



**PROVISION
COALITION**
PROCESSING FOOD SUSTAINABLY

2013-2014
Annual Report





Provision Coalition 2013-14 Annual Report

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PROVISION COALITION

PROCESSING FOOD SUSTAINABLY

Our Vision

Provision Coalition's vision is to be the food and beverage industry's leading voice on sustainability. We are "an alliance for combined action" made up of 12 member associations representing more than 4,000 member companies in Canada's food and beverage manufacturing and input supply sectors. We are committed to providing valuable resources, programming and advocacy that will help our members enjoy the economic, environmental and social benefits that come with operating in a sustainable manner.

Founded in 2010 under the federal-provincial-territorial initiative Growing Forward, Provision utilizes science, economics and the expertise of its members to ensure the competitiveness and long-term prosperity of the industry.

Our Mission

To represent our members' interests and promote their success through our actions as the leading voice on sustainability in the food and beverage manufacturing and input supply sectors. We will achieve this mission through advocacy, programming and adopting and communicating a definition of sustainability that examines business impacts from an economic, environmental and social perspective.

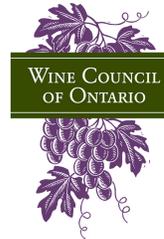
We Believe

The food and beverage manufacturing sector is a critical engine, driving the national economy, contributing to its competitiveness and long-term prosperity. The industry is committed to operating in a sustainable manner and to providing consumers with safe, healthy, and sustainably produced food and beverage products.



Our Members

Provision is proud to represent our Coalition of member associations.



Throughout 2013-14, Provision cultivated a new relationship with the Ontario Craft Brewers and in May 2014 the Board voted unanimously to welcome the Ontario Craft Brewers as Provision's newest member.



Message From The Chair

2013 was an eventful and exciting year for Provision. Our coalition of 11 food and beverage member associations incorporated under the name Provision the Food Industry Sustainability Coalition, with our trade name, Provision Coalition. The goal was to centralize and focus attention on our common environmental, social and economic concerns. Provision's emphasis on pressing and emerging sustainability interests not only delivers direct tangible benefits to our member associations, but it allows us to better concentrate on our own member-specific issues knowing we have a strong advocate and operative in our sustainability corner.

We appointed Cher Mereweather as our Executive Director, secured five year funding from *Growing Forward 2*, a federal-provincial-territorial initiative, and began assembling a small but proficient team to carry out our mandate. At last year's inaugural AGM in June 2013, we elected our first Board of Directors who has continued to provide valuable guidance and insight as we create a strong and lasting foundation for Provision's future. I want to personally thank the Board, staff and funding partners for all their efforts, contributions and commitment.

Throughout the year, Provision has continued to deliver clear leadership in driving transformational change in the industry, promoting a comprehensive

economic-environmental-social triple bottom line approach to sustainability, richly supported with advocacy, expert program delivery, and practical tools, resources and outreach. Provision is present at the table for you, representing our member interests and keeping you informed of the decisions and policies that may affect your respective members.

The strength of our coalition is our greatest asset. Looking forward, we are committed to cultivating strong relationships with our members to ensure we are not only meeting the needs of your association, but also your individual members. It is essential that the work we do at Provision continues to add business value to our associations and we will make this the driving force behind our efforts throughout 2014-15 and beyond.

Robert Cash
Chair



Message From The Executive Director

“An alliance for combined action.” This definition of a high functioning coalition has guided our efforts over the past year as we built our Provision team and positioned ourselves for a successful future advocating on behalf of our members’ sustainability interests. It also served as the backdrop for several projects intended to be of service to our members and help you to enjoy the many benefits that come with operating in a sustainable manner.

Our proudest accomplishment was the launch of our Online Sustainability Portal. Introduced at a gala event in October 2013, this leading-edge collection of online tools and resources was designed specifically for food and beverage manufacturers to help them make their facilities more sustainable, profitable and competitive. Since the launch, we’ve actively connected with individual food and beverage manufacturers and industry stakeholders, providing on-site visits to demonstrate the advantages of the Portal and listening to the industry’s needs as we look to continuously improve our efforts. This will remain a focus as we move into 2014-15. Being named a finalist for the *Association Award for Sustainable Leadership* at the 2014 GLOBE Awards was also a highlight and a significant achievement for our emerging organization.

Our advocacy in action included developing key business relationships

across the value chain that will benefit our members long term, distributing briefings on the potential impacts from Canada’s Chemical Management Plan and various other proposals for regulatory change, and initiating a groundbreaking food waste reduction project. I encourage you to read through this annual report to get a complete picture of our efforts on these initiatives and more.

A priority as we move into the new fiscal year is to reach out to our individual members. It will be essential to understand your key sustainability priorities and ensure we are being effective in providing real business value for your association and membership. We look forward to these opportunities to reconnect and hear your thoughts and ideas.

Cher Mereweather

Executive Director



Board Of Directors

Provision Coalition is governed by a Board of Directors made up of seven industry representatives, each representing various sectors of the food and beverage manufacturing industry.

Robert Cash - Board Chair, Officer
Canadian Oilseed Processors Association
Manager, Environmental
Technology Centre
Canada, Australia, New Zealand & South Pacific
Archer Daniels Midland Company

Paul Hetherington - Vice Chair
President and CEO
Baking Association of Canada

Ron Campbell – Treasurer, Officer
Operations and Member Services Manager
Ontario Agri Business Association

Cher Mereweather
Secretary to the Board, Officer
Executive Director, Provision Coalition

Walter Kraus
Baking Association of Canada
Vice President, Environment & Corporate
Responsibility
Weston Foods

Christina Lewis
President
Ontario Dairy Council

Daphane Nuys-Hall
Technical Director
Ontario Independent Meat Processors

Steve Peters
(June 7, 2013 to April 23, 2014)
Executive Director
Alliance of Ontario Food Processors

Provision Coalition's Team

Cher Mereweather
Executive Director

Meena Hassanali
Industry Program Manager

Keir Overton
Communications & Marketing Manager

Virginia Hyland
Project Support Intern



Industry Tools & Resource Development

Building A Foundation — Provision's Online Sustainability Portal

Located online at www.provisioncoalition.com, the first-of-its-kind Online Sustainability Portal forms the cornerstone of Provision's efforts over the past several years—a one-stop resource providing food and beverage manufacturers with leading edge, web-based sustainability tools and resources. Provision's Online Sustainability Portal was designed to help manufacturers assess, monitor and improve their environmental, social and economic performance.

The portal was successfully launched in October of 2013 and registrations continue to grow as users discover the benefits of such tools and resources as a facility Self-Assessment, Key Performance Indicator (KPI) Scorecard, Environmental Regulatory Benchmarking Tool, a resource library and comprehensive funding and consultant/vendor databases.

The response from manufacturers has been enthusiastic. "I cannot believe the portal is a free resource made-for-food and beverage processors," said Tony Ngo, Environmental & Sustainability Coordinator at Oakrun Farm Bakery. Tony and his team have made the portal their go-to-site in order to monitor and track

performance and meet their customer needs.

"Being able to go through such a rigorous Self-Assessment was quite incredible," says Steve Beauchesne, CEO of Beau's All Natural Brewing Company, after using the portal's Self-Assessment Tool. "It gave us this checklist of a year's worth of cool things to do. Some of them were really easy wins that we'd missed out on and then some were bigger, more audacious goals."

Specifically, the Self-Assessment Tool helped Steve and his brew team to identify opportunities for improved energy, water, wastewater and solid waste management in the

brewery, reduce carbon dioxide use by 20% with a new pin-point carbonator and build a five year road map for the continued integration of sustainability.

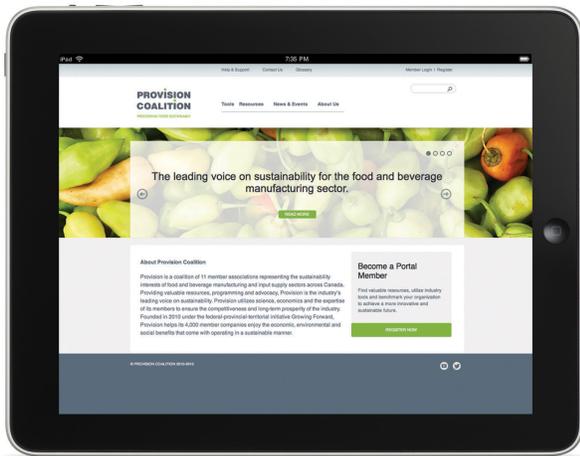
Provision is committed to seeing that the portal remains timely, diverse and filled with evolving knowledge. Since the launch, four new resources were developed for the portal, including the

"I cannot believe the portal is a free resource made for food and beverage processors."

Tony Ngo, Oakrun Farm Bakery



addition of an industry discussion forum, polling/survey features, improved data management and reporting, and a refined registration system.



Also a priority is the development of industry tools designed to add business value and help manufacturers remain competitive. A portal industry standing committee, consisting of members from various food and beverage sectors, has been established to provide strategic direction on future tools and resource development.

Stay tuned and watch as the Online Sustainability Portal continues to grow and we work towards our goal of being the leading one-stop sustainability resource for food and beverage manufacturers.

Portal Launch Event Makes A Big Splash

After many months of intense research, development and testing, Provision celebrated the launch of its Online Sustainability Portal with a successful launch event held at the Mississauga Convention Centre in October 2013.

More than 85 delegates were in attendance, representing stakeholders from across the food and beverage value chain. Not only did the morning event mark the portal's official roll out, but it provided an excellent opportunity for Provision to communicate and demonstrate to the food and beverage industry the benefits resulting from the application of the sustainability integration tools and resources within the online portal.

The half-day gala featured a keynote presentation by Dr. Robert Pojasek, internationally recognized industry expert and thought leader on business sustainability and process improvement. Also a highlight was the Industry Panel Talk Show featuring a spirited committee of food and beverage company representatives. Panelists Steve Beauchesne (Co-founder and CEO, Beau's All Natural Brewing Company) Rick Bossy (Managing Director of Sons Bakery), Rolf Schneider (Continuous Improvement/ Lean Manager, Western Waffles, ConAgraFoods) and Robert Pojasek took turns entertaining questions from moderator, Brett Wills, (President, Green Enterprise Movement) about their





positive experiences using the portal and how it delivered tangible business benefits for their organization.

Provision also provided a live demonstration of the portal's framework, tools and resources and during a networking break, delegates had the opportunity to explore the portal first-hand at designated computer stations.

"The well-organized, stylish Provision Coalition Launch event showcased the impressive new web portal, and more importantly brought highly relevant 'content' to the food sector participants both through the speakers and the portal itself. Bravo!"

Fred Granek, President, Canadian Centre for Pollution Prevention

The positive feedback received from delegates, sponsors and speakers on the portal's benefits was validation for the work that went into developing the portal. It's clear to Provision's team that

there is a real interest and a need for the tools and resources the portal delivers.

"I was impressed with the portal," noted Ron Campbell, Operations and Member Services Manager for Ontario Agri Business Association (OABA). "It's one thing to hear about it at meetings but another to see it on the 'big screen'. It should provide significant value to processors. I will certainly be promoting it to our members, especially the feed mills, although I think it can be of value to all of our members."

Reaching Out: Site Visits & Portal Demonstrations

Provision has been on the road, meeting with as many food and beverage manufacturers, industry practitioners, associations and government representatives as possible. We're excited about our Online Sustainability Portal and want to personally demonstrate how it can help food and beverage businesses become more sustainable, profitable and competitive.



Since our portal launch, Provision has conducted numerous presentations and live demonstrations with food and beverage industry stakeholders and manufacturers. These on-site visits not only let us introduce the tools and resources available in the portal, but also provide an opportunity for Provision's team to listen to the needs of manufacturers and stakeholders and gather useful feedback aimed at improving the portal and developing strategies for sharing knowledge.

During recent visits to Chudleighs, Oak Run Farm Bakery, Steam Whistle Brewery and Mondelez International, Provision's

Sign up for your free on-site visit and portal demonstration. Contact the Provision team today.

demonstrations offered a first hand look at the business value of using the portal, which received a supportive response.

"After meeting with the Provision team, we held

a two hour internal follow up discussion to explore how the portal could be used to further support our sustainability plans," said Brent Winterton, VP for Quality Assurance and Human Resources at Chudleigh's. The executives at Chudleigh's were very enthusiastic to equip their team with tools and resources to identify gaps in their current program utilizing the portal's Self-Assessment Tool

and to establish benchmarks as well as track performance improvements with the Key Performance Indicator (KPI) Scorecard.

Provision has also met with various government stakeholders, many who were impressed with the portal features and value added sustainability performance benchmarking capability for the food and beverage manufacturing sector. Many more on-site visits and demonstrations are scheduled for 2014-15 as we continue to build a buzz about the portal and its sustainability benefits.

"Provision's Portal has had a tremendous impact on manufacturers who are looking to make real change," says Meena Hassanali, our Industry Program Manager. "They're amazed this kind of resource exists—and it's free!"

Chemical Management Retainer

Changing regulatory requirements under the Canadian Environmental Protection Act (CEPA, 1999) prompted Provision to act on behalf of its members, developing and distributing briefings that provided a better understanding of the potential impacts to the food and beverage manufacturing industry from Canada's Chemical Management Plan (CMP).

Canada's Chemicals Management Plan is intended to improve the degree of protection against hazardous chemicals and includes a number of new and



proactive measures to manage chemical substances.

Working closely with Keith Mussar and Associates, Provision developed and distributed six member briefs designed to help the food and beverage manufacturing industry understand the potential risks of the substances being reviewed. The plain language briefs provided relevant information on reporting requirements, guidance on how to report and recommended next steps.

Briefs published by Provision and distributed to members included:

1. Domestic Substances List Inventory Update (DSL IU2)
2. A follow-up brief explaining the food and beverage substances list with direction for companies to develop their own comprehensive list of substances.
3. Environment Canada Reporting Requirements for Phthalates
4. Risk Assessment of Food Related Substances by Health Canada and Canadian Environmental Protection Act (CEPA)
5. Requirement for Pre-market Environmental Safety Assessment under CEPA as well as Pre-market Safety Assessment by Health Canada and/or Canadian Food Inspection Agency (CFIA)
6. Proposed Amendments to Environment Canada's Environmental Emergency (E2) Regulations

Briefings 1-3 are also housed in the Provision portal's Library.

Food Waste Working Group, Phase 1: Mapping the Problem

The United Nations' Food and Agriculture Organization estimates that one third of the food we produce is wasted along the value chain. Canadians send about \$27 billion in food to landfills and composters each year. Food is wasted because of overproduction, unnecessary inventory, inappropriate processing, and excessive transportation. This inefficiency directly increases the business costs of raw materials and waste disposal, stresses natural resources like water and arable land, and contributes to climate change.

With the intention of developing a food waste working group and a coordinated strategy for tackling the food waste challenge in Canada, Provision initiated Phase 1 of the initiative—*Mapping The Problem*. Collaborating with the Network for Business Sustainability (NBS), researchers at the Ivey Business School and the Value Chain Management Centre, Provision's goal was to map the food waste challenge in the context of Ontario and Canada's food and beverage industry.

Over the long term, Provision hopes to enable development of food waste reduction programs that can assist businesses operating in the food and beverage industry to increase their profitability and competitiveness, while simultaneously benefiting the environment and society.



Research for this project was conducted in different stages and included a comprehensive report and literature review, confidential interviews with key stakeholders in the food value chain and surveys to establish an overview of the present food waste situation in the industry. From this process, a draft food waste stakeholder and problem map was developed.

NBS and Provision delivered a hands-on working session in December 2013 with key stakeholders and industry leaders to validate the research and assist in designing the path towards long term solutions to address the issue.

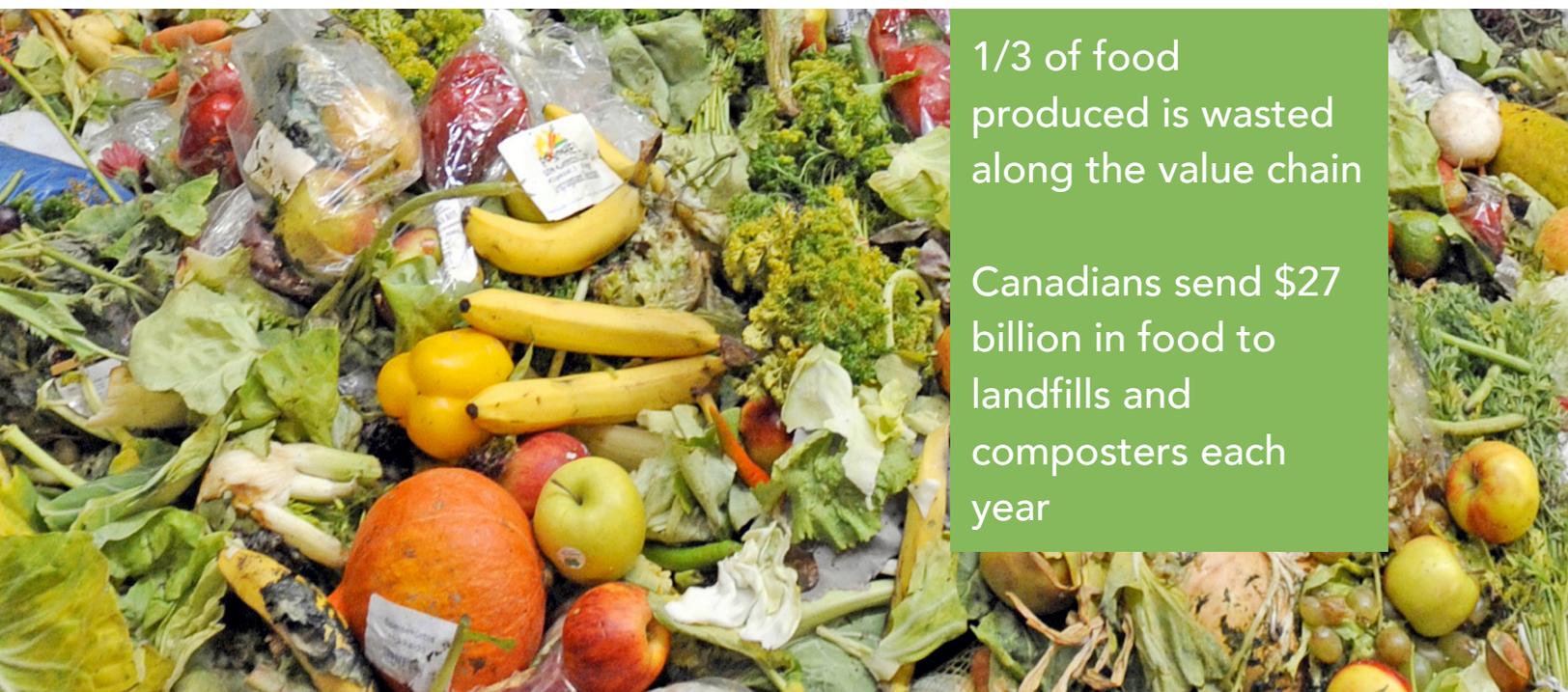
Attended by 34 stakeholders across the value chain, the workshop provided an overview of the research team's preliminary findings and an opportunity for interactive discussion on the draft food waste problem and stakeholder maps. For the most part, the maps were deemed accurate representations of the current state of food waste occurring in Canada. The session concluded with a

proposal to form a working group to determine next steps and develop a plan for addressing food waste in the food and beverage manufacturing industry. Those in attendance were invited to participate in the working group.

The final report for Phase 1 of the project, *Developing an Industry Led Approach to Addressing Food Waste in Canada*, is now complete and will be publicly released in June 2014.

Advocacy In Action

Representing our member's sustainability interests is a key tenet of Provision's mandate. Over the past year, we were involved in a number of advocacy initiatives with the intention of further developing business relationships with key stakeholders, retailers/food service providers, industry associations and organizations that could assist the food and beverage manufacturing industry



1/3 of food produced is wasted along the value chain

Canadians send \$27 billion in food to landfills and composters each year

with its sustainability efforts. Some specific examples included:

Provision's team participated in the Ontario Ministry of Environment's Modernization of Approvals Stakeholder Round Table meetings and MOE's Greenhouse Gas Emissions Reduction Program – Food Sector Stakeholder Consultations for Ontario. For both gatherings, Provision was there to get a better understanding of the potential impacts to the food and beverage manufacturing industry in Ontario.

Provision attended Stewardship Ontario's Sustainability Summit held in June, 2013. Well represented by industry stakeholders, the event was both timely and relevant for Provision and its member associations in regard to roundtable discussions on the proposed Individual Producer Responsibility (IPR) provisions under Bill 91 (Waste Reduction Act, 2013) and the Waste Reduction Strategy.

Provision's advocacy efforts were also on display as a member of the Coalition for Effective Waste Reduction in Ontario (CEWRO). The coalition represents twenty four major industry/trade associations across Ontario (including Provision's members), with a collective representation of more than 40,000 businesses.

CEWRO came together to develop a joint manufacturing submission to the Ontario Ministry of Environment on Bill 91 and the Waste Reduction Strategy, developed through a series of meetings held in August, 2013 and distributed to

117 MPPs across Ontario. Provision's team has continued to meet with MPPs and joined three other CEWRO members in a one-on-one meeting with Minister Jim Bradley to express industry concerns with the proposed Bill 91.

To keep members informed, Provision prepared a backgrounder with information on the proposed Waste Reduction Act, 2013 and the Waste Reduction Strategy. The document outlined potential opportunities and implications for the food and beverage industry.



