

Saputo

JUNE 9, 2022

ANNUAL
INFORMATION
FORM

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Table of Contents

Caution Regarding Forward-Looking Statements	2
Item 1 – The Company	4
1.1 Incorporation	4
1.2 Corporate Structure	5
Item 2 – General Development of the Business	6
2.1 Overview	6
2.2 History (Including Acquisitions)	6
Item 3 – Industry Overview	8
3.1 Regulatory Environment	8
3.2 Milk Supply	9
3.3 International Trade	9
Item 4 – Our Business	11
4.1 Overview	11
4.2 Market Segments	13
Item 5 – Our Sectors	14
5.1 Overview	14
5.2 Canada Sector	14
5.3 USA Sector	16
5.4 International Sector	17
5.5 Europe Sector	18
Item 6 – Capital Expenditures	20
Item 7 – Environmental, Social, and Corporate Governance (ESG)	21
7.1 Governance	21
7.2 Food Quality and Safety	22
7.3 Diversity, Equity, and Inclusion	23
7.4 Working Conditions	23
7.5 Health and Safety	23
7.6 Responsible Sourcing	24
7.7 Environment	25
7.8 Nutrition and Healthy Living	26
7.9 Information Technology and Cybersecurity	26
Item 8 – Intellectual Property	27
Item 9 – Risks and Uncertainties	27
Item 10 – Dividend Policy	28
10.1 Dividend Policy	28
10.2 Dividend Reinvestment Plan	28
Item 11 – Capital Structure and Market for Securities	29
11.1 Share Capital	29
11.2 Medium Term Notes	29
11.3 Credit Ratings	30
Item 12 – Directors and Officers	32
12.1 Directors	32
12.2 Executive Officers	33
Item 13 – Legal Proceedings	34
Item 14 – Interest of Management and Others in Transactions	34
Item 15 – Experts	34
Item 16 – Transfer Agent and Registrar	34
Item 17 – Material Contracts	34
Item 18 – Audit Committee Information	35
18.1 Audit Committee's Mandate	35
18.2 Composition and Relevant Education and Experience	35
18.3 Policies and Procedures Regarding the Services Rendered by the External Auditors	36
18.4 External Auditors' Fees (By Category)	36
Item 19 – Additional Information	37
Appendix “A”	38

Caution Regarding Forward-Looking Statements

This annual information form 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 objectives, outlook, business projects, strategies, beliefs, expectations, targets, commitments, goals, ambitions and strategic plans including our ability to achieve these targets, commitments, goals, ambitions and strategic plans, and statements other than historical facts. 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”, or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements. All statements other than statements of historical fact included in this annual information form 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 9, 2022, available on SEDAR under Saputo's profile at www.sedar.com.

Such risks and uncertainties include the following: product liability; the COVID-19 pandemic and related ongoing impacts; the availability of raw materials (including as a result of climate change, extreme weather, or global or local supply chain disruptions caused by the COVID-19 pandemic, geopolitical developments, military conflicts and trade sanctions) and related price variations, along with our ability to transfer those increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of our products in the countries in which we operate, as well as in international markets, which are based on supply and demand levels for dairy products; our ability to identify, attract, and retain qualified individuals; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; the increased competitive environment in our industry; consolidation of clientele; unanticipated business disruption; changes in consumer trends; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; the failure to execute our Global Strategic Plan as expected or to adequately integrate acquired businesses in a timely and efficient manner; the failure to complete capital expenditures as planned; changes in interest rates and access to capital and credit markets.

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 identify, attract, and retain qualified and diverse individuals; our ability to attract and retain customers and consumers; our environmental performance; the results of 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 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 our products; the anticipated warehousing, logistics, and transportation costs; our effective income tax rate; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. Our ability to achieve our environmental targets, commitments, and goals is further subject to, among others, our ability to access and implement all technology

necessary to achieve our targets, commitments, and goals, as well as the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results, and environmental regulation. 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, and are accordingly subject to changes after such date. Forward-looking statements are intended to provide shareholders with information regarding Saputo, including our assessment of future financial plans, 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.

Item 1 – The Company

1.1 Incorporation

Saputo Inc. was constituted by a Certificate of Amalgamation issued pursuant to the provisions of the *Canada Business Corporations Act* on July 1, 1992, and its articles of amalgamation were amended on August 25, 1997, in order to, among other things, change the provisions attached to its authorized share capital. The articles of the Company were further amended on August 3, 2000, to, among other things, enable the directors to appoint additional directors between shareholders' meetings and on August 1, 2017, to delete the preferred shares from the share capital of the Company. Our head and registered office and principal place of business is located at 6869 Métropolitain Boulevard East, Montréal, Québec, H1P 1X8.

In this Annual Information Form, unless the context otherwise requires or indicates, the terms “we”, “our”, “Saputo” and “Company” mean Saputo Inc. together with its subsidiaries and other entities under its direct or indirect control (collectively the “Subsidiaries”) as well as their respective predecessors, or any one or more of them.

On November 30, 2001, December 21, 2007, and September 29, 2014, Saputo paid a 100% stock dividend on its common shares (the “Common Shares”), which, in each case, had the same effect as a two-for-one stock split (the “Stock Splits”) and doubled the number of Common Shares outstanding. All references to numbers of Common Shares, prices of Common Shares, and dividends paid per Common Share made herein reflect the Stock Splits.

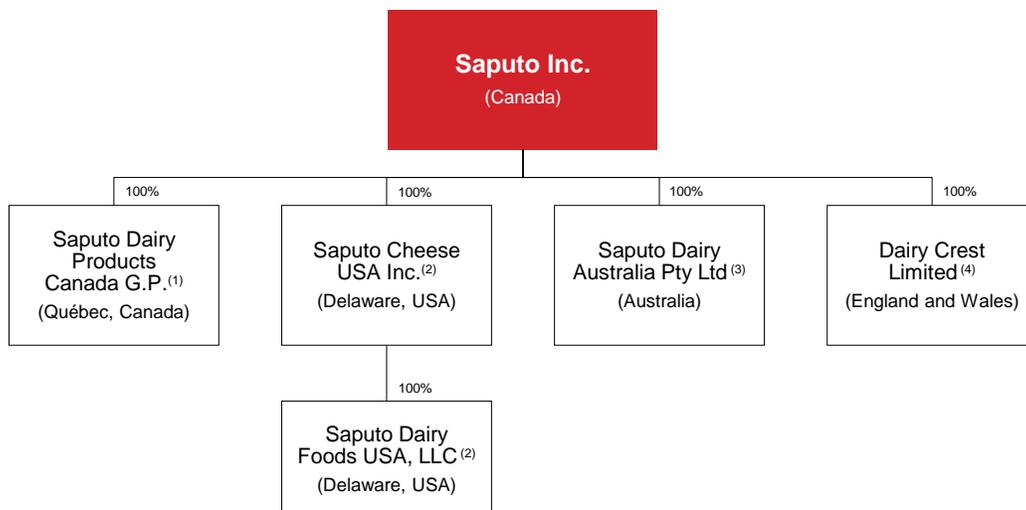
In this Annual Information Form, all references to “\$” or “CDN dollars” are to Canadian currency, all references to “US\$” are to United States (“USA”) currency, all references to “£” are to United Kingdom (“UK”) currency, and all references to “AU\$” are to Australian currency. References to fiscal years refer to the 12-month periods ending March 31 of the applicable year.

The information in this Annual Information Form is being presented as of May 31, 2022, except for financial information, which is given as at and for the fiscal year ended March 31, 2022, and information relating to employees, which is given as at March 31, 2022.

This Annual Information Form refers to certain trademarks, trade names, and logos, which are protected under applicable intellectual property laws and are the property of the Company. In addition, certain of Saputo's names, logos, and website names and addresses are owned or licenced by Saputo, as applicable. Solely for convenience, our trademarks, trade names, and logos referred to in this Annual Information Form may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks, trade names, and logos to the fullest extent under applicable law.

1.2 Corporate Structure

The following organizational chart presents the corporate structure of Saputo. For simplicity, this chart omits non-material wholly-owned Subsidiaries.



(1) Production, marketing, and distribution of dairy products, namely a variety of everyday and specialty/fine cheeses, fluid milk, value-added milk, cream, cultured products, butter, ice cream mixes, dairy ingredients (for domestic and export), and other dairy and non-dairy products.

(2) Production, marketing, and distribution of a wide array of dairy products, namely a variety of everyday and specialty cheeses, extended shelf-life and aseptic dairy and non-dairy fluid products, cultured products, as well as dairy ingredients (for domestic and export).

(3) Production, marketing, and distribution of dairy products, including everyday and specialty cheese, butter and butter blends, milk, cream, dairy beverages, and dairy ingredients and nutritional products.

(4) Production, marketing, and distribution of dairy products and ingredients, namely specialty cheese, butter and dairy spreads, oils, non-dairy spreads and cheeses, and demineralized whey powder and galacto-oligosaccharides (GOS).

Item 2 – General Development of the Business

2.1 Overview

We are one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia, and the second largest dairy processor in Argentina. In the USA, we rank among the top three cheese producers and are one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, we are the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. In addition to its dairy portfolio, Saputo produces, markets, and distributes a range of dairy alternative cheeses and beverages.

During fiscal 2022, we operated our business through four sectors, the Canada Sector, the USA Sector, the International Sector, and the Europe Sector, which represented, respectively, 28%, 43%, 23%, and 6% of our total revenues.

We currently operate 67 manufacturing facilities, process approximately 11 billion litres of milk per year, and as at March 31, 2022, we employed approximately 18,600 employees. Our exports sales are denominated in U.S. dollars.

2.2 History (Including Acquisitions)

2.2.1 HISTORY

Mr. Emanuele (Lino) Saputo founded the Company with his parents in 1954, producing quality cheese for the Italian community of Montréal.

Between 1970 and 1997, we acquired several production operations and food distributors and developed our national distribution network, positioning ourselves in Canada as a leading producer of mozzarella, and entered the USA dairy market by acquiring two cheese plants.

On October 15, 1997, we completed our initial public offering of 75,764,000 Common Shares at \$2.125 per share.

2.2.2 HISTORICAL ACQUISITIONS COMPLETED BY SAPUTO

The following table presents the acquisitions we completed since our initial public offering. These acquisitions, which were in line with our commitment to growth, contributed to making us an important international dairy processor.

Acquisition Dates	Acquired Businesses	Acquired Activities	Countries of Operations	Acquisition Price (Approximation) ⁽¹⁾
October 15, 1997, to December 12, 2017	27 various businesses	Manufacturing, selling, and distribution of dairy products (cheese, fluid milk, dairy beverages, cream products, butter, and ingredients), dairy and non-dairy extended shelf-life products, juices and drinks, and snack-cakes ⁽²⁾	Canada, USA, Australia, and Argentina	\$5.4 billion
May 1, 2018	Business of Murray Goulburn Co-Operative Co. Limited ("MG") ⁽³⁾	Manufacturing, selling, and distribution of dairy products, including fluid milk, milk powder, cheese, butter, and dairy beverages, as well as a range of dairy ingredient and nutritional products, such as infant formula.	Australia	\$1.29 billion
June 19, 2018	Activities of Shepherd Gourmet Dairy (Ontario) Inc.	Manufacturing, marketing, and distribution of specialty cheeses, yogurt, and Skyr Icelandic-style yogurt.	Canada	\$100 million
November 30, 2018	Activities of F&A Dairy Products, Inc.	Manufacturing, marketing, and distribution of natural cheeses (such as mozzarella and provolone).	USA	\$113 million
April 15, 2019	Dairy Crest Group plc	Manufacturing, marketing, and distribution of cheese, butter, spreads, dairy ingredients, and oils.	United Kingdom	\$1.7 billion
October 28, 2019	Specialty cheese business of Lion Dairy & Drinks Pty Ltd	Manufacturing, marketing, and distribution of a variety of specialty cheeses.	Australia	\$250 million
May 25, 2021	Bute Island Foods Limited	Manufacturing, marketing, and distribution of a variety of dairy alternative cheese products.	United Kingdom	\$148 million

Acquisition Dates	Acquired Businesses	Acquired Activities	Countries of Operations	Acquisition Price (Approximation) ⁽¹⁾
May 29, 2021	Reedsburg facility of Wisconsin Specialty Protein, LLC	Manufacturing of value-added ingredients, such as goat whey, organic lactose, and other dairy powders.	USA	\$37 million
July 30, 2021	Activities of Wensleydale Dairy Products Limited	Manufacturing, blending, marketing, and distribution of a variety of specialty and regional cheeses.	United Kingdom	\$38 million
August 31, 2021	Carolina Aseptic and Carolina Dairy, businesses formerly operated by AmeriQual Group Holdings, LLC	Manufacturing, developing, packaging, and distribution of aseptic shelf-stable food products and beverages, and refrigerated yogurt in spouted pouches.	USA	\$148 million

(1) Canadian dollar equivalent of the acquisition price, taking into account the exchange rate on the date of completion of the acquisition.

