

Welcome to your CDP Climate Change Questionnaire 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Saputo produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. Saputo is one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia and the second largest in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. Our products are sold in several countries under well-known brand names such as *Saputo, Alexis de Portneuf, Armstrong, Cathedral City, Clover, COON, Cracker Barrel**, *Dairyland, DairyStar, Devondale, Friendship Dairies, Frigo Cheese Heads, Joyya, La Paulina, Liddells, Milk2Go/Lait's Go, Montchevre, Murray Goulburn Ingredients, Neilson, Nutrilait, Scotsburn**, *Stella, Sungold, Treasure Cave* and *Woolwich Goat Dairy*. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP".

As a global leader in dairy processing, we recognize our responsibility to demonstrate good corporate citizenship in everything we do. The Saputo Promise is our commitment to live up to the values on which our business was founded in 1954. It consists of 7 Pillars that form the backbone of our approach to social, environmental and economic performance. Our 7 Pillars are: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition and Healthy Living, and Community.

* Trademark used under licence.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.



	Start date	End date	Indicate if you are providing emissions data for past reporting years
Row 1	April 1, 2018	March 31, 2019	No

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

- Argentina
- Australia
- Canada
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

- Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

Relevance



Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Direct operations only [Processing/manufacturing/Distribution only]
Distribution	Direct operations only [Processing/manufacturing/Distribution only]
Consumption	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

As a global dairy processor, milk is our primary ingredient which we source from third-party suppliers. An estimate of GHG emissions from supplying dairy farms outside our operational control are reported as part of our Scope 3 emissions.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Other, please specify

Milk



% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

As a global dairy processor, milk is our primary ingredient which we source from third-party suppliers. An estimate of GHG emissions from supplying dairy farms outside our operational control are reported as part of our Scope 3 emissions.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The Audit Committee of the Board, that has oversight responsibility for enterprise risk, has ultimate responsibility for environmental risks, including climate-related-risks. The Audit Committee meets regularly and reports to Board quarterly.</p> <p>The Audit Committe receives regular updates and an annual presentation from the Chair of the Company's environmental committee. The Company's 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</p>

	environmental matters, is responsible for overseeing the application of the environmental policy. The environmental committee meets quarterly to discuss the environmental risks of the Company, the required action plans and the status of ongoing projects.
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C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Other, please specify Monitoring of CO2 emissions	A progress report on GHG emissions is presented and reviewed by the Environmental Committee quarterly. Any important matters related to climate are also reported to this group as they arise.
Scheduled – some meetings	Other, please specify Risks assessment	Environmental risks- including climate-related risks- are part of our enterprise risks processes where risks are assessed and reviewed annually.
Sporadic - as important matters arise	Other, please specify Risks assessment	Environmental risks- when material environmental matters arise

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other committee, please specify Environmental Committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Annually



C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Company’s 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. The environmental committee meets quarterly to discuss the environmental risks of the Company, the required action plans and the status of ongoing projects. Regular reporting is made to the Audit Committee, which is responsible for risk management. The Chair of the environmental committee also meets annually with the Audit Committee to review the application of the environmental policy and the environmental performance of the Company’s activities.

The global 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. At a local level, each Division has a Environmental Affairs lead who ensures environmental risks including climate-related risks are appropriately managed at local level.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

No

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	3	Consistent with our action plans for the Saputo Promise



Medium-term	3	5	the period is defined as between short and long term
Long-term	5	10	Consistent with the timeline used to evaluate climate-related risks

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	We have an on-going processes for identifying, evaluating and managing the principal risks and uncertainties that the Company faces. Climate-related risks are evaluated as part of this process as needed. In addition, in 2018, we carried out a specific climate change risk identification using the TCFD framework.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

The Board of Directors (the Board) delegated to the Audit Committee the responsibility to study and evaluate the risk factors inherent to the Company and ensure that appropriate measures are in place to enable Management to identify and manage these risk factors effectively. The Audit Committee receives regular reports from Management on these matters. The Audit Committee and the Board have also adopted and implemented certain policies and procedures relating to risk assessment and management which are reviewed at least annually. An annual detailed presentation on all risk factors identified, as well as periodic presentations, are made by Management to the Audit Committee.



The Audit Committee receives regular updates and an annual presentation from the Chair of the Company's environmental committee. The Company's 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. The environmental committee meets quarterly to discuss the environmental risks of the Company, the required action plans and the status of ongoing projects.

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 price under different scenarios. A high-level review of physical risks was also included with insight on what our peers are doing.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Risks and uncertainties are disclosed as part of our Annual Report and include current regulation as "Saputo's business and operations are subject to environmental laws and regulations, including those relating to permitting requirements, wastewater discharges, air emissions (greenhouse gases and other), releases of hazardous substances and remediation of contaminated sites. Compliance with these laws and regulations requires that the Company continue to incur operating and maintenance costs and capital expenditures." Furthermore, our climate-related risk assessment carried out in 2018 focused on transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Current regulations were assessed as part of this review. One of the Company's California facilities is currently subject to greenhouse gas emission reduction requirements, and is an example of current regulation assessed as part of our climate-risks review.
Emerging regulation	Relevant, always included	Risks and uncertainties are disclosed as part of our Annual Report and include future regulation as "Future events such as changes in environmental laws and regulations or more vigorous regulatory enforcement policies could have a material adverse effect on the financial position of Saputo and could require additional expenditures to achieve or maintain

		compliance." Furthermore, our climate-related risk assessment carried out in 2018 focused on transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Emerging regulations were assessed as part of the climate related risks review. Different scenarios were assessed to evaluate the potential costs of carbon across the different countries where we operate depending of the likelihood of emerging regulations (e.g. carbon tax, carbon cap and trade etc.) in these countries.
Technology	Relevant, always included	Our climate-related risk assessment carried out in 2018 focused on the transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. New low-carbon technology arising in the food industry were analyzed as part of this review. For example, there are new types of raw materials that can potentially substitute milk (e.g. animal-free dairy products). If this risk materializes, this may pose technological, as well as market challenges for the Company though it was assessed that the risk is currently not material for the short to medium term.
Legal	Relevant, always included	Risks and uncertainties are disclosed as part of our Annual Report and include legal risk as "Saputo's business and operations are subject to environmental laws and regulations, including those relating to permitting requirements, wastewater discharges, air emissions (greenhouse gases and other), releases of hazardous substances and remediation of contaminated sites. Compliance with these laws and regulations requires that the Company continue to incur operating and maintenance costs and capital expenditures." Our climate-related risk assessment carried out in 2018 focused on the transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Exposure to litigation was assessed as part of this review.
Market	Relevant, always included	Our climate-related risk assessment carried out in 2018 focused on the transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Market factors such as the price of raw material and end consumer preferences for plant-based products were evaluated as part of this review.
Reputation	Relevant, always included	Our climate-related risk assessment carried out in 2018 focused on the transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Reputational risks were assessed as part of this review.
Acute physical	Relevant, always included	Risks and uncertainties are disclosed as part of our Annual Report and include acute physical risks as "Major events, such as natural disasters, could lead to unanticipated business disruption of any or certain of the Company's manufacturing facilities." Our climate-related risk assessment carried out in 2018 also addressed key physical risks to our operations.



Chronic physical	Relevant, always included	Our climate-related risk assessment carried out in 2018 also addressed key physical risks to our operations.
Upstream	Relevant, always included	Risks and uncertainties are disclosed as part of our Annual Report and include upstream risks as " Availability of raw materials as well as variations in the price of foodstuffs can therefore influence the Company's results upwards or downwards". Our climate-related risk assessment carried out in 2018 focused on the transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Where material, risks were identified across the complete value chain including downstream (e.g. transports costs) and upstream (e.g. price of raw material).
Downstream	Relevant, always included	Our climate-related risk assessment carried out in 2018 focused on the transitions risks as defined by the TCFD including: policy and legal, technology, market and reputation. Where material, risks were identified across the complete value chain including downstream (e.g. transports costs) and upstream (e.g. price of raw material).

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

The Saputo Promise is our commitment to live up to the values on which our business was founded in 1954. As a global leader in dairy processing, we have a responsibility to demonstrate good corporate citizenship in everything we do. The Saputo Promise consists of 7 Pillars that form the backbone of our approach to social, environmental and economic performance. Based on our values and our stakeholders' concerns, our Pillars allow us to focus our efforts where it matters. Our 7 Pillars are: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition and Healthy Living, and Community.

Furthermore, under its environment policy, the Company is committed to pursuing environmentally responsible business practices and we seek continuous improvement in our environmental performance. Among measures to achieve its commitment under the policy, the Company provides training to employees in their environmental responsibilities, conducts regular environmental audits to confirm that the operations are managed in compliance with applicable environmental laws and regulations, the policy's objectives and principles of sound management, and adopts and applies programs and procedures which minimize the consequences of emergency events. Within each of its operating divisions, the Company has employees responsible for environmental matters and the application of the environmental policy. Any risks and opportunities from climate change identified will be incorporated into existing environmental risk management processes.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

One of the Company's California facilities is currently subject to an emission trading scheme and is required to comply with the requirements. Carbon permits (or credits) price is not fixed and is subject to market forces of supply and demand, which have historically resulted in price increase year over year.

Time horizon

Current

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

800,000

Potential financial impact figure – maximum (currency)

1,800,000

Explanation of financial impact figure

There is a financial implication but the cost of compliance depends on market conditions within the emissions trading schemes. While not insignificant, the impact is not considered material relative to other risks to the business.

Management method

The Company stays apprised of new climate change legislation, has appropriate monitoring plans in place where required, and complies with the registration or reporting requirements currently applicable to some of its facilities. The Environmental Affairs departments within each division ensure compliance.

Cost of management

0

Comment

There's no material management costs as the Environmental Affairs departments within each division ensure compliance.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Market: Other

Type of financial impact

Abrupt and unexpected shifts in energy costs

Company- specific description

Fuel prices in certain jurisdictions where we have operations are affected either by carbon taxes or by emissions trading scheme. Saputo purchases energy to process raw materials and manufacture finished goods. Fuel/energy taxes and regulations can increase costs.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,600,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The cost of purchased fuels will likely increase due to carbon pricing mechanism. The figure represents annual impact and is based on a carbon price scenarios of 40\$ per ton of CO2 which represents the most likely scenario for the short to medium term.

Management method

Saputo strives to use standard cost/benefit analysis to determine actions.

Cost of management

0

Comment

The Company stays apprised of new climate change legislation, and has appropriate monitoring plans in place where required to evaluate purchased energy costs.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Other

Type of financial impact

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

The Company's global operations are subject to various federal, provincial, state, municipal and local laws and regulations relating to environmental protection.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

21,800,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Saputo addresses its environmental compliance with due diligence and during fiscal 2019, spent approximately \$21.8 million to ensure its Environmental Policy commitments were met. Some of these actions also contributes to reducing climate related risks.

Management method

The Company stays apprised of new climate change legislation, has appropriate monitoring plans in place where required, and complies with the registration or reporting requirements currently applicable to some of its facilities. The Environmental Affairs departments within each division ensure compliance.

Cost of management

0

Comment

The Environmental Affairs departments within each division ensure compliance.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Market: Other

Type of financial impact

Reduced demand for goods and/or services due to shift in consumer preferences

Company- specific description



A growing group of consumers are turning away from animal-related products in favour of plant-based alternatives in an attempt to reduce their carbon footprints. This could lead to reduce demand for dairy products. Some of our customers are addressing this trend by asking GHG emissions reduction throughout the supply chain.

Time horizon

Current

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Management method

We work closely with our customers to understand and respond to their expectations.

Cost of management

0

Comment

The cost of management is included in the current operational structure.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Major events, such as natural disasters, could lead to unanticipated business disruption of any or certain of the Company's manufacturing facilities. The effect would be more significant if the Company's larger manufacturing facilities are affected, in which case, the failure to find alternative suppliers or to replace lost production capacity in a timely manner could negatively affect the Company's financial condition and performance.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact



Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Management method

Our risk management team ensures that mitigation measures are in place in all our facilities to minimize the impacts of natural disasters on our assets.

Cost of management

0

Comment

The management of these risks are managed by our risk team.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Saputo purchases raw materials that may represent up to 85% of the cost of products. Changes in weather patterns could impact the price and the availability of the raw material and therefore, influencing the Company's results upwards or downwards.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Management method

In each of our markets, we have dedicated team responsible for supplying raw ingredients.

Cost of management

0

Comment

The cost of management is included in the current operational structure.

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Market: Other

Type of financial impact

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description



Fuel prices in certain jurisdictions where we have operations are affected either by carbon taxes or by emissions trading scheme which can impacts our transportation costs.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Management method

In each of our markets, we have dedicated team responsible for transportation contracts,

Cost of management

0

Comment

The cost of management is included in the current operational structure.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description



Saputo purchases energy to process raw materials and manufacture finished goods. There is an opportunity for Saputo to contribute to minimizing climate change impact by implementing energy-efficiency initiatives. Saputo uses cost/benefit analysis to determine actions to constantly identify and review projects with the potential of reducing costs and energy use.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Potential financial implications include cost savings through annual energy efficiency projects.

Strategy to realize opportunity

Each of the Company's divisions manages the specific projects chosen for investment.

Cost to realize opportunity

0

Comment

The cost of management is included in the current operational structure.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Type of financial impact

Reduced exposure to future fossil fuel price increases

Company-specific description

Some of our operations in Australia have been exposed to volatile electricity prices. Locking long-term prices through renewable energy power purchase agreement could reduce this exposure while also delivering financial benefits.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Strategy to realize opportunity

In each of our markets, we have dedicated team responsible for buying energy and to evaluate opportunities arising from the renewable energy market.

Cost to realize opportunity

0

Comment

The cost of management is included in the current operational structure.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

The increased popularity of plant-based alternatives creates opportunity for additional revenue streams and new product offering.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Strategy to realize opportunity

We work closely with our customers to understand and respond to their expectations.

Cost to realize opportunity

0

Comment

The cost of management is included in the current operational structure.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	Consumers of our products could move away from the consumption of nutritious dairy products if the dairy industry is perceived as making un-sustainable use of natural resources. The motivations for eating less dairy include health, animal welfare and the environment.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Prolonged drought in Australia has been impacting the dairy sector resulting in decrease milk volume available in this market.
Adaptation and mitigation activities	Impacted	The impacts of adaptation and mitigations activities have not had a material impact.
Investment in R&D	Not yet impacted	Investments in R and D related to climate change have not been quantified at Corporate level.
Operations	Not yet impacted	Operational costs of transition risks are considered to be low.
Other, please specify		

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	Risks that could be considered material include the potential for consumers to move away from dairy products due to the perceptions of the dairy farming sector as being associated with adverse environmental impacts. This has not materially impacted our revenues and the future impacts of these changes will depend on our ability to innovate and develop new products. Potential timescales are considered to be short to medium term.
Operating costs	Not yet impacted	Current impacts on operating costs such as energy prices have not been material. Potential timescales are considered to be short to medium term.
Capital expenditures / capital allocation	Not yet impacted	Current impacts on capital expenditures have not been material. We continue to use cost/benefit analysis to manage risks and determine actions. Potential timescales are considered to be short to medium term.
Acquisitions and divestments	Not yet impacted	Potential/ Predicted Impact on Financial Planning process with regard to acquisitions and divestments: A key element of our business strategy is to make acquisitions where they will generate value. Climate related decision making has not yet impacted this strategic objective. Potential timescales are considered to be medium to long term
Access to capital	We have not identified any risks or opportunities	Our financial planning processes have not identified any material implications for access to capital. Potential timescales are therefore not applicable.
Assets	Impacted	Our financial planning processes ensure continuous investment in our assets to ensure resilience in case of extreme weather events. Potential timescales are considered to be short to medium term.
Liabilities	We have not identified any risks or opportunities	Our financial planning processes have not identified any material implications for liabilities. Potential timescales are therefore not applicable.
Other		

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

No

C3.1f

(C3.1f) Why are climate-related issues not integrated into your business objectives and strategy?

The Saputo Promise is our commitment to live up to the values on which our business was founded in 1954. As a global leader in dairy processing, we have a responsibility to demonstrate good corporate citizenship in everything we do. The Saputo Promise consists of 7 Pillars that form the backbone of our approach to social, environmental and economic performance. Our Corporate Responsibility Committee ("CR Committee") oversees the Saputo Promise and monitors our progress and ensures we communicate in a transparent manner, leverage our leadership position and support best practices for each of our 7 Pillars. The CR Committee is composed of our Company President and Chief Operating Officer, Chief Financial Officer, Chief Human Resources Officer, President and Chief Operating Officer of each of our Divisions, and our Director, Corporate Responsibility. After setting up the foundation of the Promise, the focus of our Committee in FY2019 has been on defining our priorities and developing a global plan for the next three years.

The Company has an environmental policy directed towards minimizing the environmental impact of all its activities, which promotes environmental awareness among employees and affirms the Company's commitment to pursue environmentally responsible business practices and seek continuous improvement in its environmental performance. The Company's environmental committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, 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. The environmental committee meets quarterly to discuss the environmental condition of all Company facilities, the required action plans and the status of ongoing projects. Regular reporting is made to the Audit Committee, which is responsible for risk management. The Chair of the environmental committee also meets annually with the Audit Committee to review the application of the environmental policy and the environmental performance of the Company's activities.

Climate-related issues are managed through these existing structures.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you do not have emissions target and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	Important but not an immediate business priority	Due to recent significant acquisitions, absolute emissions are likely to increase in the short to medium term.	Saputo is committed to pursuing environmentally responsible business practices. At Saputo, environmental sustainability is a process of continuous improvement. We keep on refining our data collection and analytical tools to provide meaningful information to our management teams and identify opportunities to improve our GHG emissions.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	0
To be implemented*	0	0
Implementation commenced*	8	300
Implemented*	0	0
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

300

Scope

Scope 2 (location-based)



Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Estimated lifetime of the initiative

>30 years

Comment

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

25,000

Payback period

4 - 10 years

Estimated lifetime of the initiative

<1 year

Comment

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO₂e savings (metric tonnes CO₂e)

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

2,500

Payback period

4 - 10 years

Estimated lifetime of the initiative

<1 year

Comment

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

0.02

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

98,000

Payback period

4 - 10 years

Estimated lifetime of the initiative

<1 year

Comment

Replacement of 32 incandescent ceiling recessed lighting to energy saving LED as well as replacing 20 incandescent cone shaped chain supported lighting to energy saving LED

Initiative type

Energy efficiency: Processes

Description of initiative

Heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

48,000

Investment required (unit currency – as specified in C0.4)

134,000

Payback period

1-3 years

Estimated lifetime of the initiative

<1 year

Comment

The project proposes to replace the original steel wastewater tank with a tank of same capacity along with the ability to recover waste heat from the boiler blowdown system.

Initiative type

Energy efficiency: Processes

Description of initiative

Other, please specify

Improved pipework insulation

Estimated annual CO2e savings (metric tonnes CO2e)

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

192,000

Investment required (unit currency – as specified in C0.4)

197,000

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Reduce the heat losses exist from pipework due to exposure to ambient air temperatures and high humidity.

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

0.08

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

298,000

Payback period

1-3 years

Estimated lifetime of the initiative

<1 year

Comment

Replace 191, 400 watt Highbay lights and 7 florescent lights, with the more efficient LED lights

Initiative type

Energy efficiency: Processes

Description of initiative

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

385,850



Investment required (unit currency – as specified in C0.4)

298,000

Payback period

1-3 years

Estimated lifetime of the initiative

<1 year

Comment

To upgrade the Steam Plant Combustion management system from the Lamtec FMS (Flame Management System) to the latest Lamtec CMS (Combustion Management System) controller. The proposed operation will allow for one operating boiler and having the other on standby will achieve gas and electricity savings

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Saputo addresses its environmental compliance with due diligence and during fiscal 2019, spent approximately \$21.8 million to ensure its Environmental Policy commitments were met. Some of these actions also contributes to reducing climate related risks.
Financial optimization calculations	Using standard cost/benefit analysis to determine actions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1, 2013

Base year end

March 31, 2014

Base year emissions (metric tons CO₂e)

355,006

Comment

Scope 2 (location-based)

Base year start

April 1, 2013

Base year end

March 31, 2014

Base year emissions (metric tons CO₂e)

297,172

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Australia - National Greenhouse and Energy Reporting Act

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

500,133

Start date

April 1, 2018

End date

March 31, 2019

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

500,067

Start date

April 1, 2018

End date

March 31, 2019

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated



Metric tonnes CO2e

24,375,550.52

Emissions calculation methodology

The emissions were estimated using emissions factors from the Global Livestock Environmental Assessment Model (GLEAM).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

We used our own data based on the quantity of milk purchased to calculate these emissions.

Capital goods

Evaluation status

Relevant, not yet calculated

Explanation

Carbon emissions embodied in purchased capital goods are relevant but have not yet been comprehensively assessed.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Explanation

Carbon emissions from fuel and energy related activities are relevant but have not yet been comprehensively assessed.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Explanation

Carbon emissions from upstream transportation and distribution are relevant but have not yet been comprehensively assessed.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Explanation

Carbon emissions from waste generated in operations are relevant but have not yet been comprehensively assessed.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

12,809

Emissions calculation methodology

Business travel emissions was calculated based on data obtained from third party travel agencies.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

These emissions are for air travel only.

