of Sollio Cooperative Group



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

16 members, including
4 women (25%)

1 seat

is reserved
for women.

1 seat

is reserved for a
special interest
cooperative.

1 seat

(non-voting) is
reserved for an
external director.

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

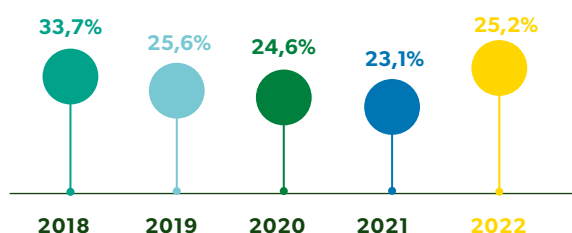
- Executive Committee, Risks and Investments
- Audit Committee
- Governance and Cooperation Committee
- Human Resources Committee
- Corporate Responsibility Committee
- Information Technology (IT) Committee

Principle 3

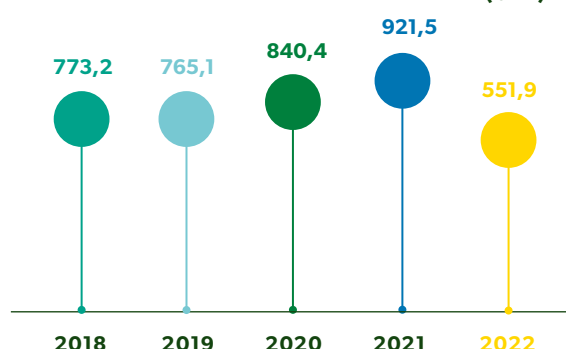
Member economic participation

The cooperatives contribute equitably to Sollio Cooperative Group's capital. Together, they hold \$318.7 million in Sollio Cooperative Group shares and \$552 million in a collective reserve.

Ratio of member's equity to assets

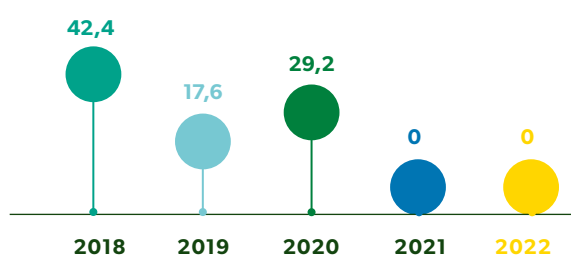


Statement of collective reserve - (\$M)

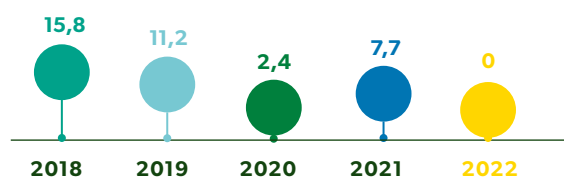


Sollio Cooperative Group redistributes a sizeable portion of its surplus in the form of patronage refunds to the cooperatives and dividends to the Cooperative Pork Network. If the organization's finances permit, the Board of Directors determines the amount of patronage refunds. Should the financial picture be less positive, the board prefers to act with caution by allocating surpluses to the reserve. The reserve is vital for bolstering the cooperative's financial footing and ensuring its long-term viability.

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



Dividends paid to the Cooperative Pork Network - (\$M)



Principle 4

Autonomy and independence

Sollio Cooperative Group is an autonomous federation of cooperatives controlled by its member cooperators. The organization has implemented a variety of financial management mechanisms that focus on resiliency during this tumultuous financial period. It follows sound governance practices, most notably by separating board president positions from general management, by ensuring board members' independence from management and by pursuing sustainable results. Sollio Cooperative Group also recognizes the autonomy and independence of its member cooperatives.

Principle 5

Education, training and information

Sollio Cooperative Group provides its members, directors, managers and employees with the education and training they need to make an effective contribution to the organization's development. The organization attaches great importance to continuing education.

**Total number of hours of training
for board members in 2022:**

305
Hours

The next generation of farmers is very important to Sollio Cooperative Group and its network. Since its creation in 2008, the Fonds coopératif d'aide à la relève agricole (FCARA) has provided over \$8 million in financial support to more than 800 farmers. Young farmers who took part in the program received nearly 750 hours of training on a variety of topics from the Sollio Academy in 2022. This training constituted an enriching professional development opportunity. Nearly 150 people took part in the FCARA program in 2022.

FCARA in 2022 is:

750
Training hours

150
Participants



Principle 6

Cooperation among cooperatives

Sollio Cooperative Group promotes inter-cooperation among its member cooperatives. It also partners with many other cooperative organizations dedicated to promoting cooperation and sustainable development.

These organizations include:

- Conseil québécois de la coopération et de la mutualité (CQCM)
- Fondation pour l'éducation à la coopération et à la mutualité
- Table des responsables de la formation coopérative et mutualiste du Québec
- Co-operatives and Mutuals Canada
- Société de coopération pour le développement international (SOCODEVI)
- Consortium de ressources et d'expertises coopératives
- Coop Carbone
- Institut de recherche et d'éducation pour les coopératives et les mutuelles de l'Université de Sherbrooke (IRECUS)
- Interdisciplinary Centre for Research and Information on Collective Enterprises (CIRIEC-Canada)

Several initiatives demonstrate the strength of inter-cooperation within Sollio Cooperative Group and its network. For example, the cooperative took part in the Global Innovation Coop Summit, the first consultative assembly of the Conseil québécois de la coopération et de la mutualité and the Mouvement de l'économie sociale cocktail event.

Principle

7

Concern for community

Born in a spirit of mutual assistance, Sollio Cooperative Group was founded by a group of agricultural cooperatives that worked together and shared the goods and services they needed. It is therefore only natural that concern for community is one of the principles that guide the cooperative's actions.

Donations and sponsorships

Donations and sponsorships are organized into six categories to guide the actions of Sollio Cooperative Group and the three divisions.



Promoting and supporting the agriculture and agri-food community



Promoting the cooperative movement



Encouraging social and community-based initiatives



Fostering sustainable development, local consumption, and healthy lifestyle habits



Supporting the economic development of the industry



Helping the next generation of farmers gain visibility and find success

In the past fiscal year, Sollio Cooperative Group and its divisions awarded nearly \$8 million in donations and sponsorships in the form of cash, food and volunteer hours.

Sollio Cooperative Group

\$515,655

\$81,666 in donations
\$426,489 in sponsorships

Sollio Agriculture

\$170 000

\$40,000 in donations
\$130,000 in sponsorships

Olymel

\$7,021,685

\$321,005 in donations
\$6,700,680 in sponsorships

BMR Group

\$219,280

\$64,400 in donations
\$154,880 in sponsorships

Community donations

By category, in the form of money, food or volunteer hours

					
	Promoting and supporting the agriculture and agri-food community	\$293,581	\$65,000	\$7,500	\$2,688,335
	Promoting the cooperative movement	\$84,564	\$0	\$3,350	\$0
	Encouraging social and community-based initiatives	\$60,000	\$40,000	\$202,080	\$625,960
	Fostering sustainable development, local consumption and healthy lifestyles	\$41,080	\$0	\$0	\$0
	Supporting the economic development of the industry	\$9,430	\$15,000	\$750	\$3,707,390
	Helping the next generation of farmers gain visibility and find success	\$27,000 *	\$50,000	\$4,600	\$0

* The amount invested in FCARA is not included in the donation and sponsorship data in this section.

Main causes supported by Sollio Cooperative Group

Sollio Cooperative Group cares about rural prosperity and actively contributes to the success of rural areas. These are the main causes we support.

Promoting and supporting the agriculture and agri-food community



- **Au Cœur des Familles Agricoles (ACFA):** Sollio Cooperative Group is a major contributor to this organization, which provides psychosocial services to promote the well-being of farming families in Quebec.
- **Association des marchés publics du Québec (AMPQ):** In 2022, Sollio Cooperative Group was proud to present the Semaine des marchés publics, a week celebrating farmers' markets. This was a great opportunity to recognize and support the hard work of our farmers while buying local.



Promoting the cooperative movement

- **Sollio Cooperative Group** is a major partner of the Semaine de la relève coopérative, a week-long event hosted by the Conseil québécois de la coopération et de la mutualité (CQCM). Its mission is to teach Quebec youth about the individual and collective advantages of the cooperative model.



Encouraging social and community-based initiatives

- **Red Cross:** The Red Cross offers humanitarian assistance to support communities that are far from us in distance but near to our values of solidarity.
- **Défi Sollio:** This sporting event, which includes walking, running and cycling, has raised over \$1.5 million since it began in 2014. In 2022, the seventh annual Défi Sollio raised \$99,000 for United Way East Ontario, Sourire sans fin and Le Phare, Enfants et Familles. Défi Sollio was organized in collaboration with Uniag Coopérative. It boasted over 100 participants and volunteers.
- **Volunteer program:** In 2019, Sollio Cooperative Group established a volunteer program that allows employees to give generously by participating in a volunteer day organized by their teams.



Fostering sustainable development, local consumption and healthy lifestyles

- **Partnership with the Conseil Patronal de l'Environnement du Québec (CPEQ):** The organization supports the CPEQ's advocacy work on behalf of Quebec businesses among governments and other stakeholders in the environmental and sustainable development sectors.



Supporting the economic development of the industry and networking events

- **Mercuriades:** Sollio Cooperative Group was among the partners of the 42nd annual Mercuriades awards. Hosted by the Fédération des chambres de commerce du Québec (FCCQ), the Mercuriades are the most prestigious business awards in the province. They were attended by nearly 1,000 people at the Palais des congrès de Montréal.
- **Women in Governance** Sollio Cooperative Group took part in the organization's annual event recognizing actions to promote gender equity, diversity and inclusion.



Helping the next generation of farmers gain visibility and find success

- **New Farm Enterprise and Farm Succession Award (Sollio Next Generation Award):** For over 20 years, this award has recognized farming families in our network who have successfully transferred or established a farming business while ensuring sustainability and equity for all stakeholders.
- **Fonds coopératif d'aide à la relève agricole:** For 15 years, this program has provided member farmers in our cooperative network with financial and professional support and opportunities for skills development. It is administered jointly by Sollio Cooperative Group and its member cooperatives, Desjardins, and the Fédération de la relève agricole du Québec.
- **Scholarships:** Sollio Cooperative Group awarded scholarships to students at the agricultural and nutrition sciences faculty of Université Laval and the Institut de technologie agroalimentaire du Québec (ITAQ).
- **Fundraising:** Sollio Cooperative Group and Sollio Agriculture conduct major fundraising drives to improve teaching and research facilities at the agricultural and nutrition sciences faculty of Université Laval.

Finalist for the Sollio Next Generation Award 2022 - Ferme Karibel Inc.



Andy Tessier, winner of the Intérêt et engagement en productions polyagariques Award (ITAQ)





Main causes supported by Sollio Agriculture

Donations and sponsorships

Sollio Agriculture seeks to grow its profile among farmers, their families and communities and the next generation by sharing brand attributes that position the organization as a leader in Canadian agriculture. It does so by providing various activities that give farmers, their families and their communities tangible and memorable experiences with the brand. Sollio Agriculture's main corporate and commercial sponsorships in 2021–2022 were as follows: National partner of Canada's Outstanding Young Farmer's Program, Fédération de la relève agricole du Québec (FRAQ), Quebec 4-H and Association des jeunes ruraux du Québec (AJRQ); donation to Université Laval for a five-year agreement in collaboration with Sollio Cooperative Group; sponsorships for the Association québécoise des industries de nutrition animale et céréalière (AQINAC), the Centre de référence en agriculture et agroalimentaire du Québec (CRAAQ) and Réseau végétal Québec.

Main causes supported by BMR

BMR Group takes to heart the well-being of its communities. In the past year, it gave a record \$220,000 in donations and sponsorships to a variety of causes, communities and clienteles.

It supports activities in many different communities, promotes local and community agriculture, helps youth and the next generation reach their potential, supports the development of the arts through the cultural expression of communities and heritage preservation, and contributes to mental and physical healthcare and research. BMR Group gave to the Gala Agricultrices du Québec, helped grow a garden that is used for food assistance, raised visibility for the Fondation des jeunes de la DPJ's Christmas campaign, and made donations to the Petite Fermette du mieux-être, a speed skating club, a summer camp equipment drive, the Concours Éco Design, the Festival acadien de Caraquet, the Festival en chanson de Petite-Vallée and the High Rise Challenge, among other causes.

Main causes supported by Olymel

At Olymel, we give back, together

Olymel has donated foodstuffs to numerous charitable and mutual aid organizations, including food banks, Moisson food drives in various regions and La Tablée des Chefs. What's more, Ensemble on redonne has been relaunched following a pause during the pandemic. This initiative encourages employees to fundraise and volunteer for organizations in their communities. It focuses on Moisson food drives, but other organizations can also be supported, depending on where plants and distribution centres are located. Finally, we have transferred a portion of the potable water allocated to us in Saint-Simon (328,500 cubic metres annually) to the municipality, which will use this resource to spur residential and commercial development.



Our ambition

Promote healthy and responsible products to our customers

Modern consumers are increasingly informed and health conscious. They also want to support their local economy and reduce the impacts of their lifestyles on the environment. Sollio Cooperative Group wants to address these expectations by adopting good practices and offering responsible products. For this reason, the organization works to reduce the negative impacts of all its value chains.

Sollio Agriculture

Funding to accelerate the adoption of digital agriculture technology

The use of digital agriculture technology, such as data-driven technology, precision agriculture, artificial intelligence and connected objects will help farmers enhance productivity while minimizing environmental impacts. It will also ensure traceability for agronomic advice.

For this reason, Sollio Agriculture has joined forces with Quebec retailers and agricultural cooperatives in the Sollio Cooperative

Group network and the Quebec government to help agricultural businesses make the digital shift. This campaign began in 2022 and will run until 2024. It will assist 200 farms per year, for a total of 400.

Thanks to this program, advice, diagnostics, and technological assistance will be made available to farmers at no cost. After the diagnostic process is complete, four time-bank-style packages will be offered based on the needs of the businesses in question.

Reducing insecticide coating with a flexible seed offering

Maizex, in which Sollio Agriculture has 80% ownership, has developed a flexible insecticide coating offering that sets it apart from other seed producers.

Maizex produces and markets corn under the Maizex brand and soybeans under the Elite brand. Historically, 100% of hybrid corn seeds were sold coated with insecticides, regardless of actual needs in the field. Maizex modified its offering to make insecticide-free seeds available upon request. Farmers can benefit from the offering thanks to on-site diagnostics provided by agri-advisors. Insecticides can be prescribed only when necessary, which has reduced the sale of insecticide-coated seeds by 50% and saved farmers 2% to 3% on seed costs annually. The new seed offering has also reduced the health risk index (HRI) and the environmental risk index (ERI). "These indices consider long- and short-term toxicity for human health and non-targeted species, including bees, worms and aquatic organisms, as well as the mobility and longevity of products in the environment."*

* (Source: Agri-Réseau - https://www.agrireseau.net/documents/Document_93339.pdf)

BMR Group

Environmentally conscious products

In order to offer more eco-friendly product options, BMR Group has focused on three consumer product categories, including the Splendi PRO paint brand, which was launched in 2021. This professional product rounded out BMR's exclusive Splendi range. It is low in volatile organic compounds (VOCs) and acrylic free. In advance of the 2022 summer season, BMR Group and its asphalt coating supplier introduced a new coal tar-free coating formulation for asphalt driveways. BMR also stopped carrying all products formulated with coal tar. Governmental studies demonstrate that products containing coal tar can entail risks to the health of users, biodiversity and the environment.



Olymel

Feeding the world is in Olymel's DNA. The company strives to do so while respecting the needs and requirements of its multiple clienteles. For this reason, it sits on an Amélioration alimentaire Québec (AAQ) committee that aims to increase the availability of products with enhanced nutritional value produced in Quebec. Likewise, Sollio Cooperative Group's food division works to reduce and modify its ingredient lists in order to offer a "clean label" free of products that consumers do not wish to find in their food. Olymel also formed a multidisciplinary team to assess various options for ecological package design.

In 2022, to enhance its hygiene standards, Olymel opened a central microbiology laboratory, which provides services to six Olymel plants. Over 23,000 tests have been performed in the laboratory's first year, and the facility is set to increase its volume in 2023.

Over the past few years, Olymel has begun transitioning to using Paperless Forms by Datahex at its production and distribution sites. This software facilitates the analysis of data that is essential for maintaining and improving quality and hygiene systems in order to help companies make decisions. By eliminating paper forms, Olymel is able to standardize, centralize and more efficiently process the data from all its facilities. Digitization also facilitates access to information, the tracking of non-compliance cases and the presentation of statistics and reports. In 2022, Olymel completed the deployment of Paperless Forms across all its facilities. It has since been working to optimize the technology.



Our ambition

Ensure animal welfare

The health and well-being of animals is an important issue in agriculture. For several years, Sollio Cooperative Group has worked with its members to improve practices by promoting methods of livestock farming that meet the expectations of customers and the public.

