



The Saputo Promise

FY2020 FACTSHEET



The Saputo Promise is at the heart of our business and keeps us clearly aligned on what matters most. As we continue to grow as a global dairy processor, we are also working towards building a healthier future for our employees, consumers, customers, and the communities we serve. Our Promise is to never stop building a future we can all be proud of.

We recognize the importance of being accountable to our stakeholders, including employees, shareholders, investors, customers, consumers, suppliers and business partners, and we aim to communicate in a transparent and responsible manner about our progress to achieve our Promise. As such, our annual Saputo Promise Factsheet provides additional disclosure on core environmental, social and governance (ESG) matters impacting our business.

ABOUT THIS REPORT

Materiality

The Saputo Promise is our approach to social, environmental and economic performance based on seven Pillars: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition and Healthy Living, and Community.

In FY2020, we carried out a high-level materiality assessment to help develop our Factsheet and ensure our disclosure meets the expectations of investors. In this year's Factsheet, you'll find our consolidated disclosure, which touches on core Environmental, Social and Governance (ESG)-related factors identified by the materiality assessment.

In FY2020, we were recognized by the World Benchmark Alliance (WBA) as one of the 2,000 most influential companies by impact on the UN's Sustainable Development Goals (SDGs) (<https://sdgs.un.org/goals>). Throughout this Factsheet, we have signposted where our Pillars and business activities aligned with the SDGs identified by WBA.



For additional disclosure, including TCFD¹ aligned disclosures, we invite you to consult our CDP Climate and Water questionnaires available at www.saputo.com/our-promise/reference-documents.

Basis for reporting

All data presented in this Factsheet are prepared for the reporting period April 1, 2019 to March 31, 2020, unless stated otherwise. For further details on the compilation of the data, please visit www.saputo.com/our-promise/reference-documents.

OUR APPROACH

The Context

Our core ESG factors, and how they are addressed by the Pillars of our Saputo Promise, are outlined in the table below:

ESG Factors	Saputo Promise Pillars
Food safety and product liability	Food Quality and Safety
Sustainable supply of raw material	Environment Responsible Sourcing
Climate risks (physical)	Environment
Water use in operations	Environment
Packaging and plastics	Environment
Corporate Governance	Our People Business Ethics
Changing consumer trends	Nutrition and Healthy Living

(1) Task Force on Climate-related Financial Disclosures

The main risks and uncertainties Saputo is exposed to are listed in full in our Management's Discussion and Analysis dated June 4, 2020, available on www.saputo.com/investors/shareholder-reports/2020

Strategy

The Saputo Promise is an integral part of our business as we seek to create shared value for all our stakeholders. With a clear strategic direction, our focus is on the execution of our Saputo Promise three-year plan (FY2020-FY2022). In FY2020, we deployed efforts and continued to look for opportunities to improve our performance across each of our seven Pillars.

Governance

The Board of Directors is responsible for the stewardship of Saputo. As such, it oversees the management of our business so as to enhance the creation of long-term shareholder value while considering the interests of our various stakeholders, including shareholders, employees, customers, suppliers, business partners, and the communities where we operate.

In order to better fulfil its mandate, the Board:

- oversees the ESG factors material to our business and the deployment of appropriate measures to manage them;
- oversees our practices, guidelines and policies related to the Saputo Promise.

Specific corporate governance of the Saputo Promise and its Pillars falls under the responsibility of the following Management committees:

- **The Corporate Responsibility Committee** oversees the overall strategy of the Saputo Promise and monitors our progress for each of its seven Pillars.
- **The Environmental Committee** is responsible for overseeing the implementation of our Environmental Policy and the achievement of our environmental objectives globally across our operations.
- **The Quality Assurance Committee** ("QA Committee") provides global governance to ensure our high food quality and safety standards and our Food Quality and Safety Policy are upheld consistently across our operations.
- **The Health and Safety Committee** is responsible for aligning our best practices in respect of H&S globally.
- **The Saputo Diversity and Inclusion Global Council** is designed to promote a diverse and inclusive work environment.
- **The Animal Welfare Committee** oversees efforts and initiatives to ensure suppliers' compliance with recognized animal care standards or Codes of Practice, and monitors animal welfare best practices.

OUR RESPONSE TO THE COVID-19 PANDEMIC

There's no way around it. COVID-19 has, and will likely continue to, impact our lives. As this difficult situation unraveled and continues to develop, our response has reflected the core values our Company was built on. For us, it's about doing the right thing because it's the right thing to do!

At the onset, we acted swiftly by mobilizing our global crisis management team and assembling a task force comprised of Company leaders and representatives from key business functions from each of our divisions. As we adjusted to a new reality, this network fostered alignment and constant communication, helping us execute a robust response with clear protocols to mitigate risks and maintain relatively seamless operations.

During this time, protecting the health and well-being of our employees while continuing to provide safe, high-quality products, remains paramount. We're also proud to do our part to support our patron farmers and the communities we serve.



TAKING CARE OF OUR EMPLOYEES

We're taking care of our employees by mitigating financial, physical and mental health impacts on them and recognizing their dedication and commitment to uphold our tradition of care, quality, and passion through food.

To protect and support them, we have:

- Enhanced our already robust safety and cleaning protocols at each facility, ensured the availability of personal protective equipment in certain circumstances and implemented social distancing measures, travel restrictions, guidelines to self-isolate or quarantine, and required remote working whenever possible.
- Provided a leadership commitment that no lay-offs will occur as a result of COVID-19 until further notice.
- Introduced new well-being initiatives and shared tips and best practices that promote a healthy mind and body. This includes sharing mental health toolkits with managers to support their teams, giving access to webinars and online courses on managing stress through our Employee Assistance Programs or simply sharing tips around healthy eating and sleeping habits.

Some of these initiatives were small things such as thanking and feeding our food heroes, the devoted employees manufacturing our products throughout the pandemic, or having executives call each employee working from home to simply see how they were doing. Many of these initiatives were a testament to our culture and we feel our culture is what allowed us to embrace these small things — ensuring we support each other throughout these trying times.

We surveyed our employees in each division to ensure we were offering appropriate support throughout the crisis. Here's a snapshot of the feedback received from our Dairy Division (Canada) employees.

- 97% of our employees believe our actions support their health and well-being
- More than 95% of employees trust our leaders to protect their health and to respond effectively to business challenges
- 94% of employees think the organization is doing an excellent job of keeping them informed

“I am very proud to work for Saputo. The support from the Company is exceptional. Communications are frequent, clear and reassuring. Thank you!”



HELPING OUR COMMUNITIES

We're helping communities by continuing to work actively with community partners and subject matter experts to identify the greatest needs and determine how we can keep delivering support. Communities where we operate are seeing contributions focused mainly on ensuring food security for the most vulnerable.

These include¹:

- In the USA, more than CDN\$3.0 million in product donations were made to food banks and local charities, and CDN\$26,000 was distributed to Meals on Wheels and No Kid Hungry.
- In Argentina, we directly purchased and donated CDN\$118,300 in medical equipment and materials to the hospitals in both cities where we have facilities.
- In Australia, we donated products totalling CDN\$204,000 and made financial contributions of CDN\$59,150 to Foodbank Australia, FareShare and other local FoodShare agencies.
- In Canada, we donated over CDN\$1.7 million in products helping to feed thousands of Canadians struggling during this crisis. The Pay it Forward program from the Canadian Foodservice team donated over CDN\$18,800 in products to restaurant customers who are feeding those in need in their communities.
- In the United Kingdom, around 20 different food banks and community groups across the seven regions where we operate have received CDN\$46,510 of Cathedral City snack bars and Frylight products, as well as CDN\$60,500 in financial support to deliver their services.



SUPPORTING OUR PATRON FARMERS

We're supporting our patron farmers by providing additional services and resources. Our patron farmers who supply our primary ingredient, milk, can count on us to support them on a range of issues, including mental health. In both our Dairy Division (Australia) and Dairy Division (UK), we've extended our Employee Assistance Program to our patron farmers to help with their well-being and the well-being of their families. In Australia, we've modified *MG Trading* stores, our retail operations serving rural farming communities, to accommodate drive-through service, allowing customers to remain in their vehicles while being served.

Our response to COVID-19 was recognized by Canadian Business for Social Responsibility (CBSR) who included Saputo on their list of businesses that are responsibly addressing the crisis. The CBSR had put together this initiative to celebrate responsible companies and innovators, and to inspire other businesses to follow suit.

■ **Since March 2020, we have donated over CDN\$5,4 million¹ towards food security.**

(1) Numbers as of July 17th, 2020

OUR FY2020 PERFORMANCE

SUMMARY OF OUR PROGRESS AGAINST OUR THREE-YEAR PLAN

● Good progress ● Some progress ● Goal not met ● Baseline (Launched in FY2020)

PILLAR	THREE-YEAR GOALS	PROGRESS	COMMENT
Food Quality and Safety	<p>Maintain compliance with all regulatory and customer requirements</p> <p>Invest in our assets to proactively manage food safety risks</p> <p>Grow our food safety culture</p> <p>Continue our involvement with external partners to share our best practices in food safety</p>	●	
Our People	<p>Diversity and Inclusion</p> <p>Ensure our employees full contribution and growth by:</p> <p>Providing them with equal hiring and development opportunities</p> <p>Promoting an inclusive work environment where they are respected, listened and supported</p>	●	
	<p>Working Conditions</p> <p>Attract top talent to ensure future business success</p> <p>Develop and retain internal talent to ensure future business success</p>	●	
	<p>Health and Safety (H&S)</p> <p>Build a safety culture and engage all levels of the organization around H&S</p> <p>Proactively manage H&S risks by developing a systematic approach to identify, assess and control hazards</p>	●	<p>In FY2020, we continued to invest in Goal Zero, our focused approach to H&S based on the presence of defences and driving a culture where our employees are an integral part of the solution to safety issues. As a result, our Total Injury Frequency Rate improved by 26% and our Lost Time Injury Frequency Rate posted a 23% improvement. Despite these improvements, we were saddened to experience one fatality. One fatality is always one too many and this explains the red score despite the progress we made during the year.</p>
Business Ethics	<p>Code of Ethics</p> <p>Ensure our employees operate with a high level of business integrity</p>	●	
	<p>Compliance</p> <p>Maintain compliance with statutory standards across our operations</p>	●	<p>In FY2020, we had one significant fine for non-compliance related to a breach of air emission limits in one of our plants.</p>
	<p>Transparency</p> <p>Improve our external reporting and information sharing</p>	●	

PILLAR	THREE-YEAR GOALS	PROGRESS	COMMENT
Responsible Sourcing	<p>Animal Welfare</p> <p>Advocate for improved animal welfare standards in applicable markets</p> <p>Proactively manage animal welfare risks</p> <p>Contribute to wider industry knowledge and best practices</p>	●	
	<p>Supply Chain</p> <p>Establish business processes to proactively manage supply chain reputational risks and opportunities</p>	●	<p>We continued the implementation of our Supplier Code of Conduct through introducing a more formal risk assessment and proactive checks to ensure compliance. The approach was rolled out within the Dairy Division (Australia) and we will continue implementation in our North American operations in FY2021. The timeline for the global roll-out was reviewed due to acquisitions. We now aim to roll the approach out globally by the end of our current three-year plan.</p>
Environment	<p>Through our Environmental Pledges:</p> <p>Enhance our ability to proactively manage environmental risks and opportunities</p> <p>Reduce our resource dependency, operating costs and environmental impact.</p> <p>Drive business value by addressing relevant environmental opportunities</p>	●	<p>In FY2020, we pledged to accelerate our global climate, water and waste performance, and announced clear targets and a formal commitment to make significant and sustainable progress by 2025.</p>
Nutrition and Healthy Living	<p>Establish business processes to proactively manage regulatory and reputational risks related to nutrition</p>	●	<p>In FY2020, we continued to set up the foundation of our Nutrition and Healthy Living plan by finalizing our responsible marketing principles and progressing on the development of our global nutrient profiling system. The timeline for the global implementation of the Nutrition and Healthy Living plan was reviewed following acquisitions to ensure it is relevant and applicable to all our markets. We now aim to roll it out globally by the end of our current three-year plan.</p>
Community	<p>Invest 1% of pre-tax profits in our communities each year</p> <p>Maximize the impacts of our community investments</p> <p>Engage employees in volunteerism to attract and retain talent</p>	●	

The Saputo Promise

FOOD QUALITY AND SAFETY

As a world-class dairy processor, we strive to raise the bar when it comes to food quality and safety. We endeavour to offer products made to high industry standards, create a food safety culture where everyone understands, owns, and leads food safety while contributing to industry-wide knowledge and best practices.

This commitment is outlined in our Food Quality and Safety policy, which was reviewed in FY2020, renewing our focus and commitment to supply our customers and consumers with products that are safe and of the utmost quality. The achievement of this goal centres on:

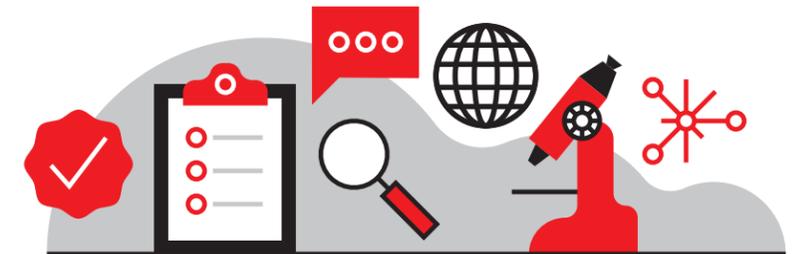
- The highest food quality and safety standards;
- Continuous improvement; and
- A Food Quality and Safety culture and resources.

Our QA Committee continued to provide global governance to ensure that our high standards were upheld consistently across our operations. In FY2020, we maintained our number of GFSI⁽¹⁾-certified facilities at 98% even while adding facilities to our network as a result of recent acquisitions. We maintained our high scores with 100% of the certified facilities achieving a Good or Excellent audit rating.

We also continued our involvement with external partners to share our best practices in food safety. For instance, in the USA, we continued our partnership with Dairy Management Inc. (DMI) and the International Dairy Foods Association (IDFA) to develop and execute food safety training workshops for dairy industry workers.

	FY2020	FY2019	FY2018	FY2017	FY2016
% of facilities certified to GFSI standards	98%	98%	94%	90%	91%
% of certified facilities with Good or Excellent GFSI audit rating	100%	100%	100%	96%	100%

■ We maintained our high scores with 100% of the GFSI-certified facilities achieving a Good or Excellent audit rating.



(1) GFSI: Global Food Safety Initiative

OUR PEOPLE



Our employees are by far our most important asset. We care about their health and well-being, and endeavour to provide them with the best possible work environment that is safe, diverse, inclusive, and values-driven.

Diversity and Inclusion

We recognize that a diverse and inclusive environment which values diversity of thought, background, skills, and experience facilitates a broader exchange of perspectives. Diversity enriches discussions and more accurately reflects our relationship with our employees, shareholders, customers, consumers, business partners, and other stakeholders.

Board of Directors

As described in our Board Diversity Policy, in the context of the director nomination process, the Corporate Governance and Human Resources Committee of our Board of Directors (the “Corporate Governance and HR Committee”) will consider the merit of potential candidates based on a balance of skills, abilities, personal qualities, educational qualifications, and professional experience, including taking into account diversity considerations such as gender, age, and geographic areas and other characteristics of the communities in which we are present and conduct business. Additionally, the Corporate Governance and HR Committee’s annual review of the size and composition of the Board is conducted with a view to identifying imbalances or gaps, and opportunities that may be associated with further diversification. Accordingly, the Board and the Corporate Governance and HR Committee consider diversity in the broadest sense, including gender and other diverse attributes, in selecting potential director candidates.

We’re proud to have gender parity on our Board of Directors.

■ **We recognize that a diverse and inclusive environment which values diversity of thought, background, skills, and experience facilitates a broader exchange of perspectives.**

Employees

The same value placed on diversity at the Board level also exists at the management level. We care deeply about the well-being of our employees and aim to create an environment where no one’s treatment or growth potential is impacted by bias or discrimination. Through the initiative of our Diversity and Inclusion Global Council, we aim to continue reviewing our current policies and procedures, as well as deploying learning and development programs with the intent of providing equal opportunities to all employees and potential candidates.

In FY2020, we implemented several programs and initiatives to promote Diversity and Inclusion in the workplace, including:

- unconscious bias trainings;
- expanded parental leave benefits;
- gender-neutral job descriptions; and
- a pilot program to test flexible working arrangements.

In June 2020, many of us were impacted by stories of racial injustice and public demonstrations taking place in cities around the world reminding us that there is still much progress to be made towards achieving equality for all. We took a stand to eliminate racism in all its forms by signing the Business Council of Canada’s statement denouncing racism. We believe we all need to do our part to build a more just, fair and equitable society so we also launched the Saputo Donation Matching Program for Equality. Further details can be found on this initiative under the Community section of the Factsheet.

Percentage of women in senior management



■ **We took a stand to eliminate racism in all its forms by signing the Business Council of Canada’s statement denouncing racism.**

CASE STUDY

We believe in the value of fostering a diverse and inclusive work environment. Recognizing our unconscious biases and consciously working to unlearn them is key to a truly inclusive workplace.

In April 2019, we rolled out unconscious bias training courses to management employees across Canada, Argentina, and the USA. Our leaders took part in exercises to increase awareness of their individual biases and the impact of these biases on their decision-making. The response has been overwhelmingly positive, with over 90% of participants reporting applying what they learned in their day-to-day. Our goal is to roll out these courses globally and include more employees in these trainings as we continue our journey.

Read more about this case study at www.saputo.com/our-promise/case-studies.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
% total workforce which is women	28%	28%	30%	29%	28%
% women in senior management	16%	16%	15%	13%	13%
% women on Board of Directors	50%	50%	50%	50%	50%
% internal promotions awarded to women	34%	37%	29%	30%	n/a

OUR PEOPLE

Health and Safety

Keeping our employees safe and healthy is a priority and we continue to increase our efforts to ensure safety across our operations.

In FY2020, we continued to invest in Goal Zero, our focused approach to Health and Safety based on the presence of defences and driving a culture where our employees are an integral part of the solution to safety issues. Driven by our three-year goal to foster a safety culture, our multi-divisional working groups made significant progress in standardizing processes related to risk

assessment, employee onboarding, and indicator tracking.

As a result, in FY2020, our Total Injury Frequency Rate (TIFR) improved by 26% and our Lost Time Injury Frequency Rate (LTIFR) posted a 23% improvement.

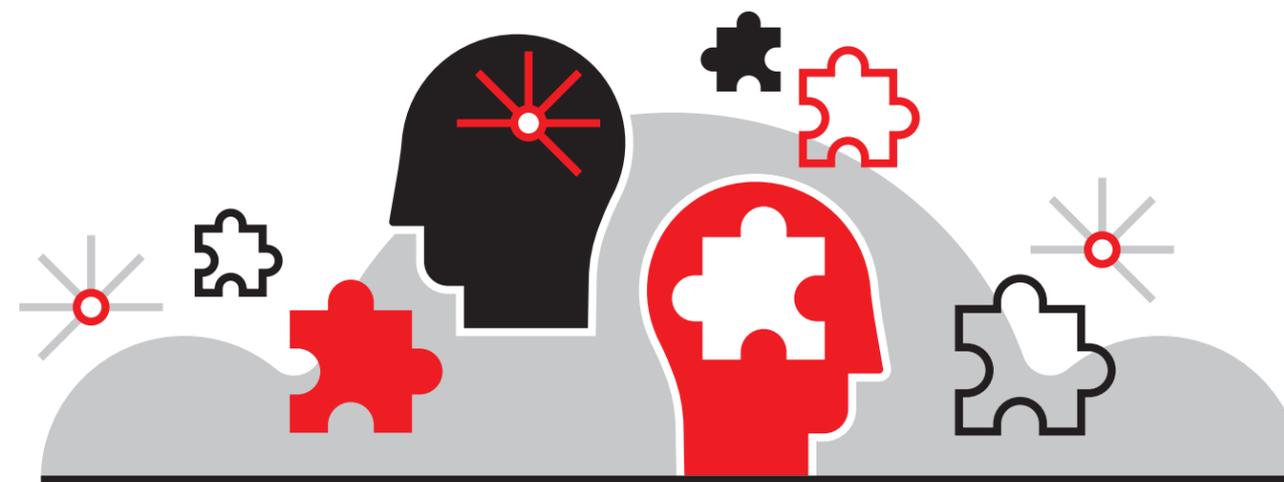
Despite these improvements, we were saddened to experience one fatality in FY2020. Since this incident, a full investigation took place and learnings were implemented and shared globally across all our operations to prevent any future occurrences.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Total Injury frequency rate	3.59	4.82	4.95	5.08	4.98
Lost time injury frequency rate	1.36	1.77	1.96	1.57	1.61

Lost Time Injury Frequency Rate



Keeping our employees safe and healthy is a priority and we continue to increase our efforts to ensure safety across our operations.



We strive to be an employer of choice for top talent in the dairy industry, recognized for our values and our commitment to our employees.

Working Conditions

Saputo's success depends on our ability to identify, attract, and retain qualified individuals and to execute appropriate succession planning for Management and key personnel. These are key goals embedded in our Saputo Promise three-year plan.

We strive to be an employer of choice for top talent in the dairy industry, recognized for our values and our commitment to our employees. To do so, we invest in our people, with continuous training and programs that provide them with the skills needed to maintain high-quality standards. In FY2020, we invested more than 400,000 hours and CDN\$8.2 million in employee development. Furthermore, our focus on promoting from within translated into 1,080 internal promotions in FY2020.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Total internal promotions	1,080	1,066	1,058	765	n/a
Total training and development investments (in millions of CDN dollars)	8.2	5.8	4.5	n/a	n/a
Total training and development hours	402,435	194,406	73,137	n/a	n/a
Average tenure (in years)	10	10	10	10	10
% of unionized employees	36%	36%	36%	39%	39%

BUSINESS ETHICS

Our reputation for business integrity is important to us. We work hard to preserve the quality of our work environment and we want the everyday conduct of our employees to be driven by the values we share and promote.

With a large number of facilities around the world, we have monitoring systems in place to comply with laws, regulations, and industry standards. In line with our commitment to continuous improvement, our policies evolve to reflect best practices and the changing needs of our customers and the marketplace.

Accordingly, our Code of Ethics, which guides us in our day-to-day operations, was reviewed to ensure its alignment with the standards and requirements of all our divisions, as well as to address key human rights issues important to our organization, such as freedom of association. The Code was rolled out in early FY2021, with all employees receiving appropriate communications and training on what we expect of them and the importance of ethical behaviour.

Our corporate governance initiatives ensure the highest levels of independence, disclosure, and transparency. Among the policies we've adopted are a Complaints Processing Procedure,

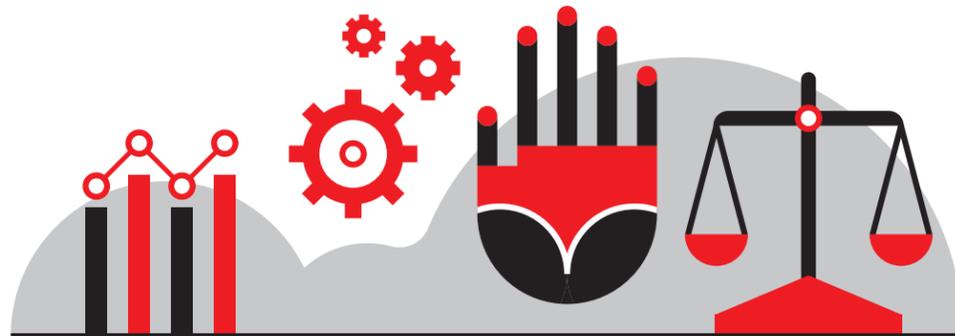
an Incentive Compensation Clawback Policy, and a Shareholder Communication and Engagement Policy.

We also appreciate the importance shareholders place on effective executive compensation policies and practices and we're committed to maintaining an ongoing engagement process with our shareholders by adopting measures to gather constructive feedback. As such, our Board of Directors invites shareholders to cast a "say on pay" advisory vote on Saputo's approach to executive compensation at our annual shareholders' meeting.

We continued to make progress in increasing transparency and disclosure to our stakeholders, with investors as a focus. In FY2020, we enhanced the ESG risks and governance disclosure included in our Annual Information Form and our Management Information Circular.

In FY2020, we had one significant fine for non-compliance related to a breach of air emission limits in one of our plants. Since this incident, corrective actions were implemented to prevent future occurrences.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Number of significant fines for non-compliance	1	1	0	0	0
Monetary value of significant fines for non-compliance (in millions of CDN dollars)	0.16	0.19	0	0	0



Our corporate governance initiatives strive to ensure the highest levels of independence, disclosure and transparency.

RESPONSIBLE SOURCING

Animal Welfare

As a global leader in dairy processing, milk is our primary ingredient and we care deeply about the way it is produced. For us, high-quality dairy products begin with high-quality milk from healthy and well-cared-for animals. Our Animal Welfare Policy ensures our suppliers comply with our animal care standards through industry regulations and codes of practices, routine supplier management practices, and awareness and training programs. We strive to constantly advocate for the improvement of national standards and industry regulations in the countries where we operate.

In FY2020, such advocacy activities included reviewing and providing feedback on the proAction Animal Care assessment module in Canada and the National Milk Producers Federation's FARM Animal Care Program Version 4.0 in the USA. We were also included in the Business Benchmark for Animal Welfare (BBFAW), where we ranked in the fourth tier out of six, maintaining our position from last year.

We have zero tolerance for animal cruelty and have established a clear protocol to work with suppliers and authorities to effectively deal with situations where a breach of our Animal Welfare Policy is suspected. In FY2020, there were two incidents that required us to take action.

As we celebrated our Policy's fifth anniversary in June 2020, we took the opportunity to enhance it and reinforce our commitment to bringing industry leaders and dairy producers together to continue to improve animal welfare practices. We also broadened its scope beyond dairy to now include other animals used in meat products (beef, pork, poultry) supplied for our foodservice and retail markets.

Beyond promoting recognized standards of animal care throughout our supply chain, we're also committed to supporting initiatives and programs that promote awareness and training opportunities to help alleviate dairy production welfare issues. In FY2020, we began a new partnership with the University of British Columbia. We also extended and expanded our partnership with the University of Guelph for another five years. This is in addition to pursuing our existing partnerships with Iowa State University's College of Veterinary Medicine and the University of Wisconsin.

In FY2020, we impacted 21,221 people through a variety of initiatives, including workshops and webinars, industry presentations, and access to online training tools, which were either hosted or made available by our partners or our field staff. This figure represents an increase of 37% as compared to FY2019.

■ We have zero tolerance for animal cruelty and have established a clear protocol to work with suppliers and authorities to effectively deal with situations where a breach of our Animal Welfare Policy is suspected.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Case of animal cruelty reported resulting in suspension of supply	2	1	1	1	1
Numbers of people impacted by our animal welfare training programs	21,221	15,518	11,171	n/a	n/a

RESPONSIBLE SOURCING

SUPPLIER CODE OF CONDUCT

We believe our relationships with suppliers are vital to our ability to make high-quality products. We aim to create an environment where we can build strong, sustainable, and long-term partnerships and strive to promote responsible business practices by working with our suppliers across the value chain. To do so, we launched our Supplier Code of Conduct in FY2019, setting the minimum standards of business conduct we expect.

While our suppliers are independent businesses, their actions can impact our reputation and the trust we've earned from our customers, consumers, and other stakeholders. Our Supplier Code of Conduct is rooted in the Saputo Promise to ensure we continue to work collaboratively with suppliers on shared standards of business.

As some of our suppliers also operate in different legal and cultural environments throughout the world, our Supplier Code of Conduct defines a list of zero-tolerance issues that apply universally across our supply chain.

Our Supplier Code of Conduct describes monitoring and enforcement processes, as well as protocols for addressing a breach or suspected breach and reinstatement criteria that suppliers are expected to meet.

Throughout FY2020, we reviewed our Supplier Code of Conduct to align it with the changes of our latest Animal Welfare Policy and Code of Ethics. We also continued the implementation of the Supplier Code of Conduct through introducing a more formal risk assessment and proactive checks to ensure compliance. To support this approach, we adopted the SEDEX platform and tools and are monitoring our key supply chain risks. We have begun using the platform in Australia and will pursue the rollout in North America in FY2021, and in the other divisions within three years.

We have zero tolerance for:

- **Child labour;**
- **Forced labour;**
- **An environment that incites or encourages any form of coercion and harassment;**
- **Any major health and safety deficiency posing immediate danger to life or risk of serious injury;**
- **Any major environmental deficiency posing serious and immediate harm to the environment or the community;**
- **Any form of animal cruelty; and**
- **Any form of bribery.**



ENVIRONMENT

Our goal is to safeguard the environment while continuing to grow as a world-class dairy processor. In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025.

We've allocated additional resources to support the execution of this global action plan, including a three-year investment of CDN\$50 million. Also, we established a governance framework to foster Company-wide accountability and ownership, with one of our Executives acting as global champion.

Accordingly, we updated our Environmental Policy to reflect and uphold our 2025 goals and our long-term commitment to pursue environmentally responsible business practices.

Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.

Climate



We recognize that climate change is a challenge for all. Collectively, we must continue to address our use of fossil fuels and embrace sustainable manufacturing practices, as well as find ways to adapt our practices to ensure sustainable agriculture. For us, climate action is about reducing our impact on, and adapting to, climate change and leveraging our capabilities as a business to create positive environmental changes.

GOVERNANCE

The Board of Directors' Audit Committee is responsible for reviewing and evaluating the risk factors inherent to Saputo and ensuring that appropriate measures are in place to enable Management to identify and manage such risk factors effectively. The Audit Committee has ultimate responsibility for overseeing the Company's environmental risks, including those that are climate-related. The Audit Committee meets regularly and reports to the Board quarterly.

The Audit Committee receives quarterly reports from the Environmental Committee and an annual presentation from its Chair. The Environmental Committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and

International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the Environmental Policy and meets quarterly to discuss our environmental risks, the required action plans, and the status of ongoing projects.

Saputo's Director, Corporate Responsibility, is responsible for assessing climate-related risks, informing Management, and ensuring appropriate mitigation measures and action plans are in place in our global operations. Each division also has an Environmental Affairs Lead who ensures environmental risks, including those that are climate-related, are appropriately managed at the local level.

Risks

In 2018, we commissioned an external consultant to identify and review climate-related risks across our global operations up to 2025 — guided by the approach recommended by the TCFD framework. This high-level review focused on identifying transitional risks across our value chain, as well as evaluating future direct and indirect transition costs related to carbon prices under different scenarios. A high-level review of physical risks was also conducted with an industry benchmarking exercise on what our peers are doing.

Further details related to the climate risks which were identified and their impacts on our business are available in our annual CDP disclosures, which can be found on www.saputo.com/our-promise/reference-documents.

Strategy and Targets

In FY2020, we pledged to accelerate our global climate performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025.

We pledged to:

- **Reduce the CO₂ intensity of our operations by 20% (against FY2020 baseline)**
- **Reduce the energy intensity of our operations by 10% (against FY2020 baseline)**

We expect to deliver on these tangible goals with targeted initiatives focusing on renewable electricity and energy efficiency.

Despite the COVID-19 pandemic, we're on course and have allocated our first wave of funds to support a dozen projects across our divisions with the potential of saving 8,000 tons of CO₂ and 60,000 GJ of energy annually.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Scope 1 GHG emissions (in ton CO ₂ e)	560,142	500,133	407,267	381,618	382,601
Scope 2 GHG emissions (location-based) (in ton CO ₂ e)	505,891	500,067	333,317	322,643	351,589
CO ₂ intensity (in ton CO ₂ e/ton of products)	0.2248	0.2297	0.1927	0.1872	0.1934
Energy intensity (in GJ/ton of products)	2.94	3.13	2.85	2.75	2.74

ENVIRONMENT

Water



Healthy freshwater is essential to the long-term success of our business, and to the communities we serve.

Access to clean water is vital to our manufacturing operations including production, cleaning, and sanitation processes. Milk is our primary ingredient and our suppliers also rely on sufficient access to quality water to produce this raw material.

Recycled, brackish, and produced water are used in our manufacturing operations wherever possible. Reusing and recycling enables greater operational efficiency and therefore minimize the amount of water we withdraw. Secondary benefits include energy and chemical efficiency, product recovery, and cost reductions.

Water risks are assessed as part of an enterprise risk management framework, as per our climate-related risks. These risks are reported to the Audit Committee, and managed by the Environmental Committee as part of our Environmental Policy.

Specific water-related risk assessments are also carried out annually using the World Resources Institute (WRI) Aqueduct tool

and disclosed annually as part of our CDP Water. Full details related to our water risks can be found on www.saputo.com/our-promise/reference-documents.

In FY2020, 23% of our facilities and 29% of our total water withdrawals were from water-stressed areas. The WRI Aqueduct tool was used to identify the facilities located in water-stressed areas. A water-stressed area is defined as having a baseline water stress level that is considered “high”, or above 40%, in the Aqueduct tool.

In FY2020, we pledged to accelerate our global water performance by 2025 with a commitment to:

- Reduce the water intensity of our operations by 10% (against FY2020 baseline)
- Improve our wastewater quality year-on-year

Despite the COVID-19 pandemic, we stayed on course and allocated our first wave of funds to support a dozen projects across our divisions with the potential to save 700 million L of water annually. Our process to allocate global funds prioritizes projects located in water-stressed areas.

Healthy freshwater is essential to the long-term success of our business, and to the communities where we live, work and farm.

Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Water withdrawal (in millions of L)	24,162	22,663	19,930	19,021	19,030
Water intensity (in L/kg of products)	5.10	5.32	5.35	5.22	5.20

CLIMATE
Reduce our CO₂ intensity by



WATER
Reduce our water intensity by



WASTE
Reduce our food waste by



Our focus on operational efficiency and continuous improvement means we are constantly looking for ways to reduce our waste, as well as ways to repurpose or divert it from landfill.

Waste

In FY2020, we pledged to accelerate our global waste performance by 2025 with a commitment to:

Operational waste

- Reduce our total waste by 25% (against FY2020 baseline) and increase our diversion rate to 75%

Food waste

- Reduce our food waste by 50% (against FY2020 baseline)

Sustainable packaging

- Reduce our material use by 15% (against FY2020 baseline)
- Ensure 100% of our packaging is reusable, recyclable, or compostable
- Ensure our packaging includes at least 15% of recycled or renewable content

Operational Waste



Our constant focus on operational efficiency and continuous improvement means we’re constantly looking for ways to reduce our waste, as well as ways to repurpose or divert it from landfills.

With most of our recently-acquired UK facilities being zero-waste, we’ll look at ways to share best practices across all our facilities and find solutions aimed at achieving our 2025 targets.

Waste	FY2020	FY2019	FY2018	FY2017	FY2016
Total waste (in metric ton)	49,138	46,982	32,842	30,612	22,526
% waste diverted from landfill	50%	52%	42%	49%	45%

CASE STUDY

In FY2020, we enhanced our employer-led *Smiles* program to further promote an environmentally sustainable work environment. Launched in 2013, this program provides the infrastructure and resources to encourage our employees to work more sustainably.

In 2019, we revamped the program with our employees from the Montréal, Canada offices. We began by eliminating single-use plastic and introducing composting and recycling stations in our offices. We also provided all our employees with reusable water bottles, mugs, and utensils and guided them to properly reduce and separate their waste.

In less than one year, this initiative has already eliminated over 6,000 plastic bottles, 5,000 plastic utensils and 12,000 disposable cups in a single office. We strive to continue improving those numbers and expand the program moving forward.

Read more about this case study at www.saputo.com/our-promise/case-studies.

ENVIRONMENT

Food Waste



It is estimated that one third of all food produced globally is lost or goes to waste. With the responsibility of feeding families, we have a key role to play in ensuring the efficiency of the food supply chain.

We continuously implement and adapt processes designed to reduce the quantity of food waste across our operations and supply chain, including during production and distribution. Despite our best efforts, some of our finished products are still unsellable and are occasionally discarded.

Therefore, in FY2020, we ran a pilot project at one of our Montréal distribution centres to establish a process for redistributing unsellable inventory to those in need. The early findings of our pilot showed a 30% reduction in food waste. At the onset of the COVID-19 pandemic and because there was a significant shift in demand, we accelerated our rollout to all our operations globally and as a result, we have been able to distribute an estimated 1.8 million kg of products since the beginning of the pandemic, representing a reduction of more than 12 000 tons of CO₂¹.

We are continuing our effort to establish our baseline to track and report progress against our Food Waste targets in FY2021.

To accelerate our progress and ensure we leverage our global capabilities, we've set up an internal Sustainable Packaging Group, which is composed of packaging engineers, packaging procurement specialists, and sustainability experts from all our divisions.



(1) Calculated using the FReSH- FLW value calculator from the World Resource Institute.

Packaging



To ensure the integrity and safety of products, packaging is vital and its potential impact on the environment can be significant. Consumers are becoming more aware of the environmental and social impacts of plastics, and, increasingly, the plastic content of a product is influencing buying habits.

Through the years, we've implemented numerous initiatives across our operations to reduce the quantity of material used in our packaging, as well as ensuring its recyclability.

Our 2025 packaging targets draw on the New Plastics Economy principles, aligned with the circular economy principles, as well as the targets which existed at the time we acquired Dairy Crest.

To accelerate our progress and ensure we leverage our global capabilities, we've set up an internal Sustainable Packaging Group, which is composed of packaging engineers, packaging procurement specialists, and sustainability experts from all our divisions. The Group meets quarterly to bring their complementary expertise together, creating an opportunity to connect, share challenges, and best practices around sustainable packaging.

In the last few months, members of the Sustainable Packaging Group have focused on developing the global process to establish a baseline and track progress against our packaging targets.

NUTRITION AND HEALTHY LIVING



From the ingredients we source, to the products we put on the shelves, we take great pride in satisfying the health and nutrition needs of our consumers, and offering high-quality products. In FY2019, we developed our Nutrition and Healthy Living plan, outlining our core guiding principles, when it comes to nutrition. In FY2020, we continued to set up the foundation of our plan by finalizing our responsible marketing principles as well as progressing on the development of our global nutrient profiling system. The timeline for the global implementation of these programs was reviewed following acquisitions to ensure they are relevant and applicable to all our markets. We now aim to roll out the approach globally by the end of our current three-year plan.

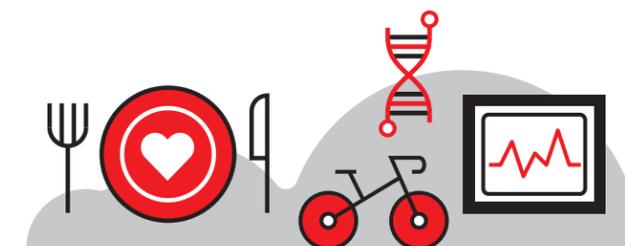
We constantly monitor consumer trends and aim to respond accordingly. For instance, we've committed to diversifying our product portfolio by pursuing more plant-based opportunities in line with increasing consumer demand for these types of products. We see the operational, commercial, and strategic benefits of expanding our presence in this category, and we appointed a Senior Vice President, Business Development, Plant-Based Food to lead our efforts. We're also open to acquisition opportunities that might enable us to grow our branded presence in this category.

These initiatives should not signal a lack of confidence in dairy as we remain very bullish about our industry and the vast growth opportunities within the dairy space. We believe in the nutritional benefits of dairy, supported by abundant research, and we'll continue to advocate for them as part of a healthy diet.

In FY2020, we also continued our efforts to develop innovative approaches and enhance the nutritional value of our products.

For example:

- In Canada, we increased the distribution of our *Joyya* specialty milk: ultrafiltered milk with 75% more protein and 25% less lactose (sugar) than regular milk.
- In the United Kingdom, we launched a dairy-free cheese alternative under our market-leading *Vitalite* brand.
- In Argentina, we launched a lean cheese with no salt (magro sin sal). See case study below for additional details.



CASE STUDY

We're proud to help to create healthier communities to work, live, and play in – and it all starts with the food on families' tables.

Sodium intake in Argentina is "estimated to be at least double the dose of 2000 mg/day recommended by the WHO" according to some studies. For Argentinians with dietary restrictions, Saputo relaunched our new *La Paulina* low-sodium cheese. With only 13mg of sodium per portion – we gave families a new way to create healthier meals with the same *La Paulina* cheese they love.

Read more about this case study at www.saputo.com/our-promise/case-studies.

COMMUNITY



Giving back has always been an intrinsic part of our culture and we care deeply about the communities we serve. We believe in leaving a lasting and meaningful legacy where our employees live, work, and play. As such, we're committed to investing 1% of our annual pre-tax profits, through financial contributions and product donations, and encouraging volunteerism in order to build healthier communities where we operate.

In FY2020, we delivered on this promise, with an overall community investment valued at more than CDN\$11.21 million (calculated using the London Benchmarking Group model). The promotion of healthy lifestyle habits is at the core of our community engagement, and we aim to encourage and support organizations, projects, and programs that educate participants to make responsible food and nutrition choices, and create opportunities to get people moving. In FY2020, we reached over 2.58 million people through our partnerships focused on healthy living.

Our Saputo Legacy Program aims to support the improvement of local sport and health amenities, helping entire families lead a more active and healthier lifestyle. To date, this program contributed to 50 projects, representing a total investment of CDN\$2.78 million. The permanent facilities targeted by the Legacy Program's investments include soccer and baseball fields, multi-sport facilities, and hiking trails to name a few, benefiting communities in Canada, the USA, Argentina, and Australia. In FY2020, we invested in two new well-being infrastructure projects in the USA, one in Australia and one in Argentina.

Many communities in our network have faced difficult times recently and we remain steadfastly committed to doing our part to support them.



Metric	FY2020	FY2019	FY2018	FY2017	FY2016
Total community investment (in millions of CDN dollars)	11.21	11.10	11.25	n/a	n/a
Total number of people reached through our healthy living partnerships and programs (in millions)	2.58	2.25	2.1	n/a	n/a
Number of Legacy projects funded to date	50	46	38	n/a	n/a

We rallied together to encourage disaster relief efforts.

- During the 2019-2020 Australian bushfires, we partnered with food banks and established a global employee relief and recovery fund in collaboration with the Australian Red Cross, matching every dollar.
- Our community contributions in response to the COVID-19 pandemic are ongoing, reaching over CDN\$5.4 million to date across all our divisions. For additional details, please refer to p.5 of this Factsheet.

Together with our employees, we're also taking action to promote tolerance, inclusion, justice, and equality within our communities.

There is still much progress to be made towards achieving equality for all. We believe we all share in the responsibility to eliminate racism in all its forms and we must do more to help this important cause. Our wish is to encourage and support initiatives that are making a difference in our communities, especially in the lives of historically underserved groups.

As such, in June 2020, we launched the Saputo Donation Matching Program for Equality. We're proud to match every dollar donated by our employees to organizations whose missions promote anti-racism, inclusion, social justice, anti-discrimination, and equality. To date, we've donated to organizations such as Black Lives Matter, EmbraceRace, NAACP Legal Defense and Educational Fund (NAACP LDF) and the Canadian Anti-Hate Network.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Factsheet contains forward-looking statements within the meaning of applicable securities laws, including statements relating to the Company's targets, commitments and goals related to the Saputo Promise, the environmental impact of its activities and its climate, water and waste performance, including the Company's ability to achieve these targets, commitments and goals while pursuing its growth as a world-class dairy processor and the measures to be taken and investments to be made by the Company to achieve such targets, commitments and goals. The words "pledge to", "expect", "commit", "intend", "will", "plan" or "target", or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements. These statements are based, among other things, on Saputo's current assumptions, expectations, estimates, objectives, plans, business strategy and intentions regarding the Saputo Promise, its environmental performance, its sustainability efforts, the effectiveness of its environmental and sustainability initiatives, its financial performance, the economic, industry, competitive and regulatory environments in which it operates, or which could affect its activities.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking statements. As a result, the Company cannot guarantee that any forward-looking statements will materialize, and the Company warns readers that these forward-looking statements are not fact or guarantees of future performance in any way. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause actual results to differ materially from current expectations are discussed in the Company's materials filed with the Canadian securities regulatory authorities and available on SEDAR under the Company's profile at www.sedar.com, including in the "Risks and Uncertainties" section of the Management's Discussion and Analysis dated June 4, 2020, and also include the Company's ability to access and implement all technology necessary to achieve its targets, commitments and goals, as well as the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results, and environmental regulation.

Saputo