(2) We sold our Bakery Division, which manufactured, sold, and distributed snack-cakes, in fiscal 2015.

(3) On August 17, 2018, we completed the sale of the Koroit plant for a selling price of approximately \$244 million (approximately AU\$250 million). This divestiture was required pursuant to the undertaking entered into with the Australian Competition and Consumer Commission in connection with the acquisition of the activities of MG.

2.2.3 OTHER DEVELOPMENTS IN THE LAST THREE FISCAL YEARS

On September 11, 2019, we completed a public offering and a concurrent private placement of 16,642,553 common shares at a price of \$39.60 per share for aggregate gross proceeds of approximately \$659 million.

On February 10, 2020, we pledged to accelerate our global climate, water, and waste performance by announcing clear targets and a formal commitment to make significant and sustainable progress by 2025. We continue to allocate additional resources, including a three-year investment (FY21-FY23) of \$50 million, to support the execution of this global action plan.

On June 3, 2021, we unveiled our Global Strategic Plan to accelerate organic growth over a four-year period (FY22-FY25). Based on five key pillars, which are designed to drive growth and efficiency across the organization, this Plan aims to reinforce our position as one of the world's leading dairy processors.

In August 2021, we opened our new state-of-the-art fluid milk and dairy alternative beverage facility in Port Coquitlam, British Columbia, Canada.

On February 8, 2022, we announced several major capital investments and consolidation initiatives intended to enhance and streamline our manufacturing footprint in our USA Sector and International Sector, including a \$169 million investment towards the modernization and expansion of our cheese manufacturing facilities in Wisconsin and California as well as the closure of our Bardsley Street, Tulare, California, facility. In the International Sector, we announced the streamlining of operations in two of our manufacturing facilities in Australia.

Item 3 – Industry Overview

3.1 Regulatory Environment

Our operations are subject to laws and regulations at various government levels, including federal, state/provincial, and municipal. These laws and regulations relate to the whole spectrum of food and beverage production, starting from reception of raw materials and ingredients in our production facilities to the production of finished products, and cover matters such as product safety, quality, processing, content, composition, labelling, packaging, and storage. They also cover matters relating to product logistics and distribution in respect of products manufactured by us and products manufactured by third parties that we handle. We also adhere to generally accepted norms and standards within the dairy processing industry. Our production facilities are subject to plant compliance inspections by government authorities.

The laws and regulations applicable to our operations vary from one country to another. The following table provides an overview of the regulatory environment in the countries where we manufacture products.

	Milk Production	Milk Pricing	International Trade
Canada	<ul style="list-style-type: none"> National and provincial milk production quota system in place Quotas are set to match domestic milk production with domestic requirements Provincial milk marketing boards allocate milk production quotas to local milk producers 	<ul style="list-style-type: none"> Milk prices set by provincial milk marketing boards using a federally announced butter support price and based on factors including milk cost of production studies, stakeholder input, processors' costs of production, and Canada's consumer price index 	<ul style="list-style-type: none"> Most Canadian dairy product imports are limited to tariff rate quota ("TRQ") quantities provided for under various trade agreements with high tariffs imposed on imported dairy products that exceed these TRQ quantities Canada's dairy product exports, provided they are manufactured with milk purchased at Canadian domestic milk prices, are unlimited with the exception of exports of skim milk powder, certain milk protein concentrates, and infant formula which are subject to an export charge for quantities exceeding those set out in the Canada-United States-Mexico Agreement ("CUSMA")
United States	<ul style="list-style-type: none"> Dairy processors can negotiate supply agreements with producers and other sellers Dairy processors are not limited in terms of the volume of milk they receive 	<ul style="list-style-type: none"> Under federal jurisdiction, milk prices are set by the United States Department of Agriculture ("USDA"), according to survey data related to sales prices and volumes of dairy commodities (cheese, butter, dry whey, and non-fat dry milk) 	<ul style="list-style-type: none"> Similar to Canada, the United States applies high tariffs on imports of dairy products that exceed licences No export restrictions on dairy products destined to international markets
Australia	<ul style="list-style-type: none"> No limitations or restrictions on the volume of milk that is produced Dairy processors are not limited in terms of the volume of milk they receive 	<ul style="list-style-type: none"> Milk prices negotiated between producers and processors Milk prices correlate with prices on world markets 	<ul style="list-style-type: none"> No significant import or export restrictions on dairy products Imports may be subject to duties, import permits, quota controls, or tariffs depending on the type of product and the reciprocal trade agreements in place
Argentina	<ul style="list-style-type: none"> No limitations or restrictions on the volume of milk that is produced Dairy processors are not limited in terms of the volume of milk they receive 	<ul style="list-style-type: none"> Milk prices negotiated between producers and processors Milk prices have a strong correlation with prices on world markets 	<ul style="list-style-type: none"> No direct import restrictions on foreign manufactured dairy products, although a maximum level of importations of all kinds of goods is in place Imports may be subject to duties, quota controls, or tariffs depending on the type of product and the reciprocal trade agreements in place, and depending on the quota of importation, a special condition payment could be imposed Exports of dairy products are not restricted, although an export tax is imposed
United Kingdom	<ul style="list-style-type: none"> No limitations or restrictions on the volume of milk that is produced Dairy processors are not limited in terms of the volume of milk they receive 	<ul style="list-style-type: none"> Milk prices negotiated between producers and processors Milk prices have a strong correlation with prices on world markets 	<ul style="list-style-type: none"> No import restrictions on foreign manufactured dairy products Imports may be subject to duties, quota controls, or tariffs depending on the type of product and the reciprocal trade agreements in place No export restrictions on dairy products destined to international markets

3.2 Milk Supply

In Canada, the dairy industry operates under a national milk supply management system. The objective of this system is to ensure that the overall supply of dairy products to the Canadian market is sufficient to meet consumer demand. This objective is met by regulating domestic milk production used for manufacturing dairy products in Canada.

Canadian milk production is allocated to processors based on provincial allocation rules for fluid milk products (i.e., milk used to manufacture fluid milk products, such as table milk or cream intended for consumption in fluid forms) and industrial milk products (i.e., milk used to manufacture all other dairy products, known as industrial dairy products, such as cheese, butter, ice cream, and yogurt). Fluid milk is available to processors “on demand”, such that, subject to available supply, processors are free to order as much milk as they need to meet their fluid milk product requirements. The volume of industrial milk available for processing industrial dairy products is generally restricted in its growth. The price paid by processors for milk in Canada is regulated and depends on the class of dairy products manufactured.

In the USA, milk pricing is regulated by federal milk marketing orders and/or state-level milk programs.

In most cases, milk marketed to processors within the USA is priced according to its use based on a class pricing structure. Under federal jurisdiction, minimum milk prices are set monthly by milk marketing orders based on dairy commodity markets and product price formulas. Price data used in the federal formulas takes into account the wholesale prices of cheddar cheese, butter, dry whey, and non-fat dry milk powder. This data is collected through surveys conducted by the USDA.

USA dairy processing plants are not limited in terms of the quantity of milk they can receive and are free to negotiate their milk supply with whomever they choose. Independent processors usually negotiate with local cooperatives, or they may procure milk directly from individual farms. Processors are charged a price that reflects the current month’s milk class price plus a negotiated handling charge.

In Australia, Argentina, and the United Kingdom, milk prices are negotiated between processors and producers. There are no limitations or restrictions as to the volume of milk that is produced, nor is milk sold to processors within Australia, Argentina, and the United Kingdom priced or classified according to its use. Moreover, processors are not limited regarding the volume of milk that they can purchase and are free to negotiate milk supply agreements with whomever they choose. The price of milk in Australia, in Argentina, and in the United Kingdom has a strong correlation to the world price of traded dairy products.

3.3 International Trade

3.3.1 IMPORTS

Under the World Trade Organization (“WTO”) Agreement on Agriculture, as well as other international trade agreements, Canada and the USA establish yearly access commitments for the import of dairy products subject to low or zero tariff rates, while imports over yearly access commitments are subject to prohibitively high tariff rates. In Canada, Global Affairs Canada (“GAC”) administers a system of TRQs for imports of supply-managed products subject to low or zero tariff rates.

Australia, Argentina, and the United Kingdom are not subject to similar import restrictions on foreign manufactured dairy products, although dairy products may be subject to import duties, import quota controls, or tariffs in these countries depending on the type of product and on the reciprocal trade agreements that may be in place.

3.3.2 COMPREHENSIVE ECONOMIC TRADE AGREEMENT

In October 2016, the Canadian Government signed the final text of the Comprehensive Economic Trade Agreement (“CETA”) with the European Union (“EU”), which subsequently entered into force on September 21, 2017. Under CETA, just under 32,000 tonnes of EU cheeses can be imported into Canada under the TRQ system in 2022.

The United Kingdom officially left the EU Single Market and Customs Union on January 31, 2020, and on December 24, 2020, agreed to the UK-EU Trade and Cooperation Agreement (“UK-EU TCA”) which came into effect on January 1, 2021. The UK-EU TCA, together with the Trade Continuity Agreements with other countries, ensures that the United Kingdom can continue to trade

with its existing international partners largely tariff and quota-free. In December 2021, the United Kingdom signed a free-trade agreement with Australia. The UK also signed a trade agreement with New Zealand in February 2022. These two agreements will remove most tariffs on trade between the UK and Australia, and the UK and New Zealand. A ratification date has yet to be announced.

3.3.3 CANADA-UNITED KINGDOM TRADE CONTINUITY AGREEMENT

On December 9, 2020, Canada and the United Kingdom signed the Canada-United Kingdom Trade Continuity Agreement ("TCA"), which entered into force on April 1, 2021. As a result of this Agreement, cheese originating in the United Kingdom continues to be eligible to be imported into Canada under Canada's WTO cheese TRQs reserved for EU WTO Members until December 31, 2023. After this date, cheese originating in the United Kingdom would be eligible to be imported into Canada under its WTO cheese TRQs reserved for non-EU WTO Members. In March 2022, the UK and Canada launched negotiations on a new free trade agreement.

3.3.4 COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP

On March 8, 2018, Canada, Australia, and nine other countries, signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP"). To date, the CPTPP is in force in Canada, Australia, Japan, Mexico, New Zealand, Singapore, Vietnam, and Peru. The CPTPP grants access to the Canadian market for a wide range of dairy products originating from other signatory countries that have ratified the CPTPP via TRQs, a significant portion of which continue to be allocated to dairy processors. In Australia, cheese products imported from other signatory countries that have ratified the CPTPP are not subject to import quota control.

The CPTPP provides for export opportunities for dairy products originating from Australia and Canada to other signatory countries that have ratified the CPTPP.

On May 12, 2022, New Zealand formally requested consultations under Chapter 28 (dispute settlement) of the CPTPP regarding Canada's administration of its dairy TRQs. In its request, New Zealand claims that Canada's dairy TRQ allocation measures appear to be inconsistent with several provisions of the CPTPP.

3.3.5 CANADA-UNITED STATES-MEXICO AGREEMENT

The CUSMA was signed on November 30, 2018, by the governments of Canada, the USA, and Mexico. The CUSMA entered into force on July 1, 2020. The CUSMA replaced the North American Free Trade Agreement and provides additional access to the Canadian market under TRQs for a wide range of dairy products and requires the Canadian government to adhere to certain pricing and export provisions for dairy products.

On May 25, 2021, the United States requested the establishment of a dispute panel under the CUSMA to determine whether Canada's current TRQ allocation policies are consistent with its obligations under the agreement. The panel issued a final report on December 20, 2021, and found that Canada's practice of reserving TRQ pools exclusively for the use of processors is inconsistent with Canada's commitment under CUSMA. On May 16, 2022, following a public consultation process, the Government of Canada published new CUSMA dairy TRQ allocation and administration policies to address the finding of the CUSMA dispute panel.

