



# 2021 SAPUTO PROMISE REPORT

*Saputo*



# Table of Contents

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<b>A STATEMENT FROM OUR CEO</b>	<u>2</u>
<b>SAPUTO AT A GLANCE</b>	<u>3</u>
<b>ABOUT THIS REPORT</b>	<u>4</u>
Materiality	<u>4</u>
Basis for Reporting	<u>5</u>
<b>OUR APPROACH</b>	<u>6</u>
Strategy	<u>6</u>
Governance	<u>6</u>
Our Response to Covid-19	<u>8</u>
<b>OUR FY21 PERFORMANCE</b>	<u>9</u>
Summary of Our Progress	<u>10</u>
Food Quality and Safety	<u>12</u>
Our People	<u>13</u>
Diversity, Equity and Inclusion (DE&I)	<u>13</u>
Working Conditions	<u>14</u>
Health and Safety	<u>16</u>
Business Ethics	<u>18</u>
Responsible Sourcing	<u>19</u>
Sustainable Ingredients	<u>20</u>
Animal Welfare	<u>21</u>
Environment	<u>23</u>
Climate	<u>23</u>
Water	<u>28</u>
Waste and Packaging	<u>30</u>
Nutrition and Healthy Living	<u>32</u>
Community	<u>33</u>
<b>PERFORMANCE DATA SUMMARY</b>	<u>34</u>
<b>SASB INDEX</b>	<u>38</u>



**Lino A. Saputo**  
Chair of the Board and  
Chief Executive Officer



Amidst an atmosphere of uncertainty, we stood firm in our values and in our Saputo Promise, and we never wavered in our resolve to do the right thing for all our stakeholders.



## A STATEMENT FROM OUR CEO

Fiscal 2021 (FY21) will be remembered as a pivotal year in Saputo's history. Amidst an atmosphere of uncertainty, we stood firm in our values and in our Saputo Promise, and we never wavered in our resolve to do the right thing for all our stakeholders.

Our employees are the heartbeat of our Company and their health always comes first. In addition to enhancing our already robust safety protocols, we maintained our commitment to no layoffs due to COVID-19 and prioritized employee well-being with programs and initiatives designed to offer peace of mind and recognize the critical role our workforce plays. As an essential provider, our teams rallied to supply the high-quality products our communities rely on. Their contributions drive our business forward and reinforce the vitality of our culture every single day, and I can't emphasize enough just how humbled and deeply grateful I am for their continued passion and dedication.

As valued members of our extended Saputo family, we supported our patron farmers with additional services and resources to help alleviate the mental and physical impacts of the pandemic. We also worked with local community organizations to help those most vulnerable, mainly to ensure food security. In FY21, our financial and product donations, both from our COVID-focused efforts and established community investment program, reached over CDN\$17 million, doubling our target of 1% of our pre-tax profit.

Beyond employee health and safety, reaching our environmental goals and intensifying our efforts relating to Diversity, Equity and Inclusion (DE&I) were key priorities.

We made great strides towards our 2025 environmental targets, allocating a portion of our three-year, CDN\$50 million investment commitment to complete 12 specific projects across our network, which should deliver notable climate, water, and waste savings. Our progress didn't go unnoticed as we were awarded an improved score of B by CDP for our 2020 climate disclosure. Looking to fiscal 2022 (FY22), we've already started deploying our second round of projects and laying the groundwork for our new supply chain pledges, which are detailed in this Report, to address environmental considerations beyond the scope of our operations.

Promoting DE&I is a shared responsibility - we all need to act as agents of change at work and in our communities. We signed the Business Council of Canada's statement denouncing racism, reinforcing Saputo's zero-tolerance stance on this important issue. I was also honoured to join Catalyst CEO Champions for Change to accelerate progress for gender equality, diversity, and inclusion in the workplace. Among other initiatives, we expanded the reach of our unconscious bias training, introduced a permanent workplace flexibility program, and hosted meaningful DE&I events to encourage open and honest discussions. While we've mainly concentrated on gender so far, we're in the process of revising our DE&I Policy to make it more robust and inclusive and we plan to extend our efforts accordingly.

In FY22, we'll continue to create shared value by making headway under each of the seven Pillars of our Saputo Promise. For us, this means building a healthier future for all, one that we can all be proud of.

# Saputo at a Glance

One of the Top 10 Dairy Processors in the World

Leading positions in Canada, the USA, Australia, Argentina and the UK

## CANADA

A leading cheese manufacturer and fluid milk and cream processor

## UK

The largest manufacturer of branded cheese and a top manufacturer of dairy spreads

## USA

One of the top three cheese producers and one of the largest producers of extended shelf-life and cultured dairy products

## ARGENTINA

Second largest dairy processor

## AUSTRALIA

Top dairy processor



Approx. 11 Billion litres of milk processed annually



Products sold in over 60 Countries



65 plants  
67 distribution centres  
2 innovation centres



Approx. 17,700 employees

As of August 5<sup>th</sup>, 2021

## Our product portfolio

We manufacture, market and distribute a diversified range of high-quality products



### Dairy Foods

butter, spreads, cream, creamers, whipping cream, aerosols, ice cream mix, half-and-half, sour cream, cottage cheese, yogurt



### Milk

fluid milk, value-added milk, dairy beverages, extended shelf-life products (ESL)



### Non-Dairy Products

dairy-free cheeses, dairy alternative beverages and creamers, oil



### Cheese (everyday and specialty)

mozzarella, cheddar, goat cheese, blue cheese, ricotta, provolone, parmesan, romano, feta, havarti, brie, camembert, brick, colby, farmer, munster, monterey jack, fresh curd, processed cheeses



### By-Products / Ingredients

milk powder, whey powder, whey protein concentrates (WPC), demineralized whey powder, lactose, lactoferrin, infant formula, casein, galacto-oligosaccharides (GOS) dairy ingredient blends, other value-added dairy ingredients and nutritional products



# ABOUT THIS REPORT

The Saputo Promise is our approach to social, environmental and economic performance based on seven Pillars:



The Saputo Promise is at the heart of our business and keeps us clearly aligned on what matters most. As we pursue growth, we aim to create shared value for all our stakeholders and ensure the long-term sustainability of our business.

We also recognize the importance of being accountable to our stakeholders. Our goal is to communicate our Promise to our investors and partners, and be transparent about our progress in managing key Environmental, Social and Governance (ESG) aspects that can impact our financial performance. This is why, once again this year, we expanded the content of our annual Saputo Promise Report.

## Materiality

In 2020, we undertook a materiality assessment to identify ESG topics to inform our annual Saputo Promise disclosure. Our materiality process involved four stages:

- 1) Identify potentially relevant ESG factors based on ESG existing standards and benchmarking;
- 2) Assess the level of materiality based on our business context, the likelihood of occurrence and potential financial impact;
- 3) Organize material ESG factors; and
- 4) Review ESG-related disclosure to ensure all material information has been considered.

Following the identification and assessment process outlined above, key ESG factors were categorized into three levels based on their level of materiality to investors and their potential to impact the value of the Company. In this year’s Saputo Promise Report, you’ll find our consolidated disclosure, which touches on the ESG-related factors identified by the following materiality assessment:

SECTION OF THE REPORT	MATERIAL ISSUES FOR INVESTORS	MATERIALITY CATEGORY (*** = HIGHEST LEVEL)	PAGE
Our Approach	Corporate Governance	***	<a href="#">6</a>
Food Quality and Safety	Food Safety	***	<a href="#">12</a>
Our People	Human Resources	**	<a href="#">13</a>
Business Ethics	Cybersecurity	**	<a href="#">18</a>
	Business Ethics and Transparency	*	<a href="#">18</a>
Responsible Sourcing	Supply Chain – Environmental	***	<a href="#">20</a>
	Supply Chain – Social	**	<a href="#">20</a>
	Animal Welfare	*	<a href="#">21</a>
Environment	Water Use in Operations	***	<a href="#">28</a>
	Climate Risk – Physical	***	<a href="#">26</a>
	Climate Risk – Transition	**	<a href="#">27</a>
	Energy Use and Management	**	<a href="#">26</a>
	Packaging and Plastics	***	<a href="#">31</a>
	Environmental Impact of Operations	**	<a href="#">27</a>
Nutrition and Healthy Living	Consumer Trends	***	<a href="#">32</a>
Community		n/a	<a href="#">33</a>

The main risks and uncertainties we are exposed to, including ESG risks, are listed in full in our Management’s Discussion and Analysis dated June 3, 2021, available at [www.saputo.com/en/investors/shareholder-reports/2021](http://www.saputo.com/en/investors/shareholder-reports/2021).

This year, we have aligned our disclosure with the Sustainability Accounting Standards Board (SASB) Standard for Processed Foods companies. The full SASB Index can be found on p. 38. We have also aligned our disclosure on climate-related risks with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) on p.23.

We were identified by the World Benchmarking 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 Report, we have indicated where our Pillars and business activities have aligned with the SDGs identified by the WBA.



