

Welcome to your CDP Water Security Questionnaire 2020

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Saputo produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients. Saputo is one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia, and the second largest in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. Saputo products are sold in several countries under market-leading brands, as well as private label brands. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP".

Key figures (as of August 2020):

- Approximately 17,200 employees
- Approximately 11 billion litres of milk/ year processed into various dairy products
- 65 plants: Canada Sector (21) USA Sector (26) International Sector (13) Europe Sector (5)
- Products sold in over 50 countries

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

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Processing/Manufacturing
Distribution

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	April 1, 2019	March 31, 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

- Argentina
- Australia
- Canada
- United Kingdom of Great Britain and Northern Ireland
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

- CAD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

- Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

- Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Offices	Saputo does not consolidate the water use of its offices at global level. We currently focus on our most material water use which occurs in our manufacturing facilities.
Recent acquisitions	Recent acquisitions which have not yet been integrated in the global reporting system to track the water withdrawals at corporate level are excluded. New acquisitions are integrated in our global system from April 1 of the fiscal year following the acquisition.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Access to clean water is vital to our manufacturing operations including production, cleaning and sanitation processes. Milk is our primary ingredient therefore the selection of "Vital" for indirect use is to reflect our suppliers' reliance on sufficient access to water to produce raw material.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Have not evaluated	Sufficient amounts of recycled, brackish and produced water are important for Saputo's direct operations. Recycled, brackish and produced water are used in our manufacturing operations wherever possible. Reuse and recycling enable greater operational efficiency and so minimises the amount of water we withdraw. Secondary benefits include energy and chemical efficiency, product recovery and cost reductions.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue?

Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Other, please specify Milk		Sourced	As a global dairy processor, milk is our primary ingredient which we source from third-party suppliers.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Saputo measures water withdrawals at all of its facilities. Volume of water withdrawals is collected monthly at each facility and reported into a company wide database. The data is reported internally to the environmental committee to manage global water risks.
Water withdrawals – volumes by source	100%	Saputo measures water withdrawals source at all of its facilities. Source of water withdrawals is collected monthly at each facility and reported into a company wide database. The water withdrawal sources which are applicable to Saputo are municipal water, fresh water and well water.
Water withdrawals quality	100%	Each of our facilities monitors the water quality as required for their production process. However, we do not currently track it in our global reporting system at the corporate level.
Water discharges – total volumes	100%	Saputo collects data on water discharge by destination at facilities and consolidate it at corporate level annually. Discharged water is sent to local municipality treatment facilities or where possible back to source. In certain facilities, the water discharge volume is estimated based on water input.
Water discharges – volumes by destination	100%	Saputo collects data on water discharge by destination at facilities and consolidate it at corporate level annually. Discharged water is sent to local municipality treatment facilities or where possible back to source. In certain facilities, the water discharge volume is estimated based on water input.
Water discharges – volumes by treatment method	100%	Saputo collects data on water discharge by destination at facilities and consolidate it at corporate level annually. Discharged water is sent to local municipality treatment facilities or where possible back to source. In certain facilities, the water discharge volume is estimated based on water input.
Water discharge quality – by standard effluent parameters	100%	Discharged water quality is measured at all of our facilities on a monthly basis to ensure compliance with local regulations. Any

		breaches are reported to our Environmental Committee scorecard on a quarterly basis.
Water discharge quality – temperature	1-25	We monitor water temperature at our facilities where water is directly discharged back into source to ensure compliance with local regulations. However, we do not currently track it in our global reporting system at the corporate level.
Water consumption – total volume	100%	Saputo measures water consumption annually. For certain facilities, consumption volume is estimated based on water output estimated.
Water recycled/reused	1-25	Water that is recycled and reused is calculated at plants where possible although the data is not aggregated at the global level.
The provision of fully-functioning, safely managed WASH services to all workers	Not monitored	

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	24,128	About the same	The acquisitions of seven additional processing facilities during the fiscal year contributed to an increase of 6%.
Total discharges	23,853	Higher	The acquisitions of seven additional processing facilities during the fiscal year contributed to an increase of 11%. The increase can also be attributed to improvements in discharged water data collection.
Total consumption	275	Much lower	Water consumption decreased significantly during the fiscal year mainly as a results of the acquisitions of seven additional processing facilities discharging more water than they withdraw.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	Much lower	WRI Aqueduct	Changes in methodology used by the WRI Aqueduct tool resulted in. a significant reduction of our plants being in a high water-stressed areas. A water-stressed area is defined as having a baseline water stress level that is considered “high”, or above 40%, in the Aqueduct tool.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Other commodities from W-FB1.1a, please specify Milk	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. Looking ahead, we’ll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	215.6	Much higher	The acquisitions of seven additional processing facilities during the fiscal year in addition to improvements in data collection contributed to a significant increase.
Brackish surface water/Seawater	Not relevant			
Groundwater – renewable	Relevant	5,602	About the same	The consumption of renewable groundwater decreased by 5% from the previous reporting year.
Groundwater – non-renewable	Not relevant			
Produced/Entrained water	Not relevant			
Third party sources	Relevant	18,310	Higher	The acquisitions of seven additional processing facilities during the fiscal year contributed to an increase of 10%.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	2,072	Higher	The acquisitions of seven additional processing facilities during the fiscal year contributed to a significant increase.
Brackish surface water/seawater	Not relevant			

Groundwater	Relevant	2,808	This is our first year of measurement	
Third-party destinations	Relevant	18,971	About the same	The acquisitions of seven additional processing facilities during the fiscal year contributed to an increase of 8%.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities from W-FB1.1a, please specify Milk	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

No, not currently but we intend to within two years

W1.4d

(W1.4d) Why do you not engage with any stages of your value chain on water-related issues and what are your plans?

Primary reason	Please explain

Row 1	We are planning to do so within the next two years	In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations. As we do not own or operate farms, engaging with our patron farmers as well as industry bodies will form part a key part of our strategy, leveraging our capabilities as a business to create positive environmental changes.
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W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

Water risks are assessed as part of an enterprise risk management framework, as per our climate-related risks. These risks are reported to the Audit Committee, and managed by the Environmental Committee as part of our Environmental Policy. The Audit Committee receives quarterly reports from the Environmental Committee and an annual presentation from its Chair. The Environmental Committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the Environmental Policy and meets quarterly to discuss our environmental risks, the required action plans, and the status of ongoing projects. Each senior manager responsible for environmental matters, is responsible to identify and manage water pollutants in their division and ensure appropriate waste water management plan are in place.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant

Other, please specify
Organic pollutant

Activity/value chain stage

Manufacturing – direct operations

Description of water pollutant and potential impacts

Wastewater that is produced through dairy processing may contain large amounts of protein, fats and lactose. The organic content of the wastewater may increase the biological and chemical oxygen demand of the water, which has the potential to exhaust the oxygen supply in the water.

Management procedures

Waste water management

Please explain

We monitor and manage the organic content of our wastewater before discharging it.

Potential water pollutant

Other, please specify
pH imbalance

Activity/value chain stage

Manufacturing – direct operations

Description of water pollutant and potential impacts

Through the production and sanitation processes, a water pH imbalance can be created. Water which is either highly acidic or basic can be detrimental to biodiversity.

Management procedures

Waste water management

Please explain

The water is treated and returned to an appropriate pH before being discharged.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management

Tools and methods used

WRI Aqueduct

Comment

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

The Audit Committee receives quarterly reports from the Environmental Committee and an annual presentation from its Chair. The Environmental Committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the Environmental Policy and meets quarterly to discuss our environmental risks, the required action plans, and the status of ongoing projects. Saputo's Director, Corporate Responsibility, is responsible for assessing water-related risks, informing Management, and ensuring appropriate mitigation measures and action plans are in place in our global operations. Each division also has an Environmental Affairs Lead who ensures environmental risks are appropriately managed at the local level.

Specific water-related risks assessments are also carried out annually using the WRI Aqueduct tool.

Supply chain

Coverage

None

Comment

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

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

Other stages of the value chain

Coverage

None

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	The water availability at the local level was assessed using the WRI Aqueduct tool.
Water quality at a basin/catchment level	Relevant, always included	The water quality at the local level was assessed using the WRI Aqueduct tool.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not considered	Stakeholder conflicts are currently not considered in our water risk assessment.
Implications of water on your key commodities/raw materials	Not considered	Water implications on our key commodity is currently not considered in our water risk assessment. In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. Looking ahead, we'll also extend our efforts to our

		supply chain to further assist and help address industry-wide environmental considerations.
Water-related regulatory frameworks	Relevant, always included	The water regulations at the local level was assessed using the WRI Aqueduct tool.
Status of ecosystems and habitats	Relevant, always included	The ecosystem habitats at the local level was assessed using the WRI Aqueduct tool.
Access to fully-functioning, safely managed WASH services for all employees	Not considered	Not currently monitored.
Other contextual issues, please specify		

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, sometimes included	We engage with some large customers on water-related issues when requested.
Employees	Relevant, sometimes included	We strive to continually improve our water performance through training of employees and raising awareness.
Investors	Relevant, sometimes included	We have been publishing water withdrawal numbers externally since FY 2017 and we are submitting our third CDP Water response this year.
Local communities	Relevant, sometimes included	We engage in continuous conversations with local communities where we operate. Significant risks are reported into our Environmental Committee as they arise.
NGOs	Relevant, not included	Our water risks were assessed using the WRI Aqueduct tool which doesn't account for specific stakeholder views.
Other water users at a basin/catchment level	Relevant, sometimes included	Our water risks were assessed using the WRI Aqueduct tool. Other users are included as part of the water stress assessment of the tool.
Regulators	Relevant, sometimes included	The water regulations at the local level was assessed using the WRI Aqueduct tool.

River basin management authorities	Relevant, sometimes included	The water regulations at the local level was assessed using the WRI Aqueduct tool.
Statutory special interest groups at a local level	Not considered	Our water risks were assessed using the WRI Aqueduct tool which doesn't account for specific stakeholder views.
Suppliers	Relevant, not included	We do not currently engage our suppliers on water related issues. In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.
Water utilities at a local level	Relevant, not included	Our water risks were assessed using the WRI Aqueduct tool which doesn't account for specific stakeholder views.
Other stakeholder, please specify	Not considered	

W3.3d

(W3.3d) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

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

The Audit Committee receives quarterly reports from the Environmental Committee and an annual presentation from its Chair. The Environmental Committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the Environmental Policy and meets quarterly to discuss our environmental risks, the required action plans, and the status of ongoing projects. Saputo’s Director, Corporate Responsibility, is responsible for assessing water-related risks, informing Management, and ensuring appropriate mitigation measures and action plans are in place in our global operations. Each division also has an Environmental Affairs Lead who ensures environmental risks are appropriately managed at the local level.

Specific water-related risks assessments are also carried out annually using -the WRI Aqueduct tool.

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

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

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only in our value chain beyond our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We have an internal risk assessment process detailing how we define substantive impact on our business. However, this is sensitive information we are not ready to disclose.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	1-25	Two facilities have been identified as having high water risks. The Water Risk Monetizer by Ecolobal was used to identify the facilities that are at risk.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Number of facilities exposed to water risk

% company-wide facilities this represents

% company's total global revenue that could be affected

Comment

We do not have identified any water risks in our own operations which could have a substantive financial or strategic impact on our business.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Primary potential impact

Constraint to growth

Company-specific description

Saputo purchases raw materials that may represent up to 85% of the cost of products. Availability of raw materials as well as variations in the price of foodstuffs (including as a result of climate change or extreme weather such as drought) can impact production costs and capacity utilization and therefore affect the Company's results. The effect of any increase of foodstuff prices on results depends on the Company's ability to transfer those increases to its customers and this, in the context of a competitive market.

Timeframe

Current up to one year

Magnitude of potential impact

Medium-high

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

In FY2020, drought in Australia resulted in the decrease in milk production resulting in an increased competition in the sourcing of raw milk and putting pressure on margins.

Primary response to risk

Direct operations
Include in Business Continuity Plan

Description of response

We implemented alternate measures to mitigate these factors and ensure continuity of supply. We continue to review operations to optimize the network at our disposal and benefit from our manufacturing flexibility.

Cost of response

0

Explanation of cost of response

Part of the operational costs structure.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	According to the Aqueduct tool, we currently have less than 18% of our facilities exposed to high water risks.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

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

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

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

2,000,000

Potential financial impact figure – maximum (currency)

4,000,000

Explanation of financial impact

This is the estimated annual financial savings of achieving our FY2025 water use target.

W6. Governance


W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitments beyond regulatory compliance	We have a company-wide environmental policy which covers water.  1

 1Environmental Policy_Feb6_EN.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	<p>The Audit Committee of the Board, that has oversight responsibility for enterprise risk, has ultimate responsibility for environmental risks, including water-related-risks. The Audit Committee meets regularly and reports to Board quarterly.</p> <p>The Audit Committee receives regular updates and an annual presentation from the Chair of the Company's Environmental Committee. The Company's environmental committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the environmental policy. The environmental committee meets quarterly to discuss the environmental risks of the Company, the required action plans and the status of ongoing projects.</p>
Other, please specify Environmental Committee	<p>The Company's environmental committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the environmental policy. The environmental committee meets quarterly to discuss the environmental risks of the Company, the required action plans and the status of ongoing projects. Regular reporting is made to the Audit</p>

	Committee, which is responsible for risk management. The Chair of the environmental committee also meets annually with the Audit Committee to review the application of the environmental policy and the environmental performance of the Company's activities.
Other C-Suite Officer	In FY2020, we pledged to accelerate our global water performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. We established a governance framework to foster Company-wide accountability and ownership, with one of our Executives acting as global champion.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding risk management policies	The Audit Committee receives quarterly reports from the Environmental Committee and an annual presentation from its Chair

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other committee, please specify
Environmental Committee

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Company's environmental committee, which includes the Chief Executive Officer, the President and Chief Operating Officer, Saputo Inc. and International Sector, the President of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the application of the environmental policy. The environmental committee meets quarterly to discuss the environmental risks of the Company, the required action plans and the status of ongoing projects. Regular reporting is made to the Audit Committee, which is responsible for risk

management. The Chair of the environmental committee also meets annually with the Audit Committee to review the application of the environmental policy and the environmental performance of the Company's activities.

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify
Divisional President and COO

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

In FY2020, we pledged to accelerate our global water performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. We established a governance framework to foster Company-wide accountability and ownership, with one of our Executives acting as global champion

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We ensure compliance with our publicly available Code of Ethics where practices related to lobbying are addressed.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Our goal is to safeguard the environment while continuing to grow as a world-class dairy processor. In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. We've allocated additional resources to support the execution of this global action plan, including a three-year investment of CDN\$50 million. Also, we established a governance framework to foster Company-wide accountability and ownership, with one of our Executives acting as global champion. Accordingly, we updated our Environmental Policy to reflect and uphold our 2025 goals and our long-term commitment to pursue environmentally responsible business practices. Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Our goal is to safeguard the environment while continuing to grow as a world-class dairy processor. In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. We've allocated additional resources to support the execution of this global action plan, including a three-year investment of CDN\$50 million. Also, we established a governance framework to foster Company-wide accountability and ownership, with one of our Executives acting as global champion. Accordingly, we updated our Environmental Policy to reflect and uphold our 2025 goals and our long-term commitment to pursue environmentally

			responsible business practices. Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.
Financial planning	Yes, water-related issues are integrated	5-10	Our goal is to safeguard the environment while continuing to grow as a world-class dairy processor. In FY2020, we pledged to accelerate our global climate, water, and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. We've allocated additional resources to support the execution of this global action plan, including a three-year investment of CDN\$50 million. Also, we established a governance framework to foster Company-wide accountability and ownership, with one of our Executives acting as global champion. Accordingly, we updated our Environmental Policy to reflect and uphold our 2025 goals and our long-term commitment to pursue environmentally responsible business practices. Looking ahead, we'll also extend our efforts to our supply chain to further assist and help address industry-wide environmental considerations.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Our goal is to safeguard the environment while continuing to grow as a world-class dairy processor. In FY2020, we pledged to accelerate our global climate, water, and waste

performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. We've allocated additional resources to support the execution of this global action plan, including a three-year investment of CDN\$50 million. We answered zero since the reporting year was our first year of our three-year investments and therefore, there's no trend to report on.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

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

Please explain

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals	Targets are monitored at the corporate level	<p>Specific corporate governance of the Saputo Promise and its Pillars falls under the responsibility of the following Management committees:</p> <ul style="list-style-type: none"> • The Corporate Responsibility Committee oversees the overall strategy of the Saputo Promise and monitors our progress for each of its seven Pillars. • The Environmental Committee is responsible for overseeing the implementation of our Environmental Policy and the achievement of our environmental objectives globally across our operations.

			<p>In FY2020, we pledged to accelerate our global climate, water and waste performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. More specifically, we commit to:</p> <p>CLIMATE -Reducing CO2 intensity of our operation by 20% -Reducing the energy intensity of our operations by 10%</p> <p>WATER -Reducing water intensity of our operation by 10% -Improve our wastewater quality year over year</p> <p>WASTE -Increasing diversion rate to 75% -Reducing food waste by 50% -Reduce our material use in our packaging by 15% -Ensure 100% of our packaging is reusable, recyclable or compostable -Ensure our packaging includes at least 15% of recycled or renewable content</p>
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W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Product water intensity

Level

Business activity

Primary motivation

Reduced environmental impact

Description of target

Reducing water intensity of our operation by 10% by 2025

Quantitative metric

% reduction per revenue

Baseline year

2020

Start year

2020

Target year

2025

% of target achieved

0

Please explain

In FY2020, we pledged to accelerate our global climate performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. More specifically, we commit to, reducing water intensity of our operations by 10% by 2025 (against FY2020 baseline). This target includes all our manufacturing facilities and distribution centers operated by Saputo globally.

Target reference number

Target 2

Category of target

Water discharge

Level

Business activity

Primary motivation

Reduced environmental impact

Description of target

Improve our wastewater quality year over year in the areas where we directly discharge to the environment.

Quantitative metric

Other, please specify

% increase of quality wastewater based on discharge permit parameters

Baseline year

2020

Start year

2020

Target year

2025

% of target achieved

0

Please explain

In FY2020, we pledged to accelerate our global climate performance and announced clear targets and a formal commitment to make significant and sustainable progress by 2025. More specifically, we commit to improve our wastewater quality year over year. This target includes all our manufacturing facilities and distribution centres operated by Saputo globally that discharge directly to the environment.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W-FI

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

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms