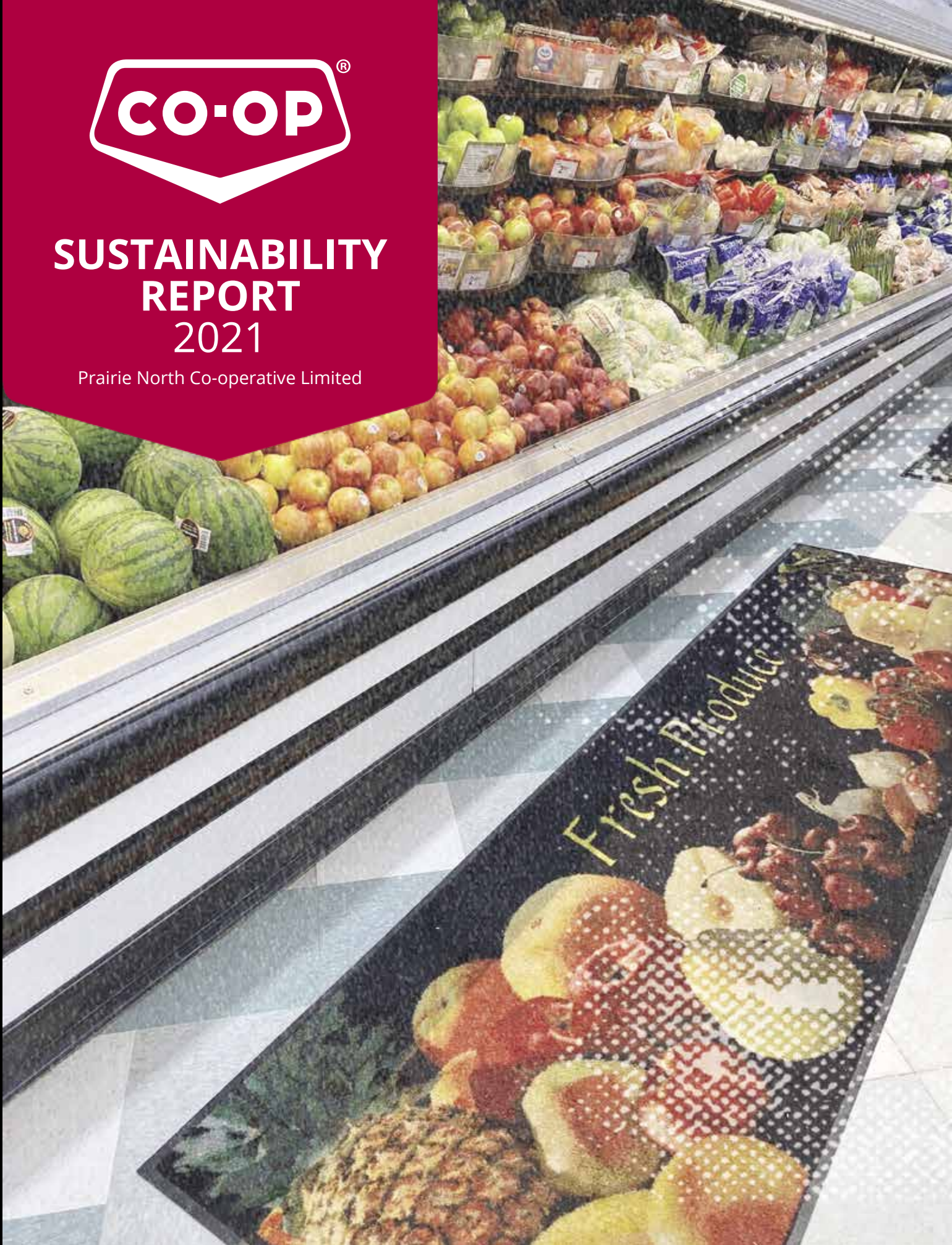




SUSTAINABILITY REPORT 2021

Prairie North Co-operative Limited



OUR VALUES

Service

Exceeding Expectations

Integrity

Honest and Trustworthy

Unity

We are Better Together

OUR VISION

To be the trusted first choice in our community.

OUR MISSION STATEMENT

Our team is committed to excellence at every opportunity to serve our guests and our community.

We will consistently deliver a trusted, welcoming, and personalized experience.

SERVICE • INTEGRITY • UNITY

You're at home here.



