

Pathway to Sustainability

CORPORATE SOCIAL RESPONSIBILITY REPORT 2012 - 2013

RESEARCH, CLIENTS DEVELOPMENT & TRPLE DEMONSTRATION TR BOT BEST EMPLOYER SOCIAL EMISSIONS HEALTH \mathbf{CO} & SAFETY **EMPLOYER** TRIPL BOTTO SCIENCE SOLUTIONS CE ENERGY SAVINGS ENVIRO VOLUNTEER SOLUTIONS OLUTION JOBS SOCIAL BEST EMP FT <u>imdy</u> **NEDD** JOB CREATION STAKEHOLDER ENGAGEMENT ENGAGEME STAINABL E SERVICES DIVERSIT JOB § HEALTH 8 SAFET TRAINING CLIENTS CREATION OF CREATION **IEALTH SOCIAL** AND SAFFTY

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Letter from the CEO

Choosing to be a responsible, sustainable company is a journey, not a destination. In our third Corporate Social Responsibility (CSR) report, appropriately titled *Pathway to Sustainability*, we reflect on our journey thus far and make plans for the opportunities that lay just around the bend.

In a sense, our CSR journey began when we were formed in 1947 with the objective of strengthening the Saskatchewan economy, taking into consideration the welfare of the province, and creating meaningful impacts by facilitating targeted research and development and working with industry to get the results deployed and commercialized.

CSR is becoming more embedded in every level of SRC's business. It's reflected in the culture we've fostered that embraces safety and employee diversity. It's evident in the services we provide to clients in which our employees strive to conduct business in a socially and environmentally responsible manner. It is this culture that makes SRC well-poised to move forward on the *Pathway to Sustainability*.

Over the next two years, SRC intends to complete a materiality assessment for our CSR reporting to ensure that we are providing a level of transparency that is meaningful to our stakeholders. We're going to answer the question: On what do SRC's stakeholders feel SRC should focus our CSR efforts? We are also looking to become even more involved in the communities we work through our new Employee Volunteer Program that will see all SRC employees devote time to a non-profit organization.

During the 2012-13 fiscal year, we made large strides towards achieving our economic, social and environmental objectives. Here are some highlights from the past year.

Economic Performance

- SRC's revenues exceeded \$67 million.
- SRC's total economic impact in Saskatchewan was more than \$559 million. Since 2003, SRC's total impact is over \$5 billion.
- More than 2,700 jobs were created or maintained, as a result of SRC's work with and for clients.

Social Performance

- Safety continues to be an over-riding priority at SRC. We achieved a lost-time incident rate of 0.92 per 200,000 hours worked(our goal, of course, is zero).
- SRC strives to be a 'best employer' by continuing to invest in our employees.
 Employees had an average of 8.32 hours of safety training and 35.78 hours of skills training.
- We supported employees who participated in volunteer activities for the Heart and Stroke Foundation, the Saskatchewan Children's Hospital Foundation, and cancer research,

among others. SRC employees were also involved in collecting school supplies for children in need, donating clothing for women in need entering the workforce and donating food hampers to families in our communities.

Environmental Performance

- SRC's operations produced greenhouse gas emissions of 10,325 tonnes CO2e. While this is an increase over the emissions of 9,229 CO₂e reported for 2011-12 fiscal year, the increase is related to improvements in data collection.
- In 2012-13, SRC's work contributed to reducing clients' emissions by 22,000 tonnes CO₂e/year and saving more than 44 million kilowatt hours/year in energy.
- Through recycling and equipment sales, SRC diverted over 11 metric tonnes of surplus equipment and supplies from landfills.
- 30 per cent of SRC's employees participated in the Commuter Challenge, a national event encouraging sustainable commuting through public transit, carpooling, biking and other environmentally sound ways of commuting. During Commuter Challenge week, SRC employees saved 475 litres of fuel and avoided 1,168kg of CO₂s by choosing to commute sustainably to work for one week.

In support of our goal to be a socially and environmentally responsible company, SRC has increased the transparency of its CSR reporting. The 2012-13 report was prepared to achieve the Global Reporting Initiative[™]'s (GRI) B level. Our intent is to adopt GRI's new G4 reporting standards for our 2013-14 CSR report. This shift to G4 standards will reflect the materiality input that we have acquired from stakeholders, resulting in performance measures and reporting indicators that are closely tied to our stakeholders, strategy and identity.

As we work towards attaining our strategic goals for 2020, the three core elements of our triple bottom line – improving our economic, environmental or social performance – continue to guide our decisions and actions. SRC strives to grow our economy in a socially and environmentally responsible way, to become a 'best employer' with highly engaged employees, to become North America's premium science solutions company, to provide a positive financial return and to conduct business in a socially and environmentally responsible manner.

As we continue on our Pathway to Sustainability, we truly hope that you are inspired to join us by incorporating socially responsible practices in your own organization and life.

Dr. Laurier Schramm President and CEO



About this Report

This is the third year that the Saskatchewan Research Council (SRC) has completed a Corporate Social Responsibility (CSR) report and submitted it to the Global Reporting Initiative™ (GRI). Our first report, *Smart Growth, 2010-11 Corporate Social Responsibility Report*, was issued in August 2011. Our last report, *Serving Sustainability: Saskatchewan Research Council Corporate Social Responsibility Report 2011-12*, was issued in September 2012.

The 2012-13 reporting period captures measurements and data from April 2012 to March 2013 to coincide with SRC's annual financial reporting cycle.

SCALE OF REPORTING

This report covers all of SRC's operations, including projects managed by SRC's Saskatoon, Regina and Prince Albert offices. The topics discussed were chosen based on a review of SRC's strategies and priorities for 2012-13.

REPORT BOUNDARIES, SCOPE AND LIMITATIONS

This 2012-13 report is being submitted to meet B-level GRI requirements. It has not been externally assured and there is no current SRC policy on seeking external assurance. External assurance will be evaluated as SRC continues develop its CSR priorities and processes. Energy usage, electricity usage and greenhouse gas emissions data has been internally reviewed by employees of SRC's Environment division who are certified to complete greenhouse gas analysis.

Since last year's report, the following changes in scope, boundary and measurement have been made to this report:

Twelve additional performance indicators were added in 2012-13:

1.2: Description of key impacts, risks and opportunities.

3.9: Data measurement techniques and the basis of calculations, including assumptions, and techniques underlying estimations applied to the compilation of the indicators and other information in the report.

4.5: Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

4.10: Process for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.

4.11: Explanation of whether and how the precautionary approach or principle is addressed by the organization.

4.16: Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

4.17: Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.

LA12: Percentage of employees receiving regular performance and career development reviews.

LA13: Composition of governance bodies and employees per category according to gender, age group, minority group membership, and other indicators of diversity.

HR4: Total number of incidents of discrimination and actions taken.

SO1: Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.

PR4: Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.



Video of Wanda Nyirfa, SRC's Vice President of Business Ventures and Communications describing our approach to CSR

DATA MEASUREMENT TECHNIQUES

All data has been collected from appropriate employees within SRC. With the exception of a small portion of vehicle data and energy consumption data, all are actual results.

Due to differences in reporting needs across SRC reporting divisions, a small number of vehicles required estimates to kilometers traveled and gasoline used. The estimates were based on the number of trips and trip locations, combined with fuel consumption ratings data provided by Natural Resources Canada. Tools are in development to help improve consistency of reporting for future years.

Utilities that are not paid by directly by SRC were reported by its landlord on an annual basis. A monthly average was calculated in order to estimate consumption over the 2012-13 fiscal year. Additionally, SRC produces electricity for one of its Climate Reference Stations using solar panels. The amount of electricity used is not monitored, so an estimate based on a similar Climate Reference Station that SRC operates was used.

Data compilation techniques used follow GRI G3 guidelines.

MATERIALITY

In the 2012-13 fiscal year, SRC began developing a materiality process to verify what our stakeholders are seeking from our CSR initiatives and reporting. It is our intent to use this process to inform future CSR priorities, initiatives and performance reporting.

If you have any questions or would like to provide feedback on this CSR report, please email info@src.sk.ca or visit www.src.sk.ca/csr.

Governance

AUTHORITY

The Saskatchewan Research Council (SRC) is a Saskatchewan Treasury Board Crown Corporation governed by *The Research Council Act*. Within this framework, the Board of Directors (Board) formulates policy and delegates the responsibility and authority for the ongoing management of the corporation to the President and CEO.

BOARD RESPONSIBILITIES

The Board ensures that the activities of the corporation are carried out under the terms of *The Research Council Act*. The Board oversees the stewardship of the corporation and is responsible for strategic planning and monitoring of financial and business performance. The Board ensures that management has systems in place to identify and manage the principal risks of the corporation's business.

BOARD QUALIFICATIONS AND EXPERTISE

SRC's Governance and Nominating Committee (GNC) of the Board has been assigned the responsibility to oversee Board renewal, succession, skill set determination and nomination.

When recruiting new members, the GNC considers the appropriate combination of competencies and experience needed on the Board at a particular time to provide effective governance to support SRC's mission. This includes:

- Identifying the current and future needs of SRC and the needs and expectations of its shareholder.
- Determining the best mix of Board talent and experience by examining the nature of challenges facing the business. These challenges may change as the business evolves and grows.
- Establishing Board Appointment Guidelines to ensure that Board composition continues to add value to the corporation and that the appropriate mix of competencies and experience remains relevant to the corporation's needs.

- The guidelines are used in conjunction with a Skills Matrix, which indicates the competencies, representation and diversity goals of the current Board members and the gaps that need to be filled. The matrix includes attributes, such as:
 - Financial expertise
 - Senior management experience
 - National/international business experience
 - Governance expertise
 - Applied research and development management experience
 - Legal expertise
 - Human resources expertise
 - Marketing/branding expertise
 - Knowledge of public policy mandate and shareholder objectives
 - Change management experience
 - Entrepreneurial/business development experience
 - Corporate social responsibility experience
 - Organizational development/strategic planning experience
 - Information technology expertise

BOARD COMPOSITION AND COMPENSATION

In 2012-13, SRC's Board was comprised of twelve members with a diverse combination of knowledge and expertise. The members represented a cross-section of SRC's stakeholder community.

Eleven directors, including the Chair, were independent of SRC management. The Chair is not an executive officer of the corporation. The one related director was the President and CEO of the corporation.

Board members (except for members who are government employees) receive a retainer and an honorarium for meetings attended. The level of compensation is established by Treasury Board. Members are allowed travel and associated expenses at SRC approved rates. The compensation is not tied to the organization's performance. SRC's executive team has a compensation component that is based on achieving key performance indicators, including indicators specifically related to CSR performance.

THE BOARD AND MANAGEMENT

The Board focuses on the strategic leadership of the corporation and does not become involved in day-to-day management, but delegates and entrusts operational decisions to management; holding management accountable for the corporation's performance, long-term viability and the achievement of its objectives.

PERFORMANCE EVALUATION

The Board has an annual evaluation process. At this time, economic, environmental and social performance is not part of the evaluation.

COMMITTEES

The Board has established the following committees to address specific areas of Board responsibility:

Audit and Finance Committee

The Audit and Finance Committee is responsible for monitoring, advising and making recommendations to the Board regarding all aspects of financial planning and the financial management of the corporation. The Audit and Finance Committee acts as the communication link between the Board and the Provincial Auditor.

Governance and Nominating Committee

The Governance and Nominating Committee is responsible for monitoring, advising and making recommendations to the Board regarding the governance strategy of the corporation, assessing and evaluating Board and CEO performance, administering the Board-CEO relationship and assessing and monitoring the risk framework.

FEEDBACK MECHANISMS TO THE BOARD

SRC's sole shareholder, the Government of Saskatchewan, provides direction and feedback to the Board through a provincial cabinet minister responsible for SRC. There is no mechanism in place for employees to provide feedback to the Board.

CONFLICTS OF INTEREST

Board candidates are asked to disclose any potential conflicts of interest on their candidate application form. New Board members are asked to complete a Declaration of Interest form when they join the Board.

Annually, as part of the recommitment to the Code of Conduct and Ethics, Board members are asked to review their latest Declaration of Interest form and to complete a new one if there have been any changes.

At the beginning of scheduled Board and Board committee meetings, members are asked to declare any conflict of interest or potential conflict of interest related to issues that may be discussed at the meeting.

Serving Board members are asked to declare any actual, potential or perceived conflict of interest in writing to the Board Chair, using the Declaration of Interest form, immediately upon becoming aware of the situation.

PERFORMANCE OVERSIGHT

The Board oversees the stewardship of the organization by approving policy, guiding the strategic planning process and monitoring performance.

Performance is measured using Key Performance Indicators (KPIs), which are quantifiable measurements intended to reflect the critical success factors for the organization. The suitability of the KPIs and corporate performance as measured by the KPIs are reviewed annually by the Board committees.

Other mechanisms for evaluating performance include:

- Economic Impact Assessment: Each year, the Board reviews a copy of the Economic Impact Assessment, which includes information on the economic impact of SRC on Saskatchewan, the number of jobs created in Saskatchewan and other social and environmental measurements.
- Enterprise Risk Management (ERM): SRC's ERM strategy manages both threats and opportunities. The Governance and Nominating Committee monitors and assesses the risk framework and engages the participation of the Board to address ERM issues as they arise. The Board and management also receive regular and ad hoc risk assessments and ratings.
- Environmental Scanning: Looking for media and other public mentions of SRC and its projects.



 Back row:
 Nathan Rhodes, Jamie McIntyre, Dr. Patrick Jamieson, Ronn Lepage, Shelley Lipon, Dr. Dennis Fitzpatrick, Dr. Charles Randell, John Cross

 Front row:
 Dr. Laurier Schramm (Secretary), Dr. Peta Bonham-Smith (Vice-Chair), Craig Zawada (Chair)

 Missing:
 Patricia Cook

About SRC

OVERVIEW

The Saskatchewan Research Council (SRC) is Saskatchewan's leading provider of applied research, development and demonstration (RD&D) and technology commercialization.

With over 400 employees, \$67 million in annual revenue and over 65 years of RD&D experience, SRC provides research, development, demonstration, commercialization and testing services to its 1,800 clients in 24 countries around the world.

Headquartered in Saskatoon, Saskatchewan, with offices in Regina and Prince Albert, SRC has four operating business divisions serving clients across these strategic Saskatchewan sectors:

- Agriculture/Biotechnology
- Energy
- Environment
- · Mining and Minerals

IMPACTS

SRC's 2012-13 annual economic impact assessment shows that last year:

- We achieved more than \$559 million in direct economic benefit to Saskatchewan.
- Our work created or maintained over \$169 million worth of jobs.
- We undertook more than \$36 million in projects aimed at creating positive environmental and social impacts.
- Our work for clients contributed to reducing at least 22,000 tonnes of greenhouse gas emissions and saving over 44 million kWh/year of energy.

INTERNAL STANDARDS

- Code of Conduct and Ethics
- The Research Council Act

EXTERNAL STANDARDS

- International Financial Reporting Standards (IFRS)
- Saskatchewan Health and Safety Leadership Charter through the Workers' Compensation Board (WCB)

MEMBERSHIPS AND INDUSTRY INVOLVEMENT

SRC was a member in the following associations for all or part of 2012-13:

- Chambers of Commerce (Saskatchewan, Saskatoon, Prince Albert)
- Global Reporting Initiative[™] (GRI)
- Innoventures Canada (I-CAN[™])
- Saskatchewan Environmental Industry and Managers
 Association (SEIMA)
- Saskatchewan Science Centre
- Saskatchewan Trade and Export Partnership (STEP)

RECOGNITION

Through delivering solutions with excellence, over the last year SRC's work was acknowledged by:

- The Canadian Association for Laboratory Accreditation (CALA) presented the Don LaBerge Award to Dr. Wo Yuen. This national award recognizes lifetime achievement and commitment in volunteering time and expertise to the work of CALA.
- The International Association of Business Communications (IABC) awarded SRC's communications team with a Silver Leaf Award for Excellence for the corporate social responsibility communications project entitled Steps to a Smaller Footprint.
- The Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS), which presented an Environmental Excellence Award to SRC's combined heat and power team.

- **SaskBusiness Magazine** placed SRC in the 66th spot on its Saskatchewan's Top 100 Companies list.
- SRC President and CEO, Dr. Laurier Schramm, was awarded a Commemorative Medal for the Queen Elizabeth II Diamond Jubilee 2012, in recognition of his contributions to Saskatchewan's and Canada's innovation systems.
- Dr. Schramm was named an Honorary Member of the Engineering Institute of Canada for outstanding distinction and service to the engineering profession.
- Phil Stephan, SRC's Vice-President of Agriculture/ Biotechnology, was selected as one of two recipients of the IPAC (Institute of Public Administration of Canada) Saskatchewan Promising New Professional Award.
- SRC's won two Gold Level MarCom 2012 awards for its website redesign and annual report. This international awards competition recognizes outstanding creative achievement by marketing and communications professionals.
- SRC's Communications team won three AVA Digital Awards. A marketing video for GenServe Laboratories[™] won a Platinum Award, while SRC's website redesign and a video about the Gunnar mine site remediation both won Gold.
- Colleen Marshall, Knowledge Management Coordinator for SRC, was awarded Chapter Leader of the Year for ARMA's (Association of Records Managers and Administrators) Saskatchewan chapter.
- Crystal Nett, CFO and Vice-President, Finance, Safety and Risk, was appointed a Fellow of the National Association of Corporate Directors, exemplifying dedication to governance excellence.
- Dr. Schramm was awarded the **Frank W. Bachelor Award for Service to the Chemical Profession** by the Association of the Chemical Profession of Alberta (ACPA). This award recognizes outstanding volunteer contributions to the chemical profession in Alberta. Dr. Schramm was a founding member of the ACPA and served for a number of years as its first Registrar.

STAKEHOLDER ENGAGEMENT

The needs of SRC's stakeholders are carefully considered when developing strategies and undertaking projects. During planning, stakeholder needs are considered and the level of engagement is determined based on how a project will affect each stakeholder group.

Here are examples of how SRC engages major stakeholders:

Government of Saskatchewan

 SRC provides updates to the Government of Saskatchewan's Treasury Board, the Minister responsible for SRC and other cabinet ministers and senior provincial government officials.

SRC employees

- We engage employees through regular allemployee meetings and a broad range of internal communications vehicles, as well as through CSR, Diversity and Safety committees comprised of employees.
- SRC has provided every employee with an Apple iPad to ensure that everyone has access to email, the corporate Intranet and other ways to communicate with each other.

SRC's Board of Directors

 SRC engages its Board of Directors through regular board meetings and planning retreats.

Saskatchewan residents and communities

- We reach out to Saskatchewan residents through many media activities, advertising and by providing publicly accessible documents.
- SRC seeks connections with the public through its four social media channels. In 2012-13, SRC saw steady growth in its online presence and more engagement with its audience, generating 480 more YouTube views than the previous year, a 75 per cent increase in Twitter followers and a 32 per cent increase in Facebook fans.
- SRC holds regular community meetings and has provided local training for Project CLEANS, an environmental remediation project aimed at cleaning up 38 abandoned mine and mill sites in northern Saskatchewan.

Clients

- We encourage client engagement through regular client surveys.
- SRC distributes its performance highlights to update current clients.

• Peers

 SRC actively leads and participates in Innoventures Canada (I-CAN™), a cross-Canada association of research and technology organizations similar to SRC.

RISK MANAGEMENT

SRC considers its risks across nine consolidated risks. These risks include:

External Environment

The ongoing assessment of SRC's environment to anticipate positive or negative changes that could impact SRC's ability to deliver on its strategy.

Strategy

The establishment, management, implementation and updating of SRC's strategy and ongoing management of its impact on operations, vision, mission, values and goals.

Reputation

The ongoing management of SRC's reputation and brand in a consistent manner to continuously protect and enhance their value and maximize positive perceptions.

Workforce

The ongoing management of SRC's human resources systems to ensure that SRC has the ability to attract, retain and develop appropriate human resources and to foster an organizational culture which supports a high level of employee engagement.

Organizational Culture

The ongoing management of SRC's leaders and culture to ensure their ability to facilitate change, a productive workplace, and being in the forefront of governance and business practices.

• Financial Health

The management of SRC's financial position to capture opportunities and implement strategy while also dealing with foreseeable negative financial events.

Occupational Safety

The management of SRC's culture and safety systems and processes to achieve world-class safety performance at SRC. It encompasses a commitment to perform work using innovative safety practices and the dedication of all employees to ensuring their own safety and the safety of others.

Environmental and Public Safety

The management of SRC's activities to ensure compliance with all environmental and safety related legal requirements and continuous improvement of SRC's environmental performance as well as ensuring the safety of its clients and the public.

Operations

The ongoing assessment and management of SRC's processes to deliver quality results, protect SRC's assets, and facilitate continuous improvement in how work is designed and delivered.

Risks within these groupings are reviewed and discussed by the Board of Directors on a quarterly basis. Each of these consolidated risks is composed of between one and six detailed risks. All levels of risk have tolerance statements that play a role in determining whether an incident or opportunity is acceptable or requires additional analysis.

Each risk, consolidated and detailed, is assigned an owner based on their area of expertise who is responsible for ongoing monitoring and assessment of the organization's performance in that risk area. The owners identify incidents that require additional investigation and provide guidance to SRC employees. They are also responsible for identifying when they feel additional resources are required.

Each year, during the Operation/Financial planning sessions priorities for the coming year are determined using a risk-based approach.

ECONOMIC IMPACT RESULTS FOR THE 2012-2013 FISCAL YEAR

SRC'S TOTAL MPACT ON THE PROVINCIAL ECONOMY WAS \$5559M

SRC's work contributed:

to create positive

environmental

impacts

FOR EVERY DOLLAR invested in SRC by the province, SRC's work contributed to at least a **29-TIMES RETURN** to the growth of the Saskatchewan economy.

....

SRC ASSISTED IN CREATING OR MAINTAINING MORE THAN **2700 SASKATCHEWAN JOBS** WITH A VALUE OF **\$169M** AAA MILLION kWh/year in energy savings

to create positive social impacts

SRC participated in projects that resulted in Greenhouse Gas reductions of more than **22,000 TONNES** and energy saving equivalent to more than **44 MILLION KWH/YEAR** for clients.



Since 2003, SRC has had over **\$5.1 BILLION** in **ECONOMIC AND EMPLOYMENT IMPACTS** in Saskatchewan.

Economic Performance

SRC measures its financial and economic performance based on its revenue generation and retained earnings, as well as the larger economic impacts for the province of Saskatchewan created by the work conducted for clients.

FINANCIAL PERFORMANCE

SRC had a strong year, with over \$67 million in total revenue and \$26 million in retained earnings. For additional detail on SRC's financial performance, view our financial statements and accompanying notes in SRC's 2012-13 Annual Report, *Forging the Path*, which is available at www.src.sk.ca/annualreport.

ECONOMIC IMPACTS

SRC has analyzed the economic impact of its operations on the province of Saskatchewan since 2003. During the 2012-13 fiscal year, SRC's projects had the following impacts:

- SRC's total economic impact in the province was more than \$559 million.
- SRC aided in creating and maintaining more than 2,700 jobs in the province, with an economic value of more than \$169 million.
- For every dollar invested in SRC by the Government of Saskatchewan, a return of more than 29 times was generated.

| MEASURES | 2011-12 ACTUAL RESULTS | 2012-13 TARGETS | 2012-13 ACTUAL RESULTS | | | |
|--|--|-----------------|---|--|--|--|
| Direct economic value | Direct economic value | | | | | |
| Direct economic value as a result of SRC's work. | Total revenue and other income of \$78,382k. | No target set | Total revenue and other income of \$67,164k. | | | |
| | Total operating expenses of \$76,480k. | | Total operating expenses of \$66,383k. | | | |
| | Employee compensation, including salary and benefits, of \$28,258k. | | Employee compensation, including salary and benefits, of \$30,682k. | | | |
| | Retained earnings of \$23,920k. | | Retained earnings of \$26,292k. | | | |
| | Total payments to suppliers of \$51,674. | | Total payments to suppliers of \$32,144k. | | | |
| | Payments for capital purchases of \$5,397k. | | Purchases of property, plant and equipment of \$6,472k. | | | |
| | As a Treasury Board Crown Corporation, SRC does not provide donations. | | • As a Treasury Board Crown Corporation, SRC does not provide donations. | | | |

| MEASURES | 2011-12 ACTUAL RESULTS | 2012-13 TARGETS | 2012-13 ACTUAL RESULTS | |
|---|------------------------|-----------------|------------------------|--|
| Economic impact | | | | |
| Economic impact of SRC in Saskatchewan as measured by the annual economic impact assessment. | >\$656M | \$500M | >\$559M | |
| Quality jobs | | | | |
| Number of jobs created or maintained in Saskatchewan as measured by the annual economic impact assessment. | >1,894 | No target set | >2,700 | |
| Environmental and/or social i | mpact | | | |
| Total dollar value of projects focused on or containing a substantial component of achieving positive environmental or social impacts. | >\$53M | No target set | >36M | |
| Mandate effectiveness | | | | |
| Mandate effectiveness as measured by the annual economic impact assessment. – (\$ economic impact/\$ provincial investment) | >36 | No target set | >29 | |
| Capital asset purchases | | | | |
| Purchase of appropriate capital assets (equipment and leasehold improvements) including both renewal and capacity building. | \$5.4M | No target set | \$6.4M | |

CORPORATE SOCIAL RESPONSIBILITY REPORT 2012-2013 Pathway to Sustainability

SRC's Crop Testing Services Keep on Growing

From creating new genetic tests distinguishing wheat varieties to manufacturing Canada's newest animal vaccines, SRC has a rich history of excellence in agriculture and health sciences biotechnology. For over 25 years, SRC's GenServe Laboratories[™] has been a leader in applied research, technology development and high-throughput testing in livestock and crop genomics.

During the 2012-13 fiscal year, SRC GenServe Laboratories[™] expanded its crop testing portfolio by acquiring a Crop Evaluation Lab that offers grain quality testing, including mycotoxin quantification, moisture estimation, protein estimation and insect detection. It also provides grading services so the Canadian agriculture industry can ascertain accurate and precise crop quality information in wheat, durum and barley.

With several years of combined experience, this ISO 17025 accredited lab supports quality assurance, traceability and sustainability in Canada's crop sector. These qualities are highly valued by grain producers facing increased market uncertainty. They build on the wheat DNA identification tests that GenServe developed after Kernel Variety Distinguishability (KVD)—the conventional way of identifying wheat varieties through a visual check—was removed from the grain handling system. These two tests combined provide a high level of quality assurance, allowing us to better serve our clients as they provide top-quality grains. Since joining SRC, the Crop Evaluation Lab has expanded its services by adding new equipment: from testing wheat, barley and durum to testing all grains recognized by the Canadian Grain Commission.

As a result of the new lab, the economic benefits have extended to SRC's clients. "Customers are looking for a one-stop-shop for their testing," says Dr. Valarmathi Gurusamy, Lab Manager for the Crop Evaluation Lab.

Clients have the convenience of quality testing, including grading and mycotoxin (fungus) quantification, genomic testing and heavy metal and pesticide testing, all completed at SRC. Not only does this save time for SRC's clients, it also helps them reduce costs and greenhouse gas emissions since they are shipping samples to one facility instead of multiple laboratories. Clients can trust that SRC's experience and testing standards provide analytical results that will help them to get top dollar for their product.

SRC was founded with the goal of making a positive economic impact in Saskatchewan. With this new lab, SRC is using quality testing and data to help its Canadian grain industry clients improve their products' marketability. A stronger grain industry means a stronger economy in Saskatchewan and beyond.

Social Performance

SRC gauges its social performance by how well it treats and engages people. This encompasses how we treat our employees, work with clients and interact with the Saskatchewan communities in which we work.

| MEASURES | 2011-12 ACTUAL RESULTS | 2012-13 TARGETS | 2012-13 ACTUAL RESULTS |
|---|---|-----------------|---|
| Employment levels | As of March 31, 2012 | | As of March 31, 2013 |
| Total workforce by employment type, | • 405 employees total (All Saskatchewan-based) | No target set | 432 employees total (All Saskatchewan-based) |
| employment contract and region. | • 50% male/50% female | | 50% male/50% female |
| region. | 369 regular/salaried employees | | 394 regular/salaried employees |
| | 36 hourly/term employees | | 38 hourly/term employees |
| Total number and rate or employee turnover by age, | Turnover by employee type: | No target set | Turnover by employee type: |
| group, gender and region. | Regular/salaried employees: 8.7% | | Regular/salaried employees: 8.1% |
| | • Term employees: 14% | | • Term employees: 92.5%* |
| | Turnover by employee age: | No target set | Turnover by employee age: |
| | • Under 30: 11% | | • Under 30: 23.6% |
| | • 30-50: 13% | | • 30-50: 8.0% |
| | • Over 50: 1% | | • Over 50: 2.8% |
| | Turnover by employee gender: | No target set | Turnover by employee gender: |
| | • Male: 12.8% | | • Male: 5.3% |
| | • Female: 16.7% | | • Female: 13.0% |
| | Turnover by region: | No target set | Turnover by region: |
| | All employment and turnover occurred in Saskatchewan, Canada. | | All employment and turnover occurred in Saskatchewan, Canada. |
| Employee engagement | | | |
| Employee engagement as measured by annual Employee Engagement Survey results | 47% | ≥50% | 51% |

* SRC had an increased turnover rate of term employees over the 2011-12 fiscal year, due to hiring a larger number of summer positions.

| MEASURES | 2011-12 ACTUAL RESULTS | 2012-13 TARGETS | 2012-13 ACTUAL RESULTS |
|---|--|---|--|
| Appropriate capacity and ski | lls development | | |
| Average hours of training per year, per employee by employee category. | Average safety training for all employees was 4.59 hours/employee (Total of 1,832.45 hours for all 399 employees). | No target set | Average safety training for all employees was 8.32 hours/ employee (Total of 1,381.05 hours for all employees). |
| | Average skills training was 22.38 hours/employee (Total of 8,930.85 hours for all 399 employees). | No target set | Average skills training was 35.78 hours/employee (Total of 10,662.35 hours for all employees). |
| Wage Ratios | | | |
| Range of ratios of standard entry level wage compared to local minimum wage | Provincial minimum wage: \$9.50/hour | No target set | Provincial minimum wage: \$10.00/hour |
| at significant locations of operation. | SRC laboratory technician entry wage: \$12.80/hour-\$13.30/hour | | SRC laboratory assistant: \$14.42/hour |
| | SRC newly graduated | | SRC laboratory technician \$15.38/hour |
| | scientist entry wage: \$21.64/hour | | SRC newly graduated scientist: \$21.64/hour |
| | SRC newly graduated engineer entry wage: \$24.00/hour | | SRC newly graduated engineer: \$25.24/hour |
| Provide a safe and healthy wo | orkplace | | |
| Minimize lost-time incidents (LTIs) (per 200,000 hours worked) | 0 | <1.15 | 0.92 |
| Conduct worksite (PPE) assessments | Not reported in 2011-12 | 100% of Research and Technology sites and Purchasing | 100% (33) assessments completed |
| Establish Occupational Healt | h and Safety Management Sys | tem | |
| Conduct Management System training for management. | Not reported in 2011-12 | 80% of supervisors and leads | 88% of supervisors and leads attended training |
| Select one process with significant risks and conduct hazard and risk assessment. | Not reported in 2011-12 | 1 per Research and Technology Business Unit | 100% (14) completed |
| Select three tasks and conduct Job Safety Analysis. | Not reported in 2011-12 | 3 per Research and Technology Business Unit and Purchasing | 100% (45) completed |

SOCIAL HIGHLIGHTS

INVESTING IN OUR EMPLOYEES

SRC has a key strategic goal to become a 'best' employer. We know that having highly skilled employees is critical to our success.

During the 2012-13 fiscal year, we launched **Quest for Knowledge**, a comprehensive training program that manages training scheduling and registrations using an online portal. This corporately managed training program ensures that all SRC employees receive access to training in core business skills, in addition to job specific training provided by operating divisions.

EMBRACING DIVERSITY

SRC highly values diversity in the workplace. We have an employment equity plan that is approved by the Saskatchewan Human Rights Commission. As a Saskatchewan Human Rights Commission Equity



Video of Therese McIlmoyl, Senior Manager, reflecting on community involvement by SRC employees.



SRC's Diversity Map was created to show where our employees are from. Employees from 19 different countries, voluntarily reported this information.

Partner, we are able to encourage people from target equity groups to apply for positions in underrepresented occupational groups. SRC is also a member of the Federal Contractors Program for Employment Equity.

SRC is proud to have employees from different backgrounds. Fun activities, including divisional folk fests, culture clubs and a quarterly Diversity Newsletter (launched in 2012-13), provide employees with engaging ways to learn about the many cultures that make up SRC.

"The Diversity Newsletter is a fun and easy way to provide information on programs, events and resources available to SRC employees," notes Anna Young, a member of SRC's Diversity Committee.



Video of Senior Research Engineer, Mars Luo, discussing diversity at SRC.

SPOTLIGHT: Project CLEANS Engages Northern Communities

Imagine your favourite neighborhood park was dug up, littered with hazardous debris and then abandoned. You'd want to clean it up. Communities in the Athabasca region are facing an exponentially larger and more complex area to clean up as a result of mining exploration in the 1950s. Deep holes and abandoned structures litter the landscape, creating significant environmental and health risks that need remediating. And this is where SRC's Project CLEANS (Cleanup of Abandoned Northern Sites) comes in.

Project CLEANS is a multi-year, multimillion-dollar project to assess and remediate 38 abandoned uranium mine and mill sites in northern Saskatchewan, including Gunnar Uranium Mine and Mill site, Lorado Mill site and 36 satellite mine sites. The project's end goal is to reduce the health and safety risks associated with these sites and to improve the environment for the surrounding communities and wildlife in the Athabasca region.

Since the project has short-term and long-term economic development benefits to the Athabasca region, SRC has implemented a strong community engagement plan.

Community meetings are held several times per year, giving community members the opportunity to raise concerns, while also updating them on the status of the remediation work. Key topics raised at these meetings include human and environmental health, remediation options and potential site end-uses.

"The level of community interaction on this project is pretty unique," shares Mark Calette, Community and Aboriginal Liaison for Project CLEANS.

In addition to community meetings, project documents are publicly available and select documents were translated into Dené and provided to community leaders for distribution. This year, SRC began translating some of its meeting records into Dené audio files to make information even more accessible to residents. "The level of community interaction on this project is pretty unique," shares Mark Calette, Community and Aboriginal Liaison for Project CLEANS.

These ongoing conversations allow SRC to consider all impacts to the community when planning project phases. "These discussions not only help Aboriginal communities learn more about SRC and Project CLEANS, it helps SRC build strong relationships with the communities. It's something that we should be proud of," says Calette.

Environmental Performance

SRC recognizes that operating an organization sustainably is critical to delivering services and solutions that strengthen the economy. We are committed to conducting business in an environmentally responsible manner, and to helping other companies, organizations and communities do the same.

| MEASURES | 2011-12 ACTUAL RESULTS | 2012-13 TARGETS | 2012-13 ACTUAL RESULTS | |
|---|---|-----------------|--|--|
| Energy Consumption | | | | |
| Indirect energy consumption by primary energy source. | Total electricity use of 25,736 Gigajoules. | No target set | Total electricity use of 27,991 Gigajoules. | |
| | Total natural gas use of 69,552 Gigajoules for heating and cooling. | | Total natural gas use of 84,685 Gigajoules for heating, cooling and equipment.* | |
| | The purchased electricity is generated from coal, hydro, natural gas, wind, imports and other sources, so it is a mixture of both non- renewable and renewable resources. The natural gas for heating and cooling is a | | The purchased electricity is generated from coal, hydro, natural gas, wind, imports and other sources, so it is a mixture of both non-renewable and renewable resources. The natural gas for heating and cooling is a non-renewable resource. | |
| | non-renewable resource. | | SRC purchases all electricity, with the exception of an estimated 4 Gigajoules, which SRC produces using solar panels at a remote site. | |
| Greenhouse Gas Emissions | | | | |
| Total direct and indirect greenhouse gas emissions by weight. | 9,229 tonnes CO ₂ e | No target set | 10,325 tonnes CO ₂ e** | |
| Waste Disposal and Diversion | L | | | |
| Total weight of waste by type and disposal method. | Unable to fully measure this parameter. | No target set | Unable to fully measure this parameter. | |
| Total weight of waste diverted from landfill disposal. | 96 metric tonnes of surplus equipment and supplies were diverted from landfill disposal through recycling and selling equipment. | No target set | 11.33 metric tonnes of surplus equipment and supplies were diverted from landfill sites due to recycling and equipment sales. | |
| Significant Environmental Spills | | | | |
| Total number and volume of significant spills. | There are no significant spills to report. Significant spills are defined as any spill or leak of a hazardous substance with significant consequences. | No target set | There are no significant spills to report. Significant spills are defined as any spill or leak of a hazardous substance with significant consequences. | |

* The increase in reported natural gas use over the previous year was due to the inability to collect data from one large lab in the previous year.

** The increase of greenhouse gas emissions over last year is due to being unable to collect all vehicle and utility information in 2011-12.

ENVIRONMENTAL HIGHLIGHTS

GHG Reductions and Energy Savings

SRC's work contributed to more than **22,000 tonnes of greenhouse** gas reductions and energy savings of more than 44 million kilowatt hours for clients.



Greenhouse Gas Emissions

SRC's total greenhouse gas (GHG) emissions were **10,325 tonnes CO**, e.



Electricity Use

Total electricity use of **27,991 Gigajoules**.



Natural Gas Consumption

Total natural gas use was 84,685 Gigajoules.



Vehicle Emissions and Energy Use

Total on road and non-road SRC vehicle emissions was **75 tonnes CO**, **e** and energy use was **998 Gigajoules**.



Waste Reduction

Over **11 metric tonne**s of surplus equipment and supplies were diverted from landfill sites through recycling materials and auctioning equipment. SRC employees used recycling stations for beverage containers, paper, ink cartridges, batteries and electronics.

GLOBAL REPORTING INITIATIVE™ (GRI) CONTENT INDEX

| Strategy and Analysis | | | | |
|-----------------------|--|--------------------------------|--|--|
| GRI NUMBER | INDICATOR | LOCATION | | |
| 1.1 | Message from the CEO | Page 2 | | |
| 1.2 | Description of key impacts, risks and opportunities | Page 11 | | |
| Organizational Pro | file | | | |
| GRI NUMBER | INDICATOR | LOCATION | | |
| 2.1 | Name of organization | Page 9 | | |
| 2.2 | Primary brands, products and/or services | Page 9 | | |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures | Page 9 | | |
| 2.4 | Locations of organization's headquarters | Page 9 | | |
| 2.5 | Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report | Page 9 | | |
| 2.6 | Nature of ownership and legal form | Page 6 | | |
| 2.7 | Markets served | Page 9 | | |
| 2.8 | Scale of reporting organization | Page 9 | | |
| 2.9 | Significant changes during the reporting period regarding size, structure or ownership | N/A | | |
| 2.10 | Awards received in the reporting period | Page 9 | | |
| Report Parameters | | | | |
| GRI NUMBER | INDICATOR | LOCATION | | |
| 3.1 | Reporting period | April 1, 2012 – March 30, 2013 | | |
| 3.2 | Date of most recent previous report | September 2012 | | |
| 3.3 | Reporting cycle | Page 4 | | |
| 3.4 | Contact point for questions regarding the report or its contents | Page 5 | | |

| Report Parameters | | | | |
|-------------------|--|--|--|--|
| GRI NUMBER | INDICATOR | LOCATION | | |
| 3.5 | Process for defining report content, including determining materiality, prioritizing topics within the report and identifying stakeholders the organization expects to use the report | The Saskatchewan Research Council determined report content based on a review of strategies and priorities for 2012-13. Indicators are considered to be material if they meet goals identified in internal strategies. The items that have been included in the highlights are considered to be higher priority, as they are items that SRC's stakeholders, including the Government of Saskatchewan and clients, have requested for their own reporting purposes. | | |
| 3.6 | Boundary of the report | Page 4 | | |
| 3.7 | Limitations on the scope or boundary of the report | None | | |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations | SRC does not have any joint ventures, subsidiaries, other leased facilities, outsourced operations or other entities that will affect the reporting. | | |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report | Page 5 | | |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement | N/A | | |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report | N/A | | |
| 3.12 | GRI content index | Page 23 | | |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report | Page 4 | | |
| Governance | | | | |
| GRI NUMBER | INDICATOR | LOCATION | | |
| 4.1 | Governance structure of the organization including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight | Page 6 | | |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer (and if so, their function within the organization's management and the reasons for this arrangement) | Page 6 | | |

| Governance | | | | |
|------------|--|---|--|--|
| GRI NUMBER | INDICATOR | LOCATION | | |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members | Page 6 | | |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | Page 7 | | |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance) | Page 6 | | |
| 4.6 | Process in place for the highest governance body to ensure conflicts of interest are avoided | Page 7 | | |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics | Page 6 | | |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation | Page 9 | | |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles | Page 7 | | |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance | Page 7 | | |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization | SRC does not manufacture end products, so does not address the precautionary approach. Any potential risks or hazards to SRC employees are identified during project planning as part of SRC's Enterprise Risk Management system. | | |
| 4.12 | Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes and endorses | Page 9 | | |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations | Page 9 | | |

| Stakeholder Engagement | | | | |
|------------------------|---|----------|--|--|
| GRI NUMBER | INDICATOR | LOCATION | | |
| 4.14 | List of stakeholder groups engaged by the organization | Page 10 | | |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | Page 10 | | |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | Page 10 | | |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns | N/A | | |

Performance Indicators

Economic Management Approach

Goals: SRC's economic goals are to grow Saskatchewan's economy in a socially and environmentally responsible manner, to provide a positive financial return and to become North America's premium science-solutions company.

LOCATION

RESULT

| EC1 | Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments | Page 13 | Total revenue and other income of \$67,164k. Total operating expenses of \$66,383k. Employee compensation, including salary and benefits, of \$30,682k. Retained earnings of \$26,292k. Total payments to suppliers of \$32,144k and purchase of property, plant and equipment of \$6,472k. As a Treasury Board Crown Corporation, SRC does not provide donations. |
|-----|---|---------|---|
| EC4 | Significant financial assistance received from government | Page 26 | \$18,983k |
| EC5 | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation | Page 17 | SRC laboratory assistant: \$14.42/hour SRC laboratory technician: \$15.38/hour SRC newly graduated scientist: \$21.64/hour SRC newly graduated engineer: \$25.24/hour Provincial minimum wage: \$10.00/hour |

| Performance Indicators | | | | | |
|------------------------|---|-----------------|---|--|--|
| GRI NUMBER | INDICATOR | LOCATION | RESULT | | |
| EC6 | Policy, practices and proportion of spending on locally based suppliers at significant locations of operation | Page 27 | 48.63% of purchases used Saskatchewan- based suppliers in 2012-13. SRC's purchasing policy dictates a supplier is chosen based on the value of its service to the organization, based on quality, service and price. Due to participation in the New West Partnership Trade Agreement, a vendor cannot be favoured due to location. | | |
| EC9 | Understanding and describing significant indirect economic impacts including the extent of impacts | Page 13 | Total impact of more than \$559M More than 2,700 jobs were created or maintained. More than \$36M was spent on projects that achieved positive social and environmental impacts. For every dollar invested by the Government of Saskatchewan, SRC generated more than a 29 times return. | | |
| | anagement Approach conduct business in an environmentally responsil able services. | ble manner. SRC | supports its clients' environmental strategies | | |
| EN4 | Indirect energy consumption by primary energy source | Page 21 | Total electricity use of 27,991 Gigajoules. Total natural gas use of 84,685 Gigajoules for heating, cooling and equipment. The purchased electricity is generated from coal, hydro, natural gas, wind, imports and other sources, so it is a mixture of both non-renewable and renewable resources. The natural gas for heating and cooling is a non-renewable resource. All electricity used is purchased, with the exception of 4 Gigajoules, which SRC produces with solar panels. | | |
| EN16 | Total direct and indirect greenhouse gas emissions by weight | Page 21 | 10,325 tonnes CO ₂ e | | |
| EN22 | Total weight of waste by type and disposal method | Page 21 | SRC is unable to fully measure this parameter. However, 11.33 metric tonnes of surplus equipment and supplies were diverted from landfill sites due to recycling and equipment sales. | | |
| EN23 | Total number and volume of significant spills | Page 21 | There are no significant spills to report. Significant spills are defined as any spill or leak of a hazardous substance with significant consequences. | | |

| Performance Indicators | | | | | |
|--|--|--------------|--|--|--|
| GRI NUMBER | INDICATOR | LOCATION | RESULT | | |
| Labour Practices Management Approach Goals: SRC aims to become a "best employer" with highly engaged employees. We embrace our safe, creative and diverse work environment, which enables us to excel personally and professionally. | | | | | |
| LA1 | Total workforce by employment type, employment contract and region | Pages 16, 28 | As of March 31, 2013, SRC had 432 employees of which 394 were regular, salaried employees and 38 were hourly/term employees. 380 are located in Saskatoon, SK 46 are located in Regina, SK 5 are located in Prince Albert, SK 1 is located in Uranium City, SK | | |
| LA2 | Total number and rate of employee turnover by age group, gender and region | Page 16 | Turnover rates by employment category: Employee Type • Regular/salaried employees: 8.1% • Term employees: 92.5% Age Range • Under 30: 23.6% • 30-50: 8.0% • Over 50: 2.8% Gender • 5.3% male • 13.0% female Region • All employees and turnover occurred in Saskatchewan. | | |
| LA6 | Percentage of local workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | Page 28 | 100% | | |
| LA7 | Rates of injury, occupational diseases, lost days and absenteeism and number of work- related fatalities by region | Page 17 | SRC had a lost-time incident rate of 0.92. In total there were 18 lost days due to injury. There were no work-related fatalities. | | |
| LA10 | Average hours of training per year per employee by employee category | Page 17 | Average safety training for all employees was 3.2 hours/employee (Total of 1,381.05 hours for all 432 employees). Average skills training was 24.68 hours per employee (Total of 10,662.35 hours for all 432 employees). | | |
| LA12 | Percentage of employees receiving regular performance and career development reviews | Page 28 | 100% | | |

| Performance Indicators | | | | |
|---|--|-------------------|---|--|
| GRI NUMBER | INDICATOR | LOCATION | RESULT | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity | Page 29 | Matures (Born 1925 – 1945): 0.5% Boomers (Born 1946 – 1964): 32.6% Generation X (Born 1965 – 1979): 32.2% Millenials (Born 1980 and later): 34.7% Target diversity groups: Female employees: 50% Aboriginal employees: 5.8% Employees with disabilities: 1.9% Visible minority members: 17.8% SRC's Board of Directors is composed of 25% females. SRC does not track other indicators related to diversity. | |
| Goals: SRC's goal is | nagement Approach to have a workplace in which all employees feel r maintaining a respectful workplace. SRC is evalua rotected. | | | |
| HR4 | Total number of incidents or discrimination and actions taken | Page 29 | 0 | |
| Society Managem Goals: SRC's goal is | ent Approach to complete projects in a socially responsible ma | nner, which inclu | des managing impacts on communities. | |
| 501 | Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting | Page 29 | Project CLEANS is the only project that formally assesses and manages impacts on communities. SRC has a high level of community engagement built into Project CLEANS, which results in any concerns being taken into consideration when planning project phases. The end goal of this project is to reduce the health and safety risks associated with these sites and to improve the environment for the surrounding communities, so having a positive impact on the communities upon project completion is one of the objectives. SRC is in the process of developing a KPI around identifying any social and environmental impacts on large projects (>99k), prior to approving project plans. | |
| SO2 | Percentage and total number of business units analyzed for risks related to corruption | Page 29 | 100% | |
| S03 | Percentage of employees trained in organization's anti-corruption policies and procedures | Page 29 | 100% | |

| Performance Indicators | | | | | | |
|---|--|----------|---|--|--|--|
| GRI NUMBER | INDICATOR | LOCATION | RESULT | | | |
| Product Responsibility Management Approach Goals: While SRC does not manufacture end products, we aim to market our services in a responsible way. | | | | | | |
| PR4 | Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship | Page 30 | Individuals from SRC's Communications team are members of the International Association of Business Communicators (IABC) and abide by the organization's professional code of ethics. SRC has internal policies and procedures that guide its practice around standardizing communications and marketing. These policies and procedures can be audited at any time by the Government of Saskatchewan's Provincial Auditor. As a Treasury Board Crown Corporation, SRC must also abide by marketing restrictions during provincial elections. | | | |



Statement GRI Application Level Check

GRI hereby states that **Saskatchewan Research Council** has presented its report "Pathway to Sustainability: Corporate Social Responsibility Report 2012 - 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 August 2013

Nelmara Arbex Deputy Chief Executive Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 12 August 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

SCC

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