## Basis for Reporting

All data presented in this report are prepared for the reporting period April 1, 2020, to March 31, 2021, unless stated otherwise. For further details on the compilation of the data, please visit: [www.saputo.com/our-promise/reference-documents](http://www.saputo.com/our-promise/reference-documents).



# OUR APPROACH

## Strategy

The Saputo Promise is an integral part of our business and a key component of our three-pronged approach to growth, alongside organic growth and strategic acquisitions. As we seek to create shared value for all our stakeholders, it provides us with a framework that ensures we embed successful ESG risk management across our operations globally.

With a clear ESG framework, our focus is on the execution of our Saputo Promise three-year plan (FY20–FY22). In FY21, we stayed the course during the pandemic and continued to deploy efforts to achieve our objectives across each of our seven Pillars.

## Governance

Our Board of Directors is responsible for the stewardship of Saputo. As such, it oversees the management of our business 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 fulfill its mandate, the Board:**

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

**The Board delegates some of the ESG-related responsibilities as follows:**

- To the Audit Committee: risk management, including ESG risks such as environment and food safety (Additional information on the risk management process overseen by the Audit Committee can be found in our Management's Discussion and Analysis and in our Management Information Circular, both dated June 3, 2021, available at [www.saputo.com/en/investors/shareholder-reports/2021](http://www.saputo.com/en/investors/shareholder-reports/2021)).
- To the Corporate Governance and Human Resources Committee: business ethics; diversity, equity and inclusion; health and safety; and human resources risks.

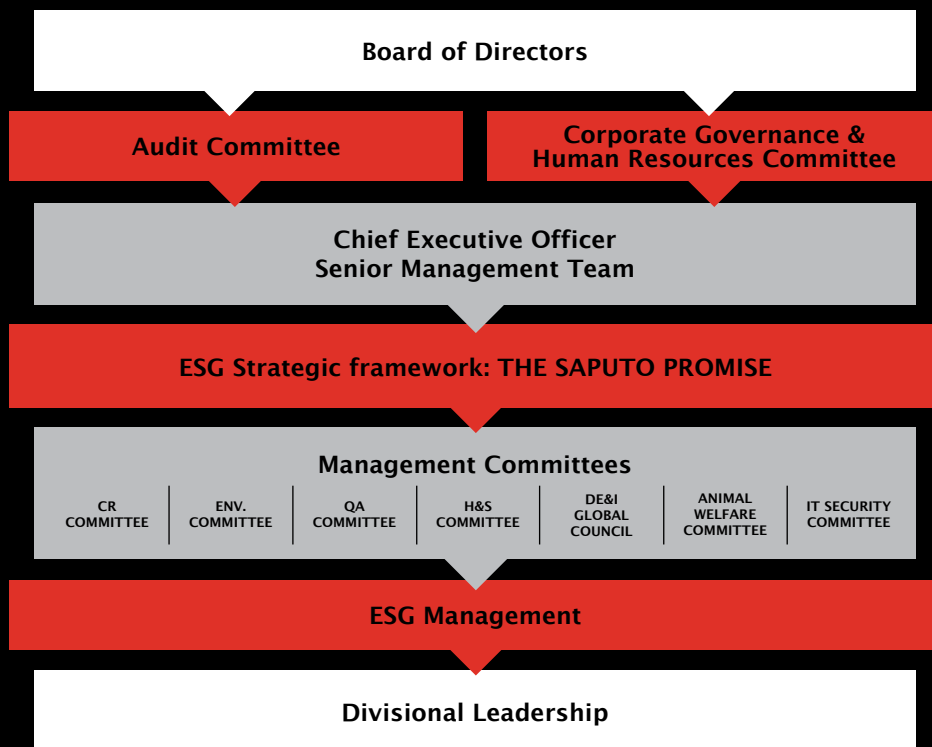


The management responsibility of the Saputo Promise and its Pillars falls under the following committees:

- The **Corporate Responsibility (“CR”) Committee** oversees the overall strategy of the Saputo Promise and monitors 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 (“QA”) Committee** provides global governance to ensure high food quality and safety standards and our Food Quality and Safety Policy are upheld consistently across our operations;
- The **Health and Safety (“H&S”) Committee** is responsible for aligning our best practices in respect of H&S globally;
- The **Diversity, Equity and Inclusion (“DE&I”) Global Council** is designed to promote a diverse and inclusive work environment;
- The **Animal Welfare Committee** oversees efforts and initiatives to ensure supplier compliance with recognized animal care standards or codes of practice, and monitors animal welfare best practices; and
- The **Information Technology (“IT”) Security Committee** oversees the management of our key cybersecurity programs and risks and the measures to protect the confidentiality, integrity and availability of our data.

These different Management Committees ensure that the appropriate business practices are implemented across our operations to effectively manage the ESG risks and opportunities under their mandate. Our divisional leadership ensures the execution and operationalization of these practices.

## ESG Governance: Managing ESG Risk and Opportunity





# OUR RESPONSE TO COVID-19

While we certainly felt the effects of the COVID-19 pandemic, 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.

## TAKING CARE OF OUR EMPLOYEES

Our employees are the heartbeat of our Company and their health always comes first. In addition to enhancing our already robust safety protocols, we prioritized employee well-being with programs and initiatives designed to offer peace of mind in uncertain times.

This included:

- Commitment to no layoffs as a result of the pandemic;
- Constant communication with our people;
- Support to Managers and employees;
- Mental health programs; and
- Employee appreciation initiatives.



## SUPPORTING OUR PATRON FARMERS

As valued members of our extended Saputo family, we supported our patron farmers with additional services and resources to help alleviate the mental and physical impacts of the pandemic.

For instance, in both our Dairy Division (Australia) and Dairy Division (UK), we extended our Employee Assistance Program to our patron farmers to help with their well-being and that of their families.

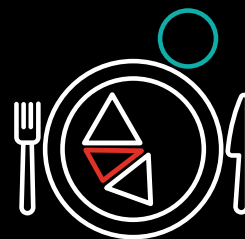
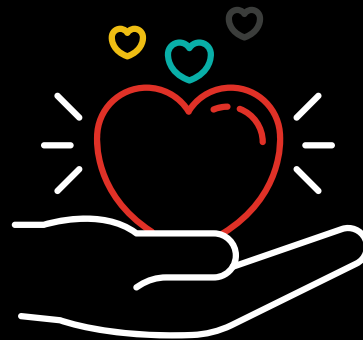
In the USA, despite ebbs and flows in demand, we committed to taking all the milk we were contracted to in order to protect the financial well-being of our farmer suppliers, living up to our commitment to be a strong business partner even in tougher times.

## HELPING OUR COMMUNITIES

As an essential provider, our teams rallied to supply the high-quality, nutritious products our communities rely on. We also worked with local community organizations to help those most vulnerable, mainly to ensure food security. In FY21, our financial and product donations, both from our COVID-focused efforts and established community investment program reached over CDN\$17 million, doubling our target of 1% of our pre-tax profit.



Over the last year, we have proudly donated dairy products to nourish our communities.



# OUR FY21 PERFORMANCE

Learn more at [www.saputo.com/our-promise](http://www.saputo.com/our-promise)



## Summary of Our Progress

● Good progress ● Some progress ● Goal not met ● Baseline

Three-year goals	Progress	Comment
<b>Food Quality and Safety</b>		
<ul style="list-style-type: none"> <li>• <b>Maintain</b> compliance with all regulatory and customer requirements</li> <li>• <b>Invest</b> in our assets to proactively manage food safety risks</li> <li>• <b>Grow</b> our food safety culture</li> <li>• <b>Continue</b> our involvement with external partners to share our best practices in food safety</li> </ul>	●	We continued to embed a strong food safety culture in all our operations, maintained our strong food safety focus and stepped up protocols in response to COVID-19. Read more on p. <a href="#">12</a> .
<b>Our People</b>		
Diversity	●	We stepped up our DE&I initiatives including joining Catalyst for Change, hosting global DE&I events, introducing a permanent workplace flexibility program, and offering unconscious bias training. We maintained gender parity on our Board and improved the percentage of women in senior management. Read more on p. <a href="#">13</a> .
Working Conditions	●	We continued to support employee development with Saputo Connect and our Grow Your Own Way campaign. Despite our efforts, attracting and retaining talent remains a challenge, resulting in the yellow rating. Read more on p. <a href="#">14</a> .
Health and Safety	●	We continued our efforts to increase our capacity and build a strong health and safety culture. As a result of the pandemic, our lagging indicators trended negatively this year after many years of improvement, resulting in the yellow rating. Read more on p. <a href="#">16</a> .
<b>Business Ethics</b>		
Code of Ethics	●	We maintained a focus on our Business Ethics Pillar where we rolled out our revised Code of Ethics and revamped Whistleblowing Policy. Read more on p. <a href="#">18</a> .
Compliance	●	We had no significant fines for non-compliance. Read more on p. <a href="#">18</a> .
Transparency	●	We increased our ESG disclosures through our annual disclosure, such as our Annual Report, Annual Information Form, Management Information Circular, and expanded the content of our annual Saputo Promise Report. Read more on p. <a href="#">18</a> .

## Summary of our progress

● Good progress ● Some progress ● Goal not met ● Baseline

Three-year goals		Progress	Comment
<b>Responsible Sourcing</b>			
Supply Chain	<ul style="list-style-type: none"> <li>• <b>Proactively manage</b> supply chain reputational risks and/or opportunities</li> </ul>	●	We continued to roll out proactive supplier risk assessments to ensure compliance with our Supplier Code of Conduct. The process is now implemented in the UK and Australia and we started the groundwork in our North American divisions. We became a global member of the Roundtable for Sustainable Palm Oil (RSPO) in January 2021 and made a commitment to only source RSPO-certified palm oil globally. Finally, we laid the groundwork for our new Supply Chain Pledges. Read more on p. 20.
Animal Welfare	<ul style="list-style-type: none"> <li>• <b>Advocate</b> for improved animal welfare standards in applicable markets</li> <li>• <b>Proactively manage</b> animal welfare risks</li> <li>• <b>Contribute</b> to wider industry knowledge and best practices</li> </ul>	●	We celebrated the fifth anniversary of our Animal Welfare Policy in FY21, and launched a revised version, broadening its scope beyond dairy to include other animals used in meat products supplied to our foodservice and retail markets. We maintained our ongoing support to promote strong animal care standards and renewed our partnerships with the University of Wisconsin and the University of Guelph for an additional five years. Read more on p. 21.
<b>Environment</b>			
	<p><b>Through our environmental pledges:</b></p> <ul style="list-style-type: none"> <li>• <b>Enhance</b> our ability to proactively manage environmental risks and opportunities</li> <li>• <b>Reduce</b> our resource dependency, operating costs and environmental impact</li> <li>• <b>Drive</b> business value by addressing relevant environmental opportunities</li> </ul>	●	We finalized the development of our global Environment Management System, aligned with the ISO14001 standard, and started the implementation of new processes, which include a more proactive risk assessment at all our plants and enhancing the information which gets reported to the Environmental Committee. We made strides towards our 2025 environmental targets, allocating a portion of our three-year CDN\$50 million investment to complete 12 specific projects across our network, which should deliver notable climate, water and waste savings from FY22 onwards. In the short term, COVID-19 impacted our environmental metrics resulting in a negative trend for FY21, resulting in the yellow rating. Read more on p. 23.
<b>Nutrition and Healthy Living</b>			
	<ul style="list-style-type: none"> <li>• <b>Proactively manage</b> regulatory and reputational risks related to nutrition</li> </ul>	●	We finalized the mapping of our global portfolio in our Saputo Nutrient Profiling Model which will give us insights into the nutritional performance of our products, enabling us to proactively address any potential regulatory changes and identify opportunities for product reformulations. We continued to invest in improving the nutritional performance of our products. Read more on p. 32.
<b>Community</b>			
	<ul style="list-style-type: none"> <li>• <b>Invest</b> 1% of pre-tax profits in our communities each year</li> <li>• <b>Maximize</b> the impacts of our community investments</li> <li>• <b>Engage</b> employees in volunteerism to attract and retain talent</li> </ul>	●	In FY21, we exceeded our target of donating 1% of our pre-tax profits to our community partners, investing over CDN \$17 million, both from our COVID-focused efforts and established community investment program, to support our communities. Read more on p. 33.

# 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 formalizes our 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 FY21, we maintained our facilities certified to GFSI<sup>1</sup> standards at 98% and maintained our high scores with 100% of the certified facilities achieving a Good or Excellent audit rating.



Our commitment extends to our trusted partners. We share our food safety expectations with suppliers across our value chain, holding them to the same high standards. In FY21, 96% of our third-party ingredient suppliers were also GFSI-certified.

We ensure systems are in place for tracing products and raw materials. Because we always put food safety first, we have robust contingency processes and precautionary measures in place enabling us to take proactive and immediate action when necessary.

In FY21, there were two voluntary recalls, and in both cases, our contingency processes resulted in the products being swiftly removed from the market with no impact on our consumers.

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.

METRIC	FY21	FY20	FY19	FY18	FY17
% of facilities certified to GFSI standards	98%	98%	98%	94%	90%
% of certified facilities with Good or Excellent GFSI audit rating	100%	100%	100%	100%	96%
% of ingredients sourced from Tier 1 supplier facilities certified to GFSI <sup>2</sup> standards	96%	n/a	n/a	n/a	n/a
Total number of notices of food safety violation received <sup>2</sup>	0	n/a	n/a	n/a	n/a
Number of recalls issued <sup>2</sup>	2	n/a	n/a	n/a	n/a

<sup>1</sup> Global Food Safety Initiative (GFSI)

<sup>2</sup> This is a newly reported metric and therefore, previous year data is not available.

# OUR PEOPLE



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

## Diversity, Equity and Inclusion (DE&I)

We recognize that a diverse, equitable, and inclusive environment facilitates a broader exchange of perspectives. DE&I not only enriches discussions but also more accurately reflects our relationship with our employees, shareholders, customers, consumers, business partners, and other stakeholders.

Our goal is to promote an environment where no one’s growth potential is impacted by bias or discrimination and where each and every employee feels valued.

Supported by our Board Diversity Policy, we’re proud to have gender parity on our Board. The same value placed on diversity at the Board level also exists at all levels of the organization. While we mainly concentrated our efforts on gender so far, we’re in the process of revising our DE&I Policy to make it more robust and inclusive, and we plan to expand our efforts accordingly, including to our Board.

In FY21, we implemented several programs and initiatives to promote DE&I in the workplace, including:

- Unconscious bias training;
- Expanded parental leave benefits;
- Gender-neutral job descriptions; and
- A permanent workplace flexibility program.

In FY21, we joined the Catalyst For Change initiative as part of our commitment to accelerating progress on gender equality, diversity, and inclusion in the workplace. Our Chair of the Board and CEO, Lino A. Saputo, joined more than 70 CEOs in publicly pledging to advance more women into leadership positions.

In February 2021, we hosted our first global DE&I virtual event under the theme of conscious inclusion, where our CEO, COO, CHRO and one of our Board members shared their personal journeys and learning experiences around DE&I. The event was attended by employees globally and the recordings of the event were made available to all employees so that everyone could benefit.

“  
We’re proud to have gender parity on our Board.  
”

METRIC	FY21	FY20	FY19	FY18	FY17
% women in total workforce	28%	28%	28%	30%	29%
% women in senior management	21%	16%	16%	15%	13%
% women on Board of Directors	50%	50%	50%	50%	50%
% internal promotions awarded to women	36%	34%	37%	29%	30%



## CASE STUDY

**In December 2020, a number of Saputo employees participated in the MARC Summit – Men Advocating for Real Change.**

Over this two-day virtual experience organized by our DE&I external partner, Catalyst, participants heard personal stories from men who spoke about their challenges and invited participants to engage in more effective gender partnerships to model a healthier culture of masculinity. Read more about this case study at [www.saputo.com/our-promise/case-studies](http://www.saputo.com/our-promise/case-studies)

### Working Conditions

At Saputo, our culture continues to guide our daily actions as well as the way we treat each other—with care, respect and kindness. Every day, we strive to provide the best environment for our teams, whose collective passion is the driving force behind our success.

**In FY21, we're proud that staying true to our heritage landed us on Forbes' 2020 World's Best Employers list, which surveys worker satisfaction and willingness to recommend the company as an employer.**

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 endeavour to be an employer of choice for top talent in the dairy industry, recognized for our values and our commitment to our employees. In FY21, our global turnover was 17%.

After a soft launch in FY21, we formally launched our performance management program, Saputo Connect, globally in early FY22. It aims to support our employees' ongoing development and encourages our colleagues to have consistent, meaningful discussions with their manager about their goals, development plan and career aspirations. Furthermore, our focus on promoting from within translated into 943 internal promotions in FY21.

Our employees drive our success, and it's important that we can explain the experience of working at Saputo in a way that acknowledges our unique strengths and helps us attract and retain talent who share our vision and values. We created an Employee Value Proposition (EVP) which explains what we have to offer as an employer as well as what an employee can expect to gain by working for us. Our EVP campaign, called Our Best is Made of Yours, was launched in FY21.

We invest in our people, to create a learning culture that encourages employees to grow in a way that fits each person's unique set of goals and ambitions. In FY21, we launched our new Learning Platform with quality content from Harvard Business Publishing®, featuring over 40 business-related courses uniquely designed to put learning into action. This new platform allows us to centralize, manage, automate and measure our training programs, as well as record and monitor individual progress. In addition, in FY21, we invested almost 335,000 hours and CDN\$8.1 million in employee development initiatives, which represents 19 hours and CDN\$470 per employee. This is a slight decrease compared to last year, mainly due to COVID-19 restricting some of our training activities during this period.

METRIC	FY21	FY20	FY19	FY18	FY17
Total internal promotions	943	1,080	1,066	1,058	765
Total investments in training and development (in millions of CDN dollars)	8.1	8.2	5.8	4.5	n/a
Total training and development hours	334,855	402,435	194,406	73,137	n/a
Average tenure	10	10	10	10	10
% of unionized employees	35%	36%	36%	36%	39%
Global turnover <sup>3</sup>	17%	n/a	n/a	n/a	n/a

<sup>3</sup> This is a newly reported metric and therefore, previous year data is not available.



## Health and Safety

We care deeply about the health and well-being of our team, and keeping everyone safe is a top priority. Supported by our global Health and Safety Policy, launched in FY21, we've been intensifying our efforts relating to Goal Zero, our focused approach to H&S based on driving a culture where our people are an integral part of the solution. Our divisions are coming together to make sure we share a common mindset and understanding, and that we leverage best practices globally to ensure safety across our operations.



In FY21, we introduced our safety principles to guide our daily decision-making process:



### LEADERSHIP

- We insist our leaders, and all levels of employees, lead by example and embody our principles when it comes to safety.



### RESOURCES

- We ensure our people have the right equipment, standards and expertise to perform their employment activities safely.



### EMPOWERMENT

- We trust our employees to make decisions that ensure a safe environment for everyone.



### LEARNINGS

- We have a safety-first mindset and we prevent incidents by continually learning from successes, near misses and best practices.



### COMMITMENT

- We embed health and safety principles into everything we do.

To embed our safety principles, we established our **Safety Ambassadors Network**, a group of more than **90 dedicated employees who act as change agents and help with the deployment of safety initiatives across our sites.**



In FY21, after seeing a downward trend for the last three years, our Total Injury Frequency Rate (TIFR) increased by 5% and our Lost Time Injury Frequency Rate (LTIFR) increased by 18%, mainly as a result of COVID-19. As we maintained our operations as an essential provider throughout the pandemic, we faced resource challenges with some of our employees staying at home to self-isolate, either due to health risks or caregiving responsibilities. This challenge required us to bring in less experienced staff and/or to have some of our employees working overtime, which can both have an impact on injury trends. As outlined in our three-year plan, we strongly believe that safety is defined by the capacity we put in place—not by the absence of incidents. Therefore, despite these results, we're staying on course and more focused than ever on embedding the right capacity globally.

In addition to our Goal Zero program, we continued to focus on mental health and well-being during the pandemic. We provided mental health assistance programs to all employees globally and ensured our managers were equipped to support their teams by providing them with additional tools and training. We also maintained constant communication with our employees during these uncertain times, providing them with regular updates and messages from our CEO and senior management team.

Forging an environment where our people feel empowered and safe is a very important responsibility, and we're deeply committed to it. We have a strong safety culture, a talented and caring team, and a unifying Policy. All the elements are there to continue to move forward on our path to Goal Zero.

METRIC	FY21	FY20	FY19	FY18	FY17
Total injury frequency	3.76	3.59	4.82	4.95	5.08
Lost time injury frequency	1.61	1.36	1.77	1.96	1.57
Fatality	0	1	0	0	1







# 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.

We have monitoring systems in place globally to comply with laws, regulations, and industry standards. In FY21, we had no significant fines for non-compliance.

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, and to address key human rights issues important to our organization, such as freedom of association. The revised Code was rolled out in early FY21, with employees receiving appropriate communication and training on what we expect of them and the importance of ethical behaviour.

The confidentiality and privacy of our customers and employees as well as the protection of information systems are key principles in our Code of Ethics. As cybersecurity risks continue to pose a threat, our IT Security Committee ensures oversight of the protocols to identify, assess and manage our key cybersecurity programs. The Chair of the IT Security Committee reports to the Audit Committee, which is in charge of risk oversight.

We have also taken significant actions in the last few years to protect our organization against cyber attacks.

These include:

- Elevating our information security governance;
- Investing significantly in people, security protocols and technology;
- Embedding incident response in global crisis management; and
- Building a culture of cybersecurity and raising employee awareness.

Our corporate governance initiatives ensure the highest levels of independence, disclosure, and transparency. Among these initiatives, we've adopted an anonymous and confidential whistleblowing line hosted by a third party, 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 meeting of shareholders.

We continued to make progress in increasing transparency and disclosure to our investors and other stakeholders. In FY21, we continued to enhance the ESG governance disclosure included in our Annual Information Form and our Management Information Circular.

METRIC	FY21	FY20	FY19	FY18	FY17
Number of significant fines for non-compliance	0	1	1	0	0
Monetary value of significant fines for non-compliance (in millions of CDN dollars)	0	0.16	0.19	0	0



# RESPONSIBLE SOURCING



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 promote responsible business practices by working with our suppliers across the value chain. To do so, we implemented our Supplier Code of Conduct, setting the minimum standards of business conduct.

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.

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.

Throughout FY21, we continued the implementation of our Supplier Code of Conduct through the introduction of a more formal risk assessment and proactive checks such as audits to ensure compliance. This approach has been implemented in the UK and Australia, and the groundwork has been laid out in the USA, with the objective to complete a Company-wide rollout in Canada and Argentina within the next two years.



## Sustainable Ingredients



We recognize the importance of the transition to a net-zero world by 2050, to limit global warming to well below 2°C as targeted by the Paris agreement, as well as the need to transform the way food is grown and produced globally. We're committed to doing our part in creating a sustainable and equitable food system, working in partnership with our farmers, suppliers and industry partners to:

- Transition to a net-zero food system by 2050 and halt deforestation;
- Protect biodiversity and preserve soil health;
- Protect and preserve water ecosystems; and
- Improve the resilience and economic viability of farming communities and protect workers' rights.

Therefore, in FY21, we laid the groundwork on how we intend to address sustainability considerations beyond the scope of our operations. This led to the development of our 2025 Supply Chain Pledges.

# OUR 2025 SUPPLY CHAIN PLEDGES

Where we have direct relationships with farmers, ensure 100% of our milk supply chain is covered by relevant sustainability standards

Where we do not have direct relationships with farmers, advocate to ensure relevant sustainability standards are implemented across all of our milk supply chain

Contribute CDN\$10 million to fund relevant initiatives

Source 100% of our principal ingredients sustainably

In the coming months, we will put our plan in motion, starting by allocating the right expertise and resources towards our Supply Chain Pledges and defining the practices which will form part of our sustainability standards.

**In January 2021, we became a global member of the Roundtable on Sustainable Palm Oil (RSPO),** a global non-profit initiative that unites stakeholders to develop and implement worldwide standards for sustainable palm oil. **As part of our membership, we're committed to sourcing 100% RSPO-certified palm oil in 2021 and beyond.** Certified Palm Oil must comply with strict environmental and social criteria developed by the RSPO.

## 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 sets out the animal care standards we expect our suppliers to comply with, through industry regulations and Codes of Practice, 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 FY21, we have been involved in animal welfare advocacy through the Dairy Processors Association of Canada to provide feedback on the update of the Canadian Code of Practice for the Care and Handling of Dairy Cattle, and the proAction Animal Care assessment module. We were also included in the Business Benchmark on Farm 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 FY21, two suppliers were suspended under our animal cruelty protocol. In both cases, the supplier met our reintegration criteria by having a third-party animal welfare audit conducted and documenting appropriate corrective action plans with suitable follow-ups and timelines. We have since resumed receiving milk from these suppliers.

As we celebrated our Policy's fifth anniversary in FY21, we took the opportunity to enhance it and reinforce our commitment to bringing industry leaders and dairy producers together by improving animal welfare practices. We also broadened the Policy's scope beyond dairy to include other animals used in meat products supplied for our foodservice and retail markets. We also laid the foundation for a strategy to report on animal welfare performance metrics across our milk supply, allowing us to track progress against our Policy. In addition, we developed an Animal Health and Welfare Position Paper that outlines our view on animal care and health issues that are currently outside the scope of our Animal Welfare Policy.







In FY21, Saputo expanded its support for the Dairyland Initiative of the University of Wisconsin–Madison School of Veterinary Medicine, which allows faculty and staff to continue to provide twice-yearly workshops for farmers, veterinarians, nutritionists, and industry consultants. We also renewed our support for the Saputo Dairy Care Program developed to provide specific dairy welfare training, in collaboration with the University of Guelph and the Campbell Centre for the Study of Animal Welfare.

As a result, despite the pandemic, we continued to impact more than 38,000 people through a variety of initiatives in FY21, 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.

METRIC	FY21	FY20	FY19	FY18	FY17
Cases of animal cruelty reported resulting in suspension of supply	2	2	1	1	1
Number of people impacted by animal welfare training (through partnerships or internal training)	38,252	21,221	15,518	11,171	n/a

# ENVIRONMENT

Our goal is to safeguard the environment while continuing to grow as a world-class dairy processor. In FY20, 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. In August 2021, we formalized that commitment even further by introducing a sustainability-linked loan (SLL) structure to our \$1 billion USD revolving credit facility. The SLL structure introduces an annual pricing adjustment based on the achievement of key climate and water targets in line with our 2025 commitments.

We've allocated additional resources to support the execution of this global action plan, including a three-year investment of CDN\$50 million. Additionally, we established a governance framework to foster Company-wide accountability and ownership, with our President and COO, Dairy Division (UK) acting as global champion. We made great strides towards our 2025 environmental targets in FY21, allocating a portion of our three-year investment to complete 12 specific projects across our network, which should deliver notable climate, water and waste savings.

In FY21, most of our environmental metrics trended negatively, mainly as a result of the pandemic. As demand shifted from foodservice to retail, this resulted in some of our plants running at lower capacity, making our operations less energy and water efficient and creating more waste. This trend is also explained by the fact that most of the projects we put in place in FY21 are expected to drive savings from FY22 onwards. Therefore, we expect our environmental metrics to start trending more positively in FY22 and remain confident in meeting our 2025 environmental targets.

## Climate



We recognize that climate change is a challenge for us 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. This is critical to the long-term future of our business, our patron farmers and the communities where we operate.

**In FY21, we were proud to be awarded an improved score of B by CDP as a result of our enhanced climate-related disclosure.** As we continue on this journey, we are beginning to align our climate-related disclosure with the TCFD recommendations.

## 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. Through the Audit Committee, the Board oversees our management of principal environmental risks to which we are exposed and ensures the implementation of appropriate methods by Management to identify, evaluate, manage, mitigate and report on these risks in a proactive manner. The Audit Committee meets regularly and reports to the Board quarterly.

The Audit Committee also receives quarterly reports from the Environmental Committee which 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.

### OUR 2025 TARGETS INCLUDE:

#### CLIMATE

Reduce our CO<sub>2</sub> intensity by



#### WATER

Reduce our water intensity by



#### WASTE

Reduce our food waste by



**Strategy**

Anchored in the Environment Pillar of our Saputo Promise and our Environmental Policy, our climate action focuses on reducing our impact on, and adapting to, climate change. We believe this approach will allow us to manage risks and seize opportunities that create positive environmental changes.

A summary of our key climate risks (transition and physical) and mitigation strategies are summarized in the table below:

RISK	RISK DESCRIPTION	TIME HORIZON	MAGNITUDE OF IMPACT	LIKELIHOOD	MITIGATION STRATEGY
Carbon pricing mechanisms (Direct costs) TRANSITION-Regulatory	One facility in California and another in the UK are currently subject to an emission trading scheme and are obliged to comply with the requirements. One facility in Canada is also participating on a voluntary basis. Carbon permit (or credit) price is not fixed and is subject to market forces of supply and demand, which have historically resulted in price increases year-over-year.	Short-term	Low	Very likely	Our CO <sub>2</sub> reduction target as well as our three-year CDN\$50 million investment for carbon reduction projects will contribute to reduce the direct costs and exposure to carbon pricing mechanisms.
Carbon pricing mechanisms (Direct costs) TRANSITION-Regulatory	Fuel prices in certain jurisdictions where we have operations are affected either by carbon taxes or by emissions trading schemes. Saputo purchases energy to process raw materials and manufacture finished goods. Fuel/energy taxes and regulations can increase costs.	Short-term	Low	Very likely	Our energy reduction target as well as our three-year CDN\$50 million investment for energy reduction projects will contribute to reduce our exposure to the increased cost of energy.
Carbon pricing mechanisms (Indirect costs) TRANSITION-Regulatory	Fuel prices in certain jurisdictions where we have operations are affected either by carbon taxes or by emissions trading schemes which can impact our transportation costs.	Short-term	Low	Very likely	In each of our markets, we have dedicated teams responsible for transportation contracts working closely with our suppliers to minimize the impact. We also constantly look for opportunities to optimize our network to reduce transportation costs. We are also in the early stage of exploring opportunities in the area of electric fleets to protect against future fuel cost fluctuations.



RISK	RISK DESCRIPTION	TIME HORIZON	MAGNITUDE OF IMPACT	LIKELIHOOD	MITIGATION STRATEGY
Shifts in consumer preferences TRANSITION–Market	A growing group of consumers are turning away from animal–related products in favour of plant–based alternatives to reduce their carbon footprint. This could lead to reduced demand for dairy products. Some of our customers are addressing this trend by asking for a reduction of GHG emissions throughout the supply chain.	Short–term	Medium	More likely than not	In FY21, we were vocal about pursuing more dairy alternative opportunities to complement our current product portfolio, with an active focus on taking an early leadership position in the largely untapped dairy alternative cheese category.
Increased capital expenditure PHYSICAL–Acute	The increased severity and frequency of extreme weather could lead to unanticipated business disruption of certain of our manufacturing facilities.	Medium–to long–term	Medium–high	More likely than not	Our risk management team ensures that investment programs and mitigation measures are in place at all of our facilities to minimize the impacts of natural disasters on our assets.
Increased cost of raw materials PHYSICAL–Chronic	We purchase raw material 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 influence our results upwards or downwards.	Medium–to long–term	High	More likely than not	Through our Supply Chain Pledges, we committed to contribute to a sustainable, resilient and equitable food system, working in partnership with our farmers, suppliers and industry partners, playing our part in supporting the industry towards net–zero by 2050.





## Climate-Related Risk Management

In addition to the ESG materiality assessment (p. 4), 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. In FY22, we aim to develop our climate-related scenarios further, expanding the time horizon to 2050, with a key focus on our supply chain risks.

Identified climate risks are also described in our Management’s Discussion and Analysis dated June 3, 2021, available at [www.saputo.com/en/investors/shareholder-reports/2021](http://www.saputo.com/en/investors/shareholder-reports/2021).

Further details related to the climate risks that impact our business are available in our annual CDP disclosures, which can be found at [www.saputo.com/our-promise/reference-documents](http://www.saputo.com/our-promise/reference-documents).

## Targets and metrics

In FY20, 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 CO<sub>2</sub> intensity of our operations by  **20%** (against FY20 baseline);
- Reduce the energy intensity of our operations by  **10%** (against FY20 baseline).

Despite the COVID-19 pandemic, we’re staying on course. We have allocated a portion of our three-year CDN\$50 million investment to complete 12 specific projects across our network, and pursued opportunities in sourcing renewable electricity.

Our key highlights include:

- We announced that our Dairy Division (Australia) has commenced a large-scale renewable power purchasing agreement which will enable 46% of our electricity consumption in Australia to be offset with renewable energy, **saving 61,000 tons of CO<sub>2</sub>**, which represents **a 5.7% reduction of our global CO<sub>2</sub> footprint**.
- Preparations have started for the installation of 9,400 solar panels at our Davidstow plant, in our Dairy Division (UK). Once the new solar panel system is fully operational, it should generate **4,279,930 kWh of renewable electricity every year** and **save more than 1,000 tonnes of CO<sub>2</sub> annually**. The installation is expected to be complete by September 2021.
- We completed an energy-saving project at one of our Dairy Division (USA) facilities where two boilers were retrofitted with high-efficiency burners to help decrease fuel usage and emissions. On an annual basis, **we’ll be saving over 550 GJ of energy and 700 tonnes of CO<sub>2</sub>**.

As mentioned on p. 23, many of the projects implemented in FY21 are expected to start generating savings in FY22. Therefore, the savings are not reflected in our FY21 energy and carbon intensities.

Moreover, 24 new projects will be funded in FY22, expected to create an additional estimated savings of 259,000 GJ and 40,000 tonnes of CO<sub>2</sub>e.

**24** new projects | ⚡ **259,000** GJ | ☁ **40,000** tonnes of CO<sub>2</sub>e.

Therefore, we expect our carbon and energy intensity to start showing more notable improvements in FY22 and remain confident in our ability to meet our 2025 environmental targets.

Since FY19, we provide an estimate of our scope 3 emissions as part of our CDP Climate disclosure. These emissions are primarily associated with the milk we source globally, which are estimated using the FAO GLEAM emissions factors ([www.fao.org/gleam](http://www.fao.org/gleam)). In FY21, our scope 3 emissions were estimated at 22,508,553 tonnes of CO<sub>2</sub>e. Further information on how we plan to address environmental considerations in our supply chain can be found on p. 20.

METRIC	FY21	FY20	FY19	FY18	FY17
Total energy consumed (GJ)	14,760,288	14,485,795 <sup>4</sup>	13,601,910	10,906,924	n/a
CO <sub>2</sub> intensity (Tonne CO <sub>2</sub> e/tonne of product)	0.2157	0.2221 <sup>5</sup>	0.2297	0.1927	0.1872
Energy intensity (GJ/tonne of product)	3.15	3.00 <sup>4</sup>	3.13	2.85	2.75
Scope 1 emissions (Tonne CO <sub>2</sub> e)	528,089	546,195 <sup>4</sup>	500,133	407,267	381,618
Scope 2 emissions (market-based) (Tonne CO <sub>2</sub> e)	482,145	525,966 <sup>4</sup>	n/a	n/a	n/a
Scope 3 emissions (Tonne CO <sub>2</sub> e)	22,508,553	22,417,182	24,388,360	n/a	n/a

<sup>4</sup> This number has been restated to align with the scope and methodology of our 2025 targets.

<sup>5</sup> This number has been restated to reflect the scope 2 market based methodology which is used for our 2025 targets.



**Water**



Clean water is essential to the long-term success of our business and to the communities we serve. Not only is access to clean water vital to sanitation and other aspects of our manufacturing operations, but our suppliers also rely on sufficient access to quality water to produce milk.

Water risks are managed and assessed under the same governance and risk management process as our climate-related risks. These risks are 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 response.


Our key water risks and mitigation strategies are summarized in the table below:

RISK	RISK DESCRIPTION	TIME HORIZON	MAGNITUDE OF IMPACT	LIKELIHOOD	MITIGATION STRATEGY
Availability and increased water costs for our operations	Water is vital to our manufacturing operations, including production, cleaning, and sanitation processes. In FY21, 22% of our facilities and 30% of our water withdrawals were from water-stressed areas <sup>6</sup> .	Short-term	Medium	Very likely	Our water reduction target as well as our three-year CDN\$50 million investment for water reduction projects will help reduce our exposure to operational water risks. Our investments prioritize water-reduction projects in water-stressed areas.
Availability and increased cost of raw material	Saputo purchases raw material that may represent up to 85% of the cost of products. Our suppliers rely on sufficient access to quality water to produce this raw material.	Short-term	Medium-high	Very likely	Through our Supply Chain Pledges, we committed to contribute to a sustainable, resilient and equitable food system, working in partnership with our farmers, suppliers and industry partners, playing our part in supporting the industry in preserving water ecosystems.

<sup>6</sup>A water-stressed area is defined as having a baseline water stress level that is considered “high”, or above 40%, in the WRI Aqueduct tool.

Further details related to the water risks that impact our business are available in our annual CDP disclosures at [www.saputo.com/our-promise/reference-documents](http://www.saputo.com/our-promise/reference-documents).

In FY20, we pledged to accelerate our global water performance by 2025 with a commitment to:

- Reduce the water intensity of our operations by  10% (against FY20 baseline);
- Improve our wastewater quality year-on-year.

**Of the 12 specific projects funded across our network in FY21, five were specific to water with the potential of generating 700,000 m<sup>3</sup> of water savings annually.**

**A further 24 projects will be funded in FY22 for an additional 1.3 million m<sup>3</sup> of potential water savings.**

As with our energy intensity, our FY21 water intensity trended negatively. From a water quality perspective, we maintained our strong focus on proactively managing our wastewater streams, resulting in maintaining our water quality compliance rate in FY21 at 97%.

We expect our investments and actions to drive progress on our water targets from FY22 onwards and remain confident in our ability to meet our 2025 environmental pledges.

METRIC	FY21	FY20	FY19	FY18	FY17
Water withdrawal (m <sup>3</sup> )	24,296,649	24,427,531 <sup>7</sup>	22,663,000	19,930,000	19,021,000
% water withdrawal in regions with High or Extremely High Baseline Water Stress <sup>6</sup>	30%	29%	45%	n/a	n/a
Water intensity (a <sup>7</sup> /tonne of product)	5.19	5.06 <sup>7</sup>	5.32	5.35	5.22
Water quality compliance rate	97%	98%	n/a	n/a	n/a

<sup>7</sup> This number has been restated to align with the scope and methodology of our 2025 targets.

## CASE STUDY

We recently installed a water filtration system in Australia that allows one of our boilers to run exclusively on evaporator condensate. As a result, we'll be able to reduce our water use by 38,400,000 L per year—the equivalent of 15 Olympic swimming pools. And the related efficiency gains will help us decrease our energy consumption. Read more about this case study on [www.saputo.com/our-promise/case-studies](http://www.saputo.com/our-promise/case-studies).

## Waste and Packaging



In FY20, we pledged to accelerate our global waste performance by 2025 with a commitment to:

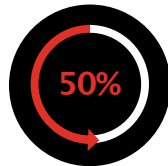
### Operational waste

- Reduce our total waste by **25%** (against FY20 baseline) and increase our diversion rate to 75%



### Food waste

- Reduce our food waste by **50%** (against FY20 baseline)



### Sustainable packaging

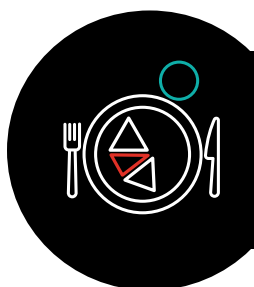
- Reduce our material use by 15% (against FY20 baseline);
- Ensure 100% of our packaging is reusable, recyclable, or compostable; and
- Ensure our packaging includes at least 15% of recycled or renewable content.

## Operational and Food Waste

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

Driven by our environmental commitments, we renewed our efforts in FY21. We focused on improving our waste data to establish our baseline and track future progress. We also advanced in mapping our different waste streams and identifying opportunities for reduction and diversion, which will be implemented starting in FY22.

From a food waste perspective, dairy is highly-efficient because many of our by-products can be valorized into ingredients such as whey, a by-product of cheesemaking. A key component of our new Global Strategic Plan to accelerate organic growth is to increase the value of our ingredients portfolio as we continue to explore opportunities to leverage all the nutritional elements provided by milk.



During the pandemic, we accelerated the roll out of global processes to redistribute food surplus, created by the sudden changes to demand, to food banks. As a result, we donated more than 4 million kilos of products resulting in an estimated reduction of 26 000 tonnes of CO<sub>2</sub>e<sup>8</sup>.

As mentioned on p. 23, COVID-19 had a negative impact on our FY21 waste trend. We expect an improvement from FY22 onwards.

<sup>8</sup> 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.

In FY21, our divisions were focused on building our baseline and developing roadmaps to achieve our 2025 targets, which draw on the circular economy and New Plastics Economy principles.

Following our environmental commitments, we also set up an internal Sustainable Packaging Group to accelerate our progress and ensure we leverage our global capabilities. In FY21, the group, which is composed of packaging engineers, packaging procurement specialists, and sustainability experts from all our divisions, worked together to establish the global scope of our targets, develop a sustainable packaging assessment tool and share their respective roadmaps to learn from each other and identify synergies.

Our FY21 initiatives included the launch of a partnership between our *Cathedral City* brand and TerraCycle® in the UK (see case study below) as well as the redesign of our *Treasure Cave* and *Frigo* packaging in the USA – helping us save more than 270,000 kilos of cardboard every year.



**We also joined the Sustainable Packaging Coalition® which brings together businesses, educational and government agencies to collectively advance the business case for more sustainable packaging.**

In FY21, the shift in demand from foodservice to the retail market segment, which tends to use more packaging, resulted in an increase of our total material use and product to packaging ratio. Our other packaging metrics remained unchanged. We expect these metrics to improve in the coming years as we continue to develop our pipeline of packaging projects.

In FY22, our projects in the pipeline include developing recyclable cheese film, joining a partnership to create circular food-grade recycled polypropylene and delivering on opportunities that reduce the thickness of our milk bottles and cheese tray packaging.

METRIC	FY21	FY20	FY19	FY18	FY17
% waste diverted from landfill	60%	47% <sup>9</sup>	52%	42%	49%
Total waste (tonnes)	524,346	511,080 <sup>10</sup>	46,982	32,842	30,612
Total food waste (tonnes)	137,426	129,186	n/a	n/a	n/a
Total weight of packaging (tonnes)	227,002	213,019	n/a	n/a	n/a
Product to packaging ratio	0.054	0.048	n/a	n/a	n/a
Percentage of plastic packaging made from recycled and/or renewable materials	0.3%	0.3%	n/a	n/a	n/a
Percentage that is recyclable, reusable and/or compostable	69%	68%	n/a	n/a	n/a

<sup>9</sup> This number has been restated to align with the scope and methodology of our 2025 targets.

<sup>10</sup> This number has been restated to align with the scope and methodology of our 2025 targets which includes organic and inorganic waste. Numbers prior to FY20 include inorganic waste only. See basis for reporting available on [www.saputo.com/en/our-promise/reference-documents](http://www.saputo.com/en/our-promise/reference-documents) for additional details.

## CASE STUDY

As part of our efforts, our Dairy Division (UK), in partnership with the recycling agency TerraCycle®, launched a recycling program for any flexible cheese film packaging from any brand. Cheese film packaging ensures that the cheese doesn't become contaminated before being opened, remains true to its best before date and stays fresher longer, thereby reducing food waste. But it is notoriously difficult to recycle because it is comprised of several different layers. Our partnership ensures the material is collected, cleaned and transformed into plastic pellets to make new recycled products such as picnic benches, plant pots or watering cans. Read more about this case study on [www.saputo.com/our-promise/case-studies](http://www.saputo.com/our-promise/case-studies).



# NUTRITION AND HEALTHY LIVING



From the ingredients we source, to the products we put on the shelves, we take great pride in helping to meet the nutritional needs of our consumers and offering high-quality products. Anchored in our Nutrition and Healthy Living Pillar, we developed our Nutrition and Healthy Living plan in 2019, outlining our core guiding principles for nutrition, which are:

- We advocate for dairy as an integral part of a balanced diet;
- We provide clear and transparent product information and science-based health claims;
- We invest in R&D to optimize the nutritional value of our products, without compromising safety and taste;
- We evaluate nutritional value and portion sizes using recognized science-based criteria;
- We promote and advertise responsibly, particularly to children and youth;
- We play an active role in creating healthier communities through partnerships and donations; and
- We provide a workplace that fosters and promotes an active and healthy lifestyle.

In FY21, we completed the mapping of our global portfolio as part of our new Saputo Nutrient Profiling Model – giving us insight into the nutritional performance of our products, enabling us to proactively address any potential regulatory changes and identify opportunities for product reformulations. The model will be formally launched in the second half of FY22, following a review by external nutrition experts.

We are confident about the future of dairy as we remain steadfast 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 will continue to advocate for dairy as part of a balanced diet. Furthermore, a key pillar of our new strategic plan is to increase the value of our ingredients portfolio as we continue to explore ways to leverage the benefits of dairy for people of all ages.

However, this doesn't stop us from constantly monitoring consumer trends and responding accordingly. Therefore, in FY21, led by our Senior Vice-President, Business Development, Plant-Based Foods, we were active in pursuing more dairy alternative opportunities to complement our current product portfolio, with an active focus on taking an early leadership position in the largely untapped dairy alternative cheese category. To that end, we leveraged the R&D capabilities of our Dairy Division (UK) team to develop a mozzarella alternative with the right sensory attributes. We also acquired Bute Island Foods Ltd., an innovative manufacturer, marketer and distributor of a variety of dairy alternative cheese products. On the beverage side, we supported some existing players in bringing their products to market through co-packing arrangements.





# 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 in communities where we operate,** through financial contributions and product donations, and encouraging volunteerism in order to build healthier communities.

**In FY21, our financial and product donations, both from our COVID-focused efforts and established community investment program, reached over CDN\$17 million, doubling our target of 1% of our pre-tax profit (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 get participants moving and encourage them to make responsible food and nutrition choices.

Faced with government restrictions related to the pandemic, in FY21, many of our partners had to adjust their activities. It was more important than ever to show solidarity and take a compassionate and flexible approach to continue to have a positive impact on our communities and the lives of people in need. In a year like no other, our contributions to our trusted community partners have proven to be even more beneficial, increasing the reach of the different programs and making more tangible impacts. As such, **we are proud to report that we reached over 2.85 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. As of the end of FY21, this program contributed to 52 projects, representing a total investment of CDN\$2.98 million. The permanent facilities targeted by the Legacy Program's investments include soccer and baseball fields, multi-sport facilities, and hiking trails to name but a few, benefiting communities in Canada, the USA, Argentina, and Australia.

METRIC	FY21	FY20	FY19	FY18	FY17
Total spent against our 1% target (in millions of CDN dollars)	17.26	11.21	11.10	11.25	n/a
Total number of people reached through our healthy living partnerships and programs (in millions)	2.85	2.58	2.25	2.1	n/a
Cumulative number of Legacy projects funded (as of the end of the fiscal year)	52	50	46	38	n/a

# PERFORMANCE DATA SUMMARY AND SASB INDEX

## Performance Data Summary

METRIC	FY21	FY20	FY19	FY18	FY17
<b>Food Quality and Safety</b>					
% of facilities certified to GFSI standards	98%	98%	98%	94%	90%
% of certified facilities with Good or Excellent GFSI audit rating	100%	100%	100%	100%	96%
% of ingredients sourced from Tier 1 supplier facilities certified to GFSI standards <sup>11</sup>	96%	n/a	n/a	n/a	n/a
Total number of notices of food safety violation received <sup>11</sup>	0	n/a	n/a	n/a	n/a
Number of recalls issued <sup>11</sup>	2	n/a	n/a	n/a	n/a
<b>Our People</b>					
<b>Diversity, Equity and Inclusion</b>					
% women in total workforce	28%	28%	28%	30%	29%
% women in senior management	21%	16%	16%	15%	13%
% women on Board of Directors	50%	50%	50%	50%	50%
% internal promotions awarded to women	36%	34%	37%	29%	30%
<b>Health and Safety</b>					
Total injury frequency	3.76	3.59	4.82	4.95	5.08
Lost time injury frequency	1.61	1.36	1.77	1.96	1.57
Fatality	0	1	0	0	1
<b>Working Conditions</b>					
Total internal promotions	943	1,080	1,066	1,058	765
Total investments in training and development (in millions of CDN dollars)	8.1	8.2	5.8	4.5	n/a
Total training and development hours	334,855	402,435	194,406	73,137	n/a
Average tenure	10	10	10	10	10
% of unionized employees	35%	36%	36%	36%	39%
Global turnover <sup>11</sup>	17%	n/a	n/a	n/a	n/a

<sup>11</sup> This is a newly reported metric and therefore, previous year data is not available.



METRIC	FY21	FY20	FY19	FY18	FY17
<b>Business Ethics</b>					
Number of significant fines for non-compliance	0	1	1	0	0
Monetary value of significant fines for non-compliance (in millions of CDN dollars)	0	0.16	0.19	0	0
<b>Responsible Sourcing</b>					
<b>Animal Welfare</b>					
Case of animal cruelty reported resulting in suspension of supply	2	2	1	1	1
Number of people impacted by animal welfare training (through partnerships or internal training)	38,252	21,221	15,518	11,171	n/a
<b>Environment</b>					
<b>Energy and GHG Emissions</b>					
Total energy consumed (GJ)	14,760,288	14,485,795 <sup>12</sup>	13,601,910	10,906,924	n/a
CO <sub>2</sub> intensity (Tonne CO <sub>2</sub> e/tonne of product)	0.2157	0.2221 <sup>13</sup>	0.2297	0.1927	0.1872
Energy intensity (GJ/tonne of product)	3.15	3.00 <sup>12</sup>	3.13	2.85	2.75
Scope 1 emissions (Tonne CO <sub>2</sub> e)	528,089	546,195 <sup>12</sup>	500,133	407,267	381,618
Scope 2 emissions (market-based) (Tonne CO <sub>2</sub> e)	482,145	525,966 <sup>12</sup>	n/a	n/a	n/a
Scope 3 emissions (Tonne CO <sub>2</sub> e)	22,508,553	22,417,182	24,388,360	n/a	n/a
<b>Water</b>					
Water withdrawal (m <sup>3</sup> )	24,296,649	24,427,531 <sup>12</sup>	22,663,000	19,930,000	19,021,000
% of water withdrawal in regions with High or Extremely High Baseline Water Stress	30%	29%	45%	n/a	n/a
Water intensity (a /Tonnes of product)	5.19	5.06 <sup>12</sup>	5.32	5.35	5.22
Water quality compliance rate	97%	98%	n/a	n/a	n/a
<b>Waste</b>					
% waste diverted from landfill	60%	47% <sup>12</sup>	52%	42%	49%
Total waste (tonnes)	524,346	511,080 <sup>14</sup>	46,982	32,842	30,612
Total food waste (tonnes)	137,426	129,186	n/a	n/a	n/a
Total weight of packaging (tonnes)	227,002	213,019	n/a	n/a	n/a
Product to packaging ratio	0.054	0.048	n/a	n/a	n/a
Percentage of plastic packaging made from recycled and/or renewable materials	0.3%	0.3%	n/a	n/a	n/a
Percentage that is recyclable, reusable and/or compostable	69%	68%	n/a	n/a	n/a

<sup>12</sup> This number has been restated to align with the scope and methodology of our 2025 targets.

<sup>13</sup> This number has been restated to reflect the scope 2 market based methodology which is used for our 2025 targets.

<sup>14</sup> This number has been restated to align with the scope and methodology of our 2025 targets which includes organic

METRIC	FY21	FY20	FY19	FY18	FY17
<b>Community</b>					
Total spent against our 1% target (in millions of CDN dollars)	17.26	11.21	11.10	11.25	n/a
Total number of people reached through our healthy living partnerships and programs (in millions)	2.85	2.58	2.25	2.1	n/a
Cumulative number of Legacy projects funded (as of the end of the fiscal year)	52	50	46	38	n/a



## SASB Index

This index highlights where specific metrics, as detailed in the SASB Standard for Processed Foods, can be found in this Report. As Saputo does not own or operate dairy farms, the Processed Foods Standard represents the most relevant Standard for our organization.

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
<b>Energy Management</b>				
(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-PF-130a.1	(1) 14,760,288 GJ (2) 27% of energy consumed represents grid electricity. (3) 2% Read more about this on p. 26 of this Report.
<b>Water Management</b>				
(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	FB-PF-140a.1	(1) 24,296,649 m <sup>3</sup> (23% withdrawn in regions with Extremely High Baseline Water Stress, 7% withdrawn in regions with High Baseline Water Stress). (2) -159,061 m <sup>3</sup> (103,929 m <sup>3</sup> in regions with Extremely High Baseline Water Stress, -303,751m <sup>3</sup> in regions with High Baseline Water Stress). Based on the WRI Aqueduct tool. Read more about this on p. 29 of this Report.
Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	FB-PF-140a.2	During the reporting period, we did not identify any non-compliance with environmental laws and/or regulations, including water quantity/quality permits, standards and regulations that would give rise to significant fines or sanctions.  We define significant incidents as all matters for which a regulatory body or tribunal has issued a fine that either: (a) has a monetary value of CDN\$100,000 or more; or (b) has a monetary value of less than CDN\$100,000 in relation to a material regulatory breach (e.g. fatality, serious injury, significant environmental damages, etc.). Read more about this on p. 29 of this Report.
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-PF-140a.3	Read more about this on p. 28 of this Report.



ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
<b>Food Safety</b>				
Global Food Safety Initiative (GFSI) audit (1) Non-conformance rate (2) Associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-250a.1	98% of Saputo-owned manufacturing facilities were certified against a recognized GFSI Standard-100% of which achieved a Good or Excellent rating.  There were no major non-conformances identified at any of the manufacturing facilities. There were 278 minor non-conformances identified across the 65 facilities. Corrective actions were implemented for 100% of the minor non-conformances identified. Read more about this on p. 12 of this Report.
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	Percentage (%) by cost	FB-PF-250a.2	Globally, 96% of our ingredient suppliers (by spend) were GFSI certified. Read more about this on p. 12 of this Report.
(1) Total number of notices of food safety violations received (2) Percentage corrected	Quantitative	Number, Percentage (%)	FB-PF-250a.3	On a global basis, Saputo received no notices of food safety violations in FY21. Read more about this on p. 12 of this Report.
(1) Number of recalls issued (2) Total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-PF-250a.4	(1) On a global basis, Saputo conducted two voluntary recalls of our products during FY21. (2) These two recalls accounted for less than 13 tonnes of products. Read more about this on p. 12 of this Report.
<b>Health and Nutrition</b>				
Revenue from products labelled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting currency	FB-PF-260a.1	Read more about this on p. 32 of this Report. Specific metric is not available for FY21.
Discussion of the process to manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	n/a	FB-PF-260a.2	Read more about this on p. 32 of this Report.

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
<b>Product Labelling and Marketing</b>				
Percentage of advertising impressions (1) Made on children (2) Made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)	FB-PF-270a.1	Read more about this on p. 32 of this Report. Specific metric is not available for FY21.
Revenue from products labelled as (1) Containing genetically modified organisms (GMOs) (2) Non-GMO	Quantitative	Reporting currency	FB-PF-270a.2	<p>Read more about this on p. 32 of this Report. Specific metric is not available for FY21.</p> <p>We adhere to the highest standards of food safety and quality, and respect labelling regulations in every market where we operate. As a dairy processor, our main ingredient is milk. All countries where we operate are members of the International Dairy Federation (IDF). We support the IDF position that feeding dairy animals GMO feed, or its conventional equivalent does not have an impact on milk composition. When the cow digests and assimilates the feed, the constituents of the feed are degraded, in particular the DNA and proteins. Thus, analyses can never result in finding genetically modified DNA in the milk of a cow fed with GMO feed.</p> <p>We recognize that consumers have different preferences. To ensure we meet those needs, we produce and distribute a wide array of dairy products, including organic brands, so that consumers can choose the products they want. Consistent with applicable regulation and industry standards, our organic brands do not contain GMOs/bioengineered ingredients.</p>
Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Quantitative	Number	FB-PF-270a.3	<p>No significant incidents of non-compliance in FY21. We define significant incidents as all matters for which a regulatory body or tribunal has issued a fine that either: (a) has a monetary value of CDN\$100,000 or more; or (b) has a monetary value of less than CDN\$100,000 in relation to a material regulatory breach (e.g. fatality, serious injury, significant environmental damages, etc.).</p> <p>Read more about this on p. 32 of this Report.</p>
Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	Quantitative	Reporting currency	FB-PF-270a.4	<p>No significant incidents of non-compliance in FY21. Read more about this on p. 32 of this Report.</p>



ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
<b>Packaging Lifecycle Management</b>				
(1) Total weight of packaging (2) Percentage made from recycled and/or renewable materials (3) Percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-PF-410a.1	(1) 227,002 total weight of packaging (2) 0.3% made from recycled and/or renewable materials. This is for PLASTIC packaging only which is the scope of our 2025 target. The percentage when all types of packaging is included is estimated at 75% (based on FY20 data). (3) 69% that is recyclable, reusable, and/or compostable. Read more about this on p. <a href="#">30</a> of this Report.
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	FB-PF-410a.2	Read more about this on p. <a href="#">31</a> of this Report.
<b>Environmental and Social Impacts of Ingredient Supply Chain</b>				
Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Quantitative	Percentage (%) by cost	FB-PF-430a.1	Read more about this on p. <a href="#">19</a> of this Report. Specific metric is not available for FY21.
Suppliers' social and environmental responsibility audit (1) Non-conformance rate (2) Associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-430a.2	Read more about this on p. <a href="#">19</a> of this Report. Specific metric is not available for FY21.
<b>Ingredient Sourcing</b>				
Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-PF-440a.1	We have not yet conducted a water risk analysis of our supply chain.
List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Discussion and Analysis	n/a	FB-PF-440a.2	Read more about this on p. <a href="#">20</a> of this Report.
<b>Activity Metric</b>				
Weight of Products Sold	Quantitative	Metric tons (t)	FB-PF-000.a	We do not disclose production or sales volumes externally. In FY21, our sales generated CDN\$14,293.9 million in revenues.
Number of Production Facilities	Quantitative	Number	FB-PF-000.b	65

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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This report contains statements which are forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to our targets, commitments, goals and ambitions related to the Saputo Promise, the environmental impact of our activities and our climate, water and waste performance, including our ability to achieve these targets, commitments, goals and ambitions, while pursuing our growth as a world-class dairy processor and the measures to be taken and investments to be made to achieve such targets, commitments and goals. The words “may”, “could”, “should”, “will”, “would”, “believe”, “plan”, “expect”, “intend”, “anticipate”, “estimate”, “foresee”, “objective”, “continue”, “propose”, “aim”, “commit”, “assume”, “forecast”, “predict”, “seek”, “project”, “potential”, “goal”, “target”, or “pledge”, 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. All statements other than statements of historical fact included in this report may constitute forward-looking statements within the meaning of applicable securities laws.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from those stated, implied or projected in such forward-looking statements. As a result, we cannot guarantee that any forward-looking statements will materialize, and we warn readers that these forward-looking statements are not statements of historical fact or guarantees of future performance in any way. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks and uncertainties that could cause actual results to differ materially from current expectations are discussed in our materials filed with the Canadian securities regulatory authorities from time to time, including the “Risks and Uncertainties” section of the Management’s Discussion and Analysis dated June 3, 2021, available on SEDAR under Saputo’s profile at [www.sedar.com](http://www.sedar.com).

Forward-looking statements are based on Management’s current estimates, expectations and assumptions regarding, among other things; the projected revenues and expenses; the economic, industry, competitive and regulatory environments in which we operate or which could affect our activities; our ability to attract and retain customers and consumers; our environmental performance; our sustainability efforts; the effectiveness of our environmental and sustainability initiatives; the availability and cost of milk and other raw materials and energy supplies; our operating costs; the pricing of our finished products on the various markets in which we carry on business; the effects of the COVID-19 pandemic; the successful execution of our global strategic plan; our ability to deploy capital expenditure projects as planned; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; our ability to leverage our brand value; our ability to drive revenue growth in our key product categories or platforms or add products that are in faster-growing and more profitable categories; the contribution of recent acquisitions; the anticipated market supply and demand levels for dairy products; the anticipated warehousing, logistical and transportation costs; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. Our ability to achieve our 2025 Supply Chain Pledges is further subject to, among others, our ability to leverage our supplier relationships.

Management believes that these estimates, expectations and assumptions are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the duration and severity of the COVID-19 pandemic, and are accordingly subject to changes after such date. Forward-looking statements are intended to provide shareholders with information regarding Saputo and may not be appropriate for other purposes. Undue importance should not be placed on forward-looking statements, and the information contained in such forward-looking statements should not be relied upon as of any other date.

All forward-looking statements included herein speak only as of the date hereof or as of the specific date of such forward-looking statements. Except as required under applicable securities legislation, Saputo does not undertake to update or revise forward-looking statements, whether written or verbal, that may be made from time to time by itself or on our behalf, whether as a result of new information, future events or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

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