3.3.6 COMPREHENSIVE REVIEW OF CANADA'S IMPORT LICENCES (TARIFF RATE QUOTAS) FOR DAIRY PRODUCTS

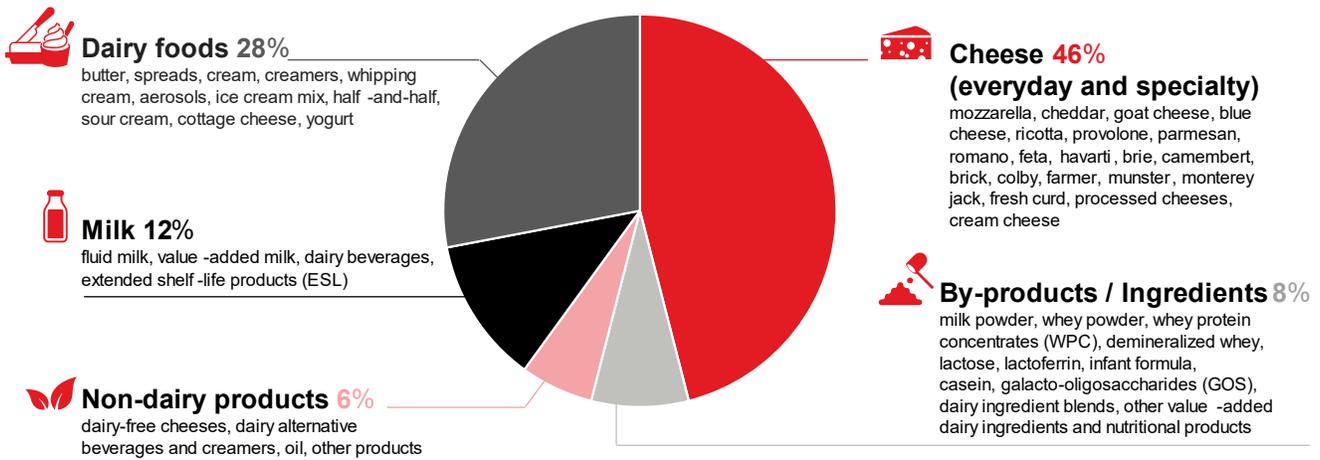
On May 10, 2019, GAC launched a comprehensive review of the allocation and administration of Canada's TRQs for supply managed products, including dairy, poultry, and egg products, with the expectation that the long-term allocation and administration policies for these licences would be published in September 2020. However, in May 2020, this review was temporarily suspended by the Government of Canada due to the COVID-19 pandemic. The review resumed, but new long-term allocation and administration policies for dairy TRQs, with the exception of those administered under CUSMA, have not yet been announced.

Item 4 – Our Business

4.1 Overview

Our Product Portfolio

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



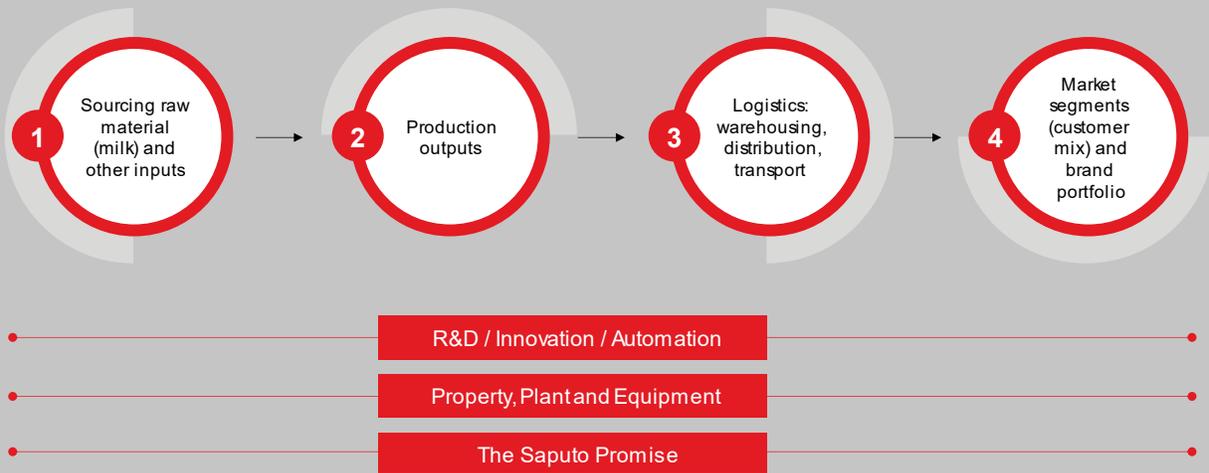
Percentage of consolidated revenues generated by these products for the year ended March 31, 2022.

Our Brand Portfolio



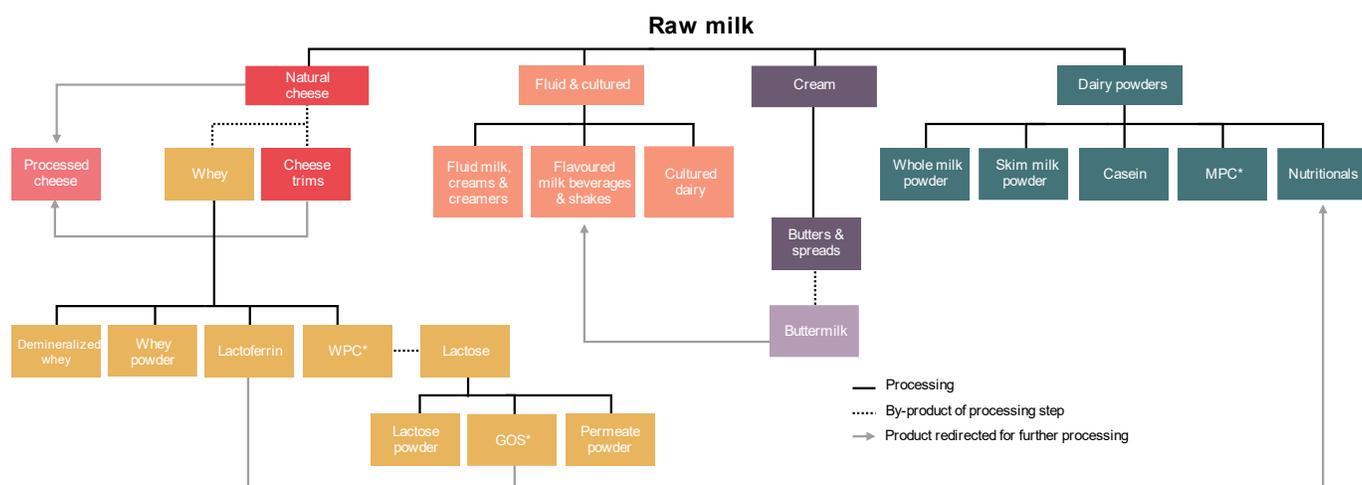
Trademarks used under licence : Bailey's, Heluva Good, International Delight, Scotsburn, and Cracker Barrel.

Our Business Model



From Inputs to Outputs: Making Every Drop Count

Extracting value at every step of the production process



* Whey Protein Concentrate (WPC), Galacto-oligosaccharides (GOS) and Milk Protein Concentrate (MPC)

4.2 Market Segments

The following table presents our total revenues by market segment over the last two fiscal years:

Total Company Revenues – Market Segments

(in millions of CDN dollars)	Year ended March 31, 2022		Year ended March 31, 2021	
	Revenues (\$)	% of Total Revenues	Revenues (\$)	% of Total Revenues
Retail	7,461	50	7,571	53
Foodservice	4,579	30	4,082	29
Industrial	2,995	20	2,641	18
Total	15,035	100	14,294	100

Retail: Sales are made to supermarket chains, mass-merchandisers, convenience stores, independent retailers, warehouse clubs, and specialty cheese boutiques under Saputo-owned or customer brand names. Our products are also sold directly to consumers through our e-commerce channels.

Foodservice: Sales are made to broadline distributors, restaurants, hotels, and institutions under Saputo-owned or customer brand names.

Industrial: Sales are made to manufacturers who use our dairy ingredients, cheeses, and other dairy products for further processing. Our products are used in the preparation of food items, nutritional products for all stages of life, and for various other applications.

Item 5 – Our Sectors

5.1 Overview

During fiscal 2022, we operated our business through four sectors and five divisions.



(1) In August 2020, we merged our two USA divisions, the Cheese Division (USA) and the Dairy Foods Division (USA), into a single division, now known as the Dairy Division (USA).

The following table presents the relative importance of our sectors over the last two fiscal years:

Revenues by Sector

(\$ millions)	Year ended March 31, 2022		Year ended March 31, 2021	
	Revenues (\$)	% of Total Revenues	Revenues (\$)	% of Total Revenues
Canada Sector	4,281	28	4,135	29
USA Sector	6,409	43	6,122	43
International Sector	3,453	23	3,221	22
Europe Sector	892	6	816	6
Total	15,035	100	14,294	100

5.2 Canada Sector

The Canada Sector consists of the Dairy Division (Canada). In fiscal 2022, the Canada Sector represented 28% of our total revenues.

5.2.1 PRODUCTS

We produce, market, and distribute domestically a variety of cheeses, including everyday cheeses, such as mozzarella and cheddar, specialty cheeses, such as ricotta, provolone, parmesan, goat cheese, feta, havarti, and soft cheeses, and processed cheeses. Our cheese products are sold under various brand names, such as *Saputo*, *Armstrong*, *Alexis de Portneuf*, *Bari*, *Cogruet*, *DuVillage 1860*, *Kingsey*, *Shepherd Gourmet Dairy*, *Stella*, and *Woolwich Goat Dairy*, as well as under customer brand names (private label). Through our cheese distribution network, we distribute fine imported cheeses to specialty stores as well as certain dairy and non-dairy products manufactured by third parties. Furthermore, we produce, market, and distribute, for domestic and for the international market, a number of dairy ingredients, including milk powder, whey powder, lactose, and whey protein concentrates.

We also produce, market, and distribute in Canada fluid milk, cream, yogurt, sour cream, cottage cheese, as well as ice cream mixes. Fluid milk is sold under the *Dairyland* brand in Western Canada, the *Neilson* brand in Ontario, the *Nutrilait* brand in Québec, and the *Baxter* and *Scotsburn** brands in Atlantic Canada. Value-added milk is marketed under the *Trutaste* brand, as well as under the brand names *Milk2Go/Lait's Go* and *Joyya*. In addition, within our fluid milk operations, we also produce, market, and

distribute certain other dairy and non-dairy products. Other dairy products include butter under the *Dairyland*, *Neilson*, *Saputo*, *Baxter*, and *Scotsburn** brand names, flavoured cream under the *Baileys** brand, and dips under the *Heluva Good** brand.

5.2.2 PRODUCTION

Raw Materials

In Canada, milk represents the primary cost that we incur in the manufacturing of dairy products. Due to the regulated nature of the Canadian dairy industry, we can only source our milk through the milk marketing boards in each province. We source our other raw materials from various suppliers.

Facilities

We operate 18 manufacturing facilities located in Canada. We own all of our facilities, with the exception of one.

5.2.3 MARKET SEGMENTS

We are a leading cheese manufacturer and fluid milk and cream processor in Canada. We also distribute fine imported cheeses to specialty stores and sell various dairy and non-dairy products manufactured by third parties that are complementary to the sale of the products we manufacture. Our new, state-of-the-art Port Coquitlam, British Columbia, facility is now running and has both fluid milk and dairy alternative beverage production capacity for the North American market.

Canada Sector – Revenues per Market Segment

(\$ millions)	Year ended March 31, 2022		Year ended March 31, 2021	
	Revenues (\$)	% of Total Revenues	Revenues (\$)	% of Total Revenues
Retail	2,539	59	2,614	63
Foodservice	1,414	33	1,199	29
Industrial	328	8	322	8
Total	4,281	100	4,135	100

5.2.4 DISTRIBUTION

Domestic product distribution is realized through direct shipments to customers, as well as to national and regional third-party distributors. We have developed a nationwide distribution network for our dairy operations, comprised of 19 distribution centres and warehouses and approximately 700 distribution routes across Canada. We also distribute our products directly to consumers via our e-commerce platforms.

We recently expanded our online direct-to-consumer (B2C) strategies, such as *The Saputo Fridge*, which was launched in the spring of 2020, to offer consumers limited shelf-life overstocked products and *Nibbl.*, an innovative B2C platform, launched in September 2021. *Nibbl.* delivers curated specialty cheese boxes directly to consumers in Ontario and Québec, and we are actively working on broadening distribution across Canada.

5.2.5 COMPETITION

We compete mainly with multinational and national dairy processors. We have established ourselves as a leading cheese manufacturer and fluid milk and cream processor in Canada.

* Trademark used under licence.

5.2.6 EMPLOYEE RELATIONS

As at March 31, 2022, the Canada Sector had approximately 5,800 employees, all located in Canada. Approximately 30% of the Canada Sector's workforce is unionized.

We do not currently foresee any labour unrest in connection with the renewal of collective agreements expiring in fiscal 2023. All agreements that expired in fiscal 2022 were, or are expected to be, renewed upon satisfactory terms or continue to govern during ongoing negotiations, which are expected to result in satisfactory renewals.

5.3 USA Sector

The USA Sector consists of the Dairy Division (USA). In fiscal 2022, revenues from the USA Sector represented 43% of our total revenues.

5.3.1 PRODUCTS

We produce, market, and distribute a wide array of products including cheese, extended shelf-life and aseptic dairy and non-dairy fluid products, cultured products, and dairy ingredients sold under our market-leading brands and private label brands.

We are among the top mozzarella, string, blue, and goat cheese producers in the United States. Our cheese portfolio also includes a broad line of other everyday and specialty cheeses, including provolone, snacking, ricotta, parmesan, feta, cheddar, and romano, as well as dairy alternative cheeses. We sell our cheeses under a variety of brand names, including *Black Creek*, *Friigo Cheese Heads*, *Gardenia*, *Great Midwest*, *King's Choice*, *Lugano*, *Montchevre*, *Organic Creamery*, *Salemville*, *Saputo*, *Saputo Gold*, *Stella*, *Treasure Cave*, and *Vitalite*, as well as under customer brand names. In addition to domestic cheese production and conversion, we hold an important portfolio of import licences to sell and distribute a broad range of specialty cheeses that are manufactured abroad.

We are also one of the largest producers of extended shelf-life fluid and cultured dairy products in the United States. Our fluid and cultured portfolio includes ice cream mixes, half and half, whipping cream, value-added beverages, dairy and non-dairy creamers, coffee beverages, aerosol whipped toppings, almond milk, oat milk, aseptic food products and beverages, sour cream, and cottage cheese. We produce, market, and distribute these products in the United States under customer brand names, as well as under our own brands, such as *DairyStar* and *Friendship Dairies*.

Additionally, we produce, market, and distribute dairy ingredients, including whey powder, whey protein concentrates, lactose, goat whey, and dairy ingredient blends, in both the domestic and international markets.

5.3.2 PRODUCTION

Raw Materials

We source our milk and cream primarily from cooperatives, including through short and long-term supply agreements, as well as directly from farmers and other dairy processors. Milk and cream represent the primary costs that we incur in manufacturing our dairy products. We source our other raw materials from various suppliers.

Facilities

We operate 29 manufacturing facilities located across the USA. We own all of our facilities, with the exception of two facilities. We also have a state-of-the-art commercial culinary innovation facility in the USA, the Saputo Product Performance Center, which allows us to replicate real foodservice kitchen scenarios to understand how each product will best benefit our clients' offering and performance demands.

5.3.3 MARKET SEGMENTS

We are among the top three cheese producers and among the largest processors of extended shelf-life and cultured dairy products. We compete in the USA by selling our own branded products and products under customer brand names.

USA Sector – Revenues per Market Segment

(\$ millions)	Year ended March 31, 2022		Year ended March 31, 2021	
	Revenues (\$)	% of Total Revenues	Revenues (\$)	% of Total Revenues
Retail	2,811	44	2,847	47
Foodservice	2,859	45	2,651	43
Industrial	739	11	624	10
Total	6,409	100	6,122	100

5.3.4 DISTRIBUTION

Sales in the USA are distributed through direct shipments to certain customers, domestically and internationally, as well as through national and regional third-party distributors.

5.3.5 COMPETITION

We compete mainly with multinational, national, and regional dairy processors. We have established ourselves in the USA among the top three cheese producers and among the largest processors of extended shelf-life and cultured dairy products.

5.3.6 EMPLOYEE RELATIONS

As at March 31, 2022, our USA Sector had approximately 7,300 employees, all located in the USA. Approximately 23% of the USA Sector's workforce is unionized.

We do not currently foresee any labour unrest in connection with the renewal of collective agreements expiring in fiscal 2023. All agreements that expired in fiscal 2022 were, or are expected to be, renewed upon satisfactory terms or continue to govern during ongoing negotiations, which are expected to result in satisfactory renewals.

5.4 International Sector

The International Sector includes the Dairy Division (Australia) and the Dairy Division (Argentina). In fiscal 2022, revenues from the International Sector represented 23% of our total revenues.

5.4.1 PRODUCTS

In Australia, we produce, market, and distribute for the domestic and international markets, a full range of dairy products, including a variety of cheeses, butter and butter blends, milk, cream, and dairy beverages. These products are sold under various brand names, such as *CHEER*, *Cracker Barrel*^{*}, *Devondale*, *Fred Walker*, *Great Ocean Road*, *King Island Dairy*, *Liddells*, *Mersey Valley*, *Mil Le!*, *Murray Goulburn Ingredients*, *Warrnambool*, *South Cape*, *Sungold*, and *Tasmanian Heritage*. We also produce, market, and distribute dairy ingredients and nutritional products, including milk powder, whey protein concentrates, lactoferrin, and infant formula.

In Argentina, we produce, market, and distribute for the domestic and international markets, a variety of cheeses, as well as butter and cream. These products are sold under recognized brand names, such as *La Paulina*, *Molfino*, *Saputo*, *Stella*, and *Ricrem*. We also produce, market, and distribute dairy ingredients, including milk powder, casein, and whey protein. In addition, we manufacture a dairy alternative beverage for the domestic market.

* Trademark used under licence.

5.4.2 PRODUCTION

Raw Materials

In Australia and Argentina, we source our milk requirements directly from producers and other raw materials from various suppliers.

Facilities

We operate, through our International Sector, 13 manufacturing facilities, of which 11 are located in Australia and 2 in Argentina. We own all of our facilities, with the exception of two.

5.4.3 MARKET SEGMENTS

We are the top dairy processor in Australia and the second largest dairy processor in Argentina. The sale of products manufactured by both countries is well balanced between the domestic and international markets.

International Sector – Revenues per Market Segment

(\$ millions)	Year ended March 31, 2022		Year ended March 31, 2021	
	Revenues (\$)	% of Total Revenues	Revenues (\$)	% of Total Revenues
Retail	1,416	41	1,399	43
Foodservice	285	8	224	7
Industrial	1,752	51	1,598	50
Total	3,453	100	3,221	100

5.4.4 DISTRIBUTION

In Australia and Argentina, we distribute our products in the domestic market through third-party distributors and by direct shipment to certain customers. In the international market, we distribute our products by arranging for delivery to a port of entry using third-party carriers and, in certain cases, using the services of third-party distributors located within the international market.

5.4.5 COMPETITION

We compete mainly with multinational and national dairy processors. We have established ourselves as the top dairy processor in Australia and the second largest dairy processor in Argentina.

5.4.6 EMPLOYEE RELATIONS

As at March 31, 2022, the International Sector had approximately 4,000 employees, of which approximately 2,900 were located in Australia and 1,100 in Argentina. Approximately 58% of the Australian workforce and 78% of the Argentinian workforce is unionized.

We do not currently foresee any labour unrest in connection with the renewal of collective agreements expiring in fiscal 2023. All agreements that expired in fiscal 2022 were, or are expected to be, renewed upon satisfactory terms or continue to govern during ongoing negotiations, which are expected to result in satisfactory renewals.

5.5 Europe Sector

The Europe Sector is comprised of the Dairy Division (UK). In fiscal 2022, the Europe Sector represented 6% of our total revenues.

5.5.1 PRODUCTS

We manufacture, market, and distribute cheese, butter, spreads, and oils under leading British brands, such as *Cathedral City*, *Clover*, *Country Life*, *Davidstow*, *Frylight*, and *Wensleydale Creamery*. We also manufacture dairy-free spreads marketed under the *Vitalite* brand and dairy alternative cheeses, marketed under the *Sheese* and *Vitalite* brands. Private label retail business has

increased across all product streams following the acquisition of the Wensleydale Dairy Products business and Bute Island Foods Limited during fiscal 2022. In addition, we manufacture demineralized whey powder and galacto-oligosaccharides (GOS) for the infant formula markets.

5.5.2 PRODUCTION

Raw Materials

We source our milk requirements directly from farmers and other raw materials from various suppliers.

Facilities

Through our Europe Sector, we operate 7 manufacturing facilities in the United Kingdom. We own all of these facilities, with the exception of two. Our Innovation Centre, located on-site of an agricultural university campus, also allows us to increase our access to food and farming research.

5.5.3 MARKET SEGMENTS

Sales of cheese, oil, butter, spreads, and dairy alternative cheese products are mainly in the retail market segment. Ingredient sales of demineralized whey and GOS are made to industrial customers. Most of our sales are to customers in the United Kingdom.

Europe Sector – Revenues per Market Segment

(\$ millions)	Year ended March 31, 2022		Year ended March 31, 2021	
	Revenues (\$)	% of Total Revenues	Revenues (\$)	% of Total Revenues
Retail	695	78	711	87
Foodservice	21	2	8	1
Industrial	176	20	97	12
Total	892	100	816	100

5.5.4 DISTRIBUTION

Sales in the United Kingdom are mostly made through direct shipments to customer distribution centres from distribution centres run by third parties or from our national distribution centre with transport and logistics provided through a third party.

5.5.5 COMPETITION

In the United Kingdom, we compete mainly with multinational and national dairy processors. We are the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. Since the acquisition of Bute Island Foods Limited, we are a major manufacturer of dairy alternative cheese, competing for both private label and branded sales against other established dairy alternative manufacturers in the UK and across Europe.

5.5.6 EMPLOYEE RELATIONS

As at March 31, 2022, the Europe Sector had approximately 1,500 employees. Approximately 39% of the Europe Sector's workforce is unionized.

We do not currently foresee any labour disputes in connection with the renewal of collective agreements expiring in fiscal 2023. All agreements that expired in fiscal 2022 were renewed on satisfactory terms.

Item 6 – Capital Expenditures

Our Global Strategic Plan (FY22-FY25) includes a four-year capital expenditure plan pursuant to which we plan to allocate capital expenditure amounts of approximately \$2.3 billion, as follows:

- \$1.1 billion allocated to base capital expenditures inclusive of maintenance, implementation of Harmoni, our Entreprise Resource Planning ("ERP") system, investments to support the execution of our Saputo Promise, and other corporate capital expenditures; and
- \$1.2 billion allocated to strategic projects.

The Company intends to maintain its long-term objective to make capital expenditures on an annual basis at a level similar to its depreciation and amortization expense. However, we expect to invest in excess of our depreciation and amortization expense for the FY23-FY25 period as we make strategic investments under our Global Strategic Plan.

In fiscal 2022, we spent a total of approximately \$498 million in property, plant and equipment and intangible assets related to our ERP project, excluding right-of-use assets. In addition, we made the acquisition of the Reedsburg facility of Wisconsin Specialty Protein, LLC, located in Wisconsin, USA, for a purchase price of \$37 million, as part of the four-year capital expenditure plan of our Global Strategic Plan.

In fiscal 2022, we faced obstacles in sourcing labour and equipment, and therefore, we did not incur certain planned capital expenditures. In addition, as described below, we paused the final phase of the Harmoni deployment, which was set to begin in Canada. As a result, excluding the acquisition of the Reedsburg facility, we spent approximately \$139 million less than we had originally planned in connection with additions to property, plant and equipment, as well as intangible assets related to Harmoni.

The following table sets forth the capital expenditures we incurred in fiscal 2022 and that we expect to incur in fiscal 2023:

Capital Expenditures in Property, Plant and Equipment, and Intangible Assets Related to Our ERP Project, Excluding Rights of Use Assets	Fiscal 2022 (\$ millions)	Fiscal 2023E (\$ millions)
Base capital expenditures	264	297
Strategic projects	234	442
Total	498	739

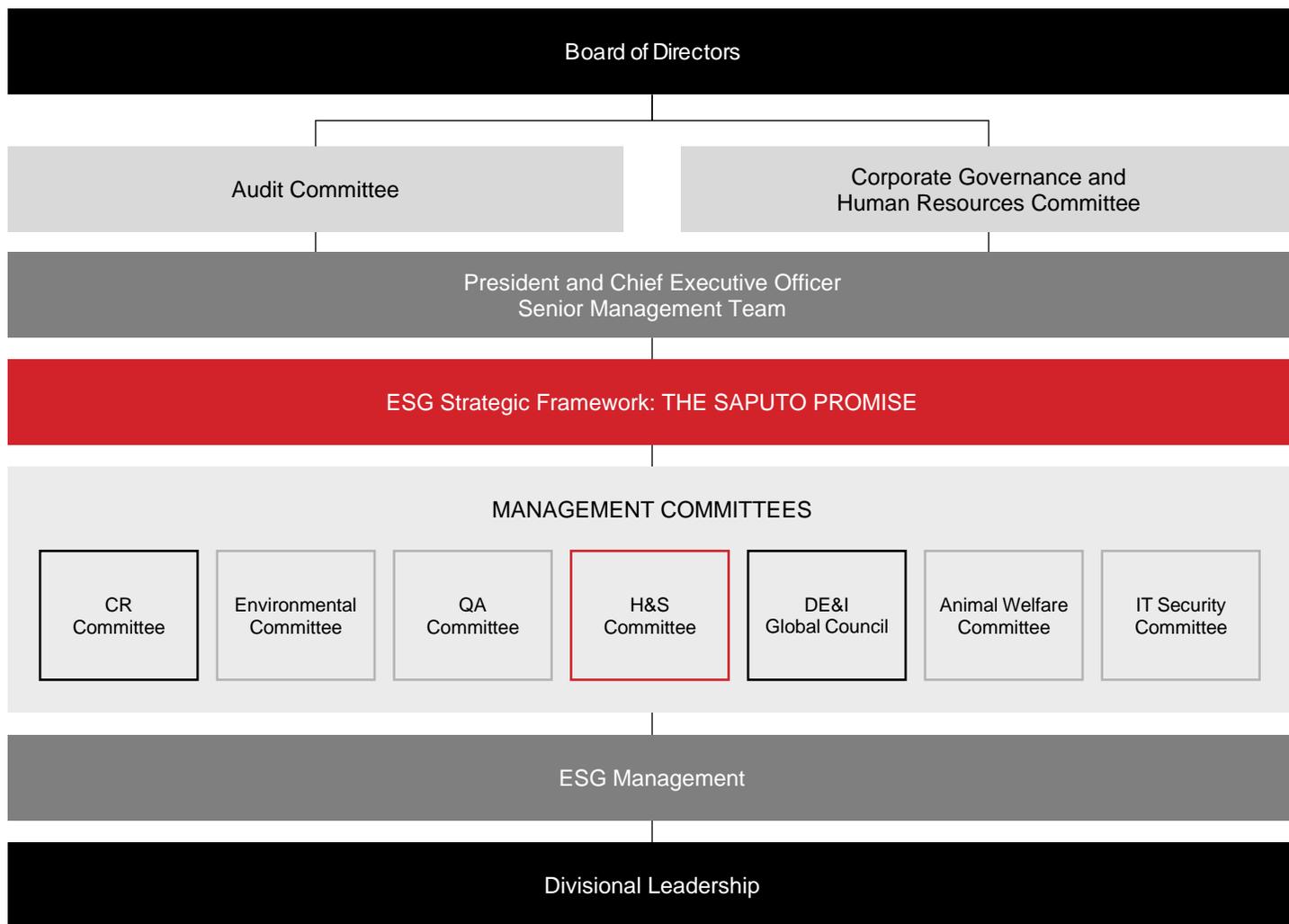
Our ability to deploy capital expenditure projects as planned and their outcome and success are subject to the risks and uncertainties described in the Risks and Uncertainties section of our Management's Discussion and Analysis for the fiscal year ended March 31, 2022.

Pursuant to Harmoni, our ERP system is now fully implemented in the Dairy Division (Argentina), the Dairy Division (USA), and the Dairy Division (Australia). The Dairy Division (UK) remains out of the scope of Harmoni. As part of the continuous evaluation of our overall activities and to reallocate resources towards our "One USA" journey and focus on our Global Strategic Plan, in fiscal 2022, we decided to temporarily pause the final phase of the Harmoni deployment, which was set to begin in Canada. As at March 31, 2022, we had invested, in the aggregate, approximately \$382 million in Harmoni. Further to our decision to pause Harmoni, no further expenditures are expected to be incurred until we resume the project.

Item 7 – Environmental, Social, and Corporate Governance (ESG)

7.1 Governance

ESG GOVERNANCE: MANAGING ESG RISK AND OPPORTUNITY



- Overseen by the Board of Directors
- Overseen by the Audit Committee
- Overseen by the Corporate Governance and Human Resources Committee

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

Our Board of Directors oversees the ESG factors and risks material to our business and the deployment of appropriate measures to manage them, including overseeing our practices, guidelines, and policies related to the Saputo Promise.

Specific corporate governance of the Saputo Promise and its Pillars falls under the responsibility of Management committees who ensure the appropriate business practices are implemented across our operations to effectively manage our ESG risks and opportunities. Our Corporate Responsibility Committee (“**CR Committee**”) oversees the implementation of the Saputo Promise

and monitors our progress for each of the seven Pillars. The CR Committee is composed of the President and Chief Operating Officer (North America), the President and Chief Operating Officer (International and Europe), the Chief Financial Officer, the Chief Human Resources Officer, the President and Chief Operating Officer of each of our divisions, and the Vice President, Corporate Responsibility. The President and Chief Operating Officer (North America) reports to the Board of Directors on the Saputo Promise annually. The President and Chief Executive Officer is responsible for ensuring Management advances the Saputo Promise as appropriate.

In addition to the CR Committee, other committees contribute to making sure that the Saputo Promise is an integral part of our management structure and ensure the implementation and monitoring of appropriate management measures across specific Pillars. These committees include: the Environmental Committee, the Quality Assurance Committee (“**QA Committee**”), the Health and Safety Committee (“**H&S Committee**”), the Saputo Diversity, Equity, and Inclusion Global Council, and the Animal Welfare Committee.

Furthermore, our Information Technology Security Committee (“**IT Committee**”) assists us in fulfilling our corporate governance and oversight responsibilities relating to our technology, information systems, and information security.

On an annual basis, we publish the Saputo Promise Report to provide shareholders and investors with increased visibility on our initiatives, challenges, and priorities in connection with the Saputo Promise. Our fiscal 2021 Saputo Promise Report, which was published on August 5, 2021, is aligned with the Sustainability Accounting Standards Board (SASB) Standard for Processed Food companies and the Task Force on Climate-Related Financial Disclosures (TCFD). Our Saputo Promise Report can be found for information purposes only on the Company’s website at www.saputo.com.

7.2 Food Quality and Safety

When it comes to food quality and safety programs, we manage our business with harmonized standards across our operations. Our facilities worldwide are audited internally and by third parties several times per year to assess compliance with local laws and regulations, as well as with international industry standards. As at March 31, 2022, 100% of our facilities were certified to the Global Food Safety Initiative (GFSI) standards, which require having passed a rigorous quality and food safety system audit that is internationally recognized and globally benchmarked, and all of these facilities achieved a Good or Excellent audit rating.

Our Food Quality and Safety Policy, and related Company programs and standards, are overseen by our QA Committee, which is comprised of our President and Chief Operating Officer (North America), who acts as Chair, the President and Chief Operating Officer (International and Europe), and the President and Chief Operating Officer and quality assurance experts of each of our divisions. Quarterly reporting on our food quality and safety performance is made to the Audit Committee by the QA Committee, and the Chair of the QA Committee meets annually with the Audit Committee.

Our Food Quality and Safety Policy reflects and upholds our goal to supply our customers and consumers products that are safe and of the utmost quality. To achieve this goal, we are committed to maintaining high food quality and safety programs and standards throughout our supply chain, to continuously monitoring, reviewing, and improving these programs and standards, and to building an inclusive culture to ensure our food quality and safety programs and standards are supported by and achieved through the commitment of all employees.

We share our food quality and safety expectations with our suppliers. From a food safety perspective, we also ensure that robust contingency processes and precautionary measures are in place, such as systems for tracing raw materials and final products, which allow us to take proactive and immediate action, if necessary.

We believe in sharing our best practices relating to food quality and safety with other dairy industry participants to help maximize the maintenance of food quality and safety for the public at large. We attain this objective by actively collaborating with industry, regulatory, and academic committees, such as the International Dairy Foods Association (IDFA), the International Association for Food Protection (IAFP), the Innovation Center for US Dairy, and Dairy Management Inc.

7.3 Diversity, Equity, and Inclusion

We recognize that a diverse, equitable, and inclusive environment that values diversity of thought, background, skills, and experience is key to a healthy business and facilitates a broader exchange of perspectives. Diversity enriches discussions among directors and better reflects our relationships with our employees, shareholders, customers, business partners and other stakeholders.

Our Diversity, Equity, and Inclusion Global Council, comprised of the President and Chief Operating Officer (International and Europe), the Chief Human Resources Officer, and employees from each of our divisions, drives efforts to promote a diverse, equitable, and inclusive work environment across the organization at all levels. Through the initiatives of the Council, we aim to continue to review the current policies and procedures as well as to deploy learning and development programs with the intent of providing equitable opportunities to all employees and potential candidates. The Chief Human Resources Officer reports annually to the Board of Directors on diversity matters.

We recognize the value of diversity, which offers a depth of perspectives and enhances our operations. We are committed to attracting talented individuals, and in our recruiting and staffing efforts, to promote a work environment that values diversity of background, skills, experiences, and perspectives. Our Diversity, Equity, and Inclusion Policy aims to set the guiding principles by which our decisions, actions, and behaviours will support the achievement of a diverse, equitable, and inclusive work environment.

Our Board of Director's commitment towards Diversity, Equity, and Inclusion (DE&I) is described in the Board Diversity Policy. The Board Diversity Policy states that, in the context of the director nomination process, the Corporate Governance and Human Resources Committee of our Board of Directors (the "**CGHR Committee**") will consider potential candidates based on a balance of skills, abilities, personal qualities, educational qualifications, and professional experience, including taking into account diversity considerations such as gender, age, and geographic areas and other characteristics of the communities in which we are present and conduct our business. All Board appointments will aim to collectively reflect the diverse nature of the environment in which Saputo is present and conducts business. Additionally, the CGHR Committee's annual review of the size and composition of the Board of Directors is conducted with a view to identify imbalances or gaps, as well as opportunities that may be associated with further diversification.

7.4 Working Conditions

At Saputo, our best comes from our people. We care about our employees' health and well-being, and endeavour to provide the best possible work environment for all.

Our success depends on our ability to identify, attract, and retain qualified individuals and to execute appropriate succession planning for Management and key personnel.

We strive to be an employer of choice for top talent, recognized for our values and our commitment to our employees. Our efforts have been recognized, with Saputo featured as #56 out of 750 companies on *Forbes'* 2020 World's Best Employers list which surveys worker satisfaction and willingness to recommend the company as an employer.

We constantly invest in our employees with continuous training and development programs, providing them with the skills needed to maintain high-quality standards throughout our operations, and to continue to grow and have a career within the Company. In fiscal 2022, we invested approximately 510,000 hours in developing our permanent employees, the equivalent of nearly 31 hours for each of them. Furthermore, our focus on promoting from within has translated into 1,476 employees being promoted internally in fiscal 2022.

7.5 Health and Safety

Keeping employees safe and healthy is a priority for us and we continue to increase our efforts to ensure we embed a culture of safety across our operations. Supported by our global Health and Safety Policy launched in fiscal 2021, we have been intensifying

our efforts relating to Goal Zero, our focused approach to Health and Safety (“H&S”) based on driving a culture where our people are an integral part of the solution. Goal Zero, is about creating an environment where employees, regardless of their role, feel empowered to intervene or report any unsafe situation or behaviour. It’s also about creating that dynamic where all team members are encouraged to voice their concerns and share their ideas as we believe employees are an integral part of the solution to safety issues. Our H&S Committee, chaired by our President and Chief Operating Officer (North America) and composed of the President and Chief Operating Officer (International and Europe), the Chief Human Resources Officer, and the President and Chief Operating Officer and the H&S leaders of each of our divisions, is responsible to align best H&S practices globally. The CGHR Committee is updated quarterly on H&S matters.

7.6 Responsible Sourcing

We adopted an Animal Welfare Policy, which affirms our zero tolerance for any act of animal cruelty. We monitor adherence to our Animal Welfare Policy and expect suppliers to comply with appropriate regulations, animal care and handling standards, or Codes of Practice and to implement awareness and training programs. We have established a clear protocol to work with suppliers and relevant authorities to address situations when presented with credible evidence to support an allegation of animal cruelty.

Our Animal Welfare Committee oversees our efforts and initiatives to ensure suppliers’ compliance with recognized animal care standards or Codes of Practice and monitors animal welfare best practices. The Animal Welfare Committee is led by our Director of Animal Welfare and is comprised of our internal senior leaders from Governmental Affairs, Milk Procurement, Communications, and Sales. Breaches to our Animal Welfare Policy would be reported to the Audit Committee.

In developing and updating the Animal Welfare Policy, the Animal Welfare Committee consults industry and governmental agencies which can include animal protection authorities, regulatory bodies, humane societies, suppliers, and customers, and it also works with animal welfare experts from universities and veterinary colleges.

Our Supplier Code of Conduct sets the standards of business conduct expected from our suppliers. Beyond animal care, we aim to promote responsible business practices by working with our suppliers across the value chain and engaging them to implement standards to achieve common objectives. 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 and maintain strong, sustainable, and long-term relationships with our suppliers.

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

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 are 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 fiscal 2022, we launched our 2025 Supply Chain Pledges, detailing our commitments on how we intend to address sustainability considerations beyond the scope of our operations.

7.7 Environment

We updated our Environmental Policy in fiscal 2022 to reflect and uphold our goal and long-term commitment to pursue environmentally responsible business practices. Our goal, as stated in our Environmental Policy, is to safeguard the environment while continuing to grow as a world-class dairy processor by:

- meeting compliance obligations;
- preventing pollution;
- reducing our impact on, and adapting to, climate change;
- using natural resources sustainably;
- protecting biodiversity and ecosystems; and
- leveraging our capabilities as a business to create positive environmental actions.

To achieve our goal, the Environmental Policy notably provides that we commit to embed strong environmental values in the leadership of our business, to dedicate resources and develop the skills of our people, to evaluate our impacts on the environment, to continually develop and improve our Environmental Management System and associated business processes, and to systematically measure and monitor our performance.

In fiscal 2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025.

We expect to deliver on our goal with targeted initiatives focusing on renewable electricity, resource conservation, and sustainable packaging. We continue to allocate resources to support the execution of this global action plan, including a three-year investment (fiscal 2021 to fiscal 2023) of \$50 million to fund over 65 projects globally. Also, we have established a governance framework to foster Company-wide accountability and ownership, with one of our executives serving as our Executive Champion.

Our Environmental Committee, which is chaired by the President and Chief Operating Officer (North America) and includes the President and Chief Operating Officer (International and Europe), and the President and Chief Operating Officer and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the Environmental Policy. The Environmental Committee meets quarterly to discuss the progress of our environmental objectives, the environmental condition of our facilities, the required action plans, and the status of ongoing projects. Quarterly reporting on our environmental performance is made to the Audit Committee, and the Chair of the Environmental Committee meets annually with the Audit Committee.

Our global operations are subject to various and continuously-evolving federal, provincial, state, municipal, and local laws and regulations relating to environmental protection. Our facilities generally operate under wastewater discharge permits issued under these laws and regulations or have entered into wastewater discharge agreements with local municipalities. Compliance with these laws, regulations, permits, and agreements require us to incur expenses and to monitor our operations on an ongoing basis. We believe that our operations comply in all material respects with the requirements of our permits and agreements, and with currently applicable environmental laws and regulations, except as discussed below. We intend to comply with all applicable environmental laws and regulations, including all permit requirements and agreements with municipalities.

Exceedances in wastewater generated by some of our facilities over the limits prescribed in applicable laws, wastewater discharge permits, or agreements with municipalities have been registered in the past and in some recent samplings, as well as isolated accidental cases of unauthorized discharges. At such facilities, we have been implementing various measures to reduce wastewater at source and, at certain locations, have upgraded or are upgrading equipment to achieve compliance and prevent future incidents.

Through past acquisitions, we inherited historical contamination at some facilities. Most of these historical contaminations result from current or former petroleum storage tanks. We are either implementing proper remediation measures, overseeing their implementation by the responsible party, or proceeding with additional investigations to determine if further action is required. In

some cases, with the consent of governmental authorities, we continue to monitor the situation to confirm that no further action is required. We do not expect that major expenditures will be required to deal with the contamination at these facilities and environmental compliance issues.

We stay apprised of new legislations, have appropriate monitoring plans in place where required, and comply with the registration or reporting requirements currently applicable to our operations. In this regard, we follow developments regarding legislation on plastic waste reduction, which has been proposed in certain jurisdictions in which we operate, and also comply with applicable greenhouse gas emission reduction requirements and carbon pollution pricing systems.

During fiscal 2022, we spent approximately \$56 million to comply with existing environmental laws and regulations and improve plant efficiencies to reduce noise and air emissions and wastewater discharge, to update or remove underground storage tanks, to address contamination issues, and to improve wastewater treatment systems at a number of our facilities, and we spent less than \$450,000 in costs associated with obligations related to closed facilities. For fiscal 2023, we estimate that similar types of expenditures will be incurred, representing approximately \$64 million and less than \$250,000, respectively. We believe that compliance with currently applicable environmental protection requirements will not have a material effect on our earnings or competitive position during fiscal 2023.

7.8 Nutrition and Healthy Living

We constantly monitor consumer trends and aim to respond accordingly. For instance, we are committed to diversifying our product portfolio by pursuing more plant-based opportunities in line with increasing consumer demand for these types of products. We aim to leverage our research and development knowledge to develop dairy alternative cheese products and to seize the opportunities that arise in the dairy alternative beverage industry.

We also continue our efforts to develop innovative approaches and enhance the nutritional value of our products, including reducing salt and sugar in some products and working to meet consumer demand for clean labelling. In fiscal 2022, we launched our new Saputo Nutrient Profiling Model to evaluate the nutritional performance of our portfolio and identify opportunities for improvement through innovation and reformulation.

7.9 Information Technology and Cybersecurity

Saputo has implemented policies, practices, procedures, and controls, including maintenance of protective systems and technology, monitoring and testing, incident response, disaster recovery and business continuity plans, and employee training, to protect our IT systems and to prevent unauthorized access to confidential data, and to mitigate the risk of disruption to our business. We make strategic investments in this area in order to mitigate cyber threats. We also have security and compliance processes, protocols, and standards that are applicable to our third-party service providers. Our processes include a due diligence approach that ensures that third-party services, including cloud-based services, are evaluated using industry standard security assurance approaches to assess the risks. Third-party providers must comply with security frameworks such as the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) 27001 standard, or equivalent, or provide third-party assurance on relevant control objectives.

Our cybersecurity risk management strategy has been designed using enterprise risk considerations and aligns with industry standards such as the National Institute of Standards and Technology. We regularly evaluate and adjust our cybersecurity risk management strategy based on a variety of considerations, including risk assessments, continuous monitoring, and periodic independent cybersecurity maturity evaluations. Cybersecurity risks are assessed and included as part of the Company's annual Internal Audit plan.

Our IT Security Committee monitors the practices, procedures, and controls used to identify, assess, and manage our key cybersecurity programs and risks, and it also oversees the Company's measures to protect the confidentiality, integrity, and availability of our electronic information, intellectual property, and data. This committee is chaired by our Senior Vice President,

Information Technology and Chief Information Officer (CIO), and is composed of members of the senior management teams from each of our divisions as well as certain corporate functions. Our comprehensive cybersecurity program is managed by a dedicated team of information technology and cybersecurity experts. As part of our ongoing information security measures under our mandatory Enterprise Awareness Training Program, all employee computer users are routinely tested to ensure their awareness of and ability to recognize, report, and mitigate security threats such as phishing attacks and other cyber-related schemes designed to obtain access to confidential, proprietary information and our IT systems.

The Audit Committee, which is responsible for overseeing the Company's cybersecurity risk management, oversees the IT Security Committee's work and any material issues that arise through quarterly reports from the Senior Vice President, Information Technology and CIO. The Audit Committee receives periodic updates from management on cybersecurity and compliance.

We hold cybersecurity insurance in case of a cybersecurity breach. The adequacy of insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits. To our knowledge, we have not experienced a material information security breach within the last three years. See the heading "Risks and Uncertainties" of our Management's Discussion and Analysis for additional details on the cybersecurity risks applicable to us.

Item 8 – Intellectual Property

As we are involved in the production, sale, and distribution of food products, we rely on brand recognition and loyalty from our clientele. In addition to promoting and protecting our established brands, we also develop new brands to meet evolving market demands. Also, as innovation forms part of Saputo's growth strategy, new technologies, products, and process optimization methods have been developed by our research and development teams in recent years. The protection of these assets may include patenting certain technologies when appropriate. Hence, we take, and intend to continue taking, appropriate measures to protect, maintain, and enforce our intellectual property.

Item 9 – Risks and Uncertainties

The risks and uncertainties related to our operations are disclosed in our Management's Discussion and Analysis for the year ended March 31, 2022, under the heading "Risks and Uncertainties", and incorporated herein by reference. See the "Additional Information" section below to access our Management's Discussion and Analysis.

Item 10 – Dividend Policy

10.1 Dividend Policy

Saputo has a policy of declaring quarterly cash dividends on the Common Shares. The Board of Directors reviews our dividend policy annually, based on factors such as our financial condition, financial performance, and capital requirements.

The following table sets out the annual dividend paid per Common Share for the three most recently completed fiscal years:

	2022	2021	2020
Dividend paid per Common Share	\$0.72	\$0.70	\$0.68

During fiscal 2022, our dividend policy was reviewed by the Board of Directors and the quarterly dividend was increased on August 5, 2021, to \$0.18 quarterly per share (or \$0.72 per share annually), representing a 2.9% increase compared to fiscal 2021.

10.2 Dividend Reinvestment Plan

We implemented a dividend reinvestment plan (the “**DRIP**”) effective as of May 28, 2020. The DRIP provides eligible shareholders with the opportunity to have all or a portion of their cash dividends automatically reinvested into additional Common Shares (“**Reinvestment Shares**”). Participants in the DRIP will, until further notice, acquire Reinvestment Shares issued from treasury at a price equal to the volume weighted average price of the Company’s Common Shares on the Toronto Stock Exchange during the five (5) trading days immediately preceding the dividend payment date (the “**Average Market Price**”), less a discount of 2%. We have the discretion to change or eliminate the discount applicable to treasury purchases, provided that such discount shall not exceed 5% of Average Market Price. We are also entitled, at our discretion and in accordance with the DRIP, to fund the DRIP with Common Shares acquired on the open market.

Unless otherwise approved by the Company, only shareholders that are residents of Canada are eligible to participate in the DRIP. We may facilitate the participation in the DRIP of shareholders that are “qualified institutional buyers” in the United States, as defined in Rule 144A under the *Securities Act of 1933*.

Item 11 – Capital Structure and Market for Securities

11.1 Share Capital

11.1.1 SHARE CAPITAL DESCRIPTION

Our articles provide that our authorized share capital shall be composed of an unlimited number of Common Shares, without nominal or par value. As of the close of business on May 31, 2022, 416,890,118 Common Shares were issued and outstanding.

The following is a summary of the material provisions which are attached to the Common Shares and are qualified by reference to the full text of the rights, privileges, restrictions, and conditions of such shares, which may be found on SEDAR at www.sedar.com.

Voting

Each Common Share entitles its holder to receive notice of and to attend all general and special meetings of shareholders of Saputo, and each such Common Share entitles its holder to one vote.

Dividends

The holders of Common Shares are, at the discretion of the Board of Directors, entitled to receive, out of any amounts properly applicable to the payment of dividends, any dividends declared and payable by Saputo on the Common Shares.

Dissolution

The holders of Common Shares shall be entitled to share equally in any distribution of our assets upon the liquidation, dissolution, or winding-up of Saputo or other distribution of our assets among our shareholders.

11.1.2 SHARE TRADING PRICE AND VOLUME

The Common Shares of Saputo are listed on the TSX under the stock market symbol “SAP”. The following table outlines the price range and trading volume of the Common Shares for each month of the last fiscal year:

Price Range and Trading Volume of the Common Shares on the TSX

Month	High (\$)	Low (\$)	Volume
April 2021	40.63	37.75	7,353,800
May 2021	42.00	38.77	7,596,000
June 2021	42.42	35.91	15,070,100
July 2021	37.75	35.49	6,299,800
August 2021	37.09	35.00	8,032,900
September 2021	35.85	31.59	14,380,500
October 2021	32.30	29.46	10,675,800
November 2021	31.75	28.00	13,128,700
December 2021	29.78	27.54	14,405,400
January 2022	29.95	26.21	12,255,500
February 2022	31.80	27.63	12,797,300
March 2022	32.00	28.83	12,941,800

11.2 Medium Term Notes

Since November 14, 2014, we have a medium term note program (the “**MTN Program**”) under which unsecured medium-term notes (the “**MTNs**”) can be distributed to the public. The MTNs rank equally and *pari passu* with all other existing and future unsecured and unsubordinated indebtedness of the Company.

During fiscal 2022, we completed the offering of one series of MTNs, which is detailed in the following table:

Security	Series 9 Notes
Size of Offering	\$300,000,000
Original Issue Date	June 22, 2021
Maturity Date	June 22, 2028
Coupon Rate	2.3%
Issue Price	\$1,000 per \$1,000 principal amount
Application of Proceeds	Repayment of outstanding indebtedness

Under our short form base shelf prospectus dated December 9, 2020, we could issue, over a 25-month period, up to \$3 billion of equity and debt securities. In addition, under our prospectus supplement dated December 15, 2020, we renewed our MTN Program and we could issue, over the same period, up to \$3 billion of MTNs for distribution to the public.

As at May 31, 2022, we had seven series of unsecured senior notes outstanding under our MTN Program for an aggregate principal amount of \$2.7 billion.

In connection with our MTN Program and the issuance of the MTNs, we obtained credit ratings. See "Credit Ratings".

11.3 Credit Ratings

As at May 31, 2022, our credit ratings were as follows:

	DBRS		Moody's	
	Rating	Trend	Rating	Outlook
Issuer Credit Rating	BBB (high)	Negative	–	–
MTN Program	BBB (high)	Negative	Baa1	Negative
Notes	BBB (high)	Negative	Baa1	Negative

Our current credit ratings are given the following credit characteristics by the rating agencies, which are based on information made available to the public by the rating agencies.

DBRS

- DBRS Limited ("**DBRS**") has 10 issuer rating categories and long-term debt rating categories, each ranging from AAA to D and uses the designation "(high)" and "(low)" in all rating categories other than AAA and D to show the relative standing of a rating within a category. The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.
- The BBB (high) issuer credit rating assigned to us by DBRS indicates that we rank in the fourth highest of DBRS's 10 rating categories. Issuers which are rated in the BBB category by DBRS are considered to be of adequate credit quality and the capacity for the payment of their financial obligations is considered acceptable. In addition, issuers in the BBB rating category may be vulnerable to future events. Issuer ratings assigned by DBRS address the overall credit strength of the issuer, are based on the entity itself and do not include consideration for security or ranking.
- The BBB (high) long-term debt rating assigned by DBRS to the MTNs we issued indicates that the MTNs rank in the fourth highest of DBRS's ten rating categories. Debt instruments which are rated in the BBB category by DBRS are considered to be of adequate credit quality and the capacity for the payment of financial obligations is considered acceptable. In addition, debt instruments in the BBB rating category may be vulnerable to future events.

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- DBRS uses "rating trends" for its ratings in the corporate sector. Rating trends provide guidance in respect of DBRS's opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories – "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, the DBRS view is based primarily on an evaluation of the issuing entity or debt instruments, as applicable, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates. A Positive or Negative Trend is not an indication that a rating change is imminent. Rather, a Positive or Negative Trend represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a Stable Trend was assigned to the issuing entity or debt instruments, as applicable. DBRS assigns a rating trend for each security of an issuing entity, and it is not unusual for securities of the same entity to have different trends.

Moody's

- Moody's Canada Inc. ("**Moody's**") has nine long-term debt rating categories, ranging from Aaa to C and applies numerical modifiers 1, 2, and 3 to each rating classification from Aa to Caa. The modifier 1 indicates that the long-term debt ranks in the higher end of its generic rating category, the modifier 2 indicates a mid range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.
- The Baa1 rating assigned to the notes we issued by Moody's indicates that the notes rank in the fourth highest of Moody's nine rating categories. Long term debt securities, which are rated Baa by Moody's, are considered medium grade and as such may possess speculative characteristics.
- Moody's uses "rating outlooks" to provide its opinion regarding the likely direction of a rating over the medium term. The assignment of, or a change in, an outlook is not a credit rating action if there is no change to the credit rating. Where assigned, rating outlooks fall into the following four categories: "Positive (POS)", "Negative (NEG)", "Stable (STA)" and "Developing (DEV - contingent upon an event)".

The credit ratings assigned by DBRS and Moody's are not recommendations to purchase, hold, or sell our securities and may be subject to revision or withdrawal at any time by the respective rating organization. Such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that these ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely in the future by the respective rating organizations if in their judgment circumstances so warrant. The credit ratings assigned by DBRS and Moody's may not reflect the potential impact of all risks related to structure and other factors of the MTN Program and on the value of the MTNs. In addition, real or anticipated changes in the credit ratings assigned to us or our securities will generally affect the market value of the MTNs.

As is common practice, each of the above-noted credit rating agencies charged us for their rating services, which include annual monitoring fees for monitoring the Company and updating the ratings, in addition to one-time rating fees when MTNs are issued. We reasonably expect that such payments will continue to be made for rating services in the future. No additional payment was made to the above-noted credit rating agencies for other services provided to us during the last two fiscal years.

Item 12 – Directors and Officers

12.1 Directors

The following table sets forth each director's name, province/state and country of residence, the year each first became a director, and principal occupation. Directors are elected until the next annual meeting of shareholders or, in the case of a vacancy or resignation, until a successor is elected or appointed.

Name and Province/State and Country of Residence	Director Since	Principal Occupation ⁽¹⁾
Lino A. Saputo Québec, Canada	2001	Chair of the Board, President and Chief Executive Officer, Saputo Inc.
Louis-Philippe Carrière, FCPA ⁽²⁾ Québec, Canada	2017	Corporate Director
Henry E. Demone ⁽³⁾ Nova Scotia, Canada	2012	Corporate Director
Olu Fajemirokun-Beck, ACMA, CGMA, CIMA ⁽⁴⁾ New Jersey, USA	2021	Founder and Chief Executive Officer, The Beck Group NJ LLC (a boutique strategic and management advisory firm)
Anthony M. Fata ⁽³⁾⁽⁵⁾⁽⁶⁾ Québec, Canada	2008	President, Sager Food Products Inc. (a food products manufacturing and distribution company)
Annalisa King, ICD.D ⁽⁴⁾ British Columbia, Canada	2012	Chair of the Board, the Vancouver Airport Authority
Karen Kinsley, FCPA, FCA, ICD.D ⁽⁴⁾ Ontario, Canada	2015	Corporate Director
Tony Meti, ICD.D ⁽⁴⁾ Québec, Canada	2008	President, G.D.N.P. Consulting Services, Inc. (a consulting company)
Diane Nyisztor, CPA, H.R.C.C.C. ⁽³⁾ Québec, Canada	2016	Corporate Director
Franziska Ruf ⁽³⁾ Québec, Canada	2016	Partner, Davies Ward Phillips & Vineberg LLP (a law firm)
Annette Verschuren, O.C. ⁽⁴⁾ Ontario, Canada	2013	Chair of the Board and Chief Executive Officer, NRStor Inc. (a commercial energy storage project developer)

- (1) Reference is made to our Management Information Circular dated June 9, 2022, under the section titled "Election of Directors", for information on other occupations during the last five years. This information is incorporated herein by reference. Our Management Information Circular may be found on our website at www.saputo.com or on SEDAR at www.sedar.com.
- (2) Mr. Louis-Philippe Carrière was Chief Financial Officer and Secretary of the Company until August 1, 2017, and senior advisor to the Company from August 1, 2017, to April 3, 2020.
- (3) Member of the CGHR Committee. If all proposed nominees for election to the Board are elected at the next annual meeting of shareholders to be held on August 4, 2022 (the "Meeting"), the Board intends to reconduct Mr. Anthony M. Fata as Chair of the CGHR Committee.
- (4) Member of the Audit Committee. The Chair of the Audit Committee is Mr. Tony Meti. Mr. Meti will not be standing for re-election at the Meeting. Therefore, if all proposed nominees for election to the Board are elected at the Meeting, the Board intends to appoint Ms. Annalisa King as the new Chair of the Audit Committee.
- (5) Lead Director. If all proposed nominees for election to the Board are elected at the Meeting, the Board intends to reconduct Mr. Anthony M. Fata as Lead Director.
- (6) Mr. Anthony M. Fata was a director of Verona Foods Inc., an importer of specialty foods, until August 3, 2012. Verona Foods Inc. commenced proposal proceedings under the *Bankruptcy and Insolvency Act* (Canada) on October 3, 2012, by filing a notice of intent to make a proposal. On January 29, 2013, Verona Foods Inc. made a voluntary assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada). The trustee to Verona Foods Inc. completed its administration of the estate and was discharged on September 8, 2016.

During the last five years, all of the above-listed directors have been engaged in their present principal occupations or in other executive capacities with the companies indicated opposite their name or with related or affiliated companies, except:

- Mr. Henry E. Demone who was Chair of the Board of Directors, High Liner Foods Incorporated from 2015 to 2019;
- Mr. Louis-Philippe Carrière who was Chief Financial Officer and Secretary, Saputo Inc. until August 1, 2017, and our senior advisor from August 1, 2017, to April 3, 2020;
- Ms. Olu Fajemirokun-Beck who was Chief Executive Officer, Wholesome Sweeteners from 2016 to 2018; and
- Ms. Diane Nyisztor who was Senior Vice Present and Chief Human Resources Officer and Special Human Resources Advisor, Cogeco from 2014 to 2022.

Information concerning the securities held by directors is included in our Management Information Circular, dated June 9, 2022, under the section titled “Election of Directors”.

12.2 Executive Officers

The following list sets forth the name, province or state, country of residence, and position with the Company of each person who is an executive officer of the Company as of May 31, 2022:

Strong and Seasoned Leadership Team



Lino A. Saputo
Chair of the Board,
President and CEO
Québec, Canada



Maxime Therrien
Chief Financial Officer
and Secretary
Québec, Canada



Gaétane Wagner
Chief Human Resources
Officer
Québec, Canada



Martin Gagnon
Chief Acquisition and Strategic
Development Officer
Florida USA



Carl Colizza
President and COO
(North America)
Florida USA



Leanne Cutts
President and COO
(International and Europe)
Victoria, Australia



Frank Guido
President and COO
Dairy Division (Canada)
Ontario, Canada



Lyne Castonguay
President and COO
Dairy Division (USA)
Florida USA



Tom Atherton
President and COO
Dairy Division (UK)
East Sussex, UK



Marcelo Cohen
President and COO
Dairy Division (Argentina)
Buenos Aires, Argentina



Richard Wallace
President and COO
Dairy Division (Australia)
Victoria, Australia

During the last five years, all of the above-listed executive officers have held the principal occupation indicated opposite their names or other senior management positions with the Company, except for Ms. Lyne Castonguay who, from 2016 to June 2019, occupied several positions at Sobeys Inc., including Executive Vice President, Operations, Supply Chain/Logistics, New Store and Customer Experience, and Ms. Leanne Cutts who was Global Chief Marketing Officer at HSBC from 2017 to May 2021 and President of Gum, Candy and Beverages, APAC, Middle-East and Africa (AMEA) and Global President, Marketing Services at Mondelez from 2015 to 2017. As of May 31, 2022, our directors and executive officers, as a group, beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of 475,011 Common Shares, representing approximately 0.1% of our outstanding Common Shares.

Item 13 – Legal Proceedings

We are defendants to certain claims arising from the normal conduct of our business. Management believes that the final resolution of these claims will not have a material adverse effect on our earnings or financial position.

Item 14 – Interest of Management and Others in Transactions

The Audit Committee reviews the Company's related party transactions and the Company's procedures to monitor its related party transactions. Any transaction by the Company on the one hand and a related party, such as (i) companies subject to control or significant influence through ownership by its principal shareholder, or (ii) key management personnel, being all the executive officers who have responsibility and authority for controlling, overseeing, and planning the activities of the Company, as well as the Company's directors, on the other hand, is subject to the Company's procedure on related party transaction. In the normal course of business, we may enter into related party transactions at fair value, consistent with market values for similar transactions. In fiscal 2022, these transactions were of an immaterial amount. Reference is made to the note of the Consolidated Financial Statements of the Company that describes related party transactions. See "Additional Information".

Item 15 – Experts

Our auditor for fiscal year 2022 is KPMG LLP. KPMG LLP is independent of Saputo within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

Item 16 – Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares and the MTNs is Computershare Trust Company of Canada at its principal offices in Montréal and Toronto.

Item 17 – Material Contracts

No material contracts outside our ordinary course of business were entered into during the year ended March 31, 2022, or before such year that are still in effect, and which are required to be filed with Canadian securities regulatory authorities in accordance with section 12.2 of National Instrument 51-102 *Continuous Disclosure Obligations*.

Item 18 – Audit Committee Information

18.1 Audit Committee's Mandate

The Audit Committee's mandate is included in Appendix A.

18.2 Composition and Relevant Education and Experience

All members of the Audit Committee are independent and financially literate.

The following table sets forth each Audit Committee member's name and education, as well as experience relevant to the performance of his or her responsibilities as an Audit Committee member:

Name	Education and Experience
Olu Fajemirokun-Beck, ACMA, CGMA, CIMA	Completed a Master's degree in Law, obtained the CIMA professional qualification, completed the ACMA certification, and completed the CGMA Finance Leadership Program. Ms. Fajemirokun-Beck has occupied senior executive positions in finance throughout her career in the consumer goods industry across multiple categories, brands, and functions, including Chief Financial Officer for Uncle Ben's and Financial Controller at Mars, Incorporated. Ms. Fajemirokun-Beck founded the Beck Group NJ LLC in 2013 and currently occupies the position of Chief Executive Officer. Ms. Fajemirokun-Beck's professional experiences required and contributed to the development of her ability to analyze financial statements and understand the accounting principles we use.
Annalisa King, ICD.D	Completed a Bachelor's degree in business administration. Ms. King has occupied senior positions, primarily in finance, throughout her career at consumer-packaged goods companies, including Senior Vice President and Chief Financial Officer of Best Buy Canada Ltd. from 2008 to 2016, where she led the company's finance and accounting departments, as well as the information and ecommerce technology, cybersecurity, legal, and real estate functions. Ms. King's professional experiences required and contributed to the development of her ability to analyze financial statements and understand the accounting principles we use.
Karen Kinsley, FCPA, FCA, ICD.D	Completed a Bachelor's degree in Commerce. Ms. Kinsley has been a member of the Chartered Professional Accountants of Ontario since 1979 and was named a <i>fellow</i> in 2009. Ms. Kinsley held various positions within Canada Mortgage and Housing Corporation, including Chief Financial Officer for nine years and President and Chief Executive Officer for ten years. Ms. Kinsley's professional experiences required and contributed to the development of her ability to analyze financial statements and understand the accounting principles we use.
Tony Meti, ICD.D	Completed a Bachelor's degree in Commerce. Mr. Meti occupied over the past 30 years various positions within Canadian Chartered Banks, including Senior Vice President, Commercial Banking and International and Senior Vice President, Commercial, North America. He is now the President of G.D.N.P. Consulting Services, Inc. Mr. Meti's professional experiences required and contributed to the development of his ability to analyze financial statements and understand the accounting principles we use.
Annette Verschuren, O.C.	Completed a Bachelor's degree in business administration. Ms. Verschuren has occupied senior functions throughout her career, such as President of The Home Depot Canada from 1996 to 2011. She has been the Chair and Chief Executive Officer of NRStor Inc. since March 2012. Ms. Verschuren's professional experiences required and contributed to the development of her ability to analyze financial statements and understand the accounting principles we use.

18.3 Policies and Procedures Regarding the Services Rendered by the External Auditors

We have a policy with respect to services rendered by our external auditors (the “Policy”). The Policy divides the services in three categories:

- (i) services that are considered audit related (“Audit Services”) and therefore covered by the annual audit budget;
- (ii) services that do not qualify as Audit Services (“Other Mandates”); and
- (iii) services that cannot be provided by the external auditors (“Prohibited Mandates”).

Pursuant to the Policy, no Other Mandate(s) can be provided by our external auditors, unless one of the following conditions is met:

- (i) the Audit Committee has pre-approved the Other Mandate(s); or
- (ii) the amount of the fees to be paid for the Other Mandate does not exceed \$75,000 and the aggregate amount of all Other Mandate(s) not pre-approved by the Audit Committee and granted since the beginning of the fiscal year does not exceed \$250,000.

Finally, the Policy requires that Management presents to the Audit Committee, on a quarterly basis, a statement of the services (other than the Audit Services) rendered by our external auditors, as well as any mandate given to other accounting firms.

18.4 External Auditors’ Fees (By Category)

At the annual meeting of shareholders on August 5, 2021, KPMG LLP was appointed by the shareholders as external auditors of the Company for the fiscal year ending March 31, 2022. Prior to that date, our external auditors were Deloitte LLP.

The fees of our external auditors relating to the years ended March 31, 2022, and March 31, 2021, are detailed below.

Fee Category	KPMG LLP - 2022 (\$ thousands)	Deloitte LLP - 2021 ⁽¹⁾ (\$ thousands)
Audit Fees	1,975	2,592
Audit Related Fees	649	725
Tax Fees	225	455
All Other Fees	96	10
Total	2,945	3,782

(1) Audit fees and audit related fees include \$568k and \$52k respectively related to the March 31, 2020 year end audit.

“Audit fees” include the aggregate fees billed by our external auditors for professional services rendered for the audit of our annual consolidated financial statements, for the review of our condensed interim consolidated financial statements, and for services provided in connection with regulatory, prospectus, and other offering document filings or similar engagements. In addition, audit fees included the cost of translation of various continuous disclosure documents.

“Audit Related Fees” include the aggregate fees billed by our external auditors for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and not reported as part of Audit Fees. More specifically, these services include, among other things, pension plan audits, attest services that are required by statute or regulation, consultations regarding financial reporting and accounting standards, services related to acquisitions, and other statutory audits.

“Tax Fees” include the aggregate fees billed by our external auditors for all tax services. More specifically, these services include, among other things, tax compliance, tax preparation, tax advice, and tax planning. Fees for tax advice and planning amounted to \$225,000 for fiscal 2022 and \$345,200 for fiscal 2021. Fees related to tax compliance and preparation amounted to nil for fiscal 2022 and \$110,300 for fiscal 2021.

“All Other Fees” include the aggregate fees billed by our external auditors for all services other than those reported under Audit Fees, Audit Related Fees, and Tax Fees, and generally relate to services performed with respect to business consulting and other advisory services.

Item 19 – Additional Information

Additional information, including the disclosure of our corporate governance practices, directors’ and officers’ remuneration and indebtedness, principal holders of securities and securities authorized for issuance under the equity compensation plan are included in our Management Information Circular, dated June 9, 2022. Additional financial information is included in our Consolidated Financial Statements and notes thereto and in the accompanying Management’s Discussion and Analysis for the fiscal year ended March 31, 2022. These documents may be found on our website at www.saputo.com or on SEDAR at www.sedar.com. Copies of these documents may be obtained by written request to our Secretary by mail at 6869 Métropolitain Boulevard East, Montréal, Québec, H1P 1X8, or via our Investor Relations department at investors@saputo.com.

Appendix “A”

Audit Committee Mandate

1. AUTHORITY

The audit committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Saputo Inc. (the “Company”) which has the responsibilities described under the heading “Responsibilities”. The Committee reports to the Board. The role of the Committee is to assist the Board in its oversight and supervision of (i) the integrity of the Company’s financial reporting, (ii) the Company’s internal controls, (iii) the independence, qualifications and performance of the external auditors, (iv) the performance of the internal auditor, (v) risk management, and (vi) the Company’s compliance with applicable securities legislation.

2. STRUCTURE

- 2.1 The Committee is made up of a minimum of three directors of the Company, each being independent and financially literate, except to the extent permitted under securities legislation. The terms “independent” and “financially literate” each have the meaning provided under securities legislation.
- 2.2 The mandate of the members is for one year and may be renewed. The members are appointed by the Board at the first meeting following the annual meeting of shareholders, or at any other meeting to fill a vacancy. The Board may dismiss or replace a member at any time.
- 2.3 The Chair is appointed by the Board for a one-year term, which may be renewed. In the absence or failure of the Chair to sit, this role is filled by a member chosen by the Committee.
- 2.4 The Committee meets at least four times annually. The Chair of the Board, the Lead Director, any member of the Committee, the external auditors, the person responsible for internal audit, the Chief Executive Officer, or the Chief Financial Officer and Secretary may call special meetings as needed. The Committee determines the place, date, and time of its meetings. The meetings may be held by telephone or by any other means allowing the members to communicate with each other. Unless waived by the members of the Committee, the Committee shall meet in camera at each meeting.
- 2.5 The quorum for meetings of the Committee is a majority of the members and decisions are made by the majority of the votes cast by the members present.
- 2.6 The Chair of the Committee approves meeting agendas and ensures that documents referred to in the agenda are forwarded to members of the Committee sufficiently in advance for their perusal. Any member of the Committee may propose the inclusion of additional items on the agenda, or at any Committee meeting raise subjects that are not on the agenda for that meeting.
- 2.7 Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee and must be circulated to the members of the Committee for their approval. The Secretary of the Company, his or her designate, or any other person the Committee requests, shall act as secretary of the Committee meetings. Minutes of the Committee meetings shall be recorded and maintained by the Secretary, or any other person acting in such capacity, and subsequently presented to the Board.
- 2.8 To facilitate communication between the Committee and the Board, the Chair must provide a report to the Board on material matters considered by the Committee at the first Board meeting following the Committee’s meeting.
- 2.9 The Committee may invite any person deemed appropriate to a Committee meeting. However, such person may not at any time vote at the Committee’s meeting.

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- 2.10 The Committee has full access to members of senior management, other personnel, as well as to documents of the Company and its subsidiaries. The Committee has the authority to retain, at the cost of the Company, independent legal counsel, consultants, or other advisors it considers necessary to carry out its mandate and fulfill its responsibilities, and to fix the compensation of such advisors.
- 2.11 The Committee has the power to communicate directly with the external auditors and the Company's internal auditor, accounting personnel, and management, each of which shall have unrestricted access to the Committee. For the purpose of its duties, the Committee may examine the pertinent books and accounts of the Company and its subsidiaries.
- 2.12 The external auditors report and account directly to the Committee.

3. RESPONSIBILITIES

In carrying out its mandate and in addition to complying with legal responsibilities that may be attributed to it from time to time, the Committee has the following responsibilities and obligations:

3.1 Financial Disclosure

- Review the interim financial reports and annual financial statements accompanied by the external auditors' report, management's discussion and analysis, and press releases regarding the financial results before their public release and recommend their approval to the Board. This review includes discussions with management and the external auditors regarding the interim financial reports and the annual financial statements and material questions concerning the accounting principles and practices of the Company.
- Review as directed by the Board or at the discretion of the Committee the other public documents which may disclose financial information, including all prospectuses, the management information circular, annual information form, and annual report of the Company before their public release and recommend their approval to the Board.
- Review and monitor practices and procedures relating to the certifications by the Chief Executive Officer and the Chief Financial Officer and Secretary with respect to internal control over financial reporting and disclosure controls and procedures.
- Review and discuss with management and the external auditors the appropriateness, quality, and disclosure of the accounting principles and practices, the underlying assumptions and the reporting practices of the Company, and the appropriateness of any significant changes thereto or any proposed material change, and ensure they comply with the applicable laws and regulations.
- Review, examine, and discuss the foreseeable repercussions of any new audit or accounting standards, or new requirement under the securities legislation with management and the external auditors.
- Review, at least annually, the Company's strategy regarding distributions to shareholders generally, including strategy with respect to dividends and making recommendations to the Board with respect to the repurchase of shares of the Company.
- Review the disclosure of the pension plans and other post-employment benefits of the Company in the annual financial statements.

3.2 Risk Management and Internal Control

- Periodically review, evaluate, and discuss with management and internal audit the risk factors inherent to the Company (including reputational, financial, strategic, compliance, and operational risks) and ensure that appropriate measures are in place to enable management to identify and manage them effectively.
- Oversee the elements of the Saputo Promise delegated to the Committee by the Board, such as the application and respect of the Environmental Policy and the Food Quality and Safety Policy of the Company and make periodical reports to the Board with respect thereto.
- Periodically review and monitor the presence and the effectiveness of the Company's internal control over financial reporting through reports prepared by management, the internal auditor, and the external auditors (which reports would also identify weaknesses or would make recommendations in respect of controls that could have a material impact on the financial information of the Company), as well as the measures implemented to remedy the situation and ensure proper follow-up.

- Periodically evaluate and assess the adequacy of the disclosure controls and procedures of the Company, including the procedures set up by the Company to communicate publicly its financial information taken or derived from its financial statements.
- Establish and maintain a policy concerning the disclosure of material information.
- Review management's report on transactions with related parties.
- Review any legal matters (including litigation proceedings, claims, and contingencies) that could have a material effect on the financial statements or on the affairs of the Company and ensure that they are appropriately disclosed in the financial statements.
- Ensure that the annual information form and the management information circular include the required and mandatory information concerning the Committee.
- Review communications with the Autorité des marchés financiers or any other regulatory authority regarding the financial statements and continuous disclosure documents.
- Establish and maintain procedures regarding:
 - the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
 - the confidential and anonymous submission by employees of the Company and other stakeholders of concerns regarding questionable accounting or auditing matters.
- Review the delegation of authority and oversee its application.

3.3 Internal Audit

- Oversee the internal audit function.
- Review and approve annually the internal audit plan prepared by the person responsible for internal audit.
- Review periodically the reports, observations, and recommendations of the internal auditor intended for the Committee, as well as the implementation of the recommendations.
- Meet periodically with the person responsible for internal audit, with and without the presence of management and the external auditors. During private meetings, discuss, among other things, the level of cooperation received from management, any unresolved differences of opinion, if any, the risk management framework and the internal control systems in place.
- Evaluate the performance of the internal audit function at least once per year.

3.4 External Auditors

- Oversee the work of the external auditors retained to prepare or issue the auditors' report or render other audit, review, examination or certification services to the Company and resolve disagreements, if any, between management and the external auditors regarding financial reporting.
- Obtain and review annually a report by the external auditors of the Company describing the external auditors' quality control procedures.
- Recommend to the Board the appointment of external auditors for the upcoming fiscal year and the fees for all audit, review, or other attest services.
- Review, discuss with the external auditors, and adopt annually the audit plan prepared by the external auditors, determine whether it meets the needs of the Company and, at least once per year, obtain an official written declaration from the external auditors attesting to their independence and delineating all relationships the external auditors have with the Company which may affect the independence and objectivity of the external auditors.
- Review and evaluate, at least once per year, the independence and performance of the external auditors, the qualifications and quality of their engagement team, and the quality of communications and interactions between the Committee, the external auditors, and management.

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- Review the external auditors' letters of recommendations to management, management's reply thereto, and the implementation of the recommendations.
 - Adopt and maintain a policy concerning the prior approval of all services not related to the audit which the external auditors of the Company may render to the Company and its subsidiaries in accordance with applicable laws and regulations, as well as the fees for such services, and ensure the enforcement of and compliance with such policy.
 - Examine and approve the hiring policy of the Company with respect to former or current partners and employees of current and former external auditors of the Company and ensure the enforcement of and compliance with such policy.
 - Meet periodically with the external auditors, with and without the presence of management, in regard to the interim financial reports and annual financial statements and discuss with them (i) the results of the audit or review, as applicable, (ii) the assessment of the control systems in place and their recommendations, (iii) any significant risks or exposures identified by the external auditors, and (iv) any other material matter relating to the audit or review of the financial statements, including the level of cooperation received from management and the internal auditor and any material differences of opinion between the external auditors and management that occurred during the course of the audit or review of the financial statements.
 - Ensure that there is a rotation of the lead engagement partner, engagement quality review partner, and other key audit partners, as per the CPA Code of Professional Conduct.
 - Review any other issue which the Board, in the opinion of the external auditors, should be informed about and report thereon to the Board.

3.5 Evaluation of the Committee

- Annually assess the accomplishments and performance of the Committee and submit the result of this assessment to the Board.
- Annually review the mandate of the Committee and recommend any changes to the Board.

3.6 Other Responsibilities

- Carry out any other duty related to the performance of its mandate, including, in particular, any investigations about matters related to its mandate.
- Carry out any other mandate which the Board may entrust to it from time to time.
- Act as a channel of communication between management, the internal auditor, the external auditors, and the Board.

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