Employee commuting

Evaluation status

Not relevant, explanation provided

Explanation

Not considered to be relevant because the emissions due to employee commuting are not material when compared to overall estimated scope 3 emissions sources within the dairy sector.

Upstream leased assets

Evaluation status

Not evaluated

Explanation

Carbon emissions have not yet been comprehensively assessed.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Explanation

Carbon emissions from downstream transportation and distribution are relevant but have not yet been comprehensively assessed.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Explanation

Evaluation of the lifecycle impacts of milk and dairy products indicates that emissions associated with the consumer use of phase of our products (e.g. refrigeration and cooking) are considerably lower than emissions in the upstream supply chain. Consequently, we have focused our resources on areas of our value chain where the greatest emissions occur.

Use of sold products

Evaluation status

Not evaluated

Explanation

Carbon emissions from use of sold products have not yet been comprehensively assessed.

End of life treatment of sold products

Evaluation status

Not evaluated

Explanation

Carbon emissions from end of life treatment of sold products have not yet been comprehensively assessed.

Downstream leased assets

Evaluation status

Not evaluated

Explanation

Carbon emissions from downstream leased assets have not yet been comprehensively assessed.

Franchises

Evaluation status

Not relevant, explanation provided

Explanation

Saputo has minimal number of franchises so overall emissions from this source are not relevant.

Investments

Evaluation status

Not evaluated

Explanation

Carbon emissions from investments have not yet been comprehensively assessed.

Other (upstream)

Evaluation status

Not evaluated

Explanation

Other (downstream)

Evaluation status

Not evaluated

Explanation

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

24,375,550.52

Please explain

This represents the emissions associated with the cow milk we purchased. Cow milk represents our most significant purchased good and our biggest scope3 emissions contributor.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Other

Milk



Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Please see GHG emission reported under scope 3

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

24,375,550.52

Change from last reporting year

Higher

Please explain

Global Scope 3 emissions increased due to acquisitions contributing to an increase in sourced raw material.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00007408

Metric numerator (Gross global combined Scope 1 and 2 emissions)

1,000,200

Metric denominator

unit total revenue

Metric denominator: Unit total

13,501,900,000

Scope 2 figure used

Location-based

% change from previous year

15

Direction of change

Increased

Reason for change

As a result of the acquisition of the activities of Murray Goulburn in Australia, our energy intensity increased by 10% and our CO2 intensity based on revenues for Scope 1&2 emissions increased by 15%. This was mainly due to energy-intensive production and the fact that CO2 emissions associated with electricity production are significantly higher in Australia, as compared to the other countries where we operate.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	498,588	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	590	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	956	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Argentina	46,152
Australia	133,807
Canada	93,558
United States of America	226,616

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Canadian sector	93,558
USA sector	226,616
International sector	179,959

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

486,151

Methodology

Region-specific emissions factors

Please explain

This represents the emissions of our manufacturing operations.

Activity

Distribution

Emissions (metric tons CO2e)

13,982

Methodology

Region-specific emissions factors

Please explain

This represents the emissions from distribution activities such as transport, warehouse and distribution centers

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Argentina	28,230		299,994	
Australia	205,770		907,801.94	
Canada	51,234		6,596,817.5	
United States of America	214,833		1,807,027.77	



C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Canada sector	51,234	
USA sector	214,833	
International sector	234,000	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	

Other emissions reduction activities	300	Decreased	0.04	Related to the implementation of energy efficiency measure on our plants
Divestment	0	No change		
Acquisitions	274,040	Increased	37	The acquisitions of nine additional processing facilities during the fiscal year contributed to an increase of 29% of our global Scope 1 & 2 Carbon emissions.
Mergers	0	No change		
Change in output	0	No change		
Change in methodology	3,395	Decreased	0.5	Change in emissions factors
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change		
Other	2,145	Decreased	0.29	We closed one plant during the reporting period.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		2,735,115.45	2,735,115.45
Consumption of purchased or acquired electricity			996,345	996,345
Consumption of purchased or acquired steam			32,725.55	32,725.55
Total energy consumption			3,778,308.33	3,778,308.33

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Biogas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

14,121

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

113,573.77

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2



Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

57,703.62

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 5

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

12,335.55

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam



MWh fuel consumed for self-generation of cooling

Comment

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,139.39

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment



Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,548,647

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Biogas

Emission factor

Unit

Emission factor source

Argentina: GHG Protocol Emission Factors from Cross-Sector Tools 1.2 (April 2014) - Table 3

Australia: Australian Gov't National Greenhouse Accounts Factors Aug 2016- Table 2: Emission factors for the consumption of natural gas (Sludge biogas that is captured for combustion (methane only)

Comment

We use emission factors specific to each GHG as well as to each region where we operate. The average has not been provided due to the complexity of generating an average factor across all GHGs and geographies. Please see emissions sources for details.