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about us

Prairie North Co-op operates out of 21 locations – from St. Brieux, Spalding and Naicam in the west; to Melfort and Brooksby in the north; and Archerwill and Kelvington in the east. We serve our members with products and services that help build, feed, fuel and grow the communities in which we live and do business.

As a co-operative, we are a different kind of business; we are not only working for our communities, but we are also owned by our community. Co-ops embed sustainability in their business by planning and investing for the long term, with the community and environment in mind; they work to create jobs; and they partner with other organizations and local businesses. Prairie North Co-op profits do not leave the community, they go back into it – and back to our members. We take pride in our community involvement and our commitment to providing quality products and services.

Prairie North Co-op employs 296 and serves 12,426 members. We continue the tradition of giving back, not only in patronage refunds to our members, but also through financial support to several local organizations. In 2021, sponsorship and donations totalled almost \$126,200 to 154 different organizations in our trading area. Locally invested. Community-minded. Lifetime membership benefits. We are Co-op.

YOUR PRAIRIE NORTH CO-OP BUILDING, FEEDING, FUELLING, AND GROWING COMMUNITIES



EMPLOYS
296

COMMUNITY MEMBERS

**19 LOCATIONS – ARCHERWILL, BROOKSBY, KELVINGTON,
MELFORT, NAICAM, SPALDING & ST.BRIEUX**



12,426
MEMBER OWNERS

**RANKED
#51
ON THE TOP
100 COMPANIES
LIST IN 2020 BY
SASKBUSINESS
MAGAZINE
(UP TO 25 SPOTS)**



**\$128,982,762
IN SALES FOR 2021**

message from the **General Manager**

We are proud to present our 2021 Sustainability Report. For us, sustainability means looking through the lens of the social, economic, and environmental effects of our business as we plan and make decisions to ensure viable operations while having a positive impact on the people and communities we serve. This is also referred to as the triple bottom line. It represents shared value – the idea that the success of our Co-op and health of our communities are mutually dependent.

In Prairie North Co-op, sustainability drives growth – renovations and new builds – and the facilities decisions that we make around environmental practises, waste

reduction and energy efficiency. And sustainability is employing local people and supporting local projects and organizations so that our members take pride in being a part of our co-operative and our customers feel good about supporting us.

This is typically the time of year when we are working with the auditors to prepare last year's financials. I am very happy to share with you that 2021 was a good year for our co-operative and maybe, just as importantly, our success has come with lessons. Historically, co-ops have been known as being slow to respond, but COVID taught us that we could be nimble, that we could pivot, and we could adapt. As how we did business changed, we learned to be efficient, ensuring that we had the staff to manage increased sanitization, deliveries, and curbside pick-ups. We learned that we could be competitive, particularly in our HABS and Ag divisions and we learned that we could do big deals, growing our co-op in every community:

- the conversion of the old Melfort Car Care Centre to Admin offices
- the ground has been broken for our new Melfort food store build, which will open February/March 2023
- the Archerwill C-store renovation is well underway
- our new Kelvington lots are being surveyed for Summer 2022 construction
- our new Sustainable Community Fund helped to increase recognition for the charitable work we do in our communities

Please join us in putting the past two years behind us and shifting our focus to the future and the success of the partnerships and projects outlined here.

reduction and energy efficiency. Sustainability also drives our Ag Division's recycling efforts for pesticide and seed containers, used oil containers, tires, and batteries. It is our Food Division's adoption of the LOOP program for food waste diversion and our commitment to sourcing local food suppliers to reduce the environmental impacts of transportation. Sustainability is the choice of chemicals we use in our car wash in Melfort and how the water used is treated before it

This is just a small sample of the great things happening at Prairie North Co-op and I need to thank you for helping us advance toward our vision, "to be the trusted first choice in our communities", and for being part of our success.

One of our co-operative values is unity, we are better together, and I know that we wouldn't be where we are today without you, our members and customers. Please join us in putting the past two years behind us and shifting our focus to the future and the success of the partnerships and projects outlined here.

Co-ops have long believed in being a responsible business – protecting our members' investments while also considering our people, our communities and our environment. We are proud of our past. We are excited about our future. We are Co-op.

-Terry Tremblay, General Manager

it's a co-op thing



a Cause is a voluntary program in which employees can opt to have \$1 deducted from each paycheck. Over 95% of employees participated last year, which resulted in \$6254 raised. Employees voted STARS Air Ambulance as the recipient for the funds for the second year in a row.

Other annual initiatives are Fuel Good Day and Propane for Pets. This year's Fuel Good Day, on September 21, saw 10 cents from every litre of fuel sold at gas bars in Archerwill, Kelvington, Melfort, Naicam, Spalding and St. Brieux, plus the proceeds from BBQs and Co-operative Coffee and Big Cool sales that day contributed to raising \$10,000. The funds were split between the Melfort & Kelvington Ag Societies and the Archerwill & St. Brieux Rodeo Grounds.

We love when our team members come up with great ideas! Keith Mamer, our gas bar division manager, got the idea for Propane for Pets from a similar fundraising event in Alberta. In 2019, the first one-day event was held in which 50% of all propane sales from our gas bars, plus proceeds from BBQs raised \$5,422. Due to the pandemic, the event was not held in 2020 but on April 29 of this past year, we were back! Despite not being able to host BBQs, 50% of all propane sales for the day, plus \$2 from every coffee and car wash sale were donated throughout the week for a total donation of \$3000 to the NE SPCA.

"The purpose of the Sustainable Communities Fund is to provide support to capital projects and new programs that will enhance the quality of life for the people in the communities and surrounding region," explains Terry Tremblay, General Manager of Prairie North Co-op. In its first year, \$25,000 was allocated to the fund. Over 20 applications were received between September 1 and September 30. Following is a list of the projects selected for funding:

- Chateau Providence Auxilliary, St. Brieux. Project: new gazebo with a roof
- Naicam Snowblasters Inc., Naicam. Project: replacing a warmup shelter

At Prairie North Co-op we strive to make our communities better places to live, work and play. From the onset of COVID-19 we tried to reach out and partner with those organizations providing services to the individuals and families hardest hit by the pandemic. NEOSS, the NE SPCA, and food banks in Kelvington, Melfort and Yellow Quill First Nation are some of the organizations that received support through regular donations.

Sometimes donations take the form of dollars and sometimes they are materials and/or volunteer hours. Communities in Full Colour is a program that gives us an opportunity to freshen up community spaces by donating CO-OP® Imagine Paint to public projects and initiatives. In 2021 we donated 220 gallons of paint and partnered with Lake Country, Beeland, and Carrot River Co-ops to donate wood stain, paints, and time to bring new life to the Wapiti Ski Resort's buildings. Prairie North Co-op team members volunteered over 40 hours to the project.

Fridays tend to be a bit more "casual" as most of our team members sport red Casual for a Cause t-shirts. Casual for

- Kelvington School of Dance, Kelvington and area. Project: basement upgrade (installation lockers and storage)
- Kelvington Agriculture Society, Kelvington. Project: upgrade stage in beer gardens

Also new in 2021 was the 12 Days of Giving campaign that ran in conjunction with the 12 Days of Christmas contest; the Poppy Donut Sale; and the Goodbye to Hunger Drive. During the 12 Days of Giving, announcements were made each day related to community investment. Over \$40,000 was committed between December 12 and 23. The Poppy Donut Sale saw \$750 raised for the Legion in Melfort and \$500 for the Legion in Kelvington and through cash donations and the sale of pre-packed bags (non-perishable grocery items), just over \$2,000 was raised during the Goodbye to Hunger Drive.

Whether it was through direct requests for support and donations; Federated Co-op Limited (FCL) programs; or our own initiatives, scholarships and contests, Prairie North Co-op distributed over \$126,000 to 154 community organizations and non-profit groups. Co-ops . . . we are a different kind of business.

2021 AT A GLANCE



DONATED TO 154 CHARITIES & NON-PROFITS



SCHOLARSHIPS GIVEN \$2,875



224 GALLONS OF PAINT DONATED



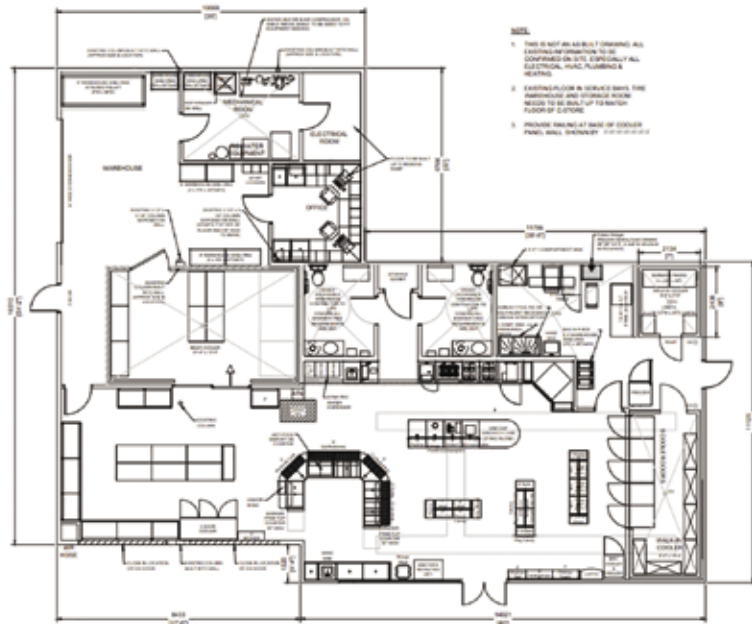
RETURNED TO MEMBERS IN EQUITY & CASH BACK \$2,411,252



growing to serve you better

“The process of reviewing our facilities is an ongoing one. It can be triggered from an operations standpoint – is the facility meeting the needs of our members and customers in that community? Is it allowing us to do business efficiently? And it can be triggered by an opportunity, like when we hear about the potential sale of a local business that complements our portfolio and aligns with our growth plan,” explains Denis Sunderland, Controller for Prairie North Co-op.

In April of 2021, we were proud to announce the construction of a new, 25,000 square foot Co-op Food Store adjacent to the Stone Gate development in Melfort. The existing food store has served members for 45 years from its current location. The new build will ensure that Prairie North Co-op grocery customers in Melfort and surrounding area will be able to access Co-op products in a



MERCHANDISING PLAN: C-STORE

PRELIMINARY DRAWING
NOT FOR CONSTRUCTION

new, modern food store featuring some of the key technological advances in the food industry.

With the announcement of the Food Store relocation, the question of what to do with the administration offices was tabled. “When we view our facilities and how we do business through the lens of efficiency, cost savings and sustainability, it helps us determine our course of action,” says Sunderland, “in this case, the best option was for us to renovate a property that we already owned on Burrows Ave.”

In a similar process, the expansion and renovations of the Archerwill and Kelvington C-Store/Gas Bar/ Liquor Store were evaluated and approved by the Board.

Despite the challenges presented by another year of doing business during a pandemic, Prairie North Co-op continues to move forward, growing, building, and renewing; the ground has been broken for the new Melfort Food Store build, construction will begin this year, with the opening scheduled for Feb/ Mar 2023; the old Service Centre/ Admin Office reno is on track to open Spring of 2022; the Archerwill C-Store renovation is well underway and will be completed by Summer; and the Kelvington lots are being surveyed for construction to begin this Summer.

Prairie North Co-op is dedicated to contributing to the sustainability of the communities in which we do business. The projects outlined here demonstrate a commitment to investing in the local economy and to our legacy.

MELFORT – OLD CAR CARE CENTRE



The projects outlined here demonstrate a commitment to investing in the local economy and to our legacy.

KELVINGTON - FOOD STORE



reducing our environmental footprint

COMMITTED TO BEING A RESPONSIBLE NEIGHBOUR

FCL had advanced the goal to embed sustainability into the planning and decision-making processes across the organization. This year FCL committed to reduce greenhouse gas emissions by 40% by 2030. FCL is also aspiring to achieve net-zero emissions by 2050. Each local co-operative, including ours, has a role to play in achieving that goal.

GROWN WITH PURPOSE

Each year, the Retail Council of Canada (RCC), which represents retail businesses across Canada, identifies the best retail innovations at their Excellence in Retailing Awards. At the virtual gala held on Sept. 14, 2021, a panel of judges selected Co-op's Grown With Purpose Program as the winner in the Environmental Leadership category, which recognizes retailers for their sustainable initiatives.

In this category, Co-op was up against national players including Walmart Canada, Lowe's Canada and Save-On Foods. It's a significant recognition of a program that illustrates Co-op's unique relationship with farmers and consumers: we're there every step of the way in the food journey. Trish Meyers, Director of Ag Solutions at FCL, noted that consumers have a distant connection to the farm, but they want to know where their food is produced now more than ever.

"Grown With Purpose is a way to capture in-field practices and tell the Western Canadian story of sustainable food production to consumers," she said. "This will be increasingly important as Co-op's Farm to Fork strategy comes to life in the coming months and years."

FARM TO FORK

Co-op offers a broad range of products and services that extend from the farm to the food store. We're truly unique in that we're there for every step in the farm to fork process. One example of this is the Dam Good Garlic company in Kelvington, SK.

The Sauer Family has always lived close to their roots. Darren, growing up in Lintlaw and Tracey in Kelvington, married in 1986 and made their home in Kelvington, where they raised their three children. Living in Town could not take the country out of Darren. The couple purchased five acres of agriculture land within the town limits in the early 1990's where they cleared brush and trees to establish

**WE ARE MEMBERS
WE ARE OWNERS
WE ARE CO-OP AND
WE ARE COMMITTED TO**

Reducing our environmental footprint through:

- Increasing recycling and re-use efforts through waste minimization
- Promotion of the Love Local reusable bags and charging a nominal fee for plastic bags to encourage reusable bag use. All of the funds collected for plastic bags are donated to local school food programs
- Committing to efficient renovations and upgrades to facilities and equipment
- Putting a priority on partnering with those that are considerate of environmental effects and accountability
- Installation of energy efficient lighting and refrigeration

Supporting Sustainable Development by:

- Collaborating with FCL, Engineering Associations and communities to grow sustainably, considering social, economic and environmental effects
- Building and incorporating innovative infrastructure to support operations and minimize resource use

Engaging in Sustainability Issues:

- Communicating with our team members, members, and communities on sustainability issues, goals and efforts through newsletters and meetings

a Strawberry Farm. Sauerberry Farm was in operation for many years until life and kids became too busy. In 2018, Darren retired from Viterra and decided to investigate a specialty crop. A love for garlic and some creativity led to the Dam Good Garlic products available in Prairie North Co-op Food Stores today – fresh garlic, garlic salts, peppers, and pickled garlic scapes.

The phenomenon that is known as Al's Sausage started almost 4 decades ago in a meat shop in Kinistino, SK. Al Paynter began working at Kinistino Meats right out of high school and eventually came to own the business. In September of 2003, Al accepted a meat cutter position at the Melfort Co-op Food Store. Within the year, he started to make his famous sausage recipe but regulations in the food industry at the time brought an end to production.

Fast forward to 2020. Terry Tremblay, General Manager of Prairie North Co-op, and past meat cutter himself, asked the Melfort Food Store team to investigate the protocols for offering instore made sausage. Mid-February of 2021 saw Al's Sausage back on the shelves in Melfort.

It was not uncommon for the sausage to sell out daily. It was also not uncommon to see several packages in a shopping cart at one time. When asked why he thought it was such a hit, Paynter replied, "it is just a good sausage, made from a simple recipe, and anyone around Kinistino grew up on it. When I was making it in my meat shop, people drove from Regina and Saskatoon to buy it. When people came home for holidays, they would take it back to Alberta and BC."

Kelvington started to make Al's Sausage instore in March of 2021. In its first year of being available through Prairie North Food Stores in Melfort and Kelvington 10,688.68 kg or 23,564.51 lbs was sold. Al Paynter may have retired on September 28, 2021 but his secret recipe is still being made in these stores.

LOOP: FOOD WASTE DIVERSION

We signed on with the LOOP program in 2020. Today we have 22 farmers in the communities of Kelvington, Melfort, Naicam/Spalding, and St. Brieux participating. LOOP helps close the loop on organics waste disposal in the food supply industry, taking food from the end of the line at the store, back to the beginning as feed and compost at local farms.



living our co-operative values

In 2019 Prairie North Co-op entered into shared agreements with Beeland, Carrot River and Parkland to provide management expertise in Occupational Health and Safety. Today, human resources, finance, delivery of bulk fuel, and marketing are other areas of sharing. The collaboration efforts of these co-operatives were recognized with the FCL's Excellence in Co-operation Among Co-operatives award. We were honored to be recognized alongside our partnering Co-ops.

KLINGER'S TRAIL

We were proud to partner with Beeland Co-op and Parkland Co-op to donate to the development of Klinger's Trail at Marean Lake. The bench, bearing the names of our co-ops, installed by the osprey nest, stands as a testament to our belief that we are better together.

FISHING LAKE CAMP

When the Fishing Lake Camp was looking for a storage shed they turned to their nearest co-operatives - Foam Lake, Prairie North and Wadena.

WAPITI SKI HILL

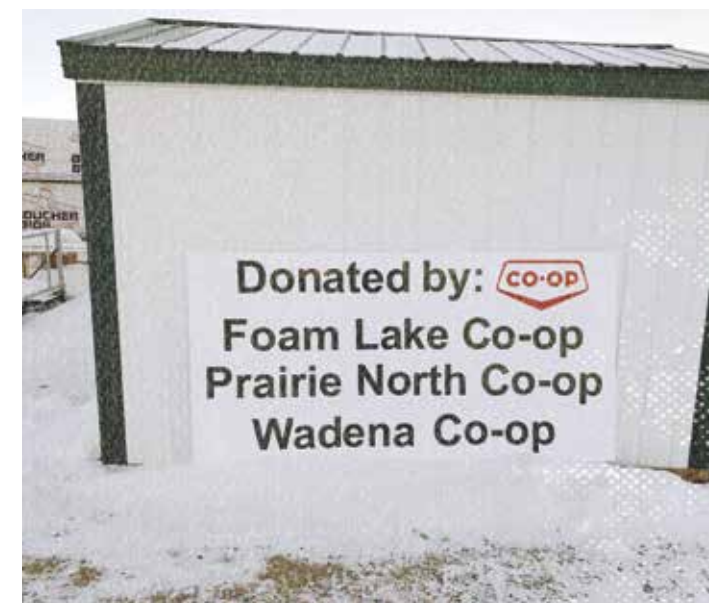
The Communities in Full Colour program at Co-op took to the slopes and helped give the Wapiti Valley Ski & Board Resort a well-deserved refresh. Beginning in the Summer of 2021, members of the Lake Country Co-op, Beeland Co-op, Carrot River Co-op, and Prairie North Co-op gathered to donate wood stain, paints, and their time to bring new life to the Resort's buildings.

In September, the volunteers and members of the Ski Resort team completed the refresh project. "It is probably something that we would not have done this year, but it was something that was needed and would had to have been done in the future," said Dennis Wiebe, Chair of the Wapiti Regional Park Board. "Having to close down in March of 2020 and not operating last season, it has been a difficult stretch. To lose two years' revenue, it is hard to make that up."

The Communities in Full Colour paint and donation program is designed to provide communities and organizations free cans of paints towards community improvements. Our focus on giving back involves preservation, beautifying our surroundings, and enhancing areas in need of a bit of TLC.

These are communities and places in which we play. They are where we work, and live. It is our goal to improve the wellbeing and quality of life in these communities. Giving back is at the core of Co-op's brand and identity. As an organization we support the causes that matter most to our customers, families, and friends.

Paint donation is available to registered charities, registered non-profits, registered community groups, youth sport and recreation associations, and community improvement associations.



what is employee engagement?

Employee engagement is a mindset where team members take personal stakeholder responsibility for the success of our co-op and apply discretionary effort aligned with our goals. Providing a work environment in which people want to do their best, build careers with our organization, and say positive things about their work experience is important to all of us.

We are proud of the programs and benefits that we offer our employees. Listed are some examples of the innovative ways that we are trying to make a difference in the lives of the people who work for us:

TEAM MEMBER PURCHASE PROGRAM

In addition to equity earned through regular membership, Prairie North Co-op will provide a 5% discount on staff purchases made at all retail locations to a maximum of \$500 per year. A team member must have an active membership number with Prairie North to record purchases made throughout the year.

BEST IN BRAND: BRAND MOMENTS GIFT CARD

To recognize team members who go above and beyond in their daily activities, all team leaders will have access to a supply of pre-loaded \$10 Co-op gift cards. Team leaders will provide gift cards to team members as a small token of our thanks and recognition.

HELPING HANDS PROGRAM

Helping hands is to assist team members who are experiencing unusual hardships due to a health crisis in the immediate family or facing a difficult personal situation. A helping hands fundraising effort must be initiated on behalf of a fellow team member in need of support. Upon approval, Prairie North Co-op will match all donations collected from staff up to a value of \$500.

TEAM MEMBER FITNESS INCENTIVE

To encourage health and wellness, all permanent adult (non-student) team members of Prairie North Co-op participating in continuing physical activity programs/memberships will be reimbursed for 50% of the cost of memberships up to a maximum of \$200 per year.



TEAM MEMBER NO INTEREST PURCHASE CONTRACT

To assist team members with large purchase items from the Co-op, Prairie North will provide no interest financing options and payment plans. Purchases that are between \$250 and \$5000 will qualify for this program, excluding grocery and perishable items. Payments will be set up as payroll deductions and all purchases must be repaid within 12 months.

TEAM MEMBER COMMUNITY INVOLVEMENT

The purpose of this program is to acknowledge and encourage team member continued involvement and volunteerism in the community. Team members who volunteer their time to a community organization are eligible to receive a \$250 donation from Prairie North Co-op on their behalf paid directly to the organization. The team member

WE HAVE SOME REMARKABLE PEOPLE WORKING FOR US, FOLLOWING ARE THE ONES WHO ARE CELEBRATED WORK ANNIVERSARIES IN 2021:

- Samara Brandt, Melfort Gas Bar (5)
- Dexter Dauk, Naicam Agronomy (5)
- Joshua Hummel-Newell, Melfort Food (5)
- Natalie Kennedy, Kelvington Agro (5)
- Lutz Lorenz, Archerwill Gas Bar (5)
- Curtis Mills, Naicam Agronomy (5)
- Marisone Navor, St. Brieux (5)
- Dave Neuberger, Archerwill Gas Bar (5)
- Shelly Plantz, Spalding (5)
- Jessica Arcand, Melfort Food (10)
- Carol Freriks, Melfort Food (10)
- Linda Linden, Melfort Food (10)
- Aida Mina, Melfort Food (10)
- Todd Richardson, Melfort Food (10)
- Paul Mellon, Melfort Food (15)
- Sandy Morgans, Melfort Home (15)
- Greg Smith, Kelvington Home (15)
- Penny Anderson, Naicam Agronomy (20)
- Lana Longman, Kelvington Home (20)
- Nancy Tyacke, Melfort Home (20)
- Sandra Smith, Naicam Home (25)

must have given a minimum of 50 hours of service to the group in the past year and have been involved with the group for at least two years.

VOLUNTEER RECOGNITION PROGRAM

The volunteer recognition program strives to acknowledge team member volunteerism in the community or those assisting with Prairie North Co-op sponsored events outside of work hours. Upon volunteering at an event, team members can complete a summary form indicating the event and number of volunteered hours. Gift card reward plan:

- 1-3 hours - \$10
- >3-6 hours - \$25
- >6-10 hours - \$50
- >10-20 hours - \$100

CASUAL FRIDAY

Prairie North Co-op has an official Casual Friday program. T-Shirts are supplied by the Co-op at the time of hiring. \$1.00 per pay period per team member is contributed by the team member to the Casual Friday fund. Each year all participating team members will vote on which local charitable causes and initiatives they wish to see the funds distributed to. Each participating team member will receive a donation credit on their T4 to allow a deduction on their income tax. In 2021, employees voted STARS as the recipient of the \$6254 collected.

TEAM MEMBER REFERRAL PROGRAM

The referral program is used to leverage existing Prairie North Co-op team member networks and personal connections to attract new qualified team members for vacant positions. Upon hiring a referred candidate, Prairie North Co-op will provide a reward of a \$50 Co-op gift card to the individual that made the referral. Upon the referred candidate successfully passing the 85 days worked probationary period, the team member that made the referral will receive an additional \$100 Co-op gift card.

NEXT GEN SCHOLARSHIP

The Next Gen Scholarship is a \$500 scholarship for the children of Prairie North Co-op Employees. The scholarship is a one-time opportunity per student that can either be used for post-secondary education or supporting elite sports (provincial/national team) or culture opportunities (music, voice, etc.).

WE ARE **PROUD**
WE ARE **LOCAL**
WE ARE **CO-OP**

In a nutshell, sustainability comes down to profitability with a conscience. I would like to extend my sincere appreciation to the amazing Prairie North Co-op employees for all that they have done over the past year. This report reflects their hard work and dedication in a time of need and uncertainty.

- Terry Tremblay

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S0E 1A0

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ON THE FRONT COVER: Congratulations Nikki Kizlyk, Kelvington for winning the #MyCo-op employee photo contest. The photo Nikki submitted was of the Kelvington Food Store.