

Our cooperative heritage

La Coop fédérée (“La Coop”) is proud of its cooperative origins. Deeply rooted across Canada, La Coop has evolved seamlessly with a focus on member services and helping to build community. Its approach is straightforward and based on the seven internationally recognized cooperative principles.

PRINCIPLE No.1 — Voluntary and open membership

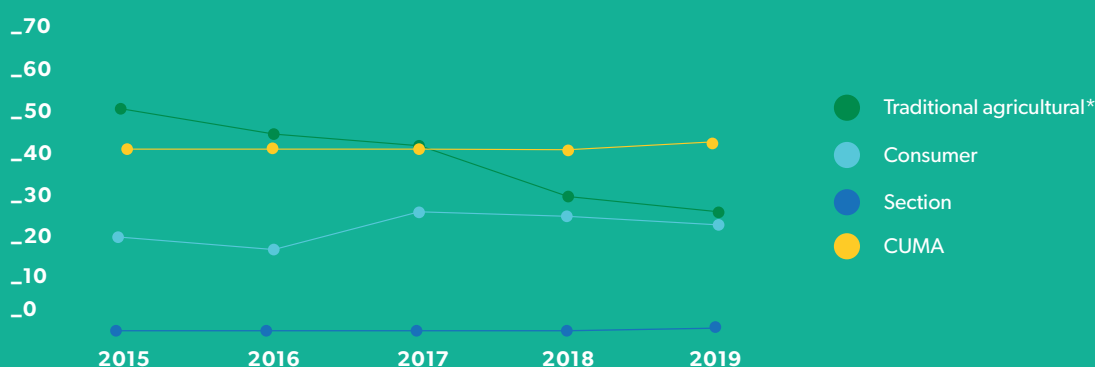
Cooperatives become members of La Coop on a voluntary basis and work with it to form the greater La Coop network.

At year-end, La Coop members included 26 traditional agricultural cooperatives, 24 consumer cooperatives and 2 sections as regular members, and 43 agricultural equipment cooperatives (“CUMA”) as auxiliary members. One new section was created to include 61 independent BMR Group hardware stores.

Network cooperatives comprised some 120,000 voluntary members.



Changes in the number of member cooperatives



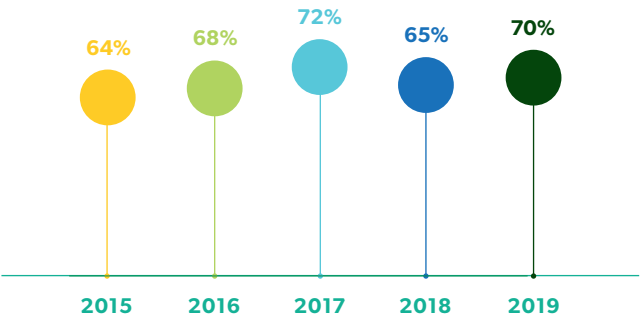
* The number of traditional agricultural cooperatives is decreasing owing to mergers carried out to implement Vision 2020.

PRINCIPLE No. 2 — Demographic member control

The agricultural members of the La Coop network take part in the deliberations of the Annual General Meeting of La Coop fédérée by delegation. The number of delegates attributed to each cooperative is based on a calculation that factors in the number of its members and its sales volume with La Coop during the year.

In 2019, 212 delegates out of a potential total of 302 exercised their rights, for a participation rate of 70%.

Delegate attendance at
La Coop's Annual General meeting



At La Coop fédérée...

16 directors make up
the Board of Directors
of La Coop fédérée.

1 seat

is reserved
for a female
representative.

1 seat

is reserved for
a special purpose
or consumer
cooperative.

Across the La Coop fédérée network...

439 directors
serve on boards
of directors:

89

women

61

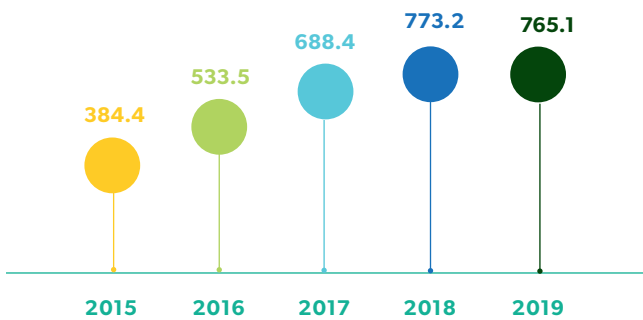
young people
(under 35)

PRINCIPLE No. 3 — Member economic participation

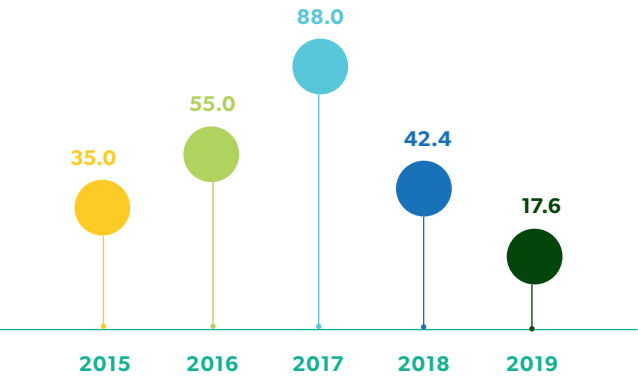
The cooperatives contribute equitably to La Coop fédérée’s capital, holding \$314.8 million in La Coop fédérée shares and \$765.1 million in a collective reserve.

During the year, La Coop fédérée distributed \$17.6 million in patronage refunds to cooperatives and paid a \$2.4 million dividend to the Cooperative Pork Chain.

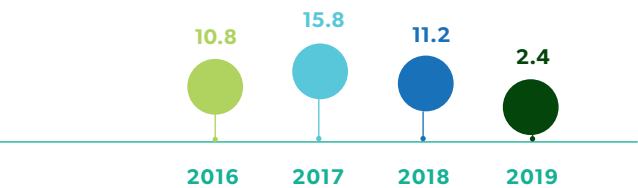
Statement of collective reserve - \$M



Patronage refunds distributed to member cooperatives - \$M



Dividends paid to the Cooperative Pork Chain - \$M



PRINCIPLE No. 4 — Autonomy and independence

La Coop fédérée is an autonomous organization, under the control of member cooperatives.

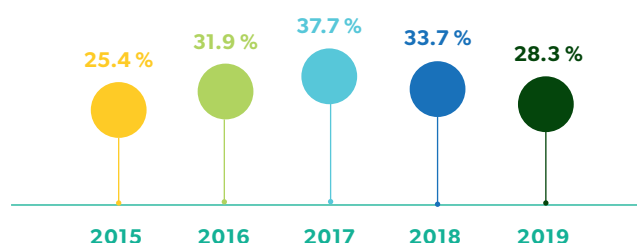
La Coop fédérée ensures its independence from lenders by maintaining conservative financial ratios.

La Coop fédérée promotes sound governance practices, most notably by separating the positions of President and General Manager, fostering directors' independence from management and pursuing sustainable results.

La Coop fédérée also recognizes the autonomy and independence of its member cooperatives.

\$1.775 M: equity of La Coop fédérée.

Ratio of members' equity to assets



\$38,4 M: earnings attributable to members transferred to La Coop fédérée's collective reserve in 2019.

PRINCIPLE No. 5 — Education, training and information

Personal and collective development is a key component of the *Working Alliance* which sets a range of reciprocal commitments between employees, directors and the organization. Accordingly, La Coop fédérée and its subsidiaries contribute to talent development through annual investments of nearly \$11 million. More specifically, La Coop fédérée's investments in training represent 1.63% of the payroll of the parent company and Sollio Agriculture, 2.46% of the payroll of Olymel L.P. and 1.30% of the payroll of BMR Group.

In addition, a host of training courses are offered to aspiring agricultural producers to help prepare the network's leaders of tomorrow.

La Coop fédérée also strives to educate the larger public on the nature and relevance of its organization. With this aim, La Coop fédérée supports national cooperative initiatives such as Co-operative Week and Co-operative Succession Week.

210 directors of La Coop network are taking part in the training program for elected members.

20 directors of the La Coop network have earned the 3rd level Commander designation by accumulating over 100 training credits.

38 young people received support from the Fonds coopératif d'aide à la relève agricole during the year, raising total beneficiaries to 699, and gaining access to a number of free-of-charge training courses.

PRINCIPLE No. 6 — Cooperation among cooperatives

La Coop fédérée promotes inter-cooperation among its member cooperatives and is also associated with some twenty other cooperative organizations dedicated to promoting cooperation and sustainability. These groups include the Conseil québécois de la coopération et de la mutualité (CQCM), Cooperatives and Mutuals Canada (CMC), the Fondation québécoise pour l'éducation à la coopération et à la mutualité, the Société de coopération pour le développement international (SOCODEVI), Coop Carbone, the Chair in management and governance of cooperatives and mutual organizations of the Institut de recherche sur les coopératives et les mutuelles de l'Université de Sherbrooke (IRECUS) and the Centre interdisciplinaire de recherche et d'information sur les entreprises collectives (CIRIEC-Canada).



Maryse Lalonde, Director, Strategic purchasing and Administrative Services, sharing her experience during a SOCODEVI mission in Vietnam.

Since 2003, La Coop and its network have collaborated with SOCODEVI to support the development of cooperatives in underdeveloped regions.

16 countries supported

168 technical assistance missions

2 011 person-days offered

PRINCIPLE No. 7 — Concern for community

La Coop fédérée promotes sustainable development in the communities where it operates. It encourages precision farming, which maintains healthy soils by minimizing the use of synthetic products, and fosters dynamic communities by supporting organizations and events it considers worthy.

La Coop fédérée also supports its employees' contribution to community involvement by promoting and hosting the Défi Vélo La Coop. Held in the Lanaudière region in August 2019, the event was a success once again owing to the participation of 160 cyclists, 90 volunteers and some 30 valued partners. The record sum of \$305,000 was raised and distributed to local and provincial organizations.

During fiscal 2019, La Coop fédérée and its subsidiaries awarded communities \$4.4 million in donations and sponsorships.

Donations with a value of \$2.6 million were largely contributed by Olymel, which donated food products worth a total \$2.0 million, primarily to Moisson organizations.

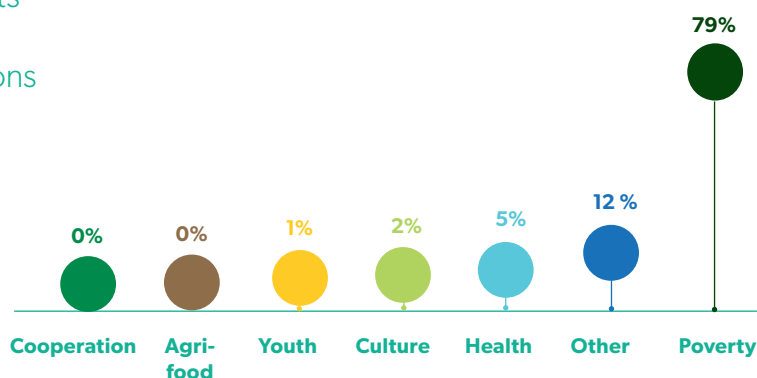
Sponsorships with a value of \$1.8 million were allocated primarily to organizations or events promoting agri-food (\$714,248), culture (\$271,648) and health (\$204,343).

\$1.5 million worth of food products was generously donated by Olymel in fiscal 2019 to Moisson organizations in Québec.

\$81 900 was donated by BMR Group to Children's Wish.

\$100 000 was donated by La Coop fédérée to the Institut Pacifique, which develops programs and services to prevent violence and psychosocial problems.

Donation destinations 2018-2019



\$700 000 in sponsorships was awarded by La Coop fédérée for events promoting the agri-food industry.

\$75 000 in sponsorships was awarded by BMR Group to the Jeux du Québec.

\$75 000 in sponsorships was awarded by Sollio Agriculture to encourage aspiring producers.

Sponsorship destinations 2018-2019

