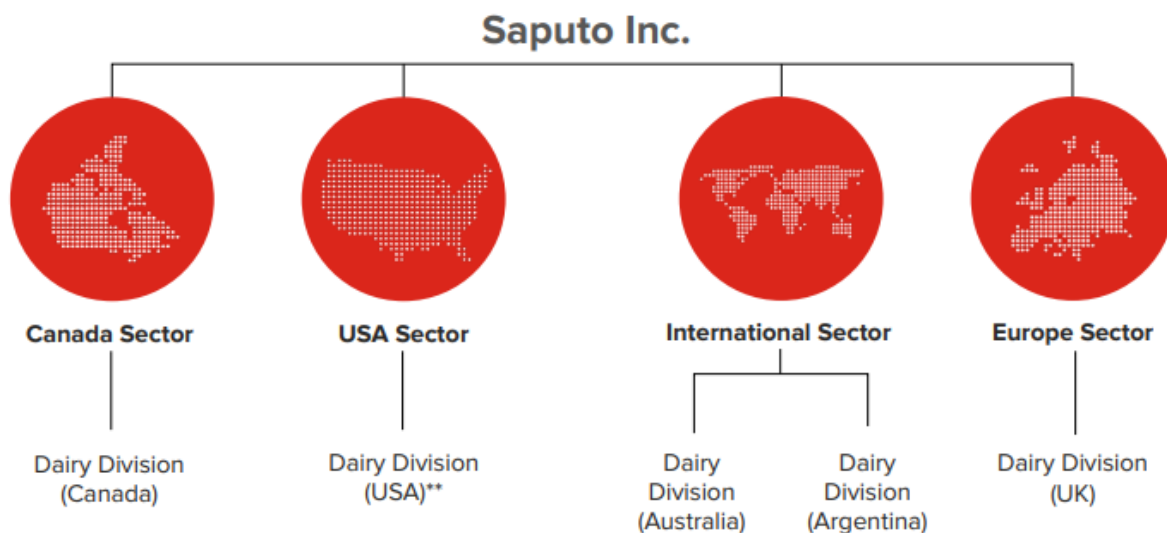


This document supports the preparation and reporting of the metrics included in the FY2021 Saputo Promise Report.

## SCOPE

All data, unless otherwise stated, is prepared for the reporting period April 1, 2020 to March 31, 2021. Data is prepared using the operational control approach. Using this approach, the Company accounts for 100% from operations over which it has control—regardless of ownership. Operational control is where the Company has the full authority to introduce and implement its operating policies. The scope of the data included in the FY2021 Saputo Promise Report is detailed in the following chart.



Acquisitions are included from the date of completion of the transaction— except for the Environment metrics where acquisitions after March 31<sup>st</sup>, 2020 are excluded (unless deemed material) to align with the scope of our 2025 Environmental targets. Divestments are excluded from the date of completion of the transaction.

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

\*\* During the second quarter of fiscal 2021, the two former USA divisions, the Cheese Division (USA) and the Dairy Foods Division (USA), were merged into a single division now known as the Dairy Division (USA).

## METRIC DEFINITION AND METHODOLOGY

### FOOD SAFETY AND QUALITY

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

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

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

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

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

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

#### **Percentage of ingredients sourced from Tier 1 supplier facilities certified to GFSI**

This is the percentage calculated as the cost of food ingredients sourced from Tier 1 suppliers certified to a GFSI-recognized certification program divided by the total cost of food ingredients sourced from all Tier 1 suppliers. Tier 1 suppliers are defined as suppliers that transact directly with the entity.

This excludes milk, subject to its own quality assessment, packaging materials or other goods and inputs that are not food or ingredients for food products.

#### **Total number of notices of food safety violation received**

This is the total number of notices of violation received that substantiate a violation of advisory and administrative code(s), statute(s), or other requirement(s) related to food safety.

A notice of violation is defined as an advisory and administrative violation for any food-safety-related issue including, but not limited to, issues related to facilities' hygienic practices, product allergen labeling, product contamination, food and color additive violations, and other food safety issues covered by relevant regulations

### Number of recalls issued

This is the total number of food safety-related recalls issued. A food safety-related recall is defined as removal of a marketed product that occurs when there is reason to believe that a food may cause consumers to become ill.

## OUR PEOPLE

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

## DIVERSITY

### % total workforce which are women

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

### % women in senior management

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

### % women on Board of Directors

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

### % of internal promotions awarded to women

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

## HEALTH AND SAFETY

### Total injury frequency rate (TIFR)

The TIFR is calculated as:

$$\frac{\text{Number of total recordable injuries for a period}}{\text{Total hours worked for that period}} \times 200,000$$

The period in which the number of injuries occurs must be the same period as the hours worked. The 200,000 number is used to represent 100 employees working a full year. Injuries and hours count for all Saputo employees regardless of their job status.

Total Recordable Injuries includes all occupational (work related) illnesses and injuries for Saputo employees. It includes a fatality, permanent total disabilities, injuries following medical consultation that results in a lost workday(s), restricted/modified work duties, additional medical care such as physiotherapy and prescription medication.

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

The LTIFR is calculated as:

$$\frac{\text{Number of lost time injuries for a period}}{\text{Total hours worked for that period}} \times 200,000$$

The period in which the number of injuries occurs must be the same period as the hours worked. The 200,000 number is used to represent 100 employees working a full year. Injuries and hours count for all Saputo employees regardless of their job status.

A lost time injury case occurs when an employee is injured at work and misses their next regularly scheduled shift. The day of the injury is excluded.

#### **Fatality**

Work-related injuries or illnesses that resulted in death.

### **WORKING CONDITIONS**

#### **Total internal promotions**

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

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

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

**Total training and development hours**

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

**Average tenure**

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

**% of unionized employees**

This is the percentage of employees which are unionized.

**Global turnover**

Percentage of people who left the company having a regular / permanent position. This includes voluntary and involuntary terminations and is calculated as follows:

$$\frac{\text{Total number of cumulative terminations for a period}}{\text{Total average headcount for the period}}$$

**BUSINESS ETHICS**

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

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

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

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

Total monetary value of all fines reported in the above.

## RESPONSIBLE SOURCING

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

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

### Number of people receiving animal welfare training through our partnerships and field staff

The number of people who received animal welfare training through our partnerships such as the ones with the University of Guelph in Canada and the University of Wisconsin in the USA, or by our field staff.

## ENVIRONMENT

### ENERGY AND GHG EMISSIONS

#### CO<sub>2</sub> intensity

This is our scope 1 and 2 GHG emissions (as defined below) from our manufacturing and distribution facilities per tonne of products. Production includes cheese, butter, fluid milk and other fluid mixes, by-products, cutting and further processing and powder.

#### Scope 1 GHG emissions

This is the total scope 1 emissions from our manufacturing and distribution facilities. This includes direct GHG emissions from on-site combustion to generate energy for the manufacturing process.

#### Scope 2 GHG emissions

This is the total scope 2 emissions from our manufacturing and distribution facilities. This includes all indirect GHG emissions from consumption of purchased electricity, heat or steam and is calculated using the market-based method.

#### Scope 3 GHG emissions

This is the total scope 3 emissions from the following activities:

- Purchased milk: this is calculated based on the volume of milk purchased in the different markets where we operate and using the 2007 GLEAM FAO emissions factors (available [here](#))
- Business travel: this includes the GHG emissions from air travel of all our employees.

### **Total energy consumed**

The total amount of energy used by our manufacturing and distribution facilities. This includes energy from the following sources: natural gas, electricity, other fuels (inc. propane, light and heavy fuels, diesel and kerosene), steam, biogas and biomass. This includes energy purchased and self-generated (where applicable).

### **Energy intensity**

This is the energy used by our manufacturing and distribution facilities per tonne of products. Energy use includes the following sources: natural gas, electricity, propane, light fuel, heavy fuel, diesel, kerosene, steam, biomass and biogas. Production includes cheese, butter, fluid milk and other fluid mixes, by-products, cutting and further processing and powder.