Sollio Agriculture

Research projects in livestock production

Since 2020, Sollio Agriculture has partnered with the Natural Sciences and Engineering Research Council of Canada (NSERC) Industrial Research Chair in metabolic activity and the functionality of bioprotective lactic cultures (METABIOLAC) at Université Laval. Lactic cultures are natural compounds (bacteriocins) isolated from various constituents of cow's milk. These natural compounds are used in the aim of developing antibiotic-free livestock farming practices while maintaining growth performance and controlling herd morbidity and mortality. The results of this initiative will meet increased consumer demand for natural, high-quality foods free of chemical preservatives. It will also reduce the impact of antibiotic-resistant micro-organisms.

The project proposes a scientific and management approach to enable the development of functional biomaterials and products that are in high demand in the nutrition and veterinary sectors and in livestock production. In 2022, Sollio Agriculture conducted two projects at its poultry research station to evaluate the effects of natural compounds compared to commercial antibiotics on broilers.

Sollio Agriculture also designed research projects to reduce the proportion of zinc in feed for weaned piglets. While the use of high concentrations of zinc in feed reduces antibiotic use, piglets do not fully digest this element and partially expel it, which presents an environmental risk. Sollio Agriculture assessed several food additives to replace part of the zinc in piglet feed while maintaining the intestinal health of piglets and their growth performance post weaning.

BMR Group

Agrizone, a division of BMR Group, expanded its range of products that promote animal welfare.

For Agrizone, animal welfare and supporting farmers are guiding moral principles. Our practices are strongly anchored in these values. For this reason, the company has once again added to its range of products for animals. These new products will encourage farmers to modernize their facilities while maximizing the profitability of their businesses by improving the well-being and comfort of livestock and boosting productivity. Products include gates, feeders, feed fronts, building ventilation systems, specialized lighting, mats and mattresses for the comfort of dairy cows, and wall covering product ranges to facilitate cleaning and reduce biosecurity risks.

Olymel

Training and awareness initiatives

Olymel continues to conduct awareness and training initiatives in animal welfare. In the poultry sector in 2022, various stakeholders were given a training program developed in 2021 on the best ways to avoid stress, injury and suffering to birds during transfers from henhouses to slaughterhouses. In the pork sector, Olymel released 12 new videos on worker safety, biosecurity and best practices in pig farming. These tools were added to previously produced videos on animal welfare, behaviour and humane handling to reduce animal stress.



3

Planet

Protecting resources, ecosystems and life





Our ambition

Set and achieve a target for reducing greenhouse gas emissions from our operations

In 2022, Sollio Cooperative Group conducted a greenhouse gas emissions inventory for the parent company and its three divisions. The group used the GHG Protocol to perform the exercise. The GHG Protocol is a globally recognized framework used to calculate metric tonnes of greenhouse gases.

We calculated the emissions of facilities over which we have operational control, which amount to 291 facilities in 10 provinces. The time frame used was the 2019–2020 fiscal year, which was the most representative of the group's normal operations.

We considered scopes 1 and 2 of the protocol. Scope 1 includes emissions from burning fuel, managing and spreading manure, enteric fermentation and leaks of refrigerant gas. Scope 2 includes indirect emissions related to the purchase of electricity.

The calculation of scope 3 emissions is more complex. However, we are aware that in our sectors, these emissions make up a large portion of our carbon footprint, and that it is crucial to calculate them in order to understand the risks and opportunities of climate

change and its impact on our value chain. In 2022, we began quantifying our scope 3 emissions. This provided us with an approximation of our largest sources of indirect emissions, which are presented here as percentages. In 2023, we will continue to fine-tune our reporting, seeking always to do so transparently.

The steps needed to calculate scope 3 emissions will also allow us to strengthen our relationships with various stakeholders, including suppliers and joint ventures. This is a 2023 objective for Sollio Cooperative Group, as we seek to better understand the priorities and expectations of our stakeholders.

Our objectives for 2023

- Optimize the collection of data needed to quantify emissions.
- Refine and finalize the calculation of our 2019–2020 scope 3 emissions.
- Set reduction targets for the parent company and divisions compared to our base year 2019-2020.

Overview of greenhouse gas emissions

	Scope 1	Scope 2	Scope 3
	Emissions under operational control		Indirect upstream and downstream emissions
<div><div></div><div>Sollio Cooperative Group</div></div>	<div>●</div> <div>578,039 t</div> <div>CO₂ eq</div> <div><div>● 198 t CO₂ eq</div><div>● 38,296 t CO₂ eq</div><div>● 11,270 t CO₂ eq</div><div>● 528,275 t CO₂ eq</div></div>	<div>●</div> <div>61,339 t</div> <div>CO₂ eq</div> <div><div>● 3 t CO₂ eq</div><div>● 3,196 t CO₂ eq</div><div>● 139 t CO₂ eq</div><div>● 58,001 t CO₂ eq</div></div>	<div>●</div> <div>%</div> <div>of total GHG inventory*</div> <div><div>● 95%</div><div>● 99%</div><div>● 98%</div><div>● 66%</div></div>
<div><div></div><div>Parent company</div></div>	<div>• Natural gas consumption</div>		<div>• Purchase of goods and services</div> <div>• Employee transportation</div>
<div><div></div><div>Sollio Agriculture</div></div>	<div>• Consumption of natural gas and other fuels used by feed mills</div> <div>• Truck fleet</div>	<div>• Electricity consumption</div>	<div>• Purchase of grains and commodities</div> <div>• Third-party transportation of grains and commodities to farms and markets</div>
<div><div></div><div>BMR Group</div></div>	<div>• Consumption of propane, natural gas and other fuels</div> <div>• Truck fleet</div>		<div>• Purchase of drywall and lumber products</div> <div>• Third-party transportation of goods among warehouses</div>
<div><div></div><div>Olymel</div></div>	<div>• Management of solid and liquid manure</div> <div>• Natural gas consumption</div> <div>• Truck fleet</div>		<div>• Third-party transportation</div> <div>• Purchase of livestock, feed and equipment**</div>
Legend: ● Sollio Cooperative Group (● Parent company ● Sollio Agriculture ● BMR Group ● Olymel)			





* For example, 95% of GHG emissions produced by the parent company are scope 3 emissions.

** Olymel purchases its feed from Sollio Agriculture. As a result, Olymel's scope 3 emissions for the purchase of feed are also included under Sollio Agriculture's scope 1 emissions.

In order to set targets for reducing energy consumption and identify the most promising energy efficiency projects, Sollio Cooperative Group introduced an indicator to track

energy consumption. For the purposes of consistency with the greenhouse gas inventory, the data in this report is from fiscal year 2019–2020.

Energy consumption, 2019–2020

	 Sollio Cooperative Group (Parent company)	 Sollio Agriculture	 GROUPE BMR	 OLYMPIA
Total consumption (en GJ)	9,206,981	207,718,145	90,350,057	452,533,293
Diesel (L)	0	640,973	563,953	8,220,944
Electricity (MWh)	2,556	38,814	18,283	498,022
Natural gas (m³)	102,625	8,101,230	897,803	56,475,213
Propane (L)	0	726,961	11,831	2,955,021
Fuel oil (L)	0	476,361	93,141	311,719
Gasoline (L)	0	38,902	0	0

Sollio Cooperative Group

Sollio Cooperative Group has submitted comments in two consultations. In the first, which focused on reducing greenhouse gas emissions from fertilizers, the organization highlighted the importance of involving and equipping farmers in order to reach reduction targets, both through financial support to adopt new technologies and through knowledge development. The second consultation was concerning Bill 102, which was adopted in April 2022 as An Act mainly to reinforce the enforcement of environmental and dam safety legislation, to ensure the responsible management of pesticides and to implement certain measures of the 2030 Plan for a Green Economy concerning zero emission vehicles. During the consultation, Sollio Cooperative Group highlighted the importance of insisting that amounts earmarked for crop protection product use be diverted to fund the adoption of new technology.

Sollio Agriculture

Assistance and knowledge transfer to reduce greenhouse gases thanks to intensive grazing for bovine production

The Conseil québécois des plantes fourragères (CQPF) asked Sollio Agriculture to take part in a program led by the Canadian Forage and Grassland Association (CFGa) and Farmers for Climate Solutions, which supports cattle farmers who wish to intensify pasture management. The program involves the rotation of livestock through a series of pastures in order to extend the grazing season. Its benefits include greater zootechnical performance, reduced feed costs, greater carbon sequestration, enhanced biodiversity and less frequent use of farming machinery.

Several initiatives have been deployed to help farmers adopt these practices. They include training five agri-advisors from Optiboef, s.e.n.c, who have become intensive grazing mentors; information sessions across Quebec; presentations at the Atlantic Beef School and Congrès Bœuf, and an article in Coopérateur magazine. Sollio Agriculture plans to help 50 cattle farmers adopt the practice by 2024.

In collaboration with farmers, Sollio Agriculture has also developed a new forage crop mixture that meets the requirements of the On-Farm Climate Action Fund. This new mixture captures more carbon in the soil and thus decreases the release of greenhouse gases on farms.

Olymel

The heat recovery projects launched in 2019 by Olymel are still in progress. Major investments have been made at two new sites (Sainte-Rosalie and Vallée-Jonction) to install equipment for recovering secondary energy.

Olymel has placed its first order for two electric vehicles to join its fleet. They will be in operation by early 2024. By joining forces with LION Electric, we are proud to encourage local consumption and help build Quebec's expertise in electric vehicles. As the charging station network expands, we will gradually be able to electrify our vehicle fleet.

We are pleased to be working with Hydro-Québec on an innovative project to store electricity for use during peak hours. By managing this electricity jointly, the two parties will

be able to maximize and regularize the exchange of electricity between the Saint-Esprit plant and the grid. This groundbreaking project will secure the supply of electricity to the plant, contribute to the peak management program (reduced consumption during peak periods) and allow electricity to be injected back into the grid if needed.

We began a plan to replace Freon R-22 gas, which is used in air conditioning, with R-407A. The Princeville plant was converted in 2022, and five sites are targeted for the replacement project in 2023. Freon R-407A refrigerant does not deplete the ozone layer and has a lower global warming potential than R-22.



Our ambition

Give farmers the tools to better manage the effects of climate change

Climate change adaptation is particularly relevant in agriculture. While climate change may help increase yields for some crops, such as soybeans, which benefit from a longer growing season, it also entails risks: increased winter mortality of various crops, the emergence of new crop pests, drought, or conversely, intense rainfall.

To benefit from the opportunities of higher temperatures while minimizing the harmful effects of climate change, agriculture must adapt and innovate.

Sollio Cooperative Group and its divisions know that climate change will harbour significant risks for local communities, ecosystems, its business environments and its members, who own farming businesses and must contend with unpredictable weather. Action must be taken to boost the resiliency of the group and of farmers. A process to assess risks and potential solutions must be put in place. It will require the involvement of multiple stakeholders to gain a comprehensive understanding of the issues and of possible actions to take. Sollio Cooperative Group will reflect on the issue so that it can act concretely in the coming years.



Our ambition

Minimize the impact of our operations on water resources

Water is a precious resource, and conserving it is a major concern for Sollio Cooperative Group. In 2022, the organization conducted a water balance for its operations, measuring the volume of water consumed directly by its facilities in order to identify priority opportunities for reduction.

Sollio Cooperative Group

During this exercise, Sollio Cooperative Group calculated the water consumption over which it has operational control, which covered 291 facilities in 10 provinces. The definition of water consumption used in the proposed study is that of the ISO 14046 standard, and the timeframe considered is fiscal year 2019–2020, which was the reference period that best represented the cooperative's normal operations. In 2023, this assessment will allow us to identify reduction targets for the organization and give ourselves an action plan to achieve them at the division level.

Sollio Agriculture

At Sollio Agriculture's crop production research farm, initiatives to reduce water use are already under way. A water catch basin was constructed during the year. Rainwater and snowmelt will now be collected in this reservoir and re-used to irrigate certain research fields.

Olymel

Water conservation is also a daily concern for Olymel. The company has achieved substantial water savings at two sites. At Berthierville, plant management has focused on water conservation for the past two years. The second phase, which was launched in 2022, involved adding automatic controls

with valves or actuators and gate valves to control water flow on certain equipment. Over the past two years, total water consumption at the plant was reduced by nearly 1,450 cubic metres per day, constituting a 60% reduction in total consumption (including cold and hot water). At the Saint-Damase plant, Olymel substituted the potable water used in vacuum pumps with pretreated water taken from primary wastewater treatment output. Other initiatives were put in place, such as relaunching an internal water conservation committee, automating the filling of water chillers and installing replacement nozzles with straighter orifices. All these actions reduced water consumption at Saint-Damase by 30%, which amounts to nearly 700 cubic metres per day.

At our pig farms, water consumption control equipment is already in place to reduce the amount of liquid manure generated. Water meters will be installed at the remaining sites to track consumption. This will allow us to react rapidly to excessive consumption (such as in the case of a breakage). In addition, a water management and emergency measures plan has been developed for Fermes Boréales. Probes will be installed in wells to control the drawing of water and ensure supply from an external source (a cistern) in the case of lowered capacity to prevent the well from running dry.

Water assessment

				
Total water consumed in m³	9,354,692 (sum of parent company and divisions)	5,500 (Parent company)	114,142	Data not available *
				9,240,000

* Water consumption data for BMR is not available for the 2019–2020 reference year.

Our ambition

Support farmers in sustainable water management

L'agriculture a un impact sur la quantité et la qualité de l'eau disponible, notamment par le biais de l'irrigation, du drainage et des lixiviats pouvant survenir dans les fermes. Dans un contexte où les changements climatiques et la variabilité du climat affectent la disponibilité de l'eau, Sollio Groupe Coopératif juge essentiel de soutenir ses producteurs agricoles membres afin qu'ils fassent preuve d'une gestion durable de leur consommation en eau, les pratiques agricoles choisies pouvant augmenter ou diminuer la demande en eau et favoriser ou non la capacité hydrique des sols.

Sollio Agriculture

The Sollio Agriculture crop production research farm has introduced four new agri-environmental indicators: water quality, air quality, greenhouse gases and soil quality. One purpose of these indicators is to study the impact of fertilizers on water quality in order to innovate in farming and support research-based environmental initiatives.

To deepen Sollio Agriculture's expertise, this project focuses on specific products and their impacts. PurYield fertilizer (coated urea) is currently being studied in partnership with McGill University and Avantis Coopérative. The objective

is to assess the effects of PurYield on corn according to the four agri-environmental indicators. Ultimately, we hope that this research guides and informs farmers in optimizing their practices thanks to a tool for selecting fertilizers that takes the specific characteristics of each farm into account (soil, crop management, hardiness zone, etc.) The results to date were published in the November–December 2021 issue of Coopérateur.

<http://coopérateur.coop/fr/affaires/capsule/gaz-effet-de-serre-sollio-agriculture-tournee-vers-lavenir>



Our ambitions

Reduce waste generated by our operations and stop it from ending up in landfill

Eliminate food waste and recover organic waste generated by our operations

Sollio Cooperative Group applies the 3R-RD principle to reduce the amount of waste that ends up in landfill. It prioritizes (in order of importance) reduction, re-use, recycling and reclaiming, with disposal as a last resort. The organization is also involved in working groups to support initiatives that can benefit the entire network.

Under this framework, reclaiming organic waste and reducing food waste are especially important, as they are challenges for the agri-food industry. Optimizing operational efficiency is a direct way to fight climate change by limiting food waste and reducing the organic matter in landfills, which thereby avoids greenhouse gas emissions at every stage of production. Optimization can be achieved by finding innovative solutions in the livestock feed sector to reclaim organic waste, or by reusing the by-products of Olymel's production in pet food.

Sollio Cooperative Group, Sollio Agriculture and BMR Group

Throughout the year, Sollio Cooperative Group, Sollio Agriculture and BMR Group have worked together on a major agricultural waste recovery project.

Recent modifications to the Regulation respecting the recovery and reclamation of products by enterprises will impose an eco-fee for the disposal of agricultural plastic beginning in June 2023. By adding fees to sales prices, the eco-fee system finances the recycling of most agricultural plastics, pesticide jugs (which have already been recovered for many years), pesticide-coated seed bags, and containers or the bags used to sell them.

To prepare for this change, the Environmental Department of Sollio Cooperative Group is working closely with Sollio Agriculture and BMR Group. The Environmental Department serves on working committees formed by Cleanfarms, a non-profit organization tasked with reclaiming agricultural waste.

On these committees, Sollio Cooperative Group conveyed the experience it acquired as a participant in other extended producer responsibility programs (Éco-Peinture, Call2Recycle, etc.) and shared data to help determine an eco-fee amount that would represent the actual cost of managing agricultural plastic at end of life. The organization's involvement is helping to implement an efficient system for recovering agricultural plastic that meets farmers' needs.

Cleanfarms drop-off points

BMR Group and its retailers continue to work with Cleanfarms and are setting up agricultural plastic collection points throughout their network. There are now 13 such sites, which

enabled 132 tonnes of silage plastic to be collected in 2022. These collection points will allow farmers across Quebec to responsibly dispose of their agricultural plastic locally.

In-store recovery program

Paint, batteries and florescent lightbulbs can also be recycled at collection points in the BMR Group network. No fewer than 74% of participating retailers thereby do their part to reduce the amount of hazardous household waste that ends up in landfills.

Olymel

Optimized packaging and recovery through rendering

Olymel has implemented a continuous improvement process that aims to streamline and optimize packaging materials without compromising on food safety or quality. Many suppliers are taking part in this initiative, which will continue throughout 2023. Actions are also under way to help meet market demands and offer packaging options that reduce the company's carbon footprint, such as replacing polystyrene foam dividers with cardboard at our Trois-Rivières, Cornwall and Drummondville plants.

Paper consumption continues to go down, partially thanks to the use of digital solutions. What's more, slaughterhouse waste is 100% recovered through rendering at all Olymel facilities.



Our ambition

Promote sustainable agriculture among farmers and other agri-food industry players

Sustainable agriculture allows us to meet modern needs for food, energy and textiles without imperilling the ability of future generations to meet their needs. This ambition is fundamental for Sollio Cooperative Group and its divisions.

Sollio Cooperative Group

Sollio Cooperative Group has participated in working groups on the Quebec government's 2018–2025 bio-food policy. The government consulted a variety of partners in Quebec's bio-food sector on their shared commitments in order to create a common policy.

Sollio Agriculture

We organized seven activities on the transfer of sustainable agriculture knowledge for agri-advisors:

- Ralliement Agro 2022
- Research farm tour
- A guide to sustainable crop farming
- A talk on sustainable agriculture at the Congrès végétal
- An article in *Indice Orange*
- Agri-advisors' Meeting
- Training on 4R management (right source, right rate, right time, right place)

Two crop production research initiatives

Field tests were conducted at ten private farms and the research farm to assess the efficacy of inputs made with bacteria that harvests nitrogen from the air, which would eventually enable farmers to reduce nitrogen fertilization for corn and grains.

The crop production research farm continues to transition to organic agriculture. Organic forage crops have been planted on 24 acres with the objective of achieving organic certification by 2025. Our farm will then have the largest organic area of any private research farm in North America. This initiative allows us, in collaboration with the Research and Development Institute for the Agri-Environment, to document the transition to organic agriculture, develop tools to counter water stress, open up new markets and help farmers make their own transitions.

Innovative solutions

Twelve cooperatives in the Sollio Cooperative Group network and Sollio Agriculture are shareholders in Viridis, a waste management company that re-uses waste to feed the soil and plants, putting what comes from the earth back into nature. Every year since 2011, Viridis has recycled over 600,000 tonnes of waste, which have been redistributed to nearly 1,000 agricultural businesses, as well as forestry operations and degraded sites.



Our ambition

Be the benchmark in sustainable agriculture and agri-food in Canada

Sollio Cooperative Group works towards sustainable development goals, takes part in public discourse related to its mission and helps find solutions to secure a sustainable future in agri-food.

Sollio Agriculture

Promoting 4R management

In 2022, Sollio Agriculture continued actively promoting 4R management (right source, right rate, right time, right place), a sustainable approach to managing fertilizers and inputs that contributes to our efforts towards the healthy management of soil, air and water resources. A four-hour training session on 4R management was given to agronomists and technologists in March 2022. In addition, Sollio Agriculture sits on the 4R committee of Réseau végétal Québec (RVQ) and the 4R Solution Project committee (Africa).

A \$50,000 donation was made to Fertilizer Canada for the 4R Solution Project. Supported by Sollio Agriculture and other organizations, this project aims to improve the socio-economic wellbeing and resilience of 80,000 farmers, particularly women, in Ethiopia, Ghana and Senegal by improving agricultural productivity and farm income by incorporating 4R nutrient stewardship. This initiative leverages Sollio Agriculture's agronomical expertise to facilitate the adoption of 4R management across Quebec and in Africa.

Olymel

Active industry participation

Olymel is involved in many associations in the food industry, including the Canadian Meat Council, the Canadian Poultry and Egg Processors Council, the Conseil de la transformation alimentaire du Québec, the Safe Quality Food Technical Advisory Committee, Food and Beverage Canada, the International Association for Food Protection, the Institute of Food Technologists, the Mouvement québécois de la qualité and the Quebec Association for Food Protection. Olymel members who sit on the committees of these associations contribute to the exchange of best practices in food safety.



4

People

Putting people at the centre of our decisions





Our ambition

Develop a forward-thinking work model built on a strong employer brand

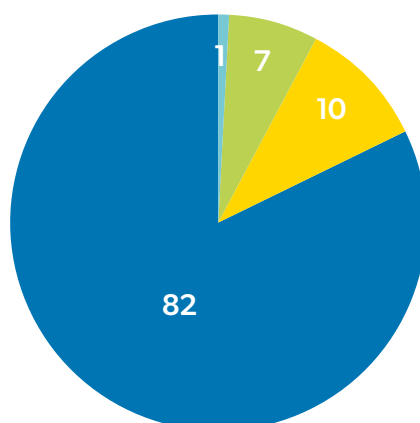
Sollio Cooperative Group works hard to stand out as an employer of choice in the current labour shortage context. Corporate and cooperative responsibility is a rigorous process that aims to incorporate not only environmental, social and governance concerns but also the overall health and well-being of employees.

The cooperative's employer brand places as much focus on the employee experience as the member and customer experience. Its development relies on recruiting and retaining top candidates, who are drawn to the organization's openness to diversity and innovative ideas. In its recruitment process, Sollio Cooperative Group emphasizes its cooperative model as an important differentiator. It will implement an employer brand project in 2023 at two cooperatives: Agiska Coopérative and Avantis Coopérative.





Our workforce in numbers (2021 update)

Breakdown of our workforce (%)

■ Parent company: (131) ■ Sollio Agriculture (1,162)
■ BMR Group (1,516) ■ Olymel (13,099)



Age groups

	 Sollio Cooperative Group (Parent company)	 Sollio Agriculture	 BMR	
Under 25	1%	12%	23 %	7%
25-35	27%	18%	16%	20%
35-45	27%	23%	17%	24%
45-55	25%	23%	15%	24%
Plus de 55	21%	23%	30%	25%

Gender

	 Sollio Cooperative Group (Parent company)	 Sollio Agriculture	 BMR	
Men	40%	62%	64%	64%
Women	60%	38%	36%	36%



Inclusion and parity

Our equity, diversity and inclusion approach

It is crucial to foster a welcoming, inclusive organizational culture to allow everyone to be at their best on a daily basis. Sollio Cooperative Group began a rigorous process to build diversity, equity and inclusion (DEI) at its workplaces in order to foster innovation, creativity and belonging. The organization works tirelessly to ensure that employees feel respected and valued and can progress in a discrimination-free workplace. We are pursuing a number of measures to achieve this goal:

Collecting data using a self-identification questionnaire to better learn how employees feel in their workplaces and how diversity, equity and inclusion play out on a daily basis

- Identifying common areas for action
- Building connections with members of various groups and communities, including the 2SLGBTQI+ community, and being sensitive to their needs
- Building connections with Indigenous communities and people with disabilities

Implementing an action plan to:

- Communicate with our employees and solicit their involvement by creating an employee working group or providing an awareness workshop during our annual employee forum
- Review our organizational policies and practices
- Mandate diverse representation in cohorts of the Altitude executive leadership skills development program
- Participate in The A Effect, a women's leadership development program



The A Effect

Sollio Cooperative Group seeks to support professional development for women within the organization by offering the opportunity to participate in The A Effect's Défi 100 jours, an initiative designed to encourage the ambitions of women by helping participants to:

- Identify barriers to realizing their aspirations
- Adopt a more positive mindset
- Develop solid self-reflection habits

In 2022, four workshops were held to allow the A Effect community, including graduates and new cohorts, to share and develop tools together. These workshops were presented in the form of testimonial sessions and co-development and networking workshops. The year saw a record number of A Effect participants: seven (from BMR Group, Sollio Agriculture and Sollio Cooperative Group) in the spring 2022 cohort, and eight (from BMR Group, Sollio Agriculture, Sollio Cooperative Group and VIVACO groupe coopératif) in fall 2022. For the first time, two participants from a cooperative (VIVACO groupe coopératif) joined a cohort, and one Ontario-based participant from the Sollio Agriculture division completed The A Effect's Ambition Challenge in English. In total, 43 employees in the Sollio network have taken part in The A Effect's Défi 100 jours since 2017.

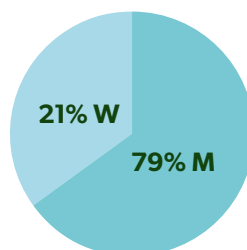
Women in Governance

For the sixth time since 2017, Sollio Cooperative Group was awarded Parity Certification by Women in Governance. This acknowledgement is awarded to Canadian organizations that demonstrate exceptional commitment to parity, diversity and inclusion. It speaks eloquently to Sollio Cooperative Group's commitment to gender equality in its workplaces.

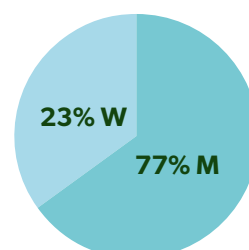
Under the action plan for the equitable representation of women in network governance, the organization implemented measures to reach 30% female representation in democratic bodies and forums within the Sollio Cooperative Group network by 2025.

Dans l'ensemble du réseau fédéré





In 2021
395 board members,
including 81 women



In 2022
347 board members,
including 80 women



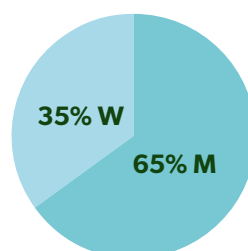
Female representation target: Achieve approximate parity of 40% across the organization

	 Sollio Cooperative Group (Parent company)	 Sollio Agriculture
Management, including senior management, (% of the number of women)	59,5%	31,1%
	 BMR	 OLYMER
	31,2%	N/A

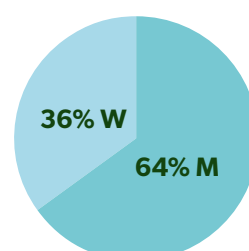
Breakdown of our workforce*

15,908 employees

In 2021



In 2022



*Persons who do not identify (or do not exclusively identify) as women or men were not included in this data. .

Alliance-Line

The Alliance-Line is an anonymous and confidential reporting system that allows employees to share their concerns, questions and thoughts in order to build trust within the cooperative and ensure that everyone's actions are compliant.

Parent company

Employer brand

An employer brand project will be launched in the coming year. It will allow the parent company to work with cooperatives in the Sollio Cooperative Group network to begin a process inspired by past initiatives.

Building engagement to reach objectives

During the year, employee activities were held to build engagement and support teams in achieving the organization's business objectives.

- Employees were invited to a remote session to openly discuss various topics with the Senior Vice-President, Human Resources.
- In collaboration with Sollio Agriculture, employees were given the opportunity to spend an hour with media personality Boucar Diouf, who inspired them to pursue their goals.
- This fall, we held our first in-person employee get-together, where coworkers celebrated the harvest over a delicious meal.

Inspirational meetings

Our inaugural leadership forum was held, bringing together members of executive committees at the parent company and division levels, as well as the general managers of large cooperatives. Conversations during the forum fostered better understanding of common concerns.

The organization also held its first-ever HR summit in 2022. Human resources teams from large cooperatives, the three divisions and the parent company came together to discuss common issues and share their expertise across the network.

Sollio Agriculture

Training opportunities for employees

Training and learning are strategic priorities for Sollio Agriculture, as they promote engagement, retention and development. Sollio Agriculture has therefore developed a free virtual training library that meets the needs identified by managers and employees as part of its Performance Management and Development Program. The training library is available in French and English. It covers topics such as communication, hosting effective meetings, time and priority management, professionalism, sustainable performance and customer service. Specific trainings for managers have also been offered on topics such as managing cultural diversity, managing hybrid teams, time management and delegating, knowledge transfer and coordinating employee roles.

Sollio Agriculture continues to direct an integration day and an agri-advisor program. It offers integration coaching initiatives and a language learning program. A pilot program was developed to provide a coaching platform for managers, which will be available in 2023.

Primary measured benefits

- Over 1,400 development goals incorporated into the Performance Management and Development Program
- Nearly 300 participants in the virtual training program
- 103 registrations for the agri-advisor program, including 30 new registrations

BMR Group

Diversity and inclusion

In 2022, BMR Group adopted a business model that incorporates an official diversity and inclusion program and policy. Dedicated to fostering an inclusive, engaging work environment, the company set concrete goals. They include increasing the representation of certain communities and creating networks for these communities. The objective is to attract top talent while helping current employees reach their full potential. At BMR, diversity incorporates the modes of expression and experiences of various groups. It includes, but is not limited to, age, gender identity, sexual orientation, First Nation status, disability and ethnic origin. Inclusion is fostered by an environment and culture in which people feel that they belong, are respected, and have equal access to opportunities.

Enhanced training programs

BMR Group has maintained, and even extended, its training offering. In November 2022, 14 graduates of Programme Le Relais were celebrated at the recognition gala held during BMR's 2022 trade show. The graduates, who were all part of the BMR Group network, completed training in order to facilitate their professional development as next-generation leaders at our retailers and in our corporate stores. An initial cohort also began the Programme Le Tremplin. Developed in collaboration with HEC Montréal's Executive Education department, this program gives participants the management skills needed to be effective in the workplace and allows them to enhance their knowledge of the retail sector. What's more, à-la-carte programs were added, significantly increasing the training options available to our retailers. Finally, new training sessions were held on the tools sold by BMR, which allowed participants to advance their know-how.

Talent acquisition and the labour shortage

In 2022, to contend with the labour shortage and building off the strength of its employer brand, BMR Group worked to bolster its strategy for attracting top talent. The company returned to various job fairs to promote BMR Group as an employer of choice to active and passive job seekers. New talent acquisition specialists were hired to help the company become more proactive and strategic. The Human Resources team also took part in best practice meetings with the other divisions of Sollio Cooperative Group to share success stories and find innovative solutions for attracting the best candidates.

Communication: At the core of our actions

Internal communication is an important engagement tool. We therefore took action to strengthen communications within the organization. All head office employees now attend quarterly meetings with the management team to learn more about financial results, the organization's direction, and major projects. This event is meant to be informal and transparent and aims to build engagement. An internal newsletter, *Porte-Voix*, is sent out on a weekly basis. It contains all information relevant to employees, such as ongoing projects, appointments, notes from HR, etc. We have also become more active on social media, which our employees greatly appreciate.

Olymel

Action plans to improve hiring and retention

To improve retention and make working in our plants more attractive, we have made changes to 14 collective agreements. As a result, we have been able to hire 946 new employees in affected plants (a 96% increase in hiring). This performance meant a net change of 367, compared to -428 last year. We also boosted our retention rate by approximately 15% in the affected plants.

We conducted a survey of administrative and management personnel in order to improve our employer brand positioning and enhance the employee experience. The survey covered the following: culture; equity, diversity and inclusion; customer focus; social responsibility; my manager/leadership; collaboration; communication; professional development; working conditions; continuous improvement; and engagement. These results will be used to develop action plans over the coming year with the aim of building our employer brand.

Regarding professional development, we are working to overhaul Continuum and associated training programs. Our ideal model will identify individuals with growth potential, develop employees' skills, provide coaching and follow-up by managers, match interests with career opportunities, and manage the leadership talent pool.



Our ambition

Support the physical and mental well-being of every member and employee across all our operations

This ambition aims to create conditions that are conducive to developing the capacities of employees, managers and farmers on both a professional and personal basis. It means taking action in mental health, diversity, equity and inclusion in the workplace and in communities by developing measures to promote overall health. These measures include preserving ecosystems and maintaining the social fabric.

Sollio Cooperative Group

Employee health and well-being

A health and wellness program is available to employees of the parent company. This program provides videos and trainings in physical, mental, financial and social health.

A number of other initiatives are in place to assist employees, including:

- Adding \$250 to employees' health care and lifestyle spending accounts, which reimburses home office equipment and materials for telework, among other expenses
- A free telemedicine service for employees and their families
- An awareness workshop on workplace mental health that challenges preconceived notions and helps employees identify symptoms and understand their causes
- A free 15-minute massage session with a certified massage therapist
- A partnership with Strøm Nordic Spa to offer a special rate to employees
- A new agreement with Nautilus to provide discounted access to its gyms and online nutrition and work-out platform
- Ergonomics workshops

Mutual aid network for farm workers and their families

Sollio Cooperative Group contributes to improving the health and well-being of its members and their communities. It has provided financial support for many years to the organization Au cœur des familles agricoles (ACFA), supporting the organization's mission to establish a psychosocial assistance network in the farming sector. In 2021 and 2022, Sollio Cooperative Group gave \$60,000 to ACFA to help grow its services in rural areas. This financial support gives ACFA the ability to offer greater support to farmers and enhance its prevention initiatives. Sollio Cooperative Group serves as the organization's patron and is its largest non-governmental financial partner. It has given over \$300,000 to ACFA since 2017.

Sollio Agriculture

Rollout of our internal employer brand

In 2021–2022, Sollio Agriculture introduced its workforce to its employer brand: We're here, near you. To stay. Our employer brand represents what is important to our employees and what motivates them at work. Several initiatives have been put in place:

- **Acquired and Advantages campaign** This campaign highlights the benefits provided to our employees throughout Canada in mental and physical health, financial health, and training and development.
- **The Sollio Agriculture Self-Care Anti-Challenge** The goal of this challenge was to encourage our employees to do simple things that made them feel good. By sharing a photo of their practice, they were entered to win a \$250 prize.

- **Flexible Work Program** The goal of this program is to offer an environment adapted to personal needs and to the needs of the company. We wish to maximize work-life balance by giving employees the opportunity to work outside our facilities if their roles permit, while staying focused on our objectives. A full 97% of our employees said they were satisfied with the Flexible Work Program. Employees indicated that the main strengths of this initiative were flexibility and simplicity, as well as suitability for individual needs and business needs.

BMR Group

Promoting physical and mental well-being

With the adoption of telework, BMR Group has made changes to its efforts to promote physical and mental well-being among its team members. To do so, the Human Resources department has developed the Boîte à outils, which was launched during the Mental Illness Awareness Week. It has four components: Ma Santé Physique, Ma Santé Psychologique, Ma Santé Financière, Ma Santé au Travail. Available to all, the platform contains all wellness services and resources offered to employees.

To provide a healthy workplace environment and work-life balance, the company rolled out several activities, including yoga in the Salle Santé, a chair massage service, a diabetes prevention clinic and a vaccination clinic. In addition, teambuilding and family activities were held to engage employees and foster a feeling of belonging towards BMR Group.

Olymel

Assisting in the integration of temporary foreign workers

Over the past two years, Olymel has hired 1,027 foreign workers, including 462 in 2021–2022. To help integrate these workers at work and in their new living environments, Olymel implemented a new standardized onboarding model in 2022. All temporary foreign workers at Olymel now receive the same training and have access to the same services. Each worker is connected with an organization that provides information and serves as a reference on integration and navigating their situation.

Workers go through a one-week onboarding process before they start their duties in the plant. During that week, they learn about the roles and responsibilities of each individual, institution or group involved in worker integration, e.g. the roles of the plant, corporate housing, corporate recruitment, the housing partner, etc. Informative videos were produced to familiarize workers with their host country and their new environment, and to facilitate cohabitation.

Olymel also helps workers find housing. We have adopted the Drone app, which has catalogued 100 housing units and helps with planning for the move-in process. The tool enables before and after audits to provide a framework for resource use and ensure that comfort and quality standards are met.

At Fermes Boréales, Olymel purchased a former school with the aim of transforming it into housing for 50 of its temporary foreign workers. Each worker will have his or her own room and Internet access. The building will boast several athletic facilities, including a skating rink, a soccer field, a basketball court, a gym, billiards, etc.



Our ambition

Implement the measures necessary to achieve our “ 0 accident ” target

Employee health is a key priority for Sollio Cooperative Group. This is why the organization has made focusing on prevention its mission. Each division diligently tracks the frequency and severity of accidents and presents this data to the Human Resources Committee of the cooperative’s Board of Directors.

Sollio Agriculture

Two new occupational health and safety (OHS) platforms

An online platform was launched to provide quick access to, and effective management of, health and safety tools. Several features have already been used, including reporting of near misses, accidents and first aid; digital health and safety audits; and management of corrective measures. In the coming year, the tool will continue to evolve and collect new OHS data in order to optimize practices.

In 2022, a new platform was launched to standardize and personalize training, reduce travel time for trainers, and avoid stopping production in order to train groups of employees. Training is provided according to the individual’s availability. What’s more, each employee’s training needs can be targeted more precisely. This online tool, which is used for health and safety training, will soon be available to all employees.

Both platforms will improve tracking of corrective measures, reduce paper use and help leverage key data to identify where action is needed. The collected data has been adapted to the OSHA (Occupational Safety and Health Act) model, an international OHS management standard. This standard will allow us to measure, compare and target our corporate and local actions.

Workplace accidents per 200,000 hours worked



Groupe BMR

OHS management system

The organization has seen excellent results in internal and external audits performed as part of its OHS prevention program. In the past year, BMR Group has reviewed its OHS management system, which enables corrective action, tracking, and optimal management of requests. After the Act to modernize the occupational health and safety regime came into effect in April 2022, BMR Group appointed a prevention representative in each of its facilities. This measure will reinforce best practices in health and safety at the company.

Workplace accidents per 200,000 hours worked



A man with a beard and long hair, wearing a white hard hat and a black quilted safety vest with reflective yellow-green stripes, is smiling at the camera. He is holding a grey handheld electronic device in his right hand. The background is a blurred industrial setting.

Olymel

Health and safety: A constant priority

Health and safety are priorities for Olymel, which has continued to deploy several initiatives, projects and emergency plans throughout the year. Policies and programs have been added to quarterly management reviews and to the Olyquest compliance management platform. There, topics such as lockout, machine safety, live-line work, hot work, safety on docks, motorized handling vehicle operation and ergonomics are now regularly addressed. The development of an internal (using self-evaluations in our facilities) and external (by a third party) audit system is under way and will be completed in 2023.

At six sites, Olymel rolled out the Arc Flash project, which includes updating single-line plans, conducting studies and planning to correct minor and major anomalies, and labelling panels with arc levels and the required insulation.

Olymel finished implementing the emergency plans (EPs) required in 17 facilities subject to Environment Canada's Environmental Emergency Regulations (EERs). These facilities use the Rezilio online interface, which facilitates updating and traceability for documents and includes a mobile app that can work offline. To standardize all the organization's EPs and improve the management of emergencies, Olymel began transitioning EPs to the Rezilio interface at facilities not subject to the EERs. Three non-subject facilities were added in 2022, and five more transitions are planned for 2023.

Monitoring has been set up in distribution centres. Knowledge sharing between different centres is more fluid, which improves employees' working conditions. For example, the results of a test on the heated cab of a forklift at the Iberville centre will be shared with the other centres.

Workplace accidents per 200,000 hours worked

11,9%

Accident frequency rate

245


Number of stoppage days following an accident

5

Conclusion

Looking to the future





Sollio Cooperative Group is proud of the actions and contemplation that took place in 2022, which will guide the divisions and the parent company in their future accomplishments. As Canada's largest cooperative in the agricultural sector with Quebec roots, we are conscious of our social, environmental and economic reach on a large and small scale. We aspire to improve, and we are proud to share our progress with all our stakeholders.

As we work together to ensure the longevity of communities, we will not lose sight of the priorities and values that guide each of our decisions. We will continue to work towards our mission: to feed people by ensuring prosperity for farming families to create a sustainable future for everyone.

Each year, Sollio Cooperative Group commits to publishing a Corporate and Cooperative Responsibility Report to measure and share its tangible results and convey its approach.





Appendix I

CR action plans



ph



Our CR action plan at a glance

8 commitments and 20 targeted results by 2025

We have built an action plan based on eight commitments and 20 targeted results to achieve by 2025 in order to improve Sollio Agriculture's corporate responsibility performance.

1 Support farmers in the transition to sustainable agriculture

1. All agri-advisors in our retail networks are adequately trained to help farmers adopt practices and use products to minimize risks (environmental, human and animal health).
2. Sollio Agriculture offers products and services that meet the requirements of sustainable agriculture.

2 Develop research projects that are adapted to sustainable agriculture

3. All research and product development projects are prioritized according to sustainable agriculture

3 Actively participate in reflections and discussions on sustainable agriculture in agro-industrial facility

4. Sollio Agriculture works with and contributes to organizations that seek to support the transition to sustainable agriculture.

4 Reduce the environmental footprint of Sollio Agriculture's operations

5. All Sollio Agriculture sites meet an environmental compliance threshold based on current regulations and best practices to properly manage risk.
6. A GHG-reduction target for Sollio Agriculture's operations was set and met.
7. Production processes are optimized to reduce the impact of Sollio Agriculture's operations on water resources (quality and quantity).
8. Production processes are optimized to reduce the amount of waste generated by Sollio Agriculture's operations and send none of it to landfills (3R).
9. All Sollio Agriculture product packaging has been subjected to an ecodesign analysis.

5 Generate positive spin-offs in the local communities where Sollio Agriculture operates

10. Sollio Agriculture takes ongoing action to foster good relations with those living close to its operations.
11. ESG impacts are considered for all Sollio Agriculture donations and sponsorships.

6 Provide an inclusive, healthy and safe work environment

12. The equity, diversity and inclusion program is rolled out; targets are set and their achievement is measured.

13. Employees' experience is consistent with the realities of the market (working conditions and employee life cycle).

14. Employees have access to training, education, and development opportunities that are consistent with the realities of the market.

15. Sollio Agriculture implements all the necessary measures to meet the "0 accident" target.

16. Sollio Agriculture implements all the measures and practices necessary to safeguard the physical and mental health of all its employees.

7 Make CR an integral part of Sollio Agriculture's corporate culture and overall strategy

17. Sollio Agriculture's CR governance structure is efficient, functional and participatory.

18. Rigorous and transparent ESG criteria are considered in all Sollio Agriculture financing and investment decisions.

8 Protect data and manage it responsibly and transparently by enhancing cybersecurity capabilities

19. Our maturity level reaches 3.18 (on the CMMI maturity scale).

20. All measures required by Bill 25 are implemented.





CR action plan – BMR

BMR Group had a prolific 2022 due to its stellar financial results and the growth of its presence in Quebec, Ontario and the Maritimes, as well as due to the numerous initiatives its team members have advanced to help people and society.

Our cooperative values of honesty, equity, responsibility and solidarity drive our actions, as evidenced by our accomplishments in the past year. When attracting and retaining top talent, helping our employees reach their full potential, giving back to the community and taking measures to ensure animal welfare, BMR Group acts in a responsible and people-centred way.

The company can count on the unfailing support of a diverse team of competent, experienced leaders who share its values and pave the way through their daily actions while encouraging their teams to excel.

We could not be more proud of our accomplishments over the past year, and the stage is set for the year to come. BMR Group will continue to take action and double our efforts to attract the best candidates and be an inclusive employer of choice where employees want to build their careers.

We will keep working hard to offer our customers products that are even more friendly to the environment and animal welfare. Finally, BMR Group will become increasingly involved in the community as it continues to grow.

We have many tasks ahead of us, and we are faced with challenges. But we are lucky to have talented people from many different backgrounds on our team who are motivated and work together to make BMR Group an industry leader.

A large yellow circle is positioned on the left side of the page, partially cut off by the edge.

Appendix II

Matrix and tables

Corporate responsibility materiality matrix

Considerations that guide Sollio Agriculture's actions

In the summer of 2021, Sollio Agriculture employees received a survey questionnaire asking them to rate the importance of 16 corporate responsibility (CR) issues.

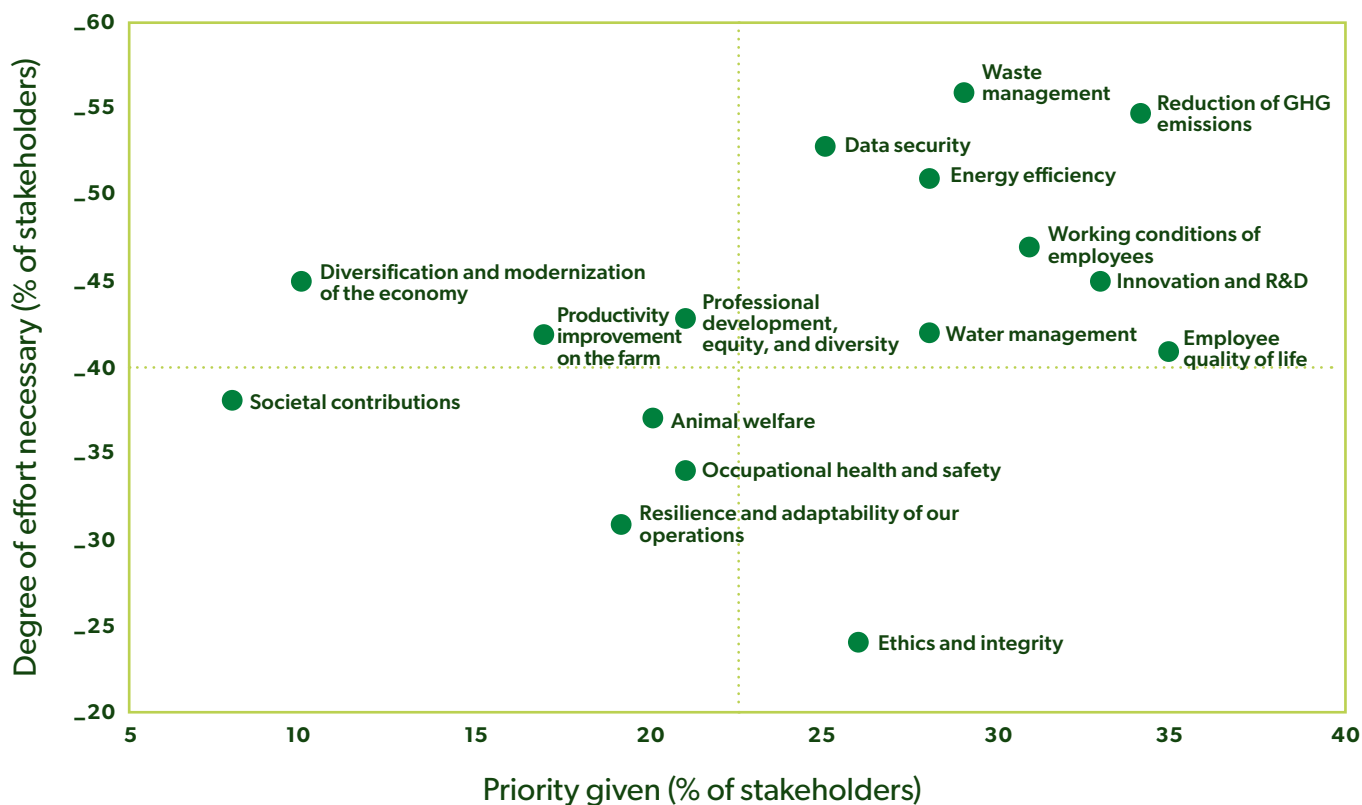
A materiality matrix was created based on 325 survey responses, ranking the issues surveyed according to: 1) the priority given by employees and 2) the level of effort required to address the issue.

The matrix shown illustrates the most important and urgent issues for Sollio Agriculture's internal stakeholders: Reduction of





greenhouse gas emissions, waste management, data security, energy efficiency, working conditions, innovation and R&D, water management and employee quality of life.

By combining this analysis with recommendations from recognized CR reference frameworks, we designed this tool to clarify decisions on priority issues for Sollio Agriculture's CR action plan.

Materiality matrix – Consultation on the priorities of Sollio Agriculture employees



Our workforce in numbers (2021 update)

					
Employees	Total	131	1,162	1,516	13,099
	Union	0	933	805	10,798
	Non-union	131	229	711	2,301
Types¹	Full time	129	941	1,008	12,578
	Part time	2	81	355	139
	Casual	0	140	153	194
Age groups¹	Under 25	1	145	353	871
	25-35	35	209	236	2,576
	35-45	35	268	255	3,075
	45-55	33	269	223	3,098
	Over 55	27	271	449	3,291
Gender¹	Male	53	726	976	8,307
	Female	78	436	540	4,604
Diversity & inclusion (group: women)	Senior management	25%	25%	13%	N/A
	Management	63%	32%	37%	N/A
Training	Total hours of employee training during the reference period	2,021 ²	2,672	6,031	692,491
Number of departures	Voluntary	39	308	840	3,976
	Involuntary	8	116	99	466
Employee turnover³		26%	27%	38%	25%
New employee retention rate⁴	Corporate	83% (Corporate only)	65% (Corporate + operations)	76%	46,5% ⁴ (Corporate + operations)
	Operations	ND		35%	

¹ Partial data only for Olymel in the Types, Age Groups and Gender sections.

² Hours are an underestimate. Certain training hours could not be calculated.

³ Percentage represents the number of employees who left the organization during the reference period in relation to the average number of employees at the organization.

⁴ Percentage of employees hired less than one year beforehand who still worked for the organization at the end of the reference period.

⁵ Over a six-month period.





Sollio Cooperative Group
9001, . de l'Acadie Boulevard, Suite 200
Montréal, Quebec H4N 3H7
514 384-6450

sollio.coop



The symbol and name Sollio are trademarks of Sollio Cooperative Group.