Diesel

Emission factor

Unit

Emission factor source

Argentina: GHG Protocol Emission Factors from Cross-Sector Tools 1.2 (April 2014) - Table 3

Australia: Australian Gov't National Greenhouse Accounts Factors Aug 2016- Table 3: Fuel combustion emission factors - liquid fuels and certain petroleum based products

Canada: 2016 Climate Registry "Table 12.4 Canadian Default Factors for Calculating CH4 N2O Emissions from Combustion of Natural Gas, Petroleum Products, and Biomass"

USA: EPA - EF for Greenhouse Gas Inventories (V.2 Nov 2015) - Stationary Combustion

<http://www.epa.gov/climateleadership/documents/emission-factors.pdf>

Comment

We use emission factors specific to each GHG as well as to each region where we operate. The average has not been provided due to the complexity of generating an average factor across all GHGs and geographies. Please see emissions sources for details.

Fuel Oil Number 2

Emission factor

Unit

Emission factor source

Argentina: GHG Protocol Emission Factors from Cross-Sector Tools 1.2 (April 2014) - Table 3 (crude oil)

Australia: Australian Gov't National Greenhouse Accounts Factors Aug 2016- Table 3: Fuel combustion emission factors - liquid fuels and certain petroleum based products for stationary energy purposes (Gasoline (other than for use as fuel in an aircraft))

Canada: 2016 Climate Registry "Table 12.2 Canadian Default Factors for Calculating CO2 Emissions from Combustion of Natural Gas, Petroleum Products, and Biomass"

USA:EPA - EF for Greenhouse Gas Inventories (V.2 Nov 2015) - Stationary Combustion

<http://www.epa.gov/climateleadership/documents/emission-factors.pdf>

Comment

We use emission factors specific to each GHG as well as to each region where we operate. The average has not been provided due to the complexity of generating an average factor across all GHGs and geographies. Please see emissions sources for details.

Fuel Oil Number 5

Emission factor

Unit

Emission factor source

Argentina: GHG Protocol Emission Factors from Cross-Sector Tools 1.2 (April 2014) - Table 3 (crude oil)

Canada: 2016 Climate Registry "Table 12.2 Canadian Default Factors for Calculating CO2 Emissions from Combustion of Natural Gas, Petroleum Products, and Biomass"

USA:EPA - EF for Greenhouse Gas Inventories (V.2 Nov 2015) - Stationary Combustion
<http://www.epa.gov/climateleadership/documents/emission-factors.pdf> (Residual fuel oil no. 6)

Comment

We use emission factors specific to each GHG as well as to each region where we operate. The average has not been provided due to the complexity of generating an average factor across all GHGs and geographies. Please see emissions sources for details.

Natural Gas

Emission factor

Unit

Emission factor source

Argentina: GHG Protocol Emission Factors from Cross-Sector Tools 1.2 (April 2014) - Table 3

Australia: Australian Gov't National Greenhouse Accounts Factors Aug 2016- Table 2: Emission factors for the consumption of natural gas (Natural gas distributed in a pipeline)

Canada: 2016 Climate Registry "Table 12.4 Canadian Default Factors for Calculating CH4 N2O Emissions from Combustion of Natural Gas, Petroleum Products, and Biomass"

USA:EPA - EF for Greenhouse Gas Inventories (V.2 Nov 2015) - Stationary Combustion

<http://www.epa.gov/climateleadership/documents/emission-factors.pdf>

Comment

We use emission factors specific to each GHG as well as to each region where we operate. The average has not been provided due to the complexity of generating an average factor across all GHGs and geographies. Please see emissions sources for details.

Propane Gas

Emission factor

Unit

Emission factor source

Argentina: GHG Protocol Emission Factors from Cross-Sector Tools 1.2 (April 2014) - Table 3 (Liquified Petroleum Gases)

Australia: Australian Gov't National Greenhouse Accounts Factors Aug 2016- Table 3: Fuel combustion emission factors - liquid fuels and certain petroleum based products for stationary energy purposes (Liquefied petroleum gas)

Canada: 2016 Climate Registry "Table 12.4 Canadian Default Factors for Calculating CH4 N2O Emissions from Combustion of Natural Gas, Petroleum Products, and Biomass"

USA: EPA - EF for Greenhouse Gas Inventories (V.2 Nov 2015) - Stationary Combustion

<http://www.epa.gov/climateleadership/documents/emission-factors.pdf>

Comment

We use emission factors specific to each GHG as well as to each region where we operate. The average has not been provided due to the complexity of generating an average factor across all GHGs and geographies, Please see emissions sources for details.

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

Low-carbon technology type

Region of consumption of low-carbon electricity, heat, steam or cooling



MWh consumed associated with low-carbon electricity, heat, steam or cooling

Emission factor (in units of metric tons CO2e per MWh)

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Page/ section reference

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100



Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Page/ section reference

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes



C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISAE 3410	Year on year change in emissions (Scope 1 and 2)

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT

Québec CaT

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

California CaT

% of Scope 1 emissions covered by the ETS

100



Period start date

January 1, 2018

Period end date

December 31, 2018

Allowances allocated

23,279

Allowances purchased

46,925

Verified emissions in metric tons CO₂e

70,204

Details of ownership

Facilities we own and operate

Comment

Québec CaT

% of Scope 1 emissions covered by the ETS

100

Period start date

January 1, 2019

Period end date

December 31, 2019

Allowances allocated

8,505

Allowances purchased

2,220

Verified emissions in metric tons CO₂e

10,725

Details of ownership

Facilities we own and operate

Comment

This is the first year that Saputo participates in the Quebec CaT market.

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

The Company stays apprised of new climate change legislation, has appropriate monitoring plans in place where required, and complies with the registration or reporting requirements currently applicable to some of its facilities. One of the Company's California facilities is currently subject to greenhouse gas emission reduction requirements, and has purchased all emission credits necessary to comply with the requirements. One of our facilities in Canada is participating on a voluntary basis to reduce costs.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, other partners in the value chain

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

As a company we engage with stakeholders including our own employees, our industry peers, and our customers,

Examples include:

- As part of our Environmental Policy, we ensure our employees receive appropriate training including an Environmental Awareness course.
- We are part of one of our main customers' sustainability suppliers group where we share some of our best practice around sustainability.
- We have a representative on the Standing Committee on Environment of the International Dairy Federation.
- Our CEO is part Chair of the Global Dairy Platform where dairy sustainability issues of the industry are discussed.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Our CEO is Chair of the Global Dairy Platform

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Dairy is invested in sustainability, efficient food production and the reduction of environmental impacts.

How have you influenced, or are you attempting to influence their position?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Adherence to our publicly available Code of Ethics where practices related to lobbying are addressed.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary communications

Status

Underway – previous year attached

Attach the document

 SaputoPromise_FY2018_Factsheet_EN.pdf

Page/Section reference

p.6

Content elements

Emissions figures

Other metrics

Comment



C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	President and Chief Operating Officer, Saputo Inc. and International Sector	Chief Operating Officer (COO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Saputo produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. Saputo is one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia and the second largest in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. Our products are sold in several countries under well-known



brand names such as *Saputo, Alexis de Portneuf, Armstrong, Cathedral City, Clover, COON, Cracker Barrel*, Dairyland, DairyStar, Devondale, Friendship Dairies, Frigo Cheese Heads, Joyya, La Paulina, Liddells, Milk2Go/Lait's Go, Montchevre, Murray Goulburn Ingredients, Neilson, Nutrilait, Scotsburn*, Stella, Sungold, Treasure Cave and Woolwich Goat Dairy*. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP".

As a global leader in dairy processing, we recognize our responsibility to demonstrate good corporate citizenship in everything we do. The Saputo Promise is our commitment to live up to the values on which our business was founded in 1954. It consists of 7 Pillars that form the backbone of our approach to social, environmental and economic performance. Our 7 Pillars are: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition and Healthy Living, and Community.

* Trademark used under licence.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	13,501,900,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	CA	8029121057



SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Diversity of product lines makes accurately accounting for each product/product line difficult and we do not currently have the internal resources to develop capabilities to allocate emissions to our customers. Customer support and resources could help overcome this challenge.
Doing so would require we disclose business sensitive/proprietary information	N/A

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

We do not currently have the internal resources to develop capabilities to allocate emissions to our customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2019-2020 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2018-2019 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?



No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms