

# The Saputo Promise FY2018 Factsheet BASIS FOR REPORTING



This document supports the preparation and reporting of the metrics included in the FY2018 Saputo Promise Factsheet.

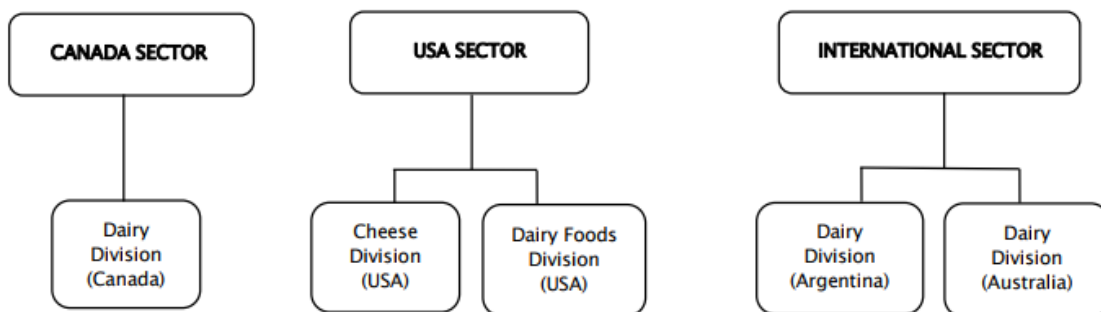
All data, unless otherwise stated, are prepared for the reporting period April 1, 2017 to March 31, 2018. Data is prepared using the operational control approach. Using this approach, the Company accounts for 100% from operations over which it has control—regardless of ownership. Operational control is where the Company has the full authority to introduce and implement its operating policies.

Acquisitions are included from the date of completion of the transaction— except for the Environment metrics where acquisitions are included from April 1 of the fiscal year following the acquisition. Divestments are excluded from the date of completion of the transaction.

In some circumstances restatements of prior year reported data may be required. Restatements are considered where there is a change in methodology, which means the restated data shows a more representative or accurate figure.

## SCOPE OF REPORTING

The scope of the data included in the FY2018 Saputo Promise Factsheet is detailed in the following chart.



## **FOOD SAFETY AND QUALITY**

### **% of facilities certified to Global Food Safety Initiative (GFSI) standards**

This is the percentage of operated facilities which are certified by March 31 of the fiscal year. A facility is considered certified if at least one line of production has received certification.

### **% of certified facilities with Good or Excellent GFSI audit rating**

This is the percentage of operated facilities which have received a Good or Excellent GFSI audit rating on March 31 of the fiscal year.

The definition of Good or Excellent depends of the certification scheme and is defined as:

- BRC: B rating or above
- SQF: 86% or above
- FSSC22000: No major non-conformity

## **OUR PEOPLE**

Our People metrics include all Saputo employees (full time, part-time, casual, seasonal, and trainees) but exclude contractors and agency workers.

### Diversity

#### **% total workforce which are women**

This is the percentage of our total employee base which are women.

#### **% women in senior management**

This is the percentage of senior management which are women. Senior management is defined as Senior Vice- Presidents and above.

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### **% women on Board of Directors**

This is the percentage of our Board of Directors which are women.

### **% of internal promotions that went to women**

This is the percentage of internal promotion which went to women. Definition of internal promotion is defined below.

### Health and Safety

#### **Total injury frequency rate (TIFR)**

The TIFR is calculated as: 
$$\frac{\text{Number of total recordable injuries for a period}}{\text{Total hours worked for that period}} \times 200,000$$

The period in which the number of injuries occurs must be the same period as the hours worked. The 200,000 number is used to represent 100 employees working a full year. Injuries and hours count for all Saputo employees regardless of their job status. Total Recordable Injury includes all occupational (work related) illnesses and injuries for Saputo employees. It includes a fatality, permanent total disabilities, injuries following medical consultation that results in a lost workday(s), restricted/modified work duties, additional medical care such as physiotherapy and prescription medication.

#### **Lost time injury frequency rate (LTIFR)**

The LTIFR is calculated as: 
$$\frac{\text{Number of lost time injuries for a period}}{\text{Total hours worked for that period}} \times 200,000$$

The period in which the number of injuries occurs must be the same period as the hours worked. The 200,000 number is used to represent 100 employees working a full year. Injuries and hours count for all Saputo employees regardless of their job status. A lost time injury case occurs when an employee is injured at work and misses their next regularly scheduled shift. The day of the injury is excluded.

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### Working conditions

#### **Total internal promotions**

This is the total of employees who had a job change throughout the fiscal year categorized as promotion by our HR processes.

#### **Total training and development investments**

This is the total amount invested in training and development for our employees. This includes the budget of the corporate training team to develop and deliver courses, external training fees, license fees for Learning Management System as well as tuitions fees which have been paid for by the Company.

#### **Total training and development hours**

This is the total of hours of training received by our employees.

Where specific number of hours is not available, we use an average of five hour per session which we multiply by the number of participants to obtain an estimate of the number of hours.

#### **Average tenure**

This is the average number of years our employees have worked at Saputo.

#### **% of unionized employees**

This is the percentage of employees which are unionized.

### **BUSINESS ETHICS**

#### **Number of significant fines for non-compliance**

This includes all matters for which a regulatory body or tribunal has issued a fine that either: (a) has a monetary value of \$100,000 or more; or (b) has a monetary value of less than \$100,000 in relation to a material regulatory breach (e.g. fatality, serious injury, significant environmental damages, etc.).

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All fines must be firm and final. Fines are accounted for in the fiscal year they become a liability of the Company, notwithstanding that they may be paid in the subsequent fiscal year. This excludes tax penalties, but includes fines issued for regulatory non-compliance related to accounting and tax fraud, as well as for regulatory non-compliance related to corruption, bribery and anti-competitive behavior.

### **Monetary value of fines for non-compliance**

Total monetary value of all fines reported in the above.

## **RESPONSIBLE SOURCING**

### **Case of animal cruelty reported resulting in suspension of supply**

The number of case where we suspended receiving milk from a supplier as a result of suspected animal cruelty incident.

### **Number of people receiving animal welfare training through our partnerships**

The number of people who received animal welfare training through our partnerships with the University of Guelph in Canada and the University of Wisconsin in the USA.

## **ENVIRONMENT**

### Energy and GHG Emissions

#### **CO2 intensity**

This is the scope 1 and 2 GHG emissions from our manufacturing facilities per ton of production. Production includes: cheese, butter, fluid milk and other fluid mixes, by-products and powder.

#### **Energy intensity**

This is the energy used by our manufacturing facilities per ton of production. Energy use includes the following sources: natural gas, electricity, propane, light fuel, heavy

fuel, diesel, steam and biogas. Production includes: cheese, butter, fluid milk and other fluid mixes, by-products and powder.

### Waste

#### **% waste diverted from landfill**

This is the percentage of solid waste from our manufacturing facilities which is diverted from landfill. Waste diverted includes recycled waste, waste diverted for animal feed, industrial use or combustion. This excludes waste water treatment sludge.

### Water

#### **Water withdrawal**

This is the total amount of water withdrawn from our manufacturing facilities. This includes water from third parties (e.g. municipalities), surface water and ground water but exclude produced water.

#### **Water intensity**

This is the total amount of water withdrawal per ton of production. Production includes: cheese, butter, fluid milk and other fluid mixes, by-products and powder.

### **COMMUNITY**

#### **Total community investment against our 1% target**

This is the total monetary value (in CAD) of community contributions, including cash, in-kind, volunteerism and management fees. This amount is audited and reported using the London Benchmarking Group model. Our target is defined as 1% of EBIT based on the previous fiscal period results. In FY2018, our objective was \$10.4M.

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### **Total number of people reached through our healthy living partnerships and programs**

This represents the number of people who were reached through our partnerships with organizations promoting healthy living and people who benefitted from our Saputo Legacy Program improvement projects. These individuals participated in physical activity events, were reached through awareness campaigns about the importance of a healthy lifestyle, received physical literacy education, learned cookery skills and participated in organized sports. Examples include *le Grand défi Pierre Lavoie* in Canada, Action for Healthy Kids in the USA, Physical and Health Education Canada, and many others.

### **Number of Legacy projects funded to date**

The total number of Saputo Legacy Program projects funded since the beginning of the program in 2012. A project is accounted for when the payment is sent to the organization.