## **WATER**

### **Water withdrawal**

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

### **Percentage of water withdrawal in regions with High or Extremely High Baseline Water Stress**

This is the percentage of our total water withdrawal in regions with High (40%–80%) or Extremely High (>80%) Baseline Water Stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

### **Water intensity**

This is the total amount of water withdrawal in litres per tonne of products from our manufacturing and distribution facilities. Production includes cheese, butter, fluid milk and other fluid mixes, by-products, cutting and further processing and powder.

### **Water quality compliance rate**

Compliance rate is defined by the number of samples where wastewater parameters meet or exceed all regulatory standards (as defined in relevant environmental permits) over 12 months.

Compliance rate is calculated as follow:

$$\frac{\text{Number of samples for which wastewater parameter meet regulatory standards}}{\text{Total number of samples}}$$

## **WASTE AND PACKAGING**

### **Total waste**

This is the total waste from our manufacturing and distribution facilities.

Offices are excluded.

This includes all waste streams except the following:

- Food Surplus (i.e. organic substance sent for redistribution to people, animal feed or conversion into industrial products)
- Milk solid losses in wastewater
- Extraordinary waste generated on a non-routine basis, such as from construction or demolition waste.

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

This is the percentage of inorganic waste from our manufacturing and distribution facilities which is diverted from landfill. Offices are excluded.

Inorganic waste includes the following material type: glass, fiber-based material, plastic, wood, metals, batteries, light bulbs, hazardous waste and mixed material. This excludes extraordinary waste generated on a non-routine basis, such as construction and demolition waste.

Diverted waste includes the following treatment method: recycling, incineration with energy recovery.

### **Total food waste**

“Food” typically includes any organic substance that is – or was at some point – intended for human consumption and include the following: finished product (Pre & post packaging), by-products (liquid & dry), scraps, trims & fines, and ingredients.



Food waste includes any of these substance from Saputo-operated manufacturing and distribution facilities that was sent to any of the following destinations:

- Anaerobic digestion / co-digestion
- Composting / aerobic processes
- Incineration (without energy/heat recovery)
- Incineration (with energy/heat recovery)
- Land application / soil injection
- Waste to landfill
- Unknown disposal

Food that is sent for redistribution to people, animal feed or converted into industrial products is defined as "Food Surplus" and is excluded from this number.

**Packaging to product ratio**

Ratio of total weight of packaging material use compared to total weight of product manufactured. This includes all types of primary and secondary packaging and material across all product categories.

**Total weight of packaging**

This is the total weight of packaging material used. This includes all types of primary and secondary packaging and material across all product categories.

**Percentage of plastic packaging made from recycled and/or renewable material**

The proportion of plastic packaging material used which is from recycled or renewable content as defined below.

Recycled content: proportion, by mass, of post-consumer recycled material in a packaging.

Renewable content: material that is composed of biomass from a living source and that can be continually replenished. When claims of renewability are made for virgin materials, those materials shall come from sources that are replenished at a rate equal to or greater than the rate of depletion.

**Percentage that is recyclable, reusable and/or compostable**

This is the proportion of packaging material used which is considered reusable, recyclable or compostable as per defined below.

Reusable: A packaging refilled or re-used for the same purpose for which it was conceived

Recyclable: A packaging is recyclable if its successful post-consumer collection, sorting, and recycling is proven to work in practice and at scale.

Compostable: A packaging is compostable if it is in compliance with relevant international compostability standards and if its successful post-consumer collection, sorting, and composting is proven to work in practice and at scale.

**COMMUNITY**

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

This is the total monetary value (in CDN \$) of community contributions, including cash, in-kind, volunteerism, management fees and stakeholder giving as part of our Saputo Centraide campaign. This amount is reviewed and reported using the London Benchmarking Group model. Our target is defined as 1% of EBIT based on the previous fiscal year results.

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

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

**Cumulative number of Legacy projects funded (as of the end of the fiscal year)**

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