Communications, Marketing & Outreach

Communications & Marketing Strategy In Place

Provision recently developed a five year strategy for Communications and Marketing that will serve to provide direction for communication and marketing efforts as we focus on our vision to be the leading voice on sustainability in the food and beverage manufacturing and input supply sectors in Canada.

This comprehensive document provides guidance for future Sustainability Portal Development plus Industry Outreach Initiatives designed to build excitement and interest in Provision. The 5 year strategic plan also includes Knowledge Transfer strategies for adult education and sharing the business benefits of sustainability integration with manufacturers and other stakeholders. An Industry Data Analysis section outlines initiatives to analyze and develop conclusions based on the trends and gaps revealed in data collected in our Portal and industry surveys. This information is expected to provide direction for new portal tools and resources, as well as provide insight into future programming or policy changes.

Showcasing The Industry

Being first to the party has its advantages and for four pioneering food and beverage manufacturers who tested the beta version of Provision's Online Sustainability Portal, Provision is showcasing their experiences in a collection of vibrant and informative case studies.

Provision's Online Sustainability Portal Gives Beau's Tools that Help Brewery Stay Innovative, Award-Winning and Sustainable

20% Increase in Carbonation Efficiency

New Opportunities for Improving Energy, Waste, Wastewater and Solid Waste Management

A Comprehensive Five-Year Roadmap for the Continued Integration of Sustainability Practices

BEAU'S
All Natural
Brewing Company

OVERVIEW

A sustainability leader in the craft beer market, Beau's All Natural Brewing Company in Vankleek Hill, Ontario, was looking for new ways to integrate sustainability into the brewery's business practices. Family-run, with 80 employees and growing, Beau's annually produces 2.5 million litres of organic, award-winning beer, which is available in restaurants and retail outlets across Ontario. www.beaus.ca

Beau's enthusiastically agreed to be one of the four companies participating in an exciting pilot project, giving Provision Coalition's Online Sustainability Portal a "real world" test at their manufacturing facilities.

Provision's Online Sustainability Portal offers leading edge, web-based sustainability benchmarking tools and resources such as self-assessments, key performance indicator (KPI) scorecards and extensive consultant/vendor and funding databases – all designed to help food and beverage manufacturers assess, monitor and improve their sustainability performance.

NSF-GFTC, a global leader in food safety, training, quality and technical solutions, provided facilitation and coaching throughout the pilot process. www.gftc.ca

PROVISION COALITION
PROCESSING FOOD SUSTAINABILITY

ABOUT PROVISION COALITION

The leading voice on sustainability in the food and beverage industry, Provision consists of 11 member associations that represent the sustainability interests of manufacturers and input supply sectors across Canada. The Provision Online Sustainability Portal at www.provisioncoalition.com offers innovative, web-based sustainability tools and resources to help food and beverage manufacturers assess, monitor and improve their sustainability performance. www.provisioncoalition.com

Beaus All Natural Brewery, Sons Bakery, Mother Parkers Tea & Coffee and Western Waffles partnered with Provision and NSF-GFTC as pilot sites, recording and tracking their experiences using the tools and resources available in the Portal.



The information and data collected has been formatted into case studies to be published digitally—the first being the experiences of Beaus All Natural Brewery. The other three studies are inline to be published later this year and the development of a video version of these case studies will be part of our outreach efforts in 2014-15.

May We Present...

Capitalizing on the success of our portal launch, Provision was busy in the second half of the year making the most of presentation opportunities in an effort to spread the word about the benefits of using the sustainability portal and encourage registration by food and beverage manufacturers and stakeholders.



OIMP Annual General Meeting Presentation

Provision made a sustainability presentation in February, 2014 at the OMAF Environmental Sustainability Workshop which included a live demonstration of the portal to 86 registrants. Provision also presented at the Food Waste Management Workshop in March, sharing the highlights of Provision's Food Waste Project results and providing a three week complementary pass to the Online Sustainability Portal for all workshop registrants.

Interested in having Provision present on sustainability and our Online Sustainability Portal at your next event? Contact us today.

Also in March, Members of the Canadian Association of Farm Advisors (CAFA) participated in a sustainability/portal presentation offered by Provision. Provision attended the Ontario Independent Meat Processors (OIMP) annual meeting to give a presentation entitled, *Sustainability in the Food and Beverage Industry*, which included a live portal demonstration. The event was attended by over 60 OIMP stakeholders, half of which were manufacturers.



Connecting With Social Media

Already with a growing presence on Twitter and our Blog series, Provision took the wrapping off two more social media portals this year, launching a company LinkedIn page and YouTube channel.

Valuable tools for connecting and sharing content of value and interest with stakeholders, developing these social media channels has helped to build excitement about Provision's mission and consequently, bring more exposure to the Online Sustainability Portal.

Twitter

With new followers joining daily, we continue to cultivate our Twitter account, sharing Provision and industry news along with links of interest.

YouTube

Our first foray into video, Provision's YouTube channel features video highlights from our Portal Launch Event and spotlights food and beverage manufacturers sharing their positive experiences using the Portal. A powerful format for spreading Provision's sustainability message, we look forward to building the channel and video assets in the coming year.

LinkedIn

An excellent avenue to build our corporate profile, Provision's LinkedIn page is designed to raise brand awareness, connect with industry stakeholders and educate manufacturers about the benefits of using the Portal.

Provision Blog

Updated regularly with new postings, Provision's Blog series, *Filling The Gap*, offers useful and current information on Provision's Online Sustainability Portal, food and beverage manufacturer experiences using the portal's tools and resources, sustainability issues and more.

Connect With Us



Web

www.provisioncoalition.com



Provision Blog

www.provisioncoalition.com/blog



Twitter

www.twitter.com/ProvisionC



YouTube

www.youtube.com/user/ProvisionCoalition/



LinkedIn

www.linkedin.com/company/provision-coalition



Collaboration, Business Management & Leadership

Policies, Procedures and Operational Systems

In our first year formally as Provision Coalition, we were committed to the development of policy and procedures manuals and process development for operations, board governance and administration.

In addition, a Privacy Policy and Portal Terms of Reference were developed to provide liability protection and data security assurance to portal users.

Building The Team

Starting with the appointment of **Cher Mereweather** as Provision's Executive Director, Provision's team has grown strategically over the last year.

Meena Hassanali, our Industry Program Manager, joined Provision in June of 2013 and is responsible for managing and delivering industry programs and initiatives. Prior to joining Provision, Meena worked at the Bloom Centre for Sustainability (BLOOM) where she spent nine years as the Director of Sustainability and Sustainability Programs Manager, collaborating with industry, government and practitioners to achieve triple bottom line results.

In February of 2014, Provision welcomed **Keir Overton** to its team as Communications & Marketing Manager. Bringing his digital marketing skills and previous experience in the education and technology fields, Keir is responsible for communications, development and growth of Provision's Online Sustainability Portal and sharing Provision's story as the leading voice for sustainability in the food and beverage industry.

Kelsey Walker, Communications Coordinator and **Elizabeth Johnson**, Project Assistant, also provided valuable contract support throughout the year.

Virginia Hyland joined Provision in May, 2014 as our Project Support Intern for the summer, providing administrative coordination and support for team members. A co-op student from the University of Waterloo, Virginia is studying Science and Business with a specialization in Chemistry. Previously, she worked as a Business Systems Analyst at Hoffman La-Roche and as a Junior Communications Assistant in the Environmental Management Branch of OMAF.



Going To The GLOBES

Finalists for the 2014 GLOBE Awards gathered in Vancouver in March for the announcement of the winners during the GLOBE Awards Luncheon and Ceremony. In attendance was Provision, a proud nominee for the *Association Award for Sustainable Leadership*.

“We’re honoured and pleased to be recognized,” said Cher upon learning of the nomination. “This tells us we’re headed in the right direction.”

development, and education in partnership with governments, non-governmental organizations, communities, and other stakeholders.

Provision was not the successful winner for this category, but our congratulations go to the Chemistry Industry Association of Canada. Being recognized as a finalist was a significant accomplishment for our emerging organization and we will be sure to re-apply in 2016.



Recognizing outstanding achievement in environmental stewardship, the GLOBE Awards for Environmental Excellence are considered the highest-profile national award series of its type and presented by the GLOBE Foundation, a not-for-profit private business foundation established to promote the business case for sustainable development.

The Association Award for Sustainable Leadership was presented to an organization representing an industry, sector, or business collaborative that has shown leadership by going beyond regulatory compliance to develop a collective commitment across their sector or industry to improve environmental performance through research,



PROVISION COALITION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

PROVISION COALITION
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YEAR ENDED MARCH 31, 2014

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Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

To the members of: Provision Coalition

We have audited the accompanying financial statements of Provision Coalition, which comprise the statement of financial position as at March 31, 2014 and the statements of revenues and expenditures and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Provision Coalition as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Kitchener, Ontario
June 6, 2014

RLB LLP
Chartered Accountants
Licensed Public Accountants

PROVISION COALITION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	2014
ASSETS	
CURRENT	
Cash	\$ 112,860
Accounts receivable	45,846
Prepaid expenses	<u>4,357</u>
	163,063
CAPITAL ASSETS (note 4)	<u>5,987</u>
	<u>\$ 169,050</u>
LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities	\$ 99,021
Government remittances payable	2,019
Deferred contributions (note 5)	<u>55,000</u>
	<u>156,040</u>
NET ASSETS	
UNRESTRICTED	<u>13,010</u>
	<u>\$ 169,050</u>

PROVISION COALITION

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2014

	2014
REVENUES	
OMAF contributions	\$ 584,700
AAC CAAP contributions	204,040
Portal revenue	15,025
Membership fees	<u>550</u>
	<u>804,315</u>
EXPENDITURES	
Professional fees - projects	477,048
Salaries and benefits	232,769
Professional fees - operations	15,694
Rent	13,917
Meetings	13,797
IT	13,673
Telephone	5,192
Travel	4,976
Insurance	4,763
Membership fees	4,142
Office	1,891
Bank charges	1,791
Amortization	<u>1,652</u>
	<u>791,305</u>
EXCESS OF REVENUES OVER EXPENDITURES for the year, being NET ASSETS, end of year	<u><u>\$ 13,010</u></u>

PROVISION COALITION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	2014
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Excess of revenues over expenditures for the year	\$ 13,010
Items not requiring an outlay of cash	
Amortization	<u>1,652</u>
	14,662
Changes in non-cash working capital	
Accounts receivable	(45,846)
Prepaid expenses	(4,357)
Accounts payable and accrued liabilities	99,021
Government remittances payable	2,019
Deferred contributions	<u>55,000</u>
	<u>120,499</u>
CASH (USED IN) INVESTING ACTIVITIES	
Additions to capital assets	<u>(7,639)</u>
INCREASE IN CASH for the year, being NET CASH, end of year	\$ <u><u>112,860</u></u>

PROVISION COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. NATURE OF BUSINESS

Provision Coalition is a not for profit organization incorporated under the laws of Ontario on March 11, 2013 without share capital and began operations in the current fiscal year. Provision Coalition is exempt from income tax. Its purpose is to promote sustainability solutions and practices by those engaged in the food and beverage value chain, by developing and providing tools and programs relating to sustainability to assist businesses and associations in the food and beverage value chain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) **REVENUE RECOGNITION**

The organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue proportionately over the fiscal year to which they relate.

Portal revenue is recognized when earned.

(b) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred contributions.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in the excess of revenues over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

PROVISION COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) **CAPITAL ASSETS**

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Office furniture	- 5	years straight line basis
Computer equipment	- 2	years straight line basis

Amortization is recorded at 50% of the above rates in the year of addition.

3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and deferred contributions. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from these financial instruments.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2014
Office furniture	\$ 2,540	\$ 250	\$ 2,290
Computer equipment	<u>5,099</u>	<u>1,402</u>	<u>3,697</u>
	<u>\$ 7,639</u>	<u>\$ 1,652</u>	<u>\$ 5,987</u>

5. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unexpended portion of OMAF contributions received, are as follows:

	2014
Balance, beginning of year	\$ 0
Amounts received	639,700
Less amount recognized as revenue in the year	<u>(584,700)</u>
Balance, end of year	<u>\$ 55,000</u>

6. COMMITMENTS

The organization has an operating lease for the premises. Future minimum lease payments are as follows:

2015	\$ 27,984
2016	27,984
2017	27,984
2018	<u>23,320</u>
	<u>\$ 107,272</u>

Funding Partners

This year, Provision secured two agreements with *Growing Forward 2* and the Ontario Ministry of Agriculture and Food, valued at up to \$3.2 million (April 1, 2013 to March 31, 2018) to support processing food sustainably. We are grateful for this commitment to our vision and for their continued trust in our program and project delivery.

This project is funded in part through *Growing Forward 2 (GF2)*, a federal-provincial-territorial initiative

Investment in Provision's Online Sustainability Portal was provided by Agriculture and Agri-Food Canada through the Canadian Agricultural Adaptation Program (CAAP). In Ontario, this program was delivered by the Agricultural Adaptation Council.



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Investment in the portal was also provided by *Growing Forward 2*, a federal-provincial-territorial initiative.

PROVISION COALITION

PROCESSING FOOD SUSTAINABLY

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