



# Driving Positive Change

Sustainability  
Report

# Table of contents

<b>03 OUR COMPANY</b>	Message from our CEO	05
	Our Business Model	06
	ESG Approach and Materiality	10
	Our KPIs	13
	Innovation and Research	17
	ESG Acknowledgments	18
	Associations and Certifications	20
<b>24 ENVIRONMENT</b>	Greenhouse Gas Emissions	25
	Energy Consumption	34
	Water Consumption	40
	Eco-designed Products	42
	Responsible Procurement	49
	Residual Materials	54
	Biodiversity	58
<b>60 SOCIAL</b>	Sustainable Cities and Communities	61
	Community Involvement	66
	Health, Safety and Well-being	71
	Equity, Diversity and Inclusion	79
	Workforce Profile	83
<b>85 GOVERNANCE</b>	Governance at Cascades	86
	Principles of Sustainability Governance at Cascades	87
	Cybersécurité	89
	Policies and Commitments	91
<b>92 ESG DISCLOSURES</b>	CDP	93
	SASB	93
	TCFD	93
	Contribution to the United Nations' Sustainable Development Goals	94

# Our Company



**To improve the well-being of people, communities and the planet by providing sustainable and innovative solutions that create value.**

## MISSION

**To be a key contributor to our customers' success by leading the way for sustainable packaging, hygiene and recovery solutions.**

## VISION

- **Naturally respectful**
- **Stronger together**
- **Fierce determination**
- **Speak truthfully**

## VALUES

Message from  
**our CEO**

**Many business leaders agree that 2022 has been one of the most difficult years in recent decades.**

Six waves of the pandemic have had an impact on our lives, the extent of which we have yet to fully grasp. Coupled with the effects of the outbreak of war in Ukraine, the pandemic led to severe labour shortages, supply chain disruptions and inflationary pressures, resulting in soaring costs across all sectors. No one was spared. Faced with such challenges, we reviewed our ways of doing things and made some tough decisions. As with every test, our teams rolled up their sleeves and kept moving forward, convinced that we are strong as we are united, and we are stronger together. This enabled us to get through 2022 with our heads held high.

More specifically on sustainability aspects, 2022 was the first full year of implementation of our new 2021–2025 Sustainability Action Plan. Launched in mid-2021, our plan is the fruit of several months of internal and external consultation and working sessions between players from different positions within the organization. The plan also called for the implementation of a new governance structure to monitor it. In this respect, we have embarked on a major project in collaboration with our Finance teams to scrutinize the way we measure the results of our identified indicators.

In other words, following in the footsteps of several organizations, including the International Financial Reporting Standards (IFRS) with the creation of the International Sustainability Standards Board (ISSB), we are implementing a rigorous approach to monitoring the results of our sustainable development indicators that is comparable to that of our financial statements.

Always striving to do more for the planet, our employees and our communities, 2022 was marked by our joining the United Nations Global Compact. We are very proud to now be part of this global group of companies committed to making the world a better place. What's more, Cascades once again earned a place on the list of the world's most sustainable companies, ranking 20th overall and first among industry players in the Containers and Packaging category.

2022 was also a landmark year in terms of our relations with our customers: more and more of them are taking an interest in our sustainability practices, and we're more than delighted to see this issue playing a growing role in our discussions.

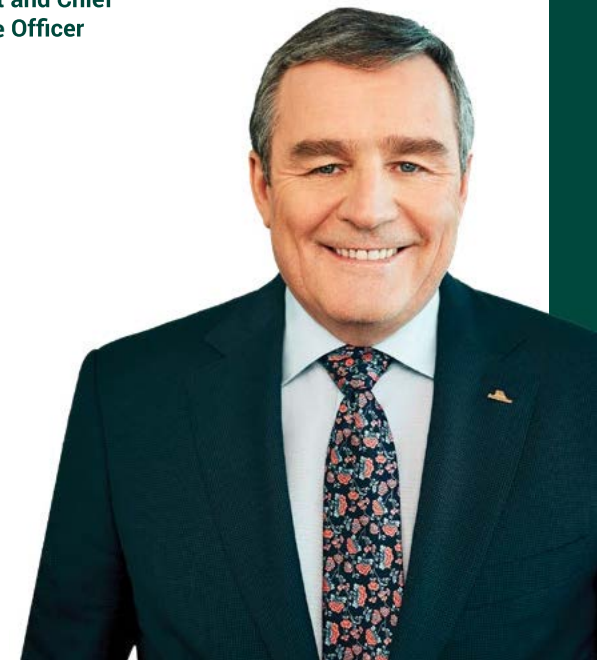
Our approach is mature, and we feel more than ever that we are a key partner in supporting our customers' desire to buy packaging with a low environmental footprint.

Lastly, the past year enabled us to make progress in achieving several of our sustainability targets. We still have three years ahead of us to pursue our action plan. These will be busy years, as our objectives are ambitious. Given the scale of the challenges facing us as a company, we must never back down from our determination to think big and do more. In the words of David Suzuki,

***"Change is never easy and it often creates discord, but when people come together for the good of humanity and the Earth, we can accomplish great things."***

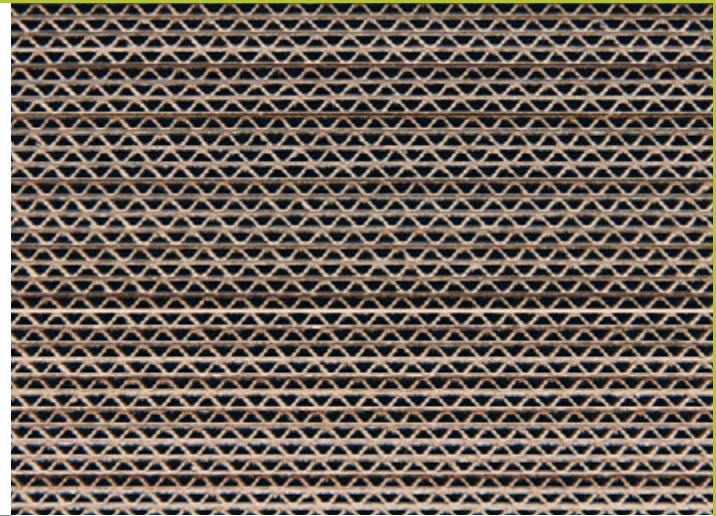


**Mario Plourde**  
President and Chief  
Executive Officer



Our  
**Business Model**

**2 million**  
**short tonnes of**  
paper and cardboard  
reintroduced into  
our products



**11,745**  
**tonnes of**  
plastics reintroduced  
into our products

**1.5 millions**  
**tonnes of**  
all kinds of material  
recovered by our  
18 sorting centres



**Highlights**

### The Circular Economy

According to Québec Circulaire, an organization with which we collaborate, the circular economy is a “system aiming to optimize resource use in every stage in the life cycle of a product or service through a circular approach, reduce the environmental footprint and contribute to the well-being of individuals and communities.”

Organizations working to implement an effective circular economy, such as the [Ellen MacArthur Foundation](#), [Québec Circulaire](#) and [Circle Economy](#), all agree: we’re putting too much pressure on our natural resources.

We need to collectively aim for greater circularity, mainly by prioritizing recovered and recycled inputs over virgin inputs.

These organizations present alarming data: the latest results published in the [Circularity Gap Report](#) indicate that the global circularity rate was 7.2% in 2022—a 1.4% decrease from the 2020 figure. The reason why more than 90% of our resources are being squandered is because most of our consumer goods are not designed to be reused, recycled or repurposed. The situation is even worse in Québec where the circularity rate is an estimated 3.5%. However, for our resources to have time to replenish, experts believe that this rate needs to increase to at least 17%. This massive gap shows us the scope and urgency of the work we must accomplish collectively.

In addition to resource depletion, the Circularity Gap Report raises another issue arising from the lack of circularity: greenhouse gas emissions from resource exploitation and extraction—two stages of a product’s life cycle that generally have the greatest impact on climate change.

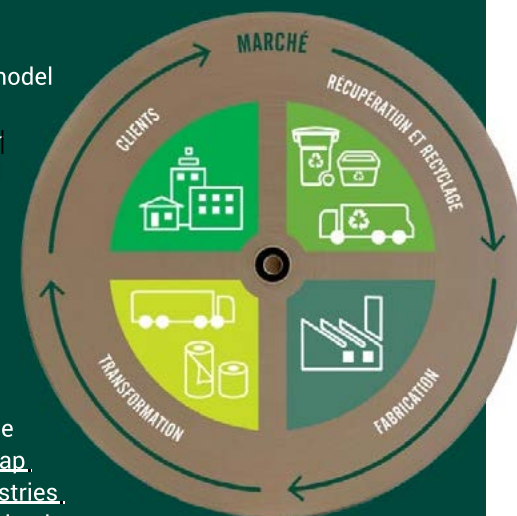
These reports confirm that we made the right choice in 1964 by favouring recovered and recycled fibre over virgin fibre. Since our beginnings, we have given new life to millions of tonnes of paper and cardboard. In 2021 alone, we reintroduced 2 million short tonnes of various grades of paper and cardboard into our products, bringing our recycled material in these products up to 80%.

The life cycle analyses (LCA) show that choosing recycled inputs has guaranteed benefits in terms of reducing greenhouse gas emissions. In fact, recent LCAs conducted on our 100% recycled food trays and toilet paper showed that these products generate 69%<sup>1</sup> and 63%<sup>2</sup> less greenhouse gas emissions than a comparable version made from 100% virgin material.

### Circularity at Cascades

Our business model is based on recycling paper and cardboard.

There are a wide range of grades of recovered paper on the market. Paper grades are classified by the [Institute of Scrap Recycling Industries](#), (ISRI), an organization dedicated to standardizing specifications in order to help its members purchase and sell scrap material. These specifications are internationally accepted and used worldwide in the trade of various products. To source recovered fibre, we rely on a team of some 1,000 people working in our 18 sorting centres across Canada and the northeastern United States, as well as an amazing procurement team sourcing from external supplies, such as other recovery centres, institutions, businesses and industries. That’s why we say our forest is urban at Cascades!



# Cascades' Manufacturing Process

There are several grades of recycled fibres on the market and Cascades consumes most of these grades, some more than others. All grades are either classified as post-industrial (PI) or post-consumer (PC), depending on their source.

The different grades are sent to our various manufacturing plants depending on their needs.

## 2 MANUFACTURING

Cascades has about twenty manufacturing mills in North America. These are the factories that transform fibres to give them a second life. Taken in a similar manufacturing context, using recovered fibres as a raw material makes it possible to use less water and energy. Our statistics to this effect are impressive.

A few plastic processing plants are added to the portfolio of plants, mainly using recovered resin.

## 1 RECYCLING

Cascades owns 18 Recovery Facilities in North America and has a partnership with many other Material Recovery Facilities (MRF) and suppliers to collect fibres. These fibres are sorted into different grades.

In 2022, **2 million** short tons of recovered fibres were introduced in our plants.

 **28.8 million trees**

Our forest is  
**URBAN**



it comes from  
**Homes  
Industries - Businesses  
Institutions**

## 4 USE

Most of the packaging products we create (**97%**) can be recovered to be recycled and have a second life. However, this is not the case for hygiene products due to their function. Some can be composted, such as napkins and hand towels that have been certified by a third party.

## 3 CONVERTING

Over 40 conversion plants complete the transformation of fibres into various finished products.



Although we mainly manufacture fibrebased products, our company is also active in polymer packaging. For over 10 years, we've been introducing more and more recycled plastics into our products. Unlike the fibres that we process directly in our manufacturing plants, we secure these plastics from co-packers who have already shredded, washed or pelletized them. All of our food trays contain at least 50% recycled material, while our RPET plastic trays are made from 100% recycled resins.

Working with recycled material brings its own set of challenges. We've accumulated over six decades of experience with recycled fibres, making us experts in the field. Although plastics recycling is a younger market with completely different challenges, we're now ahead of the game because we boldly decided how to deal with material a few years ago.



In 2022, thank to our procurement teams' efforts, we reintroduced 11,745 tonnes of recovered plastic into our products.

# ESG Approach

and Materiality

## Our Ambitions



Drive positive change by supporting the circular economy through our commitments that are **respectful of the planet**.



Remain **solutions driven**, backed by our R&D and innovation experience, which enables our customers to reduce their footprint through our value-added eco-friendly products and services.



Make progress while remaining **community minded** and maintaining positive interactions.



Stay **people focused** and concerned about the well-being of others through a culture of health, safety, equity, diversity and inclusion for all our employees.

## Our Approach

Our fourth action plan was prepared in three phases:

### Phase 1

Market and peer analysis.  
Preparation of the stakeholder consultation.

### Phase 2

Consultation through surveys, focus groups and interviews. Results gathering and materiality analysis.

### Phase 3

Definition of long-term vision and objectives. Final approval.

# 1 PHASE

This first phase required a significant amount of research time to validate the industry's maturity in terms of sustainability, as well as those of other players in our activity sector. We also analyzed the standards and indicators proposed by ESG rating or reporting firms. The gathered information enabled us to focus on issues relevant to our operational reality and laid the groundwork for a broad consultation.





# 2 PHASE

When identifying our sustainability strategy's core priorities, it was important for us to take our partners' views and concerns into consideration. To that end, we hired an independent external firm to carry out a broad consultation process with our stakeholders. This consultation process took place in the summer of 2020 through an online survey, group discussions and one-on-one interviews. The results of this exercise, in which 850 people from all walks of life took part, helped us identify and position priority issues based on their importance to stakeholders and the impact we can have on them.

## Materiality Matrix



# 3 PHASE

Our target dates were some of the first things we considered in the vision. In the past, we had established three- or five-year action plans. The analysis of the consultation results and desired scope for certain goals led us to adopt hybrid timelines, with the majority of targets being set for 2025 and some for 2030.

**Our consultation results and materiality analysis enabled us to formulate 15 goals. These objectives are further divided into eight themes:**

1. climate change
2. water consumption
3. eco-designed products
4. responsible procurement
5. sustainable cities and communities
6. community involvement
7. health, safety and well-being
8. equity, diversity and inclusion.

In building this new plan, we aligned ourselves with the UN's Sustainable Development Goals. For this reason, the targets chosen each contribute to this universal agenda that brings together governments, businesses and organizations of all kinds.



Our  
**KPIs**

**Cascades’  
2021–2025  
Sustainability  
Action Plan at  
a glance**





In the "Respecting the planet" pillar, we find objectives linked to climate change and water consumption. We want to work in partnership to find regenerative and eco-friendly ways for us to reduce our environmental footprint.

The greenhouse gas emission reduction targets in this pillar are aligned with the Science-Based Targets initiative (SBTi), an organization resulting from a partnership between several internationally renowned organizations, including the United Nations. The SBTi drives ambitious climate action by encouraging companies to set science-based GHG emissions reduction targets. We are therefore joining the global movement of companies committed to climate action. As required by the SBTi, our targets include goals from each of the three greenhouse gas emissions categories, i.e. Scopes 1, 2 and 3. It was this particular exercise with SBTi that pushed us toward adopting targets with hybrid timelines.



### Climate Change

▼ **38.7%** 2030 vs 2019  
scopes 1 + 2, paper manufacturing plants  
(kg of CO<sub>2</sub> eq./MT)

▼ **27.5%** 2030 vs 2019  
scopes 1 + 2, other emissions  
sources (kg of CO<sub>2</sub> eq.)

▼ **22%** 2030 vs 2019  
scope 3  
(kg of CO<sub>2</sub> eq./MT)



### Climate Change

▼ **100%** 2030  
renewable electricity

▼ **6%** 2025 vs 2019  
(GJ/TM)



### Water Consumption

▼ **15%** 2025 vs 2019  
(M<sup>3</sup>/TM)



In the "solutions-oriented" pillar, we find objectives relating to eco-designed products and responsible sourcing. We want to work with our employees, customers and supply chain partners to develop environmentally friendly and sustainable solutions that create value and help build a better world for everyone.



### Eco-designed Products

▼ **100%** 2030  
of the packaging we manufacture  
and sell is recyclable, compostable  
or reusable



### Responsible Procurement

▼ **100%** 2025  
of the fibre and paper we  
use is recycled or certified

×2 2025 vs 2019  
our FSC® Mix supply

**70%** 2025  
of our purchases are sourced  
from responsible suppliers



The "community-focused" pillar brings together objectives relating to the communities around us and community involvement. We want to make decisions based on our positive contribution to the health and well-being of our communities in which we operate, and guide people to make responsible daily choices.



### Sustainable Cities and Communities

**Allocate at least 50%** 2025

of our annual donation and sponsorship budget to causes that support the UN's Sustainable Development Goals



### Community Involvement

**15,000 hours** PER YEAR

of community involvement completed by employees



In the "people-centered" pillar we find issues related to health, safety and well-being, as well as equity, diversity and inclusion. We want to foster a healthy, safe and stimulating work environment for all of our employees so to that each one can reach their full potential and feel a sense of accomplishment by helping to achieve the company's mission.



### Health, Safety and Well-being

**50%** 2025 vs 2019

the number of days lost due to workplace accidents

**100%** 2025

of employees are committed to a positive health and wellness approach



### Equity, Diversity and Inclusion

**100%** 2025

of employees are trained on unconscious biases related to equity, diversity and inclusion

## Our Reference Year

### January 1 to December 31, 2019

In line with the Science Based Targets initiative, we have taken the most complete reference year when preparing our greenhouse gas emission reduction targets, which is 2019. One major change in our business portfolio – considered material – occurred during this period: the acquisition of a newsprint plant owned by White Birch Paper in Bear Island, Virginia, with the objective of converting it into a linerboard plant.

According to the Greenhouse Gas Protocol<sup>3</sup>, when an acquired plant was in operation during the reference year, its emissions must be included in the acquirer's balance sheet. If the reference year data are not representative, data from another year are accepted. Based on these recognized recommendations, we have completely revised the reference data, which may explain the discrepancy in some figures previously disclosed for 2019. This discrepancy can also be explained by new emission factors due to changes in the regulations (notably for purchased steam at one of our sites).

## Data Scope

For the targeted performance indicators, the data scope was based on the scope of our financial data, i.e. it covers plants and entities under our operational control and consolidated in financial statements. Joint ventures were excluded.

## Recalculation of the Reference Year Data and/or Targets:

For the duration of this action plan, it has been determined that the reference year data may be recalculated in the following contexts:

- **Structural changes (acquisition, merger, divestiture, internationalization or outsourcing, change in the product or service offering) when these have an impact that exceeds the materiality threshold on the data we report. This threshold has been set at 5%. This may include taking into account the cumulative effects of a number of small divestitures or acquisitions in the same year (acquisitions of operations already active in the reference year).**
- **Significant errors (plus or minus 5%) in the data.**
- **External regulatory changes with an impact on results that exceeds the materiality threshold. For example, changes in the FSC<sup>®</sup> standard, new laws on product recyclability, or major changes in emission factors.**

The same rules will be applied if the targets are recalculated. Any changes will be clearly identified and explained.

The majority of the objectives in our Plan have a five-year timeframe, i.e. to 2025, except the greenhouse gas and renewable electricity objectives, which are spread over a ten-year period and aimed at 2030, as recommended by the Science Based Targets initiative.

## Clarification of the 2022 Report

The data presented in the 2022 report are compared to the results of 2020 and 2021 since these two years are similar in terms of activities. As noted above, 2019 includes the data from our newly acquired plant in Bear Island, Virginia. Since a complete overhaul of operations is under way at this plant and start-up is not expected until 2023, from a perspective of better capturing our actual improvements, we will compare our results with the reference year (2019) only when the plant comes on line. Our objectives have been developed accordingly.

<sup>3</sup> The Greenhouse Gas Protocol is an international protocol that provides a framework for measuring, recording and managing greenhouse gas emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)



# Innovation and Research

We have the largest private research and development centre in the Canadian pulp and paper industry. About forty specialists work here, such as chemists, microbiologists, microscopists and technicians. Founded in 1985, this centre continues to be a source of pride for our organization, demonstrating the importance it places on research, innovation and supporting science in decision making. In 2022, we invested \$49.9 million in various research and development projects, involving both our products and our processes.

We also have teams dedicated to innovation in each of our business sectors. Since 2017, we can also rely on our corporate team to support all groups in implementing promising projects, making our business a forward-looking company.



# ESG Awards

**In 2022,  
Cascades  
received  
several ESG  
awards,  
including:**



## **Baromètre de la consommation responsable**

Once again in 2022, Cascades was ranked among the top in most responsible companies according to the *Baromètre de la consommation responsable*, a report published by the *Observatoire de la consommation responsable* of UQAM's *École des sciences de la gestion*. This report examines developments and emerging trends in responsible consumption. This ranking is not based on a quantitative assessment of performance indicators, but rather on a survey using a random sample of Quebecers. Since these studies were first published in 2011, Cascades has been in the lead.



## **Best50 Corporate Citizens in Canada**

Ranked 8<sup>th</sup> in Corporate Knight magazine's Best 50 Corporate Citizens in Canada, we stood out again this year with our strong percentage of revenue generated by sales of products made with fibre that is either recycled or meet the FSC standards, our gender-diverse board and our occupational health and safety performance. We're all the more proud to have earned a place in this list since 2007.



## **CDP Supplier Engagement Rating Leaderboard**

Cascades is proud to figure among the top companies in the 2022 CDP Supplier Engagement Rating (SER) for its responsible practices extended throughout its supply chain. CDP's annual SER evaluates corporate supply chain engagement on climate issues and the highest-rated companies are celebrated in the Supplier Engagement Rating Leaderboard.

CDP is a non-profit charity that collects and manages data of investors, companies, cities, states and regions to better help them manage their environmental impacts making this recognition all the more important for us. We are proud to play a part in the transition towards less carbonized and more sustainable economy alongside our suppliers.



## **Energy Star**

In 2018, our Papier Kingsey Falls plant signed up for Natural Resources Canada's ENERGY STAR® Challenge for Industry. The plant had five years to decrease its energy intensity by 10%. The plant team, accompanied by our energy efficiency experts, evaluated various avenues for improvement. Over five years, they made considerable progress. As a result, at the end of 2022, Natural Resources Canada confirmed that Papier Kingsey Falls met the challenge with flying colours: the plant decreased its energy intensity by 12.5% over a five year period, more than their initial goal.

# ESG Awards



## FSC Leadership Awards

In 2022, we were proud to be one of 17 nominees for the Forest Stewardship Council's FSC Leadership Awards. This award recognizes forest owners, builders, architects, retailers, paper mills, manufacturers, environmental organizations and others who are contributing to the movement toward responsible forest sourcing and management. In particular, we have been commended for our production of FSC-certified specialty products, tissue products and containerboard packaging at 80 facilities across North America.



## Global100

For the fourth year in a row, we have been recognized as one of the world's 100 most sustainable corporations, according to the prestigious Global 100 index, produced by the media, research and financial information products company Corporate Knights. We rank 20<sup>th</sup> among over 6,900 public companies analyzed worldwide, with more than \$1 billion in revenues. We also rank first among the other organizations assessed in the Packaging category.

It should be noted that the *Global 100* and *Best 50* rankings use different methodologies, weightings for performance indicators and pools of analyzed companies.



## Canada's Top 100 employers

Cascades ranked among Canada's top 100 employers in 2022. Different actions led to this recognition, including: 1) our involvement in giving back to the community through our partnership with several organization in different regions; 2) our agility in dealing with new work realities; 3) our openness to students and interns; and 4) our attention toward the health of our employees and the community.



## MSCI

For the 2022 period, Cascades received the AA rating from MSCI ESG. MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide. Their research is designed to provide critical insights that can help institutional investors identify risks and opportunities that traditional investment research may overlook. The MSCI ESG Ratings are also used in the construction of the MSCI ESG Indexes, produced by MSCI, Inc.

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# Associations

**Our company is a member of several dozen sectoral, territorial and industrial organizations, some of which focus specifically on sustainability issues. Here are a few:**



## **Association of Major Power Consumers in Ontario (AMPCO)**

AMPCO represents Ontario's largest industrial companies and provides these industries with effective advocacy on critical electricity policies, timely market analysis and expertise on regulatory matters. Traditionally focused on affordability, reliability and sustainability, the Association is also interested in decarbonization and actively participates in stakeholder activities on behalf of its members.



## **Association québécoise des consommateurs industriels d'électricité (AQCIE)**

L'AQCIE represents Québec's largest consumers of electricity for industrial purposes. It provides these companies, which operate in several sectors of the Québec economy, the opportunity to speak with one voice before the government, the sole supplier of electrical energy and, for regulatory matters, before the Régie de l'énergie. The AQCIE plans to work towards achieving the conditions that will enable the major industrial players active in Québec to contribute to the province's economic prosperity as part of the energy transition and the fight against climate change.



## **Conseil patronal de l'environnement du Québec (CPEQ)**

The CPEQ represents the concerns and contributions of Québec businesses among governments and various stakeholders with regard to the environment and sustainable development through: lobbying, monitoring and information, collaboration with stakeholders, the development of decision-making tools, training and awareness-raising. The CPEQ recently published a guide entitled "Décarbonation et atteinte de la neutralité carbone en entreprise" (in French only), which presents best practices to help companies decarbonize their operations and achieve carbon neutrality. Other guides on topics of interest, such as biodiversity and value chain optimization, are available [here](#).



## **Circular Plastics Taskforce**

Cascades is one of the founding members of Circular Plastics Taskforce (CPT), an organization created through an unprecedented collaboration between consumer product companies, packaging producers and an industry association. The CPT is working to build a circular plastics economy in Canada by focusing on improving the alignment between recovery and recycling actors and end markets.

# Associations



## United Nations Global Compact

In 2022, we joined the UN Global Compact, the largest corporate sustainability initiative in the world with more than 15,000 companies and 3,000 non-business signatories based in over 160 countries. We join thousands of organizations around the world that are committed to responsible and transparent business practices to create a better world.

The Global Compact calls for companies to align their strategies with the UN's Ten Principles in the areas of human rights, international labour standards, the environment and anti-corruption. It also requires organizations to take concrete steps to advance the 2030 Global Agenda, which encompasses 17 Sustainable Development Goals (SDGs). Lastly, in joining the Global Compact, organizations must publish an annual report detailing the actions they took to operate responsibly and support the SDGs.



## Paper and Paperboard Packaging Environmental Council

The Paper & Paperboard Packaging Environmental Council (PPEC) represents the environmental interests of the Canadian corrugated and containerboard industry. Established in 1990, the council's membership includes both the packaging mills that make containerboard, boxboard and kraft paper packaging material, and the converters who turn this into boxes, bags and cartons. We are proud to be an active member of PPEC, which works to promote environmental sustainability and the circular economy in our industry.



## Sustainable and Alternative Fibers Initiative

Along with some 20 other global organizations, our company is a member of the SAFI Consortium, a group created in the summer of 2021 to study, develop knowledge and foster technological progress for the production, supply, conversion and use of alternative fibres in various applications, including packaging, hygiene and textile products. Researchers affiliated with the University of North Carolina's Department of Forest Biomaterials lead this group.



## Sustainable Packaging Coalition

The Sustainable Packaging Coalition (SPC) is an association for industry members that works to make packaging more sustainable. SPC is a sub-brand of GreenBlue, an environmental non-profit dedicated to the sustainable use of materials. Founded in 2005, SPC has carved out a prominent position in the industry, making it one of the leading voices on sustainable packaging in North America. In 2012, the SPC created the How2Recycle label, a standardized labelling system that clearly communicates recycling instructions to consumers. Behind this initiative is a group of forward-thinking companies and brands that develop eco-friendly designs for their products and provide consistent, transparent information to consumers so that they recycle their packaging.

### Other Associations

Circular Economy Leadership Canada, National Zero Waste Council (NZWC), Recycling Council of Alberta (RCA), Recycling Council of British Columbia (RCBC), Recycled Paperboard Technical Association (RPTA)

# Certifications

**Because we believe in the importance of third-party mechanisms, we have worked with recognized certification programs for many years to validate our supply sources and manufacturing processes and methods.**

At Cascades, we always prioritize recycling. However, when recycling isn't possible, we opt for composting. Items eligible for compostability certification are used products and packaging that have come into contact with greasy, sticky or moist foods, aren't recyclable and are a significant source of organic matter, such as our napkins and paper towels.

We work with two compostability certification programs: the Biodegradable Products Institute (BPI) and the Compost Manufacturing Alliance (CMA).



## **BPI**

BPI is an American non-profit association with over 20 years of experience. All BPI-certified products meet the rigorous compostability standards established by the American Society for Testing Materials (ASTM), comply with total fluorine limits (PFAs) and must display the BPI certification logo. The BPI certification program also helps raise awareness regarding the need to keep food scraps and other organic matter out of landfills.



## **CMA**

CMA is an American organization with over 15 years of experience that is managed by a group of six industrial composting facilities. All CMA-certified products meet ASTM compostability standards, comply with total fluorine limits (PFAs) and undergo disintegration tests under real-life conditions to ensure that they decompose properly when delivered to industrial composting facilities.

# Certifications



## Forest Stewardship Council

The international Forest Stewardship Council® (FSC®) certification recognizes companies whose practices meet the most stringent requirements for sustainable forest management. Compliance with the requirements of this certification is assessed annually by a third party organization. Not only does the FSC® ensure the protection of rare or endangered forest ecosystems and wildlife species, but it also enforces respect for the rights of Indigenous peoples, communities and workers.

Forest certification ensures the traceability and legality of our sources of supply of virgin and recycled fibre. It also allows us to meet our customers' objectives of responsible sourcing of forest resources. For more information, see our FAQ section on FSC® certification on [our website](#). All Cascades groups are FSC®-certified and, as such, can offer certified products to their customers.



## Green Seal

For 30 years, Green Seal® has set rigorous standards for health, environmental and product/service performance. The presence of these standards on the market has brought about positive changes in consumers, encouraging them to make better purchasing decisions.

With thousands of products, services and spaces certified by the world's leading companies, the Green Seal® certification label is recognition that a product or service meets the highest health and environmental standards. At Cascades, the Tissue Group's products for away-from-home (institutional, commercial and industrial) markets are Green Seal®-certified.

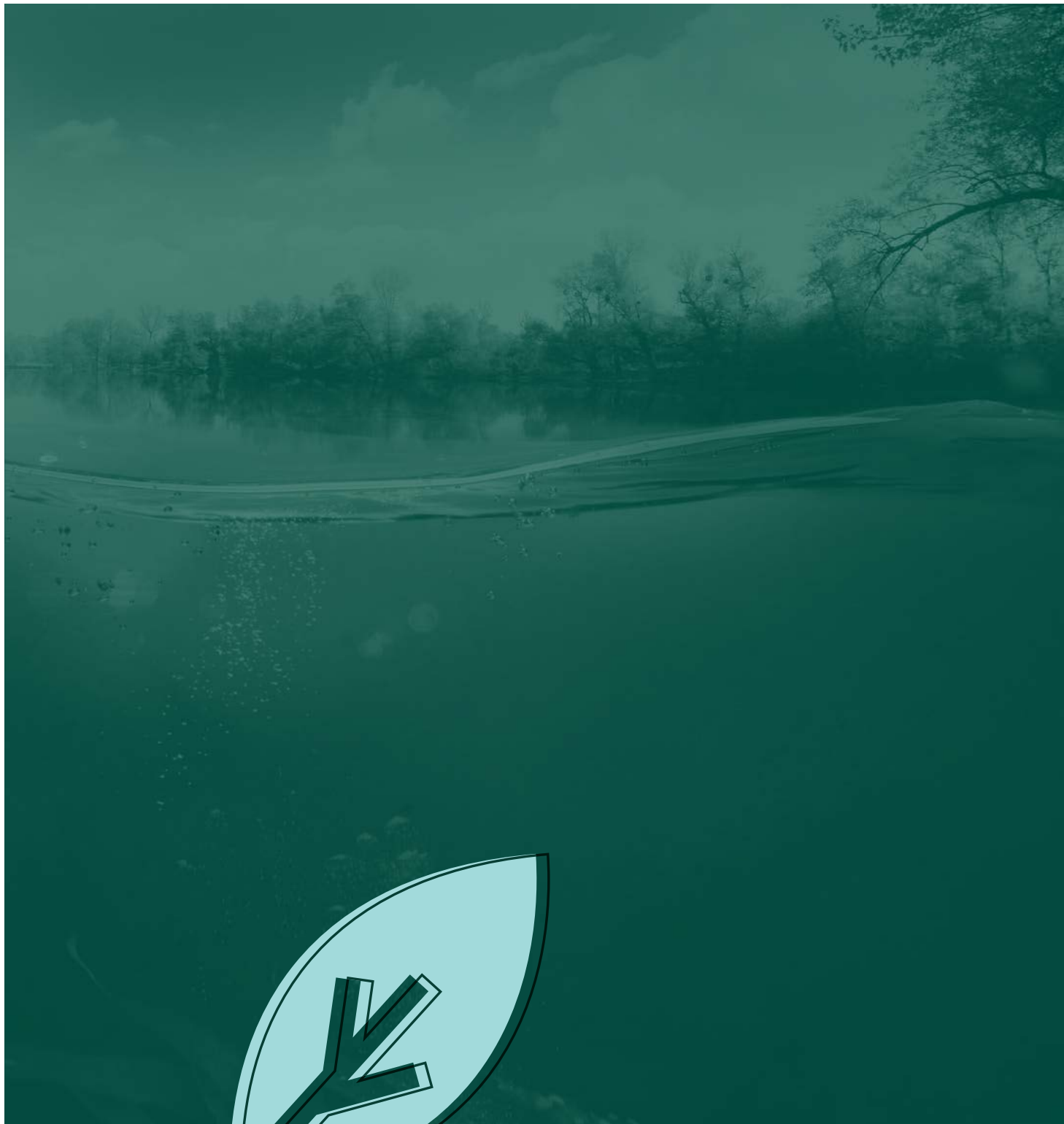


## UL ECOLOGO

UL ECOLOGO certification (UL standing for Underwriters Laboratories, one of the oldest safety certification firms) is based on multiattribute, life cycle—based sustainability standards. All products certified according to an ECOLOGO standard must meet or exceed each of the established criteria. ECOLOGO certification is classified as a Type 1 ecolabel under the International Organization for Standardization (ISO) and has been successfully assessed by the Global Ecolabelling Network, demonstrating its credibility.

At Cascades, the Tissue division (hygiene products) is involved in this certification process, for both its away-from-home and domestic products. It follows the guidelines endorsed by the [UL 175 Standard for Sanitary Paper Products](#).

# Environment

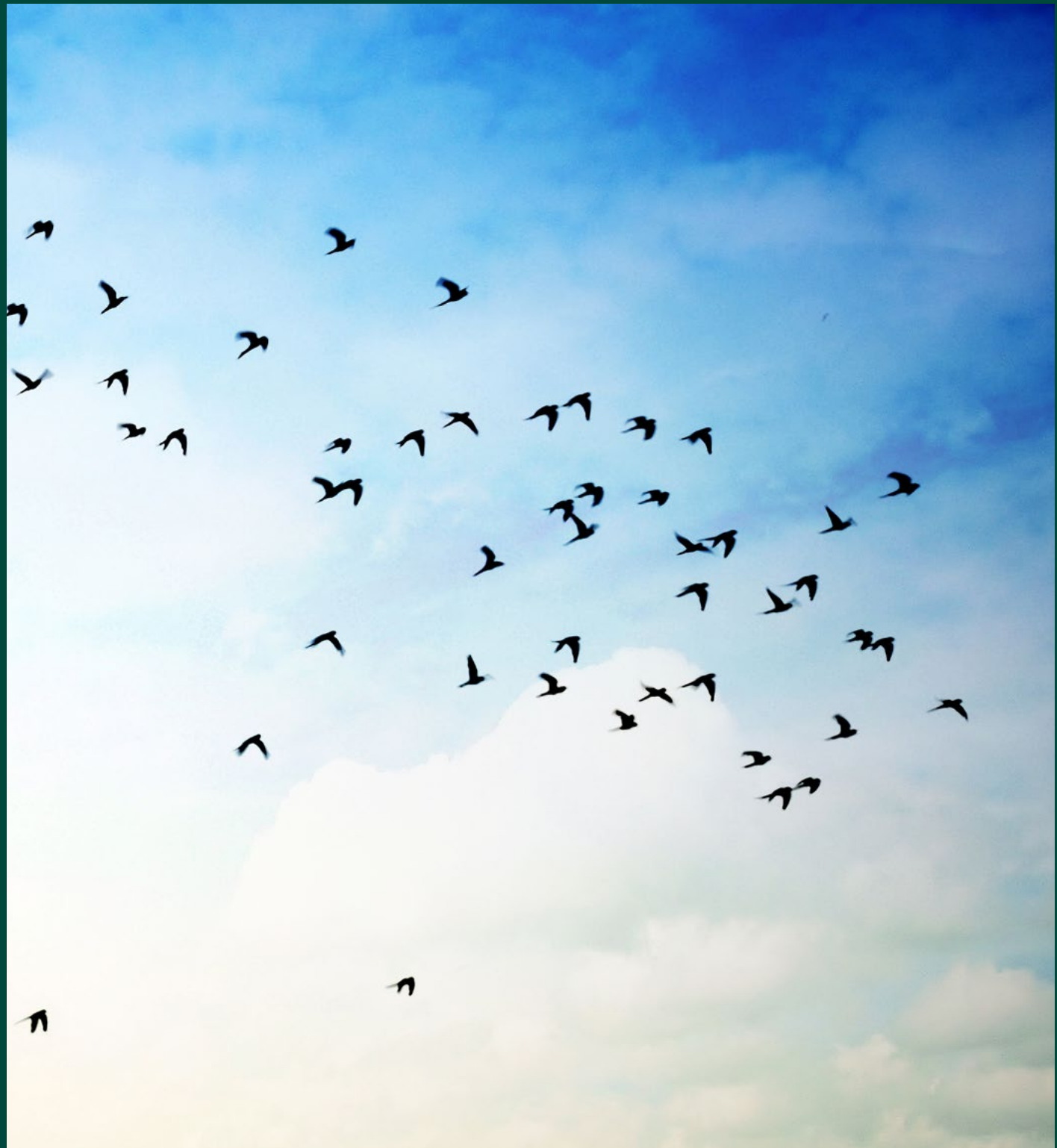




# Greenhouse Gas Emissions

If there is one subject that everyone is talking about, it is climate change. Among the risks facing the planet, this one is becoming increasingly important. Extreme weather events are becoming more numerous and frequent. Cascades is approaching these risks seriously and rigorously. That is why we are joining the global efforts to fight climate change by adopting an ambitious strategic plan to reduce greenhouse gas emissions, and by setting targets based on the recommendations of the Science Based Targets initiative (SBTi). **The SBTi approved these targets in July 2022:**

- ↓ **38.7% scopes 1 and 2 for the mills (kg of CO<sub>2</sub> eq./MT) by 2030**
- ↓ **27.5% scopes 1 and 2 for the converting plants and other facilities (kg of CO<sub>2</sub> eq.) by 2030**
- ↓ **22% scope 3 (kg of CO<sub>2</sub> eq./MT) by 2030**



## Highlights

Cascades has chosen to contribute to the global efforts to fight climate change by aligning its targets for reducing scope 1, 2 and 3 GHG emissions based on a global warming scenario defined as "well below 2°C" (ETP B2DS scenario). We are aware of the challenge this commitment represents, and we are confident that our action plan will allow us to gradually decarbonize our activities while remaining competitive and generating value for our stakeholders.

**10,892 tons  
of GHG**  
less in 2022 compared  
to 2021 (scopes 1 and 2,  
all activities)



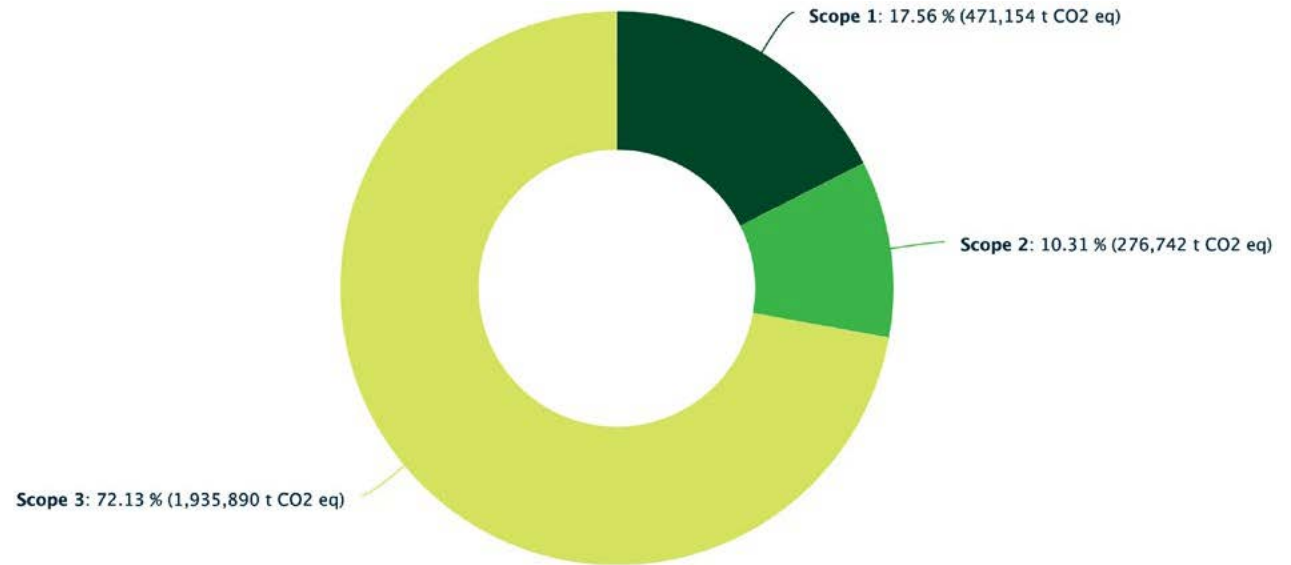
**42%  
less GHG**  
emissions compared  
to the industry average  
(scopes 1 and 2, mills)\*

**1 GHG data  
collection**  
has been launched with  
our main suppliers



\*Pulp and paper industry in North America. Source: FisherSolve™ Next, ©2022 Fisher International.

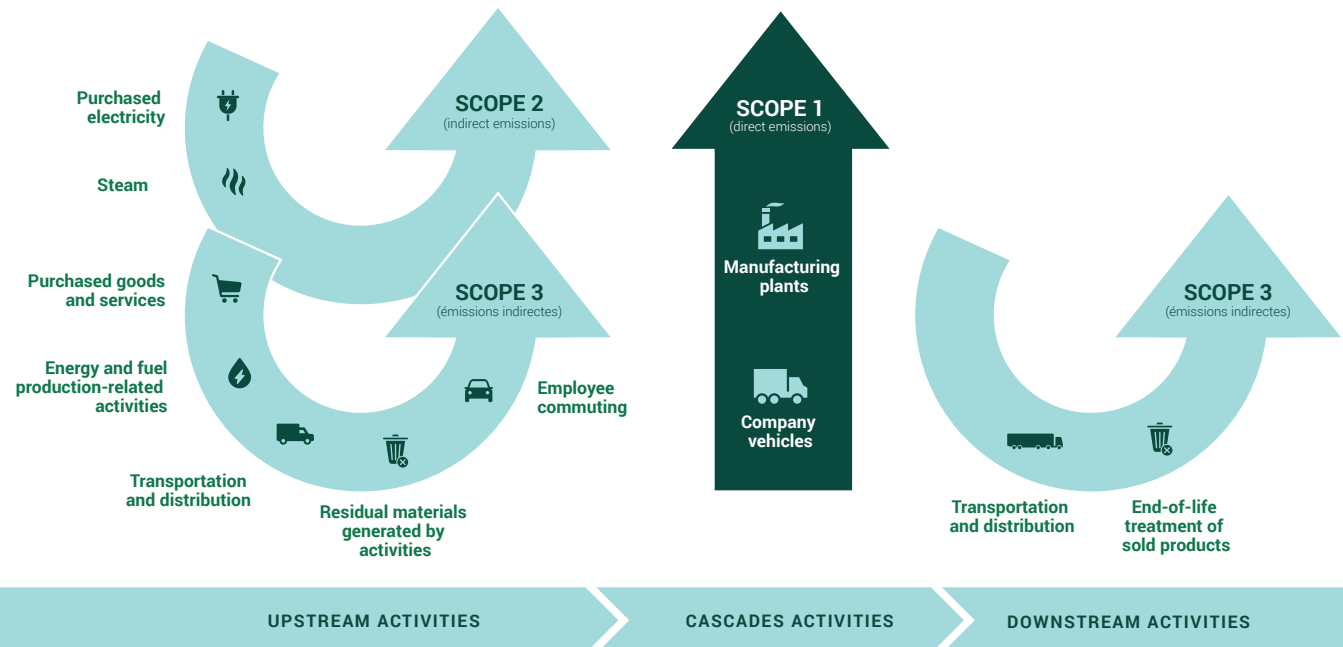
# Scope Distribution



## Our Emissions Distribution

Our greenhouse gas emissions for 2022 break down as follows:

- 17% for scope 1 (direct emissions)
- 10% for scope 2 (indirect emissions associated with electricity and value)
- 73% for scope 3 (indirect emissions associated with activities upstream and downstream of Cascades operations).



### Scopes 1 and 2

Scope 1 and 2 emissions come from our paper manufacturing plants (86%), our converting plants (9%) and our other activities (5%, including our Cascades Transport division, sorting centres, buildings and offices).

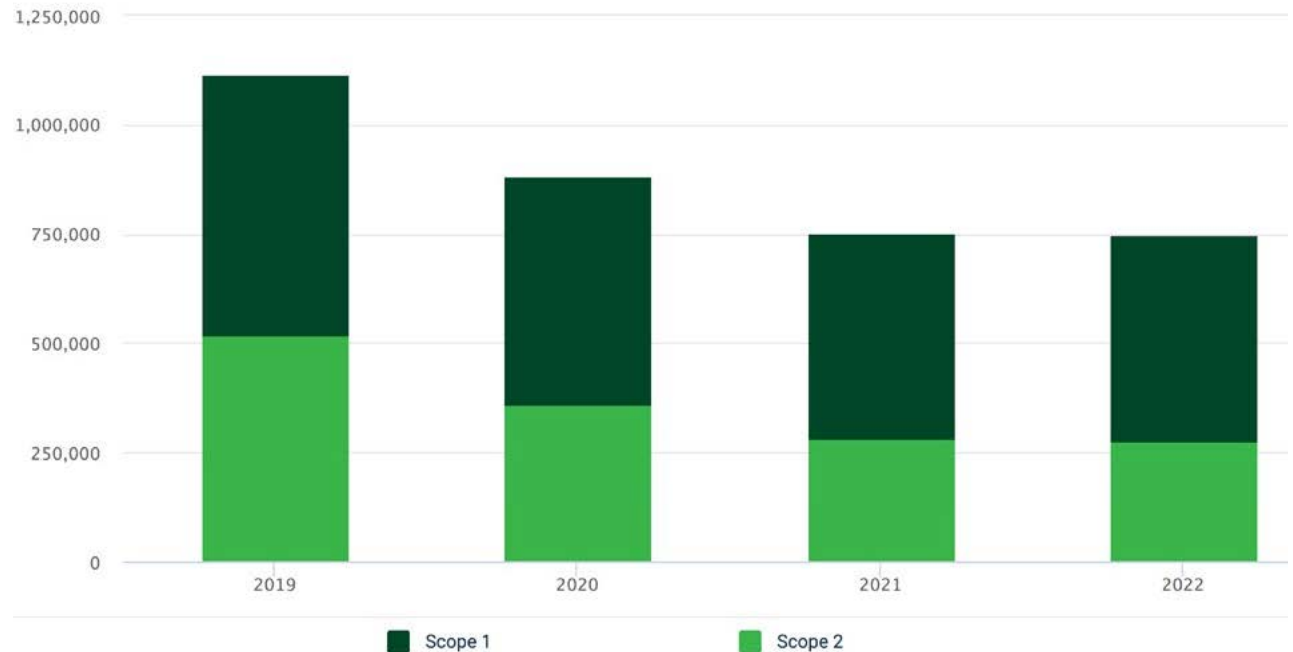
Our manufacturing and converting facilities operate in very different ways. To better measure the reduction of scope 1 and 2 emissions, we have adopted two separate targets:

1- for the paper manufacturing plants (20 mills), we want to reduce the intensity of the scope 1 and 2 emissions by 38.7% by 2030 (compared to 2019);

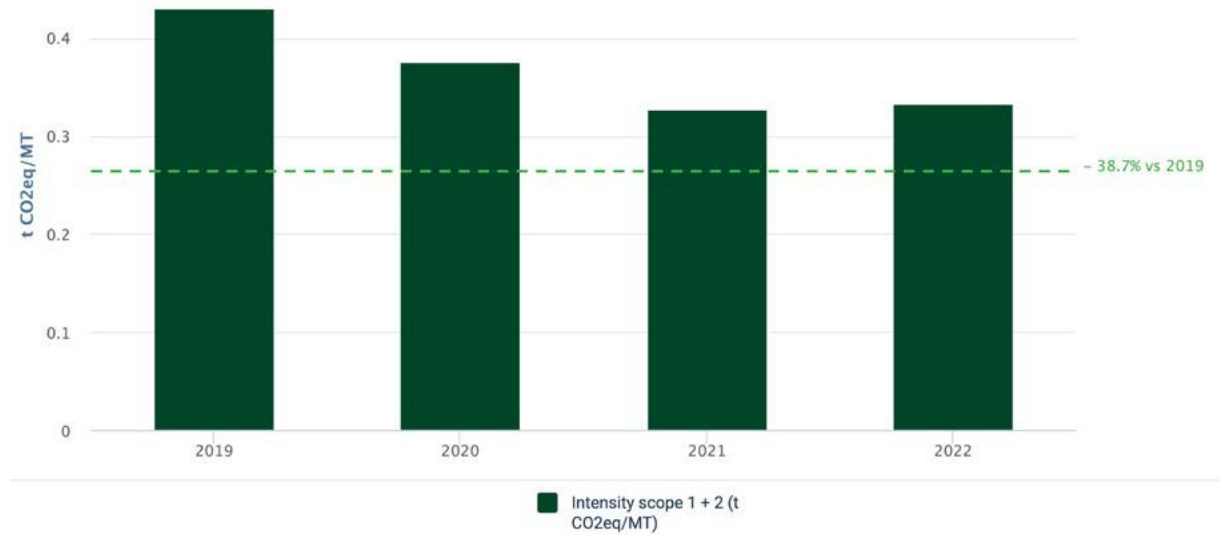
2- for the converting plants (34) and other facilities (Transport, offices, warehouses, Cascades Recovery), we want to reduce the quantity of the scope 1 and 2 emissions by 27.5% by 2030 (compared to 2019).

This approach allows us to better monitor the evolution of our emissions in a manufacturing context that must necessarily align with variations in production.

## GHG Emissions Overview: Scopes 1 and 2



## Reduce by 38.7% our Scopes 1 and 2 for our Mills (kg of CO<sub>2</sub> eq./MT) by 2030



### Our Mills

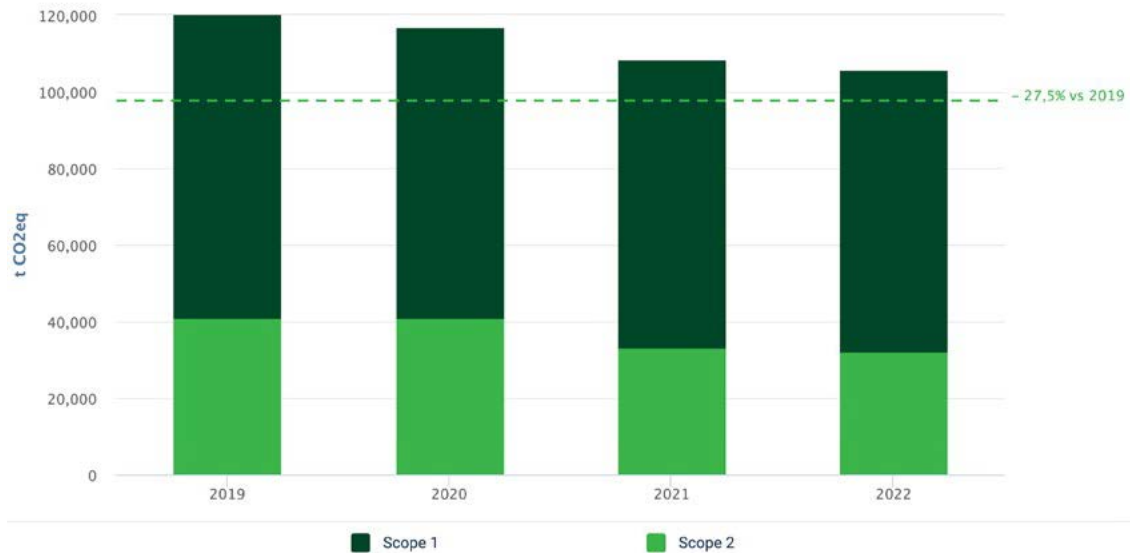
Our scope 1 and 2 emissions were stable in 2022 compared to 2021. The installation of an electric boiler in our Containerboard Packaging plant in Cabano in 2021 led to a significant reduction—of 43% between 2019 and 2022—in GHG emissions; in terms of tons, this extra equipment allowed us to reduce GHG emissions by 10,000 tons each year.

The Cabano plant has since had the best GHG/saleable metric ton ratio of all our plants that manufacture box components. For our other plants, 2022 was primarily a year of studies and of launching projects. And we expect these projects will lead to positive impacts in the coming years.

## Mills' GHG Emissions

GHG Emissions	Unit	2019	2020	2021	2022
Scope 1	Metric Tonnes CO <sub>2</sub> eq	503,726	445,724	394,733	397,427
Scope 2	Metric Tonnes CO <sub>2</sub> eq	477,868	319,169	250,353	244,584
<b>Total Scope 1 + 2</b>	Metric Tonnes CO <sub>2</sub> eq	<b>981,594</b>	<b>764,893</b>	<b>645,086</b>	<b>642,011</b>
Scope 1 + 2 (variation versus 2019)	%	0.0%	-22.1%	-34.3%	-34.6%
Intensity scope 1 + 2	Metric Tonnes CO <sub>2</sub> eq / MT	0.431	0.376	0.327	0.333
Intensity scope 1 + 2 (variation versus 2019)	%	0.0%	-12.8%	-24.1%	-22.8%

## Reduce by 27.5% our Scope 1 and 2 for our Conversion Plants and Others (kg de CO<sub>2</sub> eq. by 2030)



**Converting Plants and Other Activities**  
A slight decrease of GHG emissions was seen in this category that encompasses our converting plants (65% of total emissions) and our other activities (Cascades Transport, recovery centres, building and offices: 35% of total emissions).

Two thirds (66%) of our converting plant emissions can be attributed to our 19 packaging plants in the Containerboard Packaging division. The remaining emissions can be attributed to the converting plants of the other two groups, which is to say 20% from the Tissue Group and 14% from the Specialty Products Group.

## GHG Emissions for our Conversion Plants and Others

GHG Emissions	Unit	2019	2020	2021	2022
Scope 1	Metric Tonnes CO <sub>2</sub> eq	93,741	75,866	75,099	73,727
Scope 2	Metric Tonnes CO <sub>2</sub> eq	40,922	40,917	33,268	32,158
<b>Total Scope 1 + 2</b>	Metric Tonnes CO <sub>2</sub> eq	<b>134,663</b>	<b>116,783</b>	<b>108,367</b>	<b>105,885</b>
Scope 1 + 2 (variation versus 2019)	%	0.0%	-13.3%	-19.5%	-21.4%

### Scope 3

Cascades conducted its first scope 3 measurement in 2018, based on the guidelines specified in Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI & WBCSD, 2013).

The data was provided by our Enterprise Resource Planning and was compiled by a third party that specializes in assessing greenhouse gas emissions using variables from various data sources and databases. As we do for the emissions associated with our mills, we measure our performance based on intensity. This intensity value uses total sales as a denominator. Any decision related to these calculations is made in partnership with the firm assisting us.

Among all the categories of emissions related to our upstream and downstream operations, we studied the most significant categories for Cascades, namely:

- Purchased goods and services (category 1)
- Energy and fuel production-related activities (category 3)
  - Transportation and distribution (managed by Cascades) upstream and downstream of production (category 4)
    - Residual materials generated by production (category 5)
- Employee commuting (category 7)
- End-of-life treatment of sold products (category 12)



According to SBTi methodology, the target set for scope 3 represents a 22% reduction by 2030, compared to 2019.

## GHG Emissions: Scope 3

GHG Emissions	Unit	2019	2020	2021	2022
Scope 3	Metric Tonnes CO <sub>2</sub> eq	1,782,597.0	1,808,700.0	1,730,476.0	1,935,890.0
Intensity (scope 3)	Metric Tonnes CO <sub>2</sub> eq / MT	0.770	0.876	0.923	1.061
Category 1: Purchased goods and services	%	51	49	51	54
Category 3: Energy and fuel production-related activities	%	36	35	32	29
Category 4: Transportation and distribution (managed by Cascades) upstream and downstream of production	%	8	8	8	8
Category 5: Residual materials generated by production	%	3	3	3	4
Category 7: Employee commuting	%	1	1	1	1
Category 12: End-of-life treatment of sold products	%	1	5	5	5

We ended 2022 with a profile for total scope 3 emissions that is higher than 2021. There are increases in several categories.

### Purchased Goods and Services (category 1)

The “Purchased goods and services” category—representing more than half of the emissions (53%)—saw an increase in emissions of 149,444 tons compared to 2021. A higher volume of virgin pulp purchases, but also an increase in product and service costs, can explain this rise.

Product and service emissions are calculated based on dollars spent in each purchasing category, while raw materials are calculated based on metric tons.

As part of our efforts, we launched an initiative with our main raw material and chemical product suppliers to gain a better understanding of their emissions. We seek to refine our source data to be specific to our suppliers or to a sector of activity, rather than to the industry in general. This process is nonetheless challenging as organizations do not have the same level of understanding of the various parameters.

### Transportation and Distribution (managed by Cascades) Upstream and Downstream of Production (category 4)

*This does not include the transportation of goods both purchased and covered by our suppliers.*

An increase of 10,952 tons falls in the “Transportation and distribution covered by the organization” category, which is mainly driven by the kilometres travelled.

Transportation at Cascades represents around 300,000 movements of goods annually throughout Canada and the United States. This is a widespread and complicated issue.

In recent years, we set up a logistics centre of excellence focused on optimizing all of this transportation. In collaboration with the various stakeholders (customers, suppliers and other local and regional players), an artificial intelligence project has also been deployed to take logistics optimization even further. The project’s objectives are to reduce empty kilometres, define the optimal routes, better manage the operational and legal constraints, and of course, reduce transportation costs. The developed tool was pilot tested in 2021 in the Greater Toronto Area.

And the results quickly showed us the potential for improvement—not only in our own practices, but in those of our partners as well. This project is now in effect for all Cascades road transportation. You might even say that the proposed solution promotes the circular economy. As many of our customers are also waste paper and boxboard suppliers, we want to synchronize our trips better so we coordinate finished good delivery and raw material pick-up.



### Residual Materials Generated by the Activities of the Organization (category 5)

The significant increase in this category is mainly driven by the loss of a partner for the Tissue Group – Oklahoma plant, who was helping it to recover deinking sludge.

Lacking alternatives, the plant sent this sludge—around 25,000 tons—to landfill. The emission factor of this type of material sent to landfill is significantly higher than the emission factor of recovered waste, which explains the negative variation we see.

### End-of-Life Treatment of Sold Products (category 12)

We see differences since 2020 that can be explained by the refinement of data and by the adjustment of the methodology used over time. Data from this category takes into account the hypotheses about recycling, disposal and incineration rates based on the average market valuation (e.g. Recyc-Québec, 2019, US EPA, 2021), and the emission factors related to the treatment or transportation of waste from the ecoinvent v3.6 database.




Scope 3 is undoubtedly the most difficult scope to address. It comprises multiple pieces of data, depends on general information about the industry (for now, as we don't yet have verified data on our suppliers' performance), and it requires a more granular analysis. We understand that others face the same challenges, and we are certain that our proposed strategy will take shape over time—through improved data management in the general requirements for publishing clear financial information on sustainable development, and through a better understanding of organizations as they relate to the range of possible parameters.

# Energy Consumption

## Highlights

Energy consumption and greenhouse gas emissions are closely linked. By continuing to improve our plants' energy efficiency and by working on a renewable electricity procurement plan, our teams will help Cascades to become more resilient and to reduce the carbon footprint of its operating activities. Cascades has therefore set two energy objectives:

- ↑ increase the share of renewable electricity in our supply in order to use 100% renewable electricity by 2030
- ↓ reduce energy consumption at our plants by 6% by 2025, compared to 2019



**58%**  
renewable  
electricity



**29,415 GJ**  
less energy consumed  
annually thanks to an  
operational control initiative

**2.4 x**  
less energy  
consumed than the  
industry average\*

*\*Pulp and paper industry in North America.  
Source: FisherSolve™ Next, ©2022 Fisher International.*



# Our Renewable Electricity Profile in 2022

The networks that supply Cascades with its electricity are currently comprised of 58% renewable sources. However, this rate varies from region to region, depending on how the energy is produced in the network. Some U.S. states such as New Jersey have only 3%<sup>2</sup> of their grid coming from renewable energy, while states such as Oregon have 65%<sup>2</sup> of their grid coming from renewable energy. The picture is similar in Canada, while certain provinces such as Quebec and Manitoba generate their electricity from 100% renewable sources<sup>3,4</sup>, other provinces have a lower percentage, such as Ontario with only 36%<sup>5</sup>.

To meet certain market demands, in 2022, Cascades purchased the equivalent of 25,800 MWh in Renewable Energy Certificates (RECs).

## 100% Renewable Electricity by 2030



Various mechanisms are available for closing the gap between the current result and the target of 100% that was set for 2030. Those currently being reviewed include RECs and long-term renewable energy purchase contracts such as Power Purchase Agreements (PPA) and Virtual Power Purchase Agreements (VPPA).

### Renewable Electricity

Renewable energy refers to a variety of means used to produce energy from theoretically unlimited sources. These non-combustible energy sources include the sun, wind, moving water, and the earth's heat (geothermal). They can also include materials that are limited but often in abundance, such as organic waste (biomass).

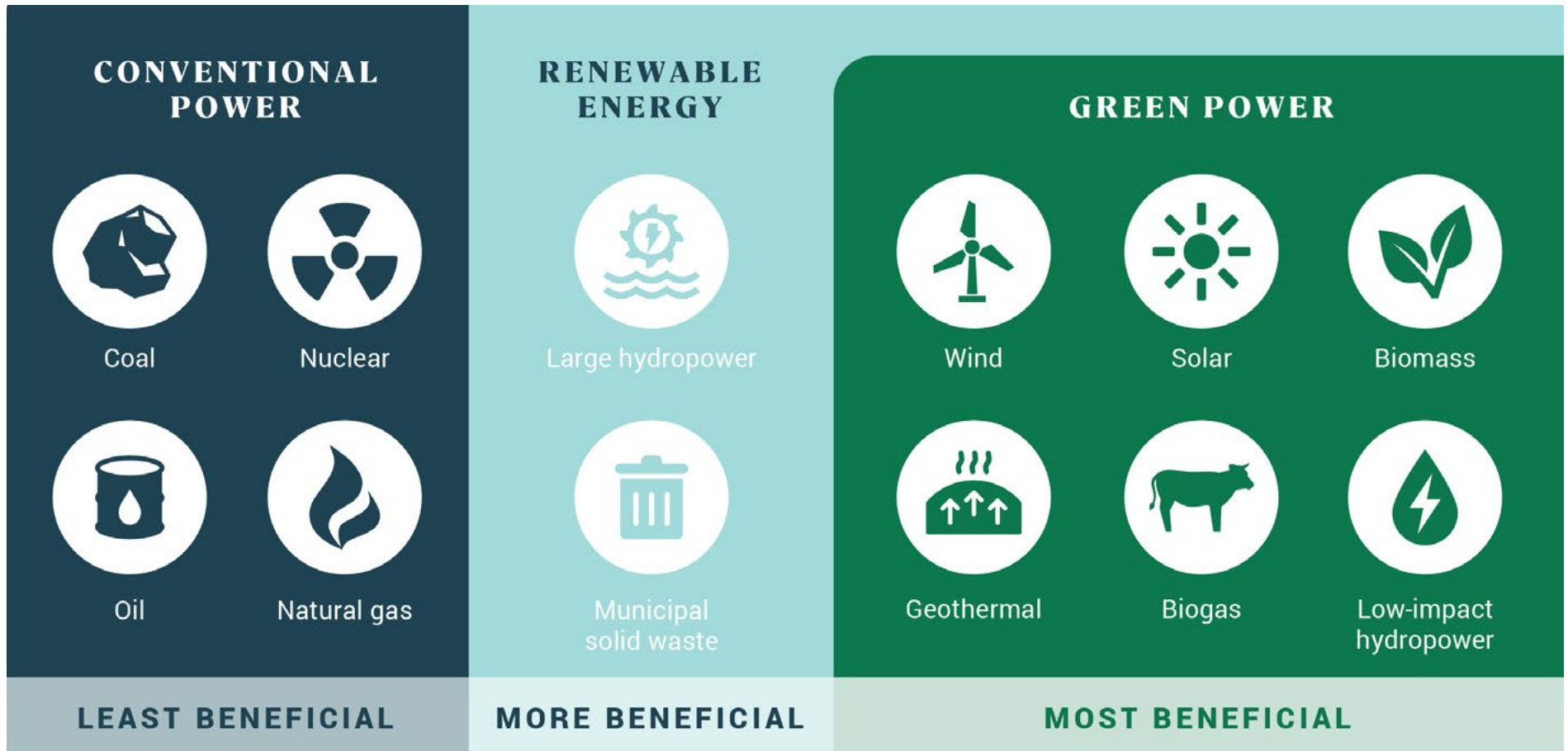
<sup>2</sup> eGRID, United States Environmental Protection Agency (EPA), 2021

<sup>3</sup> Hydro-Québec's Electricity Facts, 2021

<sup>4</sup> Provincial and Territorial Energy Profiles - Manitoba, Canada Energy Regulator, 2019

<sup>5</sup> 2022 Year in Review, Independent Electricity System Operator (IESO), 2022

# Classification of Electricity Supply



According to the U.S. Environmental Protection Agency's categorization of energy sources.

Each region uses different proportions of the energy sources available to it to produce its electricity. This is called the energy mix. In the world, this mix is still strongly dominated by non-renewable sources (80%), which are large emitters of CO<sub>2</sub>, whereas renewable energy sources are sometimes recognized as carbon neutral, if not low-carbon.

Electricity represents about one third of the energy consumed in the world. This is the same proportion as at Cascades, where electricity represented 30% of the energy consumed in 2022. Fifty-eight percent of our electricity comes from renewable sources.

The proportion can vary between 3% and 100% depending on the region. This is mainly due to our strong presence in regions supplied by hydroelectric power. As a result, 38% of all electricity consumed in 2022 was used by plants operating in Québec.

#### **Our Contribution to Greening the Network**

Two Cascades plants, Cascades Containerboard Packaging in Vaughan, Ontario, and Cascades Containerboard Packaging in Piscataway, New Jersey, have installed solar panels on their roofs. In the case of the Vaughan plant, all of the power generated is directed to the Ontario Independent Electricity System Operator (IESO) network, while in the case of the Piscataway plant, the power generated is consumed by Cascades, with any excess directed to PJM, the New Jersey system.

With the growing pressure to address climate change, it is expected that electrical grids will become greener due to a combination of increased demand for renewable energy and restrictive fossil fuel policies. Cascades, like other businesses, can benefit from this movement.



*Roof of Cascades  
Containerboard Packaging  
Vaughan, Ontario*



### Energy Consumption

Cascades recognizes that increasing the total share of electricity from renewable sources is not enough to reduce our environmental impact and help our customers achieve their sustainability goals. That is why we also strive to reduce the total energy consumption necessary to manufacture our products.

The internal team for energy optimization at Cascades, CS+ Energy Division, established a two-pronged action plan: development and implementation of energy projects, and operational control to ensure sustainability.

#### Energy Projects

In 2022, several fluorescent tube-to-LED retrofitting projects were carried out in six Cascades units in Québec, Ontario and Iowa. This project involved replacing the fluorescent lighting in the plants and offices with LED lighting. This type of project allows electricity consumption to be reduced and also helps reduce the GHG emissions of electrical grids, which have a greater environmental impact. This project has allowed us to reduce our energy consumption by 8,323 GJ per year.

We have also reduced our energy consumption by replacing a compressor in our Papier Kingsey Falls plant in Québec. This new compressor has improved energy efficiency, allowing us to save 2,977 GJ per year.

The steam supply comes from five boilers in the Containerboard Packaging – Cabano plant in Québec. There are two biomass boilers, two fuel-based boiler (No. 6 Fuel Oil) and one electric boiler. Up until 2021, the fuel-based boilers used to be alternated and any occasional loss of pressure would be offset using biomass boilers.

The installation of an electric boiler in the plant in 2021 allowed us to reduce our GHG emissions, but also allowed us to identify other opportunities that resulted in an additional 2,000 tons of CO<sub>2</sub>-eq. to be reduced per year.

#### Operational Control

Since creating our group of energy efficiency experts in the late 90s, we have always relied on implementing projects to optimize our methods. Over the years, operational control—which is a key strategy of Cascades' new Sustainability Action Plan—has been added to the process of completing projects. All plants are expected to maintain the efficiency of existing processes on a daily basis in addition to improving or strengthening their level of maturity with a view to continuous improvement.

In 2022, we have stopped using radiant heating in the last step of the paper drying process at our Kingsey Falls tissue plant in Québec. After studying the manufacturing and transformation process in the plant, we found that radiant heat did not provide much value during this step. This operational control allows us to lower our average consumption by 29,414 GJ, or 1,460 tons of CO<sub>2</sub>-eq.

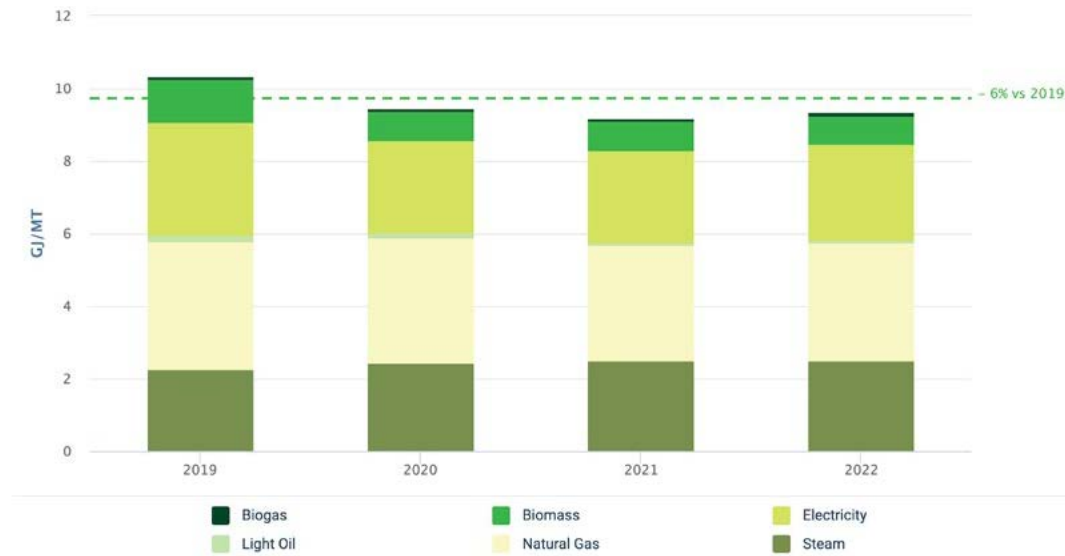


#### The Marathon Project

Lastly, we would like to highlight the continuation of the Marathon project, a major cross-sector operational efficiency project applicable to all of Cascades. The company worked with strategic advisors to analyze its plants' performance and establish rigorous processes and ambitious objectives.

This practice will help make the operators accountable and encourage rapid action to improve the plants' energy intensity, among other things. In addition, several key performance indicators have been identified, are monitored daily by our teams on the floor and are reviewed by supervisory staff and management monthly. Finally, we are proud to have once again passed the energy maintenance audit for our three groups.

## Reduce the Energy Consumption at our Plants by 6% (GJ/TM) by 2025



We ended 2022 with 1.5% increased energy intensity. This slight increase can be attributed to the energy performance of some plants. Our team is therefore paying close attention to these plants in 2023.

## Energy Consumption of our Mills

Description	Unit	2019	2020	2021	2022
Biogas	GJ	178,529	160,549	156,924	152,211
Biomass	GJ	2,663,075	1,640,980	1,614,141	1,534,640
Light Oil	GJ	326,972	270,142	138,219	158,868
Natural Gas	GJ	8,023,623	6,996,272	6,260,764	6,294,716
Steam	GJ	5,209,439	4,986,501	4,952,520	4,820,907
<b>Total Direct Energy Consumed</b>	<b>GJ</b>	<b>16,401,638</b>	<b>14,054,444</b>	<b>13,122,568</b>	<b>12,961,342</b>
Electricity	GJ	7,147,343	5,203,554	5,020,689	5,063,786
<b>Total Indirect Energy Consumed</b>	<b>GJ</b>	<b>7,147,343</b>	<b>5,203,554</b>	<b>5,020,689</b>	<b>5,063,786</b>
<b>TOTAL ENERGY CONSUMED (direct and indirect)</b>	<b>GJ</b>	<b>23,548,981</b>	<b>19,257,998</b>	<b>18,143,257</b>	<b>18,025,128</b>
Energy Intensity (per unit of revenue)	GJ/MT	10.336	9.461	9.201	9.344

# Water Consumption

## Highlights

Cascades is aware of water's vital role and importance in manufacturing its products and operating its plants, and it treats this resource with all the respect it deserves. The company implements projects and action plans and establishes monitoring and operational controls in its plants to limit its use. Year after year, Cascades sets itself the goal of reducing effluents from its manufacturing plants. **The target for 2025:**

↓ **15% reduction vs. 2019**

**680,000 M<sup>3</sup>**  
less water discharged compared to last year thanks to our conscientious employees



**Equivalent of 24,000**  
**Olympic-size pools saved compared to the industry average\***



**4.3 x less water**  
discharged than the industry average\*

*\*Based on the average for the North American pulp and paper industry. Source: FisherSolve™ Next. ©2022 Fisher International*





Although the 2022 effluents meet and even surpass our 2025 target, we know that the start-up of a new plant in 2023 will impact our water consumption. Our teams will therefore continue to stay aware.

2022 was a year focused on analyzing our processes and ways of doing things.

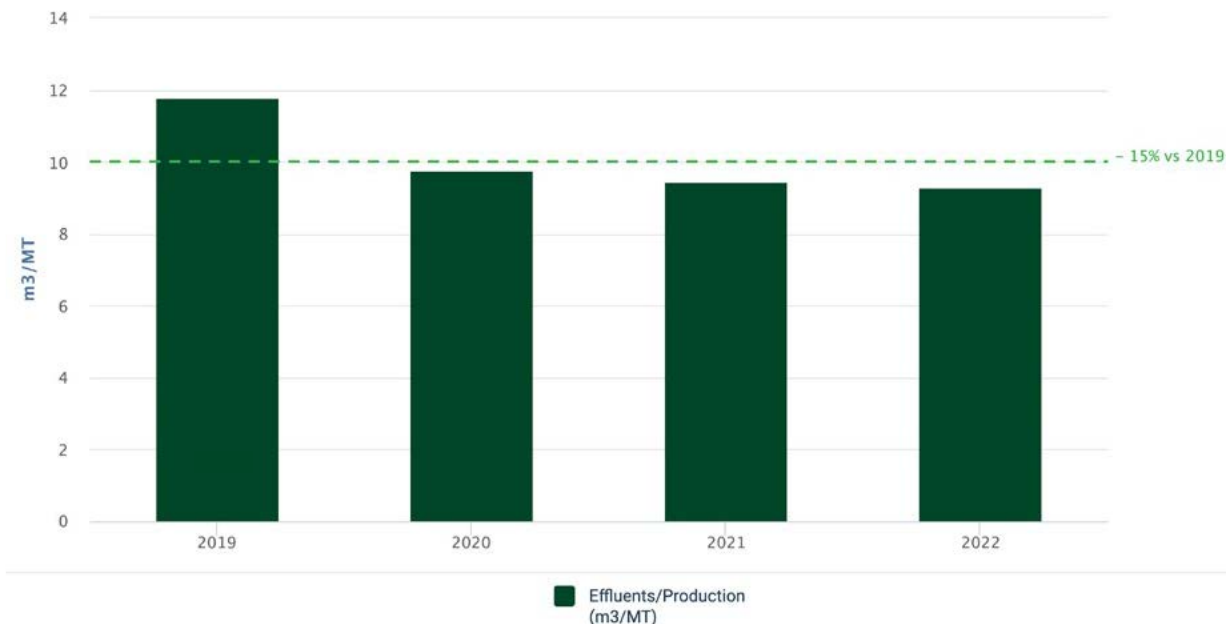
We ended the year with steady results compared to 2021, even recording a slight reduction in our effluents thanks to the discipline and awareness of our operations and maintenance personnel. All year long, they were involved in improvement projects, analyses and studies in collaboration with various technical experts. This was an exercise that demonstrated that despite our performance, gains are always possible, whether small or large. Over the next few years, we will continue to carry out different water-saving projects in targeted facilities, while maintaining our performance and helping with the start-up of a new linerboard plant in Bear Island, Virginia (USA).

### Effluents Management

When it comes to water consumption at Cascades' plants, the focus is on the paper mills given the large volume of water they use. In order to be more efficient in managing this resource, we are concentrating on two areas of intervention: reducing imbalances in the water networks and reusing process water. In the first case, we know that any significant imbalance will lead to an inflow of fresh water to meet a specific need. If the systems are better balanced, periodic additions are not required. As for reusing process water, the appropriate water quality should be chosen for each application and fresh water used only as a last resort.

Various water treatment operations, including clarification, are used to obtain the desired quality from the process water.

## Decrease Effluents in our Manufacturing Plants by 15% (M<sup>3</sup>/MT) by 2025



## Effluents

Description	Units	2019	2020	2021	2022
Effluents	m3	26,853,818.95	19,903,935.46	18,620,768.49	17,935,032.00
Effluents/Production	m3/MT	11.79	9.78	9.44	9.30
Effluents / Production (variation versus 2019)	%	0.0 %	-17.1 %	-19.9 %	-21.1 %
Suspended Solids Returned to Effluent	kg/metric tonnes	0.35	0.28	0.31	0.24
Biochemical Oxygen Demand (BOD) After Five Days in Effluent	kg/Metric Tonnes	0.22	0.17	0.19	0.14

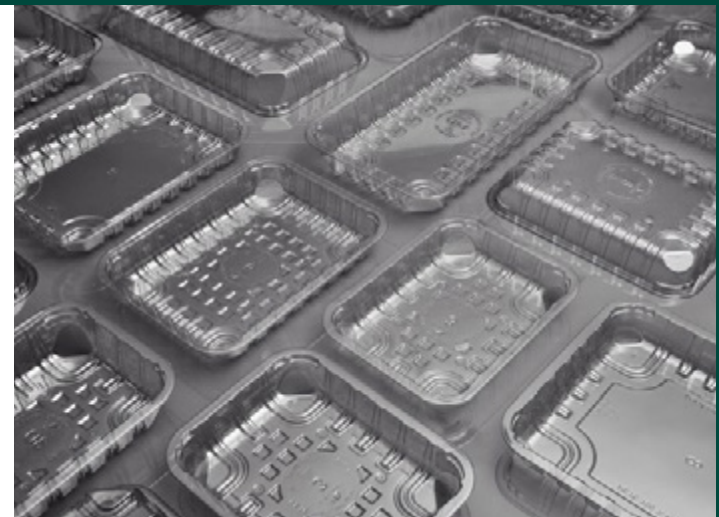
# Eco-designed Products

## Highlights

Proud of our commitment to leading the way in eco-friendly hygiene and packaging solutions, we have adopted guiding principles for developing new products. These principles cover every stage in the life of the products we manufacture and sell, from their design to their end of life. By regularly reviewing our principles, we are able to make significant improvements to our products in order to minimize their environmental impacts. **Consequently, our goal is to have:**

- ↑ 100% of the packaging we manufacture and sell be reusable, recyclable or compostable by 2030.

**1<sup>st</sup> tray**  
made from  
100% recycled and  
recyclable PET



**1 corrugated packaging**  
solution finalist for  
the Prix Innovation  
en alimentation

**1 new life-cycle**  
assessment (LCA) to  
improve eco-design



# Our Eco-design

## Principles



### 1. Informed decisions

about the design and development of products in order to limit their environmental footprint.



### 2. Optimized design

that maximizes the use of raw materials in order to limit resource consumption and prevent overpackaging.



**3. Carefully considered materials and inputs**, prioritizing recycled content in the manufacture of our products and the use of certified, responsibly sourced virgin fibres when necessary.



### 4. Minimized footprint

by operating our production facilities in a way to manufacture and market products with a reduced footprint in terms of water and energy consumption and greenhouse gas emissions.



### 5. Customer and end-user engagement

by raising customers' and end-users' awareness and educating them on topics related to our expertise in eco-design.



### 6. Smart value chain

by considering the efficiency of our products across the supply chain and looking for opportunities to design or use reusable packaging, especially in an e-commerce context.



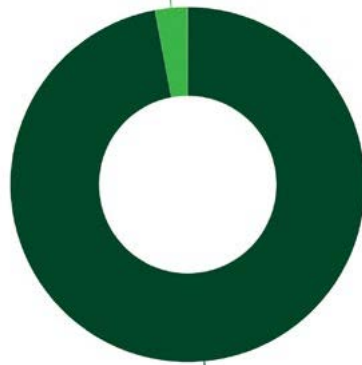
### 7. Responsible end of life

by designing our packaging to promote the best possible means of disposal. To that end, we follow the 3R-RD hierarchy.

**For more information on the subject, please consult our guide on our eco-design principles.**

## 100% of the packaging we manufacture and sell is reusable, recyclable or compostable by 2030

Non-recyclable: 2.97 % (21,272,842)



Recyclable: 97.03 % (695,722,152)

In 2022, the percentage of our reusable, recyclable or compostable packaging products reached 97% and we're very proud of this accomplishment. This was mainly due to higher sales of recyclable packaging products and lower sales of non-recyclable packaging products, as part of a higher volume of overall packaging sales.

Despite this performance, we will continue to work on challenging packaging that has not yet been recognized as recyclable. These are mainly made of plastic resins. It's important to note, however, that there are regions where these products can be recovered and recycled. Unfortunately, this practice is not widespread enough for them to be considered "Widely Recyclable" according to How2Recycle's standards.

### Recyclability and How2Recycle® Certification

“Packaging is recyclable if it can be collected, sorted, reprocessed, and ultimately reused in manufacturing or making another item.”  
- How2Recycle

For a product to be recyclable, it must comply with the rules set out in ISO 14021, Environmental labels and declarations - Self-declared environmental claims (Type II environmental labelling), adopted and adapted by the Competition Bureau in Canada and the Federal Trade Commission in the United States. In summary, these rules state that a product or packaging cannot be declared recyclable unless it can be collected, separated or recovered from the waste stream by an established recycling program that reuses it in the manufacture or assembly of another item.

The Canadian guide, currently being revised, specifies that the presence of municipal or industrial collection networks in the area where the product is sold is not sufficient to declare a product “recyclable”; facilities to process the collected materials and reuse them as raw materials must also exist. At least 50% of the population in Canada and 60% in the United States must be served by a curb site material program, recycling program or store drop-off. Below these thresholds, a product cannot be identified as recyclable. In short, if you want to put a Möbius strip on a container or packaging, a series of criteria must be met: there should be no collection, sorting, processing or market issues.

To meet these requirements and verify the recyclability of our packaging sold in Canada and the United States, we work with How2Recycle. This organization, created under the aegis of Green Blue\*, proposes a standardized labelling system that provides consumers with information about how to properly dispose of their containers and packaging after use. How2Recycle evaluates packaging based on several specific criteria, assigning it a recyclability status and a label with recovery instructions. The list of criteria is long and includes: the applicable national laws, the population's rate of access to a recovery program, the packaging's acceptance in a sorting centre, its composition and ease of transformation, and the existence of a market for the recovered material. The details are available in How2Recycle's [Recyclability Guide](#).



**Green Blue is a not-for-profit environmental organization dedicated to enabling a diverse range of stakeholders to promote an economy with more sustainable materials, and is also the driving force behind the Sustainable Packaging Coalition.**

# When is a container/packaging considered **RECYCLABLE?**

## APPLICABLE LAW

Recyclability claims must comply with the Federal Trade Commission (FTC) and Competition Bureau guidance over environmental marketing claims.

## COLLECTION

Is there a collection system in place for this item?



## RECOVERY FACILITY

Can the item be sorted with the equipment available, based on size, shape and other physical attributes?



## PROCESSOR

Can the item be reintroduced as a raw material? The APR Design® Guide for Plastics Recyclability and paper testing protocols at certified labs are used to assess technical recyclability.



## MARKET

Is there a market for the raw material produced (locally ideally)? Materials that do not have an end market cannot be considered recyclable.



## RECYCLABLE



Depending on the outcome of the evaluation and the market the packaging will end up in, How2Recycle assigns it one of four recyclability categories:

- 1) Widely Recyclable;
- 2) Check Locally;
- 3) Not Yet Recyclable;
- 4) Store Drop-Off.

At Cascades, our products are only considered recyclable if they qualify as “Widely Recyclable”.

These independent third-party assessments ensure that Cascades has a recognized standard for its declarations. At the same time, we have developed recognized in-house expertise in recyclability: our research and development teams carry out various laboratory tests to evaluate the repulpability of fibre products, among other things; our sorting centre teams can assess what happens to a material, regardless of its composition, when it reaches the sorting lines; and our recycling plants can field test how fibre products behave in the pulping process.

These are the great advantages of being an integrated company.

### First Tray with Rolled Edge Made from 100% Recycled and Recyclable Materials

In April 2022, a new 100% recycled and recyclable PET tray<sup>1</sup> was added to our range of eco-friendly packaging. It took three years of research to develop our solution with an innovative design that allows for minimal use of materials while ensuring optimal rigidity.

Also, its rolled edges reduce the risk of tearing when using shrink-wrap, helping to curtail food waste. Our desire to make this new product part of a circular economy was a priority from the outset of its design, and our efforts in this direction have led to significant results: by exclusively using our recycled PET trays, our customers have the opportunity to reduce their impact on climate change by 69% compared to the use of equivalent virgin PET trays<sup>2</sup>.

Our new eco-friendly tray is therefore an ideal alternative to more difficult-to-recycle food packaging, especially as it is compatible with existing packaging equipment used by food processors and retailers.

<sup>1</sup>The tray meets How2Recycle’s requirements in Canada for populations served by a collection program for this material, but not in the United States, according to the latest Centralized Study on Availability of Recycling 2020-2021 report published by the Sustainable Packaging Coalition.

<sup>2</sup>Source: Cascades Trays Life Cycle Assessment (LCA), Groupe AGÉCO, July 2021.



**The New Corrugated Basket for Fresh Fruit and Vegetables, Finalist for the Prix Innovation en Alimentation 2022**

The Conseil de la transformation alimentaire du Québec (CTAQ) has selected 25 companies as finalists for the Prix Innovation en alimentation 2022. These awards recognize food companies that distinguish themselves by their outstanding innovation and creativity. We were one of them, thanks to our new closed corrugated basket for fresh fruit and vegetables.

This corrugated packaging solution was born out of the desire of Canadian food retailers to find an alternative to difficult-to-recycle packaging, particularly plastic packaging. Incorporating recognized eco-design principles, our basket is made from recycled fibres and is recyclable. What's more, delivered flat, it reduces transport and storage space. Our sturdy corrugated solution also stands out from the flat cardboard packaging on the market because of its solid design that protects fruits and vegetables during transportation, in addition to being stackable on grocery store shelves, thereby contributing to the reduction of food loss. Our new basket will be officially launched in winter 2023 and will enable retailers to reduce their environmental impact throughout their entire supply chain.



### Life-cycle Assessment (LCA)

At Cascades, we pay particular attention to the end of life of our products, but also to the other stages of their life cycle. Knowing that it is generally the raw material extraction and manufacturing stages that have the most impact for a product, we pay careful attention to the resources we use, our water and energy consumption and our greenhouse gas emissions.

To evaluate and quantify these impacts, we use the life-cycle assessment (LCA) method.

This scientific method makes it possible to evaluate the potential environmental, social and economic impacts associated with all stages of a product's life, i.e. from extraction of the raw materials to disposal or recycling, including processing the materials, the manufacturing process, distribution, use, and repair and maintenance (CIRAIG). This recognized method is also an essential tool for eco-design as it allows us to identify the stages of the product's life cycle that have the most impact. This information guides us in designing environmentally responsible products and improving our existing products.

In 2022, with the support of experts from Groupe AGÉCO, our teams worked to improve one of our flagship packaging, the northbox, an isothermal box made from recycled and recyclable cardboard, from an eco-design perspective. Thanks to a life-cycle assessment, along with a methodology calculation, we examined its environmental impacts and identified areas for improvement.

The result? The weight of the packaging was reduced by 23% compared with the initial version, resulting in a 15% reduction in potential impact on climate change and a 25% reduction in the use of non-renewable resources. A success story made possible with financial support from Fonds Écoleader, an initiative of the Québec government.





# Responsible Procurement

In 2012, we launched a major initiative aimed at better understanding the social and environmental practices of our supply chain's players. We became one of the first companies in Canada to take this direction. A recognized independent third party has assisted us in this process and, by the same token, helps our suppliers better understand the strengths and weaknesses in their environmental, social and governance (ESG) practices. This is a win-win approach for all parties and will continue in the coming years.

To reduce our impact on the planet and amplify our positive social impacts, we favour collaboration with suppliers who share our values. This motivation to reduce the upstream impacts of our activities has led us to set three objectives:

- ↑ Procure 100% of our paper and fibre from recycled or certified sources by 2025
- ↑ Double our procurement of FSC® Mix fibre by 2025 vs. 2019
- ↑ Ensure that 70% of our purchases are sourced from responsible suppliers



# Highlights

**80%**  
of the fibre purchased  
to manufacture our  
products is recycled



**1<sup>st</sup>**  
Partner  
Summit

**100%**  
of our virgin  
fibre and paper  
procurement meets  
the FSC® standards



### Respect for the Forests at Heart

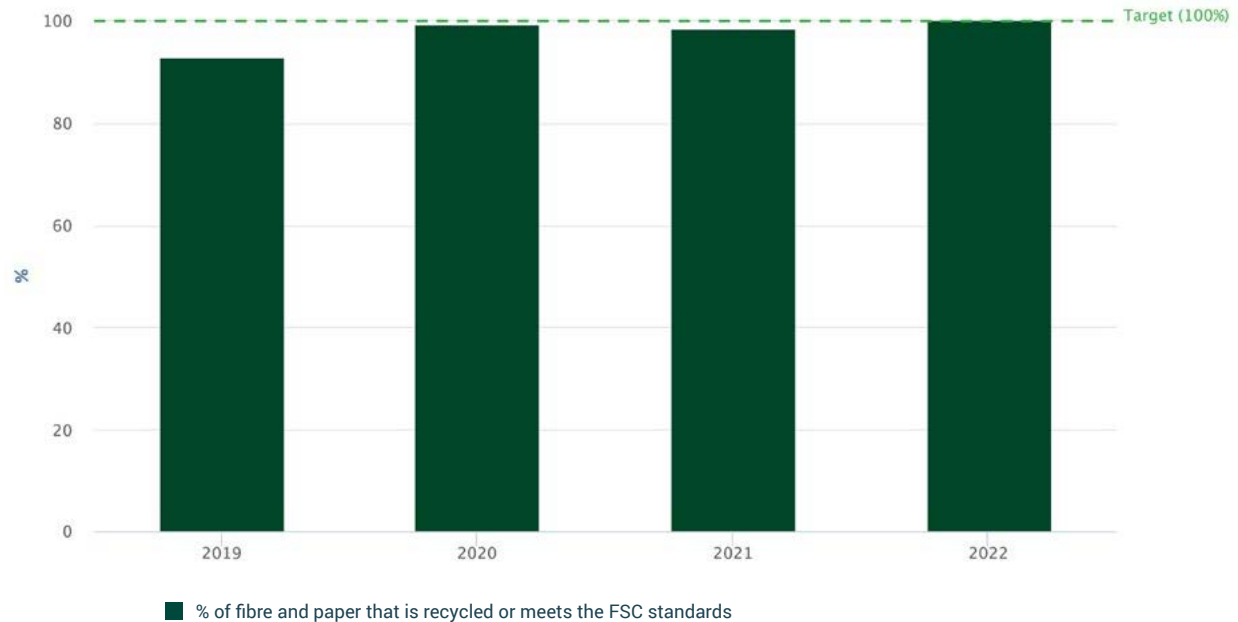
We have always favoured the use of recycled fibre in our products and we will continue to do so. However, depending on the availability of recycled fibre and the characteristics required for certain products, we sometimes need to use virgin fibre and paper. In such cases, we source from suppliers whose forest management standards are endorsed by an independent third party: the Forest Stewardship Council® (FSC).

This international forest certification recognizes companies whose practices meet the most stringent requirements for sustainable forest management. Not only does FSC® ensure the protection of rare or endangered forest ecosystems and wildlife species, but it also enforces respect for the rights of Indigenous peoples, communities and workers. FSC certification includes several levels, with Mix certification being the most demanding.

### Cascades Fibre and Paper Profile

Since fibre and paper are our main raw materials, we wanted to demonstrate that traceability is a priority issue for our organization by including this objective in our Sustainability Action Plan. We have also chosen to raise our standards with our virgin fibre suppliers, by aiming to double our procurement of FSC® Mix certified fibre, a level that guarantees sourcing from audited forests. The fibre we purchase, that is, waste paper and cardboard, pulp and woodchips, is either recycled or meets the FSC standards.

## 100% of the fibre and paper we use is recycled or meets the FSC standards by 2025

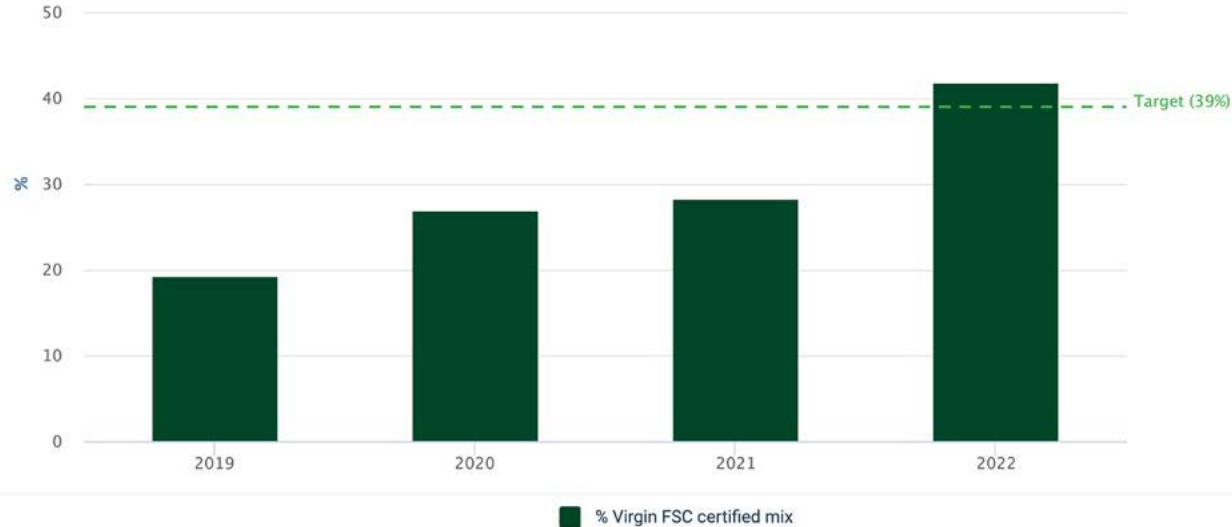


In 2022, our fibre and paper sourcing was exemplary, with 100% being either recycled or meeting the FSC standards. Our fibre and paper procurement teams have worked with our suppliers to ensure that all our virgin inputs are FSC traceable. Our teams will work to maintain this performance over the next few years. **See the table below for details of recycled and virgin fibre procurement proportions.**

## Double our FSC Mix Supply by 2025

Description	Unit	2019	2020	2021	2022
Recycled fiber procured	Metric tonnes	2,165,957	2,142,251	1,896,288	1,840,506
Recycled pulp procured	Metric tonnes	29,093	20,690	16,967	16,441
Virgin fiber (wood) procured	Metric tonnes	359,262	220,167	191,280	254,116
Virgin fiber (pulp) procured	Metric tonnes	169,539	183,709	153,454	220,416
<b>TOTAL RECYCLED AND VIRGIN FIBER PROCURED</b>	<b>Metric tonnes</b>	<b>2,723,851</b>	<b>2,566,817</b>	<b>2,257,989</b>	<b>2,331,479</b>

## Double our FSC Mix Supply by 2025



As for our objective of doubling our FSC® Mix certified virgin fibre procurement, it was surpassed in 2022 with 41% of our procurement certified FSC® Mix. The procurement teams will continue their efforts over the next few years to ensure that this percentage is maintained or improved, depending on market conditions and the availability of credits.

### Plastic at Cascades

Plastic also constitutes a raw material entering the production of some of our food packaging solutions. Plastic accounts for just over 1% of the total metric tons of raw materials purchased to manufacture our products. The table below details the proportions of recycled and virgin plastic procurement.

## Recycled and Virgin Plastic Procured

Description	Unit	2019	2020	2021	2022
Recycled fiber procured	Metric tonnes	7,352	12,167	12,887	11,747
Virgin plastic procured	Metric tonnes	6,908	8,923	8,510	14,993
<b>TOTAL RECYCLED AND VIRGIN PLASTIC PROCURED</b>	<b>Metric tonnes</b>	<b>14,260</b>	<b>21,090</b>	<b>21,397</b>	<b>26,740</b>

### Responsible Suppliers

We have been committed to working with partners who share our values since 2010. Our objective is still the same: source from suppliers whose sustainable development practices have been evaluated and deemed responsible. We are aiming for 70% of our procurement (in dollars) to be from responsible suppliers by 2025. This is an ambitious objective, given the size of our organization, the number of suppliers and the time required to update supplier scorecards.

We are convinced of the positive spin-offs of this approach, which enables our partners to move towards greater maturity in their ESG practices, and in turn allows us to get to better know these valued partners in our value chain.

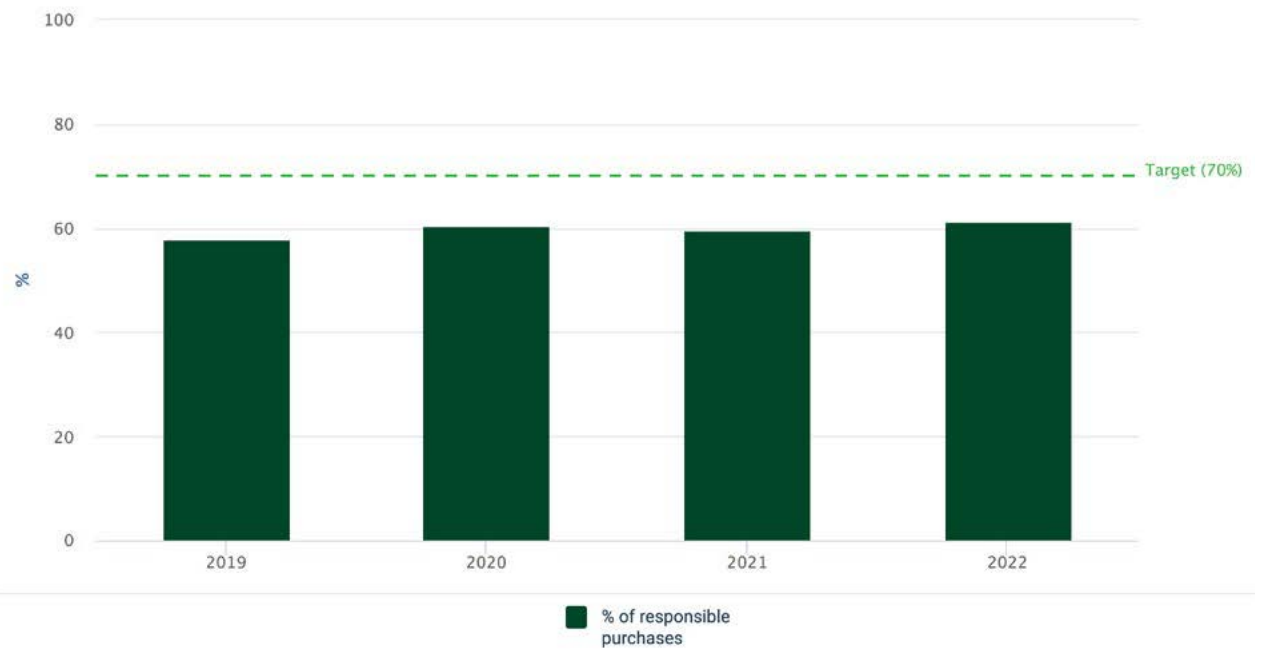
To ensure transparency and impartiality, we work with an outside firm that specializes in analyzing ESG practices. **The thorough assessment is based on 21 criteria grouped into four main themes:** environment, social and human rights, ethics, and responsible purchasing. Assessments are valid for three years. After this time, suppliers are invited to update their assessment. If they do not get a passing grade, they must make the necessary adjustments and provide us with a new assessment within two years.

### Cascades Partner Summit

The very first Partner Summit was held in 2022. Organized by our Procurement Centre of Expertise, this event brought together more than 150 participants from over 100 key partners to share our priorities and objectives for the coming years, network with one another and, above all, recognize their essential role in our company's success.

We also presented our responsible procurement approach. Communicating our intentions continues to be key to the success of our program.

## 70% of our Purchases are Sourced from Responsible Suppliers by 2025



# Residual Materials

## Highlights

The mandate of Cascades Recovery+ is to ensure a supply of recycled fibres to our manufacturing plants. Cascades Recovery+ is comprised of 18 recovery centres and about 1,000 people dedicated to proper management of our residual materials.

Each year, they process more than 1.5 million tons of various materials. Among the services offered, most noteworthy are the consulting services provided to different organizations—industries, businesses, institutions—with the goal of improving and optimizing the flow of materials produced on site. Recovered fibres are redirected in part to our manufacturing plants, allowing our partners to participate in a circular economy. The other materials are sold on the market.

Cascades currently recovers 78% of the residual materials it generates. Despite this enviable performance, we are certain that there is still room for improvement as well as prospects for materials generated on site that we have not yet considered. With the growing proportion of contaminants in waste paper bales, it is clear that maintaining our performance will be the challenge in the coming years.

**78%**  
of waste  
diverted from  
landfill



**70% - 90%**  
average diversion rate for  
those who benefited from  
the services of our Cascades  
Recovery+ division



**7 plants**  
with a recovery rate  
of more than 90%



**Pulping**

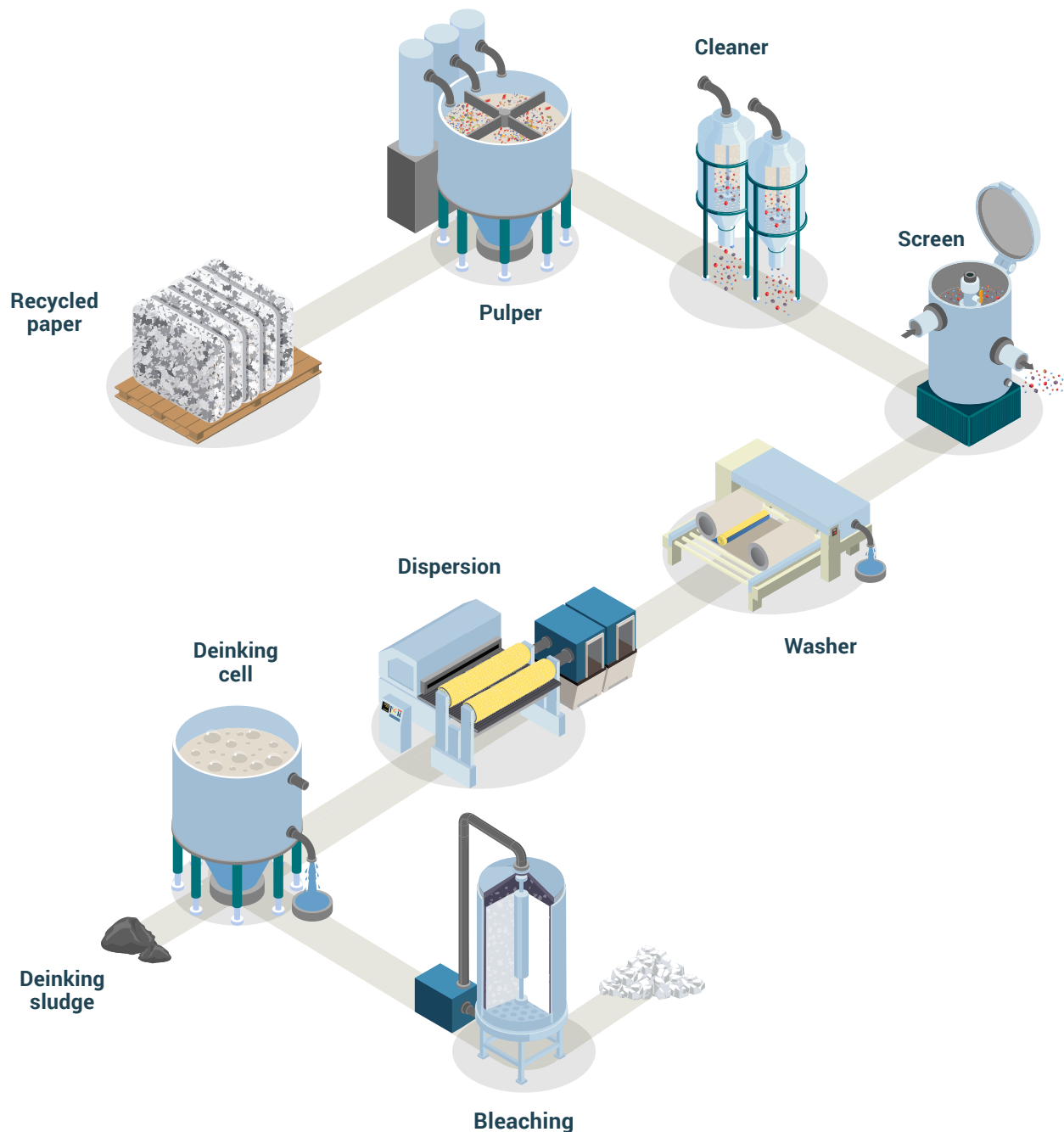
**Purification & Sieving**

**Cleaning & Screening**

**Deinking & Bleaching**

**The Challenges of Recycled Fibre**  
 Using recycled fibre as a raw material means that we have to deal with a lot of contaminants, namely the “other” materials contained in the bales of waste paper and cardboard we buy. Depending on the grade, certain bales can contain up to 12%. For each ton purchased, this can represent as much as 120 kg of contaminants. Given that we buy over two million tons of fibre per year, that is a significant amount of waste. All of these contaminants are separated from the fibre during the pulping process.

Each step of the pulp manufacturing process generates waste. The largest contaminants are removed at the pulping stage, where the paper and cardboard bales are stirred in a large tank with water. This includes various non-fibre materials that might have fallen into the bales at the recovery centre or even tape on boxes. The subsequent steps, the coarse and fine waste sieves, remove smaller contaminants such as staples and glass from the pulp.



### Recovery of Our Own Waste

Since 2016, Cascades has had a business partnership with Covanta, a company that specializes in waste-to-energy.

This collaboration allows a high rate of residual materials recovery for the plants at our Niagara Falls complex: Cascades Containerboard Packaging – Niagara Falls and Greenpac (New York). Through a cogeneration process, pulping waste from these paperboard plants is used to produce electricity and steam. The vapour produced is redirected to Cascades plants, where it is then used for product drying. A perfect example of a circular economy, where outputs have a useful end of life in our own facilities!

A long-standing collaboration with Buffalo Fuel Corp. allows us to recover the strands (ropes to which contaminants inside fibre bales get caught during pulping) produced by the same two plants. Recovering them posed technical challenges that, up until recently, had not been resolved. Thanks to a new heavy-duty shredder, our partner is now able to separate the materials. The metal is then resold, while the plastic and pulp are sent to a cement factory as fuel.

It is through partnerships such as these, developed over the years, that we were able to recover all the manufacturing residues from those two plants in 2022.



*Example of pulping waste. The bales of paper and cardboard that Cascades purchases can contain up to 12% contaminants. The largest waste elements are removed during the pulping process. For the time being, except at our Niagara Falls plants, this very heterogeneous waste is not recovered, for lack of local solutions.*

Over the years, different ways have been found to recover the deinking sludge and primary and secondary sludge from the manufacturing processes, including: agricultural spreading, aggregate for animal bedding, cogeneration, covering and tamping layer in cardboard manufacturing.

In Oregon, a shortage of sand allowed Cascades to offer its sludge to a landfill for daily capping (a step required for sanitary control and cleanliness reasons). This is a sensible alternative, as it replaces a natural resource with an equally effective industrial waste.

In 2022, Cascades recovered 78% of its production residues, a dip of 5% compared to 2021. This decrease was driven mainly by the loss of a Tissue Group – Oklahoma plant partner responsible for recovering deinking sludge. For plants that manufacture tissue paper products, deinking sludge is the main waste product.



## Recovered Waste vs. Landfilled Waste

Description	Unit	2019	2020	2021	2022
Waste recovered	Metric tonnes	406,030	492,139	452,260	429,451
Waste sent to landfill	Metric tonnes	121,282	123,040	95,748	124,327
Total Waste	Metric tonnes	527,312	615,199	548,008	553,778
Percentage of Waste Diverted from Landfill	%	77	80	83	78

### Success Stories from our Supply Customers

Partnering with Chep since 2002 has allowed us to reduce our environmental impact through their pallet share and re-use service. Traditionally, wood pallets have a linear lifecycle, meaning that they are used only a few times. Rented pallets, however, are continuously reused and repaired as part of a circular economy model. In 2022, using Chep's services, we were able to reduce:

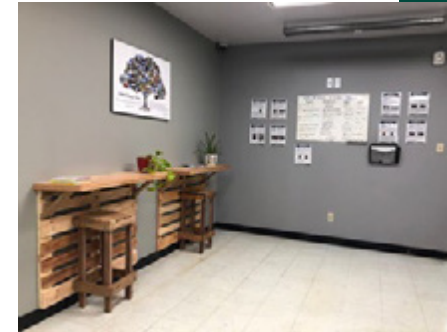
- ↓ our greenhouse gas emissions by 21,905,015 pounds, the equivalent of sequestering carbon from 12,311 acres of forest
- ↓ our consumption of wood planks by 2,023,791 feet, the equivalent of 4,570 trees
- ↓ our waste by 2,171,127 pounds, equal to the annual waste of 1,203 people



### Employee Success Stories

#### From wood pallets to furniture

Employee ingenuity also plays a role in the high rate of residual materials recovery. For example, employees at our Cascades Recovery+ Winnipeg plant transformed damaged wood pallets into attractive furnishings for their staff room, which they named the "Chill Out Lean Wall of Fame Space."



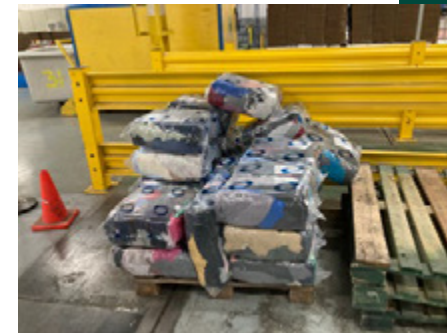
#### Cigarette Butt Disposal Zones

Given how we find cigarette butts on the ground close to our sites, we have installed multiple ashtrays affixed with educational messages on the environmental impact of cigarette butts. We are also part of Terracycle's cigarette butt recycling program. At the same time, our Health Department team offers support and information on smoking and how to quit.



#### Homemade Cloths

The textile industry has its own environmental impact. In addition to generating large volumes of greenhouse gas emissions, textile recycling solutions are struggling to break into the market. A certain quantity of the textiles collected by dedicated recovery centres are resold in thrift shops, while others are exported. When textiles are too damaged for thrift stores or exportation, the only options are disposal or ingenuity—which is what our employees at the Cascades Containerboard Packaging unit in Viau displayed when they transformed multiple textile items into cloths for small tasks inside the plant. Another way to replace single-use products.



# Biodiversity

We are proud to be associated with the Butterflyway Project, led by The David Suzuki Foundation, which proposes a range of concrete actions enabling the public and municipalities to contribute to the protection of the monarch butterfly, an endangered species that has declined by 90% in recent years. These actions include distributing and planting milkweed (the only plant that monarch caterpillars feed on), action and advocacy to protect monarch-hosting ecosystems, and the establishment of an ambassador program, the Butterfly Rangers. In recent years, we have taken our involvement in the program a step further by inviting our employees to become ambassadors. A number of them have answered the call, particularly those who work in our Cascades Recovery+ division who became involved in the Butterfly Rangers by providing assistance and support to the project, and deployed an internal campaign to create garden spaces at all Cascades Recovery+ sites in North America.



The decline in biodiversity is accelerating at an alarming rate. Experts estimate that the loss of living species is currently 100 to 1,000 times the natural rate of extinction.

The causes of this environmental catastrophe are numerous and essentially related to human activity: climate change, changes in land use, water, soil and air pollution... We want to do our part to maintain the balance of the ecosystems.

In addition to making judicious use of the natural resources required for our activities, we have chosen to partner with several organizations that place the protection of biodiversity at the heart of their mission, such as the David Suzuki Foundation, Mission 1000 tonnes, PurNat and the Nature Conservancy of Canada. In the face of the current emergency, these organizations are more important than ever.

**We're also involved with Mission 1000 tonnes and PurNat, two organizations that help clean up natural environments, removing dozens of tonnes of waste from the environment.**



### Responsible Forest Management

Whether tropical, Mediterranean, temperate or boreal, forests are the habitat of 80% of land animals and plants. Over-exploitation or mismanagement of our forests can represent a threat to biodiversity. We are reducing the pressure on this precious resource by using 80% recycled fibre in the manufacture of our products. When the use of virgin fibres and papers is necessary, we source as much as possible from suppliers certified by the Forest Stewardship Council® (FSC).

An FSC-certified supplier must meet some of the highest environmental, social and economic standards. This implies preserving the biodiversity, productivity and ecological balances of the forest. In Canada, FSC certificate holders must comply with the FSC National Forest Stewardship Standard of Canada.

### No Mow May

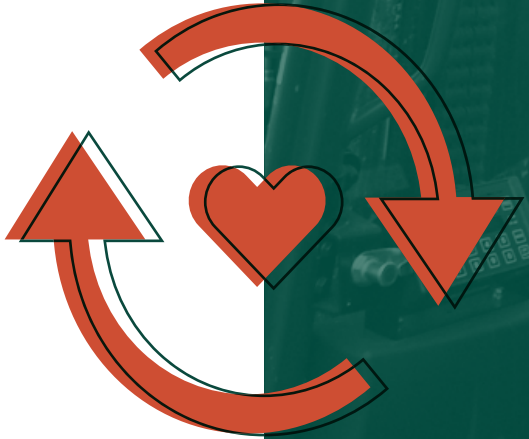
After a long winter, pollinating insects wait for the sun to come out and temperatures to rise before setting off in search of flowers to gather. In spring, the crucial period for preparing seasonal crops, the availability of food is paramount. Because, despite their small size, pollinating insects are the source of abundant crops. Pollinators carry pollen, which enables plants to reproduce and helps produce food. It's estimated that one third of human food supply comes from pollinating insects!

The No Mow May movement, popularized by the British conservation organization Plantlife, and the “Défi pissenlits” (dandelion challenge), an initiative of Miel&Co, a beekeeper based in Portneuf, Québec, were born in response to this challenge. In both cases, the goal is to delay the mowing of dandelions in the spring to provide this rich source of pollen and nectar to bees and other pollinating insects.

In 2022, in addition to issuing the challenge to its various units, Cascades invited its employees to take part by putting up a poster on their property explaining the presence of dandelions (see images below). Hundreds of Cascaders answered the call. As an incentive, participation prizes included educational workshops on pollinator-related environmental issues, the creation of beeswax candles and a visit to Cascades' beehives in Brossard. The initiative was such a success that it attracted media attention!



# Social



Sustainable

# Cities and Communities

The communities in which we are established are central to our social commitment. Year after year, our company fulfills its role as a responsible citizen by supporting environmental and social causes and by contributing to the development of communities. In addition to investing over \$5 million annually in our communities through donations and sponsorships, we encourage our business units and employees to invest in the causes they care about. To recognize the extraordinary efforts of the most involved business units and employees, we implemented a program recognizing them based on hours of social involvement.



# Highlights

## Earth Day Event

with our partners the David Suzuki Foundation and EcoSchools Canada



## Partner of the 5<sup>th</sup> edition

of the Sommet jeunesse sur les changements climatiques (youth climate change summit) with the Fondation Monique Fitz-Back

We are committed to over 400 causes and organizations, and have established sustainable and innovative partnerships in various sectors. To invest in and support organizations that have a positive social or environmental impact, we have decided to align our efforts with the UN's Sustainable Development Goals. These globally agreed-upon goals are a response to the social, environmental and economic challenges facing our society. **That's why we set ourselves the goal of:**

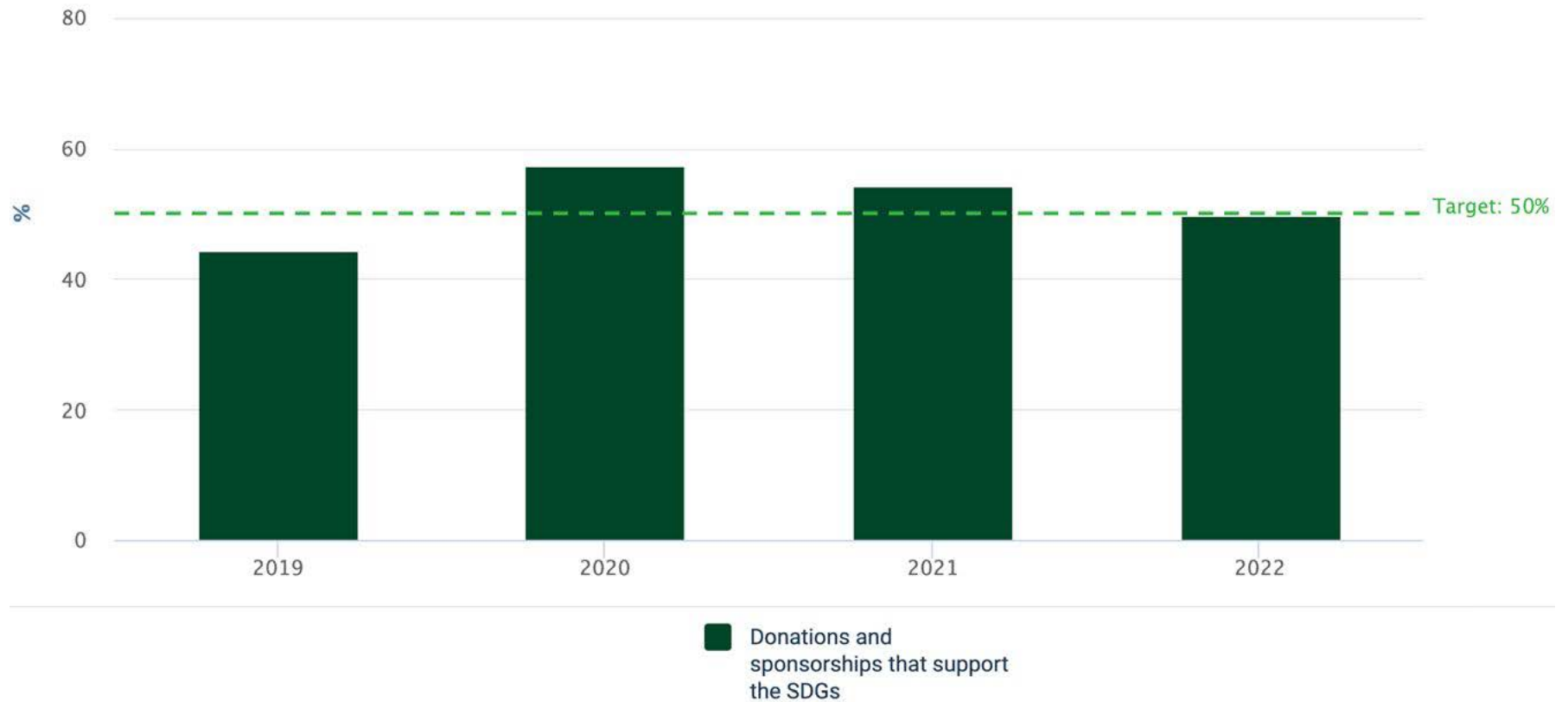
- allocating at least 50% of our donation and sponsorship budget to causes in line with the UN's Sustainable Development Goals by 2025.

## Other organizations supported:

PurNat, Mission 1000 tonnes, United Way/Centraide, Fondation Charles-Bruneau, etc.



## Donation and Sponsorship to Causes that Support the UN's Sustainable Development Goals (SDGs)

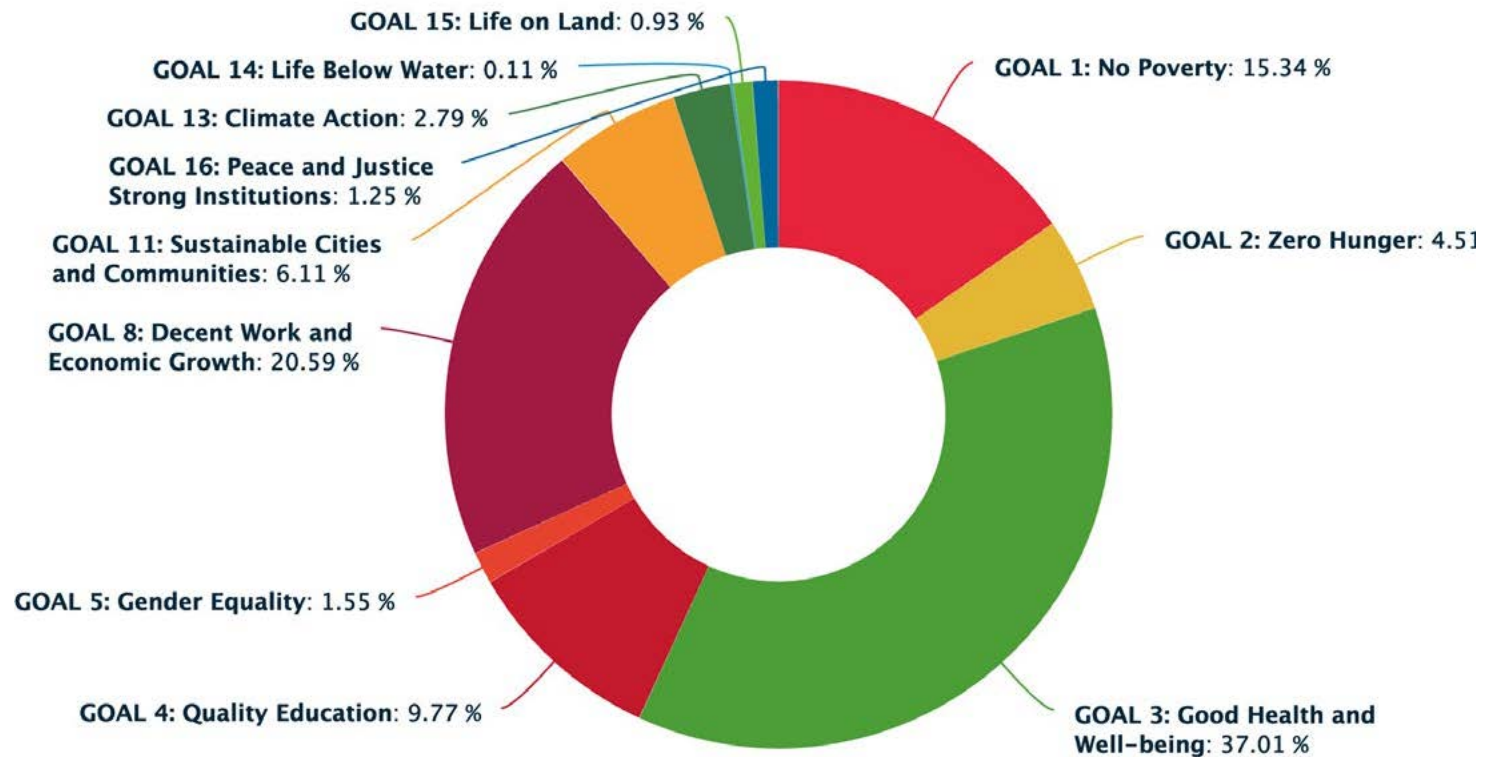


As the above graph shows, we reached our target for the third year running, with 50% of our donations and sponsorships budget in 2022 allocated to causes linked to the Sustainable Development Goals.

However, we also note a 4% reduction in the budget allocated between 2021 and 2022. This difference is primarily due to a revision of the indicator's scope in 2022. When the scope of this goal was established in 2019, only head office donations and sponsorships were included. To ensure consistency with the other indicators in our sustainability plan, we have extended the scope of this goal to include donations and sponsorships made by our three groups: Containerboard Packaging, Specialty Products Group and Tissue Group.

In the coming years, we will continue to invest actively in the communities close to our facilities, and to direct our efforts towards causes aligned with the UN's Sustainable Development Goals.

## Distribution of Donations by SDGs (%)



When we analyze the breakdown of donations and sponsorships by UN Sustainable Development Goal, we find that the most supported goals are Good Health and Well-being (37%), and Decent Work and Economic Growth (21%).

In line with Goal 3, Good Health and Well-being, we support the Fondation Charles-Bruneau, whose mission is to give all children with cancer the best chances of recovery by funding research and supporting the development of projects in pediatric hematology and oncology. Numerous initiatives to benefit the foundation were organized during 2022, including a sale of toilet paper and paper towels. For the 17th consecutive year, a number of Cascaders took part in the Tour CIBC Charles-Bruneau cycling tour. In addition to the amount donated by our company to the Fondation Charles-Bruneau, we also raise funds through our employees, for a record \$655,000 donation in 2022.

In line with Goal 8, Decent Work and Economic Growth, we support a number of organizations that promote entrepreneurship, such as chambers of commerce, carrefours jeunesse-emploi and university foundations.

For more details on our donation and sponsorship program, [click here](#).



### Event with Our Partners from the David Suzuki Foundation and EcoSchools Canada

To celebrate Earth Day, held every year on April 22 since 1970, we held an awareness event at our Vancouver sorting centre. Themed “From Awareness to Action,” the event took the form of a panel discussion featuring Severn Cullis-Suzuki, daughter of David Suzuki and CEO of the Foundation of the same name, and Hugo D’Amours, Vice-President of Communications, Public Affairs and Sustainability at Cascades.

The discussion was moderated by young climate justice activist Naisha Khan, and focused on the importance of action by the younger generation for a sustainable future.

The event brought together 40 young people from two Vancouver high schools, and could be viewed simultaneously online by all EcoSchools Canada member schools across the country. In all, 166 schools in seven provinces took part.

On-site participants were also invited to tour our facilities and attend a series of educational workshops. In keeping with the theme of the event, all participating schools had to commit to taking action by carrying out a community clean-up of green spaces before the end of the school year. The positive response to our invitation mobilized more than 147,000 students across Canada and resulted in the removal of more than 21,000 kg of waste.

### Cascades, Partner of the 5<sup>th</sup> Edition of the Sommet Jeunesse sur les Changements Climatiques

On April 30, 2022, the Fondation Monique Fitz-Back, an organization that we support and whose mission is to promote environmental education, held the 5<sup>th</sup> edition of the Sommet jeunesse sur les changements climatiques at the Québec City Convention Centre.

This year’s theme, “Amplify your influence,” focused on the role that these young people must assume in order to encourage their school communities to take concrete action on reducing their environmental impact. The day’s agenda included inspiring conferences, teamwork workshops, networking workshops and oral presentations.

The program was carefully developed by a dedicated team to ensure that all these young people left with new knowledge and a fierce desire to take action. About 100 committed young people aged 12 to 17, selected following nominations, attended the event. They came from 45 schools in 12 regions of Québec.



# Community Involvement

Our employees contribute to their community's development by volunteering in causes that matter to them. The environment, helping those most in need, amateur sports: their involvement is as varied as it is generous.

At Cascades, we are proud to recognize and encourage our employees' community involvement. Since 2016, employees have been asked to record their volunteer hours using a digital platform. We compile this data annually and award monetary grants to the employees and units that have accumulated the most hours, to be redistributed to the organizations of their choice. This approach, which is greatly appreciated, will continue in the coming years. In addition, we give our employees the option of volunteering on two work days per year (up to 16 hours) for causes important to them. Our vision for sustainability and our plan's objectives include improving individual and community well-being. **That's why we are aiming for:**

➤ **15,000 hours of employee community involvement annually**



# Highlights

## Three clean-ups

and more than five tons of waste removed from nature by employees



## 4 employees recognized

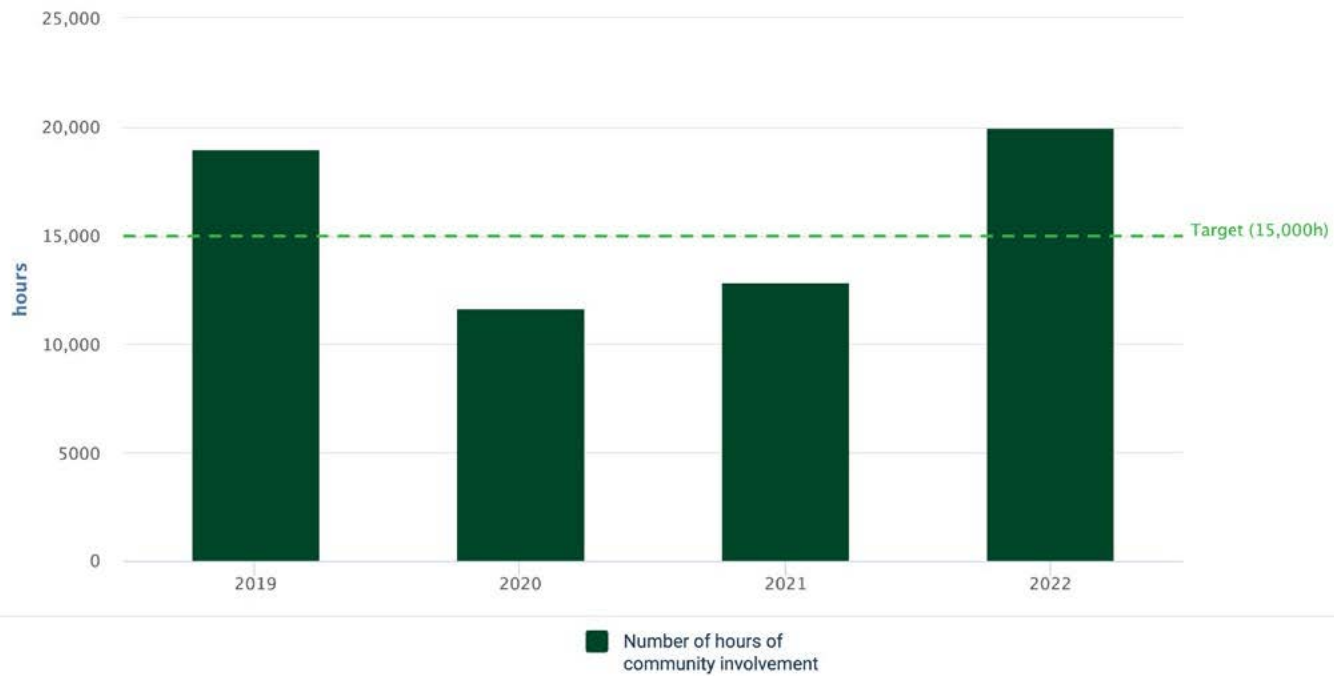
for their community involvement

## 20,015 hours

invested in communities



## Employee hours of community involvement per year



After two years of declining involvement, we are very proud to have exceeded our target by more than 5,000 hours in 2022. The lifting of government restrictions in connection with the COVID-19 pandemic certainly contributed to an increase in the number of hours of community involvement by employees. With more opportunities for involvement, more employees were able to volunteer, and we were once again able to organize activities to help our employees get involved in the community.

### When Involvement Helps Nature

Working with our partner PurNat, a non-profit organization that carries out clean-ups of illegal landfills across Canada, 40 Cascades employees from three different sites (Cascades Recovery+ Surrey, Cascades Recovery+ Vancouver and Cascades Containerboard Packaging – Richmond) lent a helping hand for an important clean-up on April 22 in Brownsville Bar Park, in Surrey, British Columbia. The event sought to raise public awareness about recycling and about protecting and conserving nature. Illegal landfills not only pollute the visual environment, but also contaminate streams and soils, harming the flora and fauna of these areas. With 3,160 kg of waste removed from nature, this event was a huge success.

A few days later, on April 29, 2022, with our partner Mission 1000 tonnes, a group of about 40 employees from our Saint-Bruno, Brossard, Candiac and Lachine units removed 1,103 kg of waste from nature. Mission 1000 tonnes is an organization that organizes stream clean-ups, informs and raises awareness of alternatives to plastic, and engages the public to protect our ecosystems.



In 2022, four employees stood out for their significant commitment. They won a \$1,000 grant to be donated to the organization of their choice. Here is a profile of one of them. To meet the other recipients, go to [this section](#) of the Cascades website.

# Teresa Santos

Senior Customer Service Representative,  
Scarborough, Ontario



## **You have accumulated a lot of involvement hours in your community in the past year. Why is this involvement important to you?**

Community involvement is a way for me to preserve my Portuguese roots. When I arrived in Canada from Lisbon 33 years ago, I felt welcomed almost immediately and obtained my Canadian citizenship three years later. However, I have never forgotten my heritage and the importance of teaching my children about the richness of my country and its culture

After three years of the COVID-19 pandemic, during which most community centres were closed and facing financial hardship, I felt it was important to get involved to bring back the joy of gathering and celebrate our culture with music, food and other cultural events. When an acquaintance asked me to join the team at the Casa Do Alentejo community centre, I accepted immediately.

## **Do you have a message for the people who read your profile?**

Help your local food bank, women's shelter or animal shelter. If you can't, help your elderly neighbour with their household chores. I truly believe that the purpose of life is to help others. At the Casa Do Alentejo community centre, where I volunteer, most of the members are seniors who, because of the pandemic, are experiencing loneliness and isolation. It's important to offer them comfort, social warmth and a helping hand. Bringing them music, literature and food from their home country is a very effective way of achieving that.

## **What cause will you support with your \$1,000 grant from Cascades?**

With my \$1,000 grant, I'd like to organize an event where seniors in the area can socialize and celebrate their culture with live music and food. Casa Do Alentejo has just celebrated its 40<sup>th</sup> anniversary and is Toronto's largest Portuguese community centre. It has a unique cultural tradition and serves over 500,000 Portuguese immigrants in the Greater Toronto Area.

# Health, Safety and Well-being

With this same idea in mind, today we affirm that our employees are our most precious resource. Even our corporate mission eloquently refers to this: “To improve the well-being of people, communities and the planet by providing sustainable and innovative solutions that create value.” This is why the social aspect is such an important part of our sustainability actions, **and why we have set ourselves two objectives related to the health, safety and well-being of our employees:**

- ↓ Reduce by 50% the number of days lost from work accidents by 2025 compared to 2019
- ↓ 100% of employees committed to a preventive health and wellness approach by 2025



# Highlights

**Zero**  
fatalities



**Deployment**  
**of a health**  
profile self-  
assessment tool

**3<sup>rd</sup> cohort**  
for the Effet GO  
program





## Achieving an Accident-free Work Environment

We believe that health, safety and well-being must be based on a culture of prevention that promotes the accountability of all employees. We use awareness-raising and training to foster this culture and incorporate safety into our individual and collective efforts. In addition to actions taken to secure our plants and improve our methods, we focus on developing an accident prevention culture among all our teams. In this way, we aim to boost individual accountability and promote leadership among supervisors.

### Changing the Unit of Measurement

Health and safety performance is measured using various indicators. In our previous plans, our teams mainly focused on the OSHA frequency rate.<sup>1</sup> As part of the new Sustainability Action Plan, our internal safety teams have decided to focus on the severity rate.<sup>2</sup> Even though we will continue tracking and disclosing OSHA frequency rates, the severity rate will be our main priority. As an organization, Cascades ultimately aims for zero accidents, but more importantly, zero serious accidents. Cascades' top priority remains reducing the number of serious accidents and its direct impact on days lost.

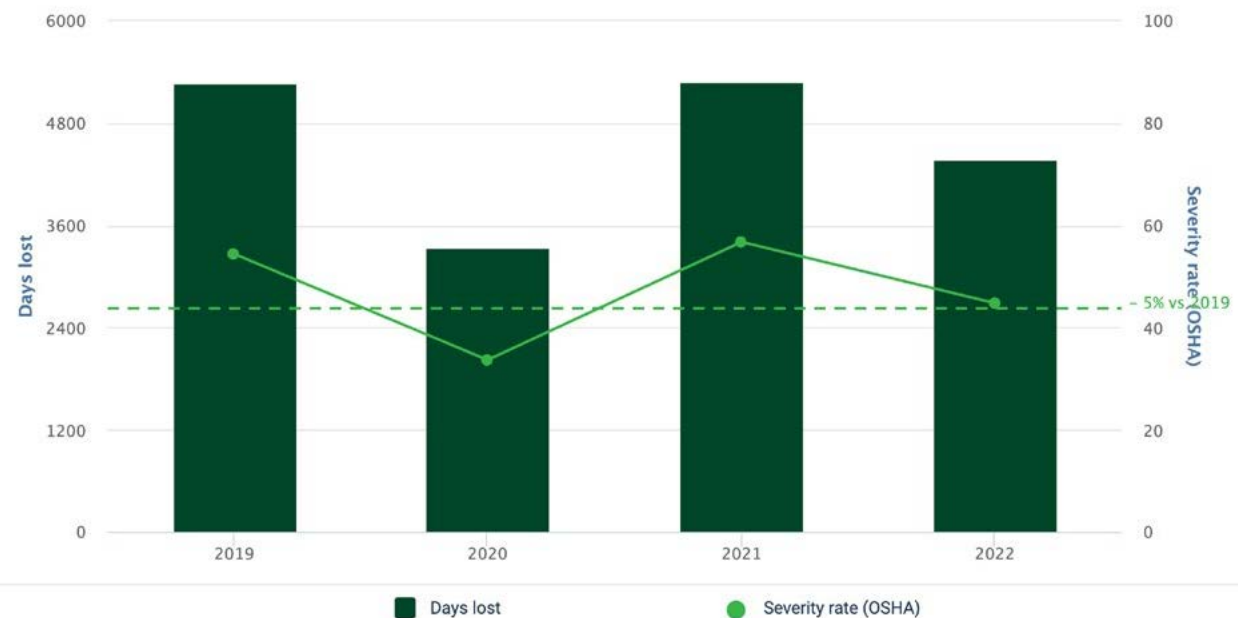
<sup>1</sup> OSHA frequency rate calculation: (Number of accidents with Lost time, Modified work and Medical treatment) x 200 000 hours / number of worked hours

<sup>2</sup> Severity rate calculation: (Number of lost and modified work days) x 200 000 hours / number of worked hours

## Health, safety and well-being data

		2019	2020	2021	2022
Total number of hours worked	Hours	19,520,967.2	19,844,026.5	19,844,026.5	19,293,895.5
Number of recordable injuries	Injuries	170.0	131.0	115.0	129.0
Frequency rate (OSHA)	Number of Accidents with Lost Time / Number of Hours Worked x 200,000	1.7	1.3	1.2	1.3

## Reduce by 50% the number of days lost due to workplace accidents by 2025



Overall, workplace accidents are on a downward trend. Despite a slight uptick in serious accidents in 2022 (compared to 2020), the severity rate is lower than in 2021, since fewer workdays were lost.

## Moving Toward Interdependence on the Bradley Curve

For the past ten years, we have been assessing the maturity of our plants' health and safety culture with the Safety Empowerment Matrix tool, designed by Cascades, that enables our managers and employees to discuss safety issues in their plant.

After this exercise, the results are entered into a table, which outputs a score and matrix position (Bradley Curve). The matrix results can then be used to guide our behavioural action plan.

All of our plants share the goal of progressively moving toward interdependence, i.e. the phase where each employee shares responsibility for everyone's safety. Interactions are an effective way to achieve this goal.

Interaction serves as a tool for interdependence that helps people learn how to intervene and receive corrective actions regarding their work practices. In several plants, implementing interactions was the starting point for significantly improving employee health and safety.

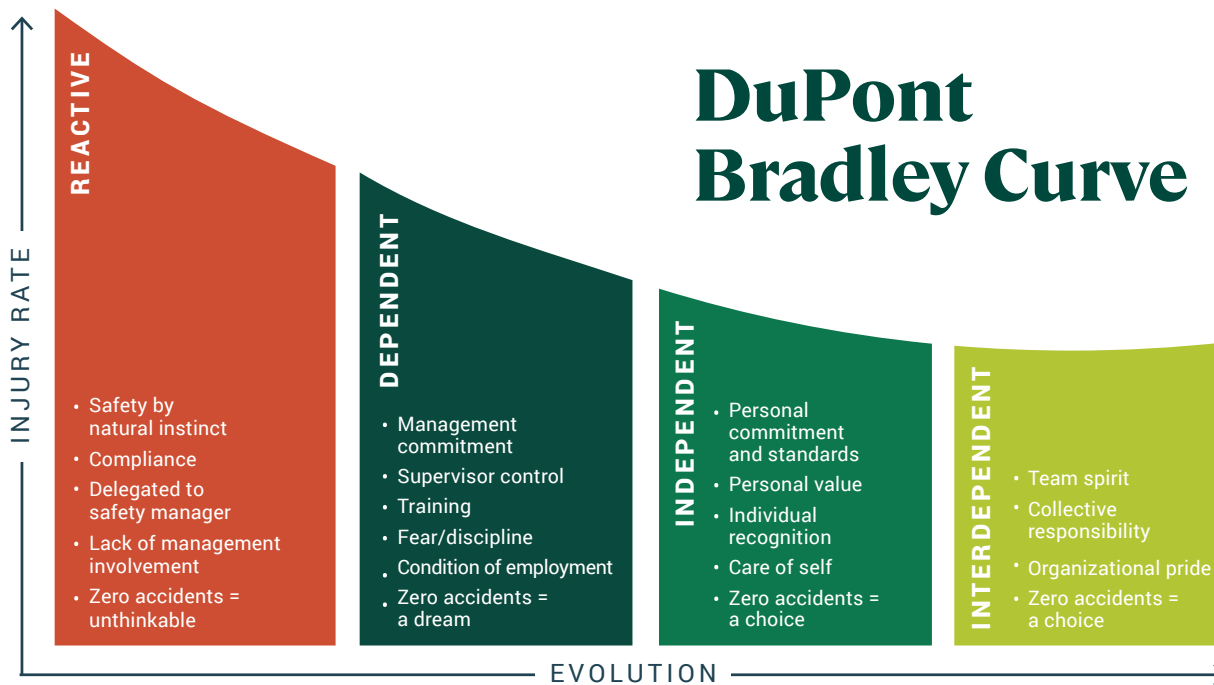
### Implementing Software to Reduce the Number of Serious Accidents

Among the improvements on the corporate OHS team's agenda is the continued integration of OHS management software that will centralize data and facilitate decision making. The first module of the software is dedicated to incident management and has been more than 90% implemented.

The second module will be used for conducting risk assessments in plants and is set to be implemented in 2023. It will help us to identify dangers and actively prevent them.

All of these measures have the same objective: to keep our facilities and our methods secure. We believe the best way to accomplish this is by making health and safety a collective responsibility.

Lastly, since this is an indicator followed by the market, Cascades is pleased to report that no fatal accidents were recorded during the most recent fiscal year.



## Promoting Health and Well-being

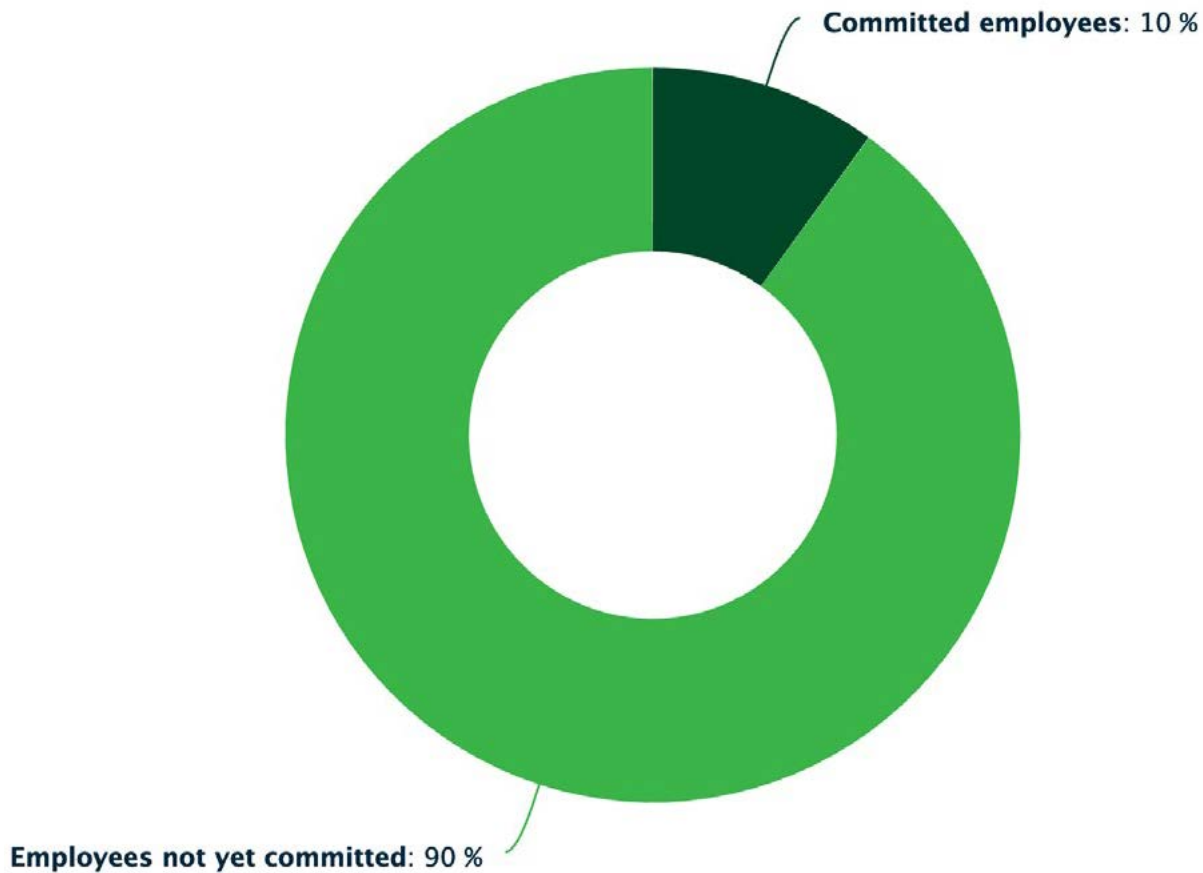
Cascades has a long tradition of innovative social practices, particularly in health and well-being. As a good corporate citizen, we believe we have a responsibility to guide our employees to focus on good lifestyle choices and to offer services that support good overall health. That is why we invest in prevention and awareness-raising to encourage employees to adopt healthy lifestyles and promote sustainable improvement in their health and well-being.

### The 4 Pillars of Our Human Resources Management Approach



Over the last decades, life expectancy has greatly improved in North America. These results can be attributed to several factors, particularly better lifestyles, the improvement of health conditions and healthier eating. We're aware that health status is defined by the social, physical and economical environment, lifestyle, available health care and genetics and know that we can have an influence on several of these factors. That's why, in terms of physical and mental health management, we have switched from a traditional group insurance approach to a holistic health approach.

## Employees committed to a preventive health and wellness approach



We are continuing toward our objective of each year offering our employees different initiatives that promote health and well-being and we measure the number of employees reached by these initiatives. Our objective by 2025 is to reach 100% of employees by implementing different initiatives. Here are some from 2022:

### Health Profile

Since 2021, our U.S. employees have been invited to complete a voluntary and confidential self-assessment on their health characteristics, family history and lifestyle.

This private data is managed directly by our group insurance manager, so it is strictly confidential. Participants receive a personalized health report, including relevant recommendations for their health profile. Employees also have access to health advisors to answer their questions or guide them in choosing which actions to take. This self-assessment will eventually be offered to our Canadian employees.

## The GO Effect Highlights

Since 2021, Cascades has launched several cohorts each year to participate in The Go Effect, a sports challenge to help incorporate better lifestyle choices into our day-to-day routine. A record number of teams have registered for each cohort, which is proof that the challenge is appreciated and creates a true multiplier effect. The third cohort was held in winter 2022 for employees in Québec.

Over nine weeks (the estimated amount of time to change a habit), employee volunteers were asked to form teams of seven and pledge to walk at least 7,000 steps per day. To keep employees motivated and engaged, organizers added several initiatives to the challenge. Two well-known speakers, Sylvain Guimond and Josée Laviguer, were invited to a lunchtime webinar to motivate and give employees tools to train and stay healthy. Cascades also collaborated with Olympe, an organization that offers health and well-being programs for companies, to lead employees during virtual active breaks and offer as free registration for their training platform.

In 2023, we plan to launch The Go Effect for all business units in Canada and the United States.

**658**  
participating  
employees



**126**  
days of activities

**428,043,334**  
steps taken



### Health and Well-being

In November 2022, as part of Diabetes Awareness Month, our Health Centre of Expertise, in collaboration with nurses from Diabète Bois-Francs, held a free diabetes testing clinic in Kingsey Falls. As diabetes is often an asymptomatic disease, early detection is the most effective option to prevent it.



## Highlights

We are convinced that a diverse workforce is an asset that helps our company succeed. Because we believe that diversity is a strength, we want to create a space in which each person can flourish and have their true value recognized. **In order to create a professional environment that promotes everyone's growth, we've set the goal of:**

- 100% of employees receiving training on unconscious biases related to equity, diversity and inclusion (EDI).

**3 language options**  
for the in-house newsletter;  
French, English and now Spanish



**5 sub-committees**  
came to life to promote  
diversity and inclusion

**120 employees**  
hired from 12 different  
countries as part of the  
international recruitment project



We will achieve this goal by implementing training on the unconscious biases we might have toward those around us and on ways to overcome these biases in a professional context. This training takes the form of online workshops or modules. To start, a 210-minute workshop was offered to supervisors and led by a specialized firm. The supervisors were asked first to share their experiences and then relay this information to their teams in order to foster discussions among colleagues. The purpose of this exercise was to make people aware of behaviours that could significantly impact employee integration. This was followed by three virtual training courses in the form of short modules aimed at all employees. The results of our objectives are calculated based on the number of employees who have taken one of the training courses divided by all employees.

## Employees trained on unconscious biases related to equity, diversity and inclusion

	2021	2022
<b>Employees trained on Equity, Diversity and Inclusion</b>	295	2,158
<b>Total number of employees</b>	9,673	10,176
<b>%</b>	3.0	21.2

**The result of our objective corresponds to the number of employees who have taken one of the training courses, divided by the total number of employees.**

In 2022, 21.2% of employees were trained on unconscious biases, a significant increase since 2021, due in particular to the addition of virtual training in 2022. What's more, in 2023, virtual training will be added to the integration training for new employees as part of the onboarding program, and will be put directly into the training plan for older employees.



## International Recruitment

In the spring of 2021, we undertook to expand our recruitment pool of new candidates by setting up an international recruitment program. There were many challenges at every step, but a lot was learned.

The first step was to set up a pilot project in partnership with the Société de développement économique de Drummondville (SDEED). We hired nine temporary foreign workers from Tunisia for roles at two business units in Québec. We followed the various stages of hiring and immigration to finally welcome them in the spring of 2022. The pilot project enabled us to familiarize ourselves with the processes and understand the tools we needed to put in place to ensure the success of the international recruitment project for Cascades in Canada. Major partners specializing in the field, as well as the involvement of host units, have proved to be key factors in the successful integration of new employees.

Later in 2022, we launched the international recruitment project, hiring 120 temporary foreign workers from 12 different countries, assigned to 24 business units across Canada. Fourteen of these employees were welcomed to Ontario and British Columbia in 2022, and the remaining 106 will arrive in 2023. A year that promises to be rich in cultural discoveries!

## Cascades' Five EDI Subcommittees

In 2019, Cascades developed a diversity and inclusion policy, including a management practice to increase the number of women in key company positions. An advisory committee, composed of five women and five men from various divisions and regions in which Cascades operates, determined key directions for fulfilling their assigned mandate, namely:

- Demonstrate gender diversity when promoting the brand and employer images
- Offer a candidate experience inclusive and respectful of all
- Have an inclusive succession plan
- Create networking opportunities
- Increase the frequency of communications about the program
- Continue to provide training on unconscious biases to stakeholders
- Collect and analyze information regarding the profile of our employee community

While pursuing its work, this committee expanded its mandate in 2020 by becoming the Equity, Diversity and Inclusion Committee. At the end of 2021, five sub-committees were created to promote better integration of employees from diverse backgrounds, and in 2022, these sub-committees really came to life within Cascades.

## The Five Sub-Committees



The sub-committee teams have organized a multitude of initiatives over the course of 2022 (see the next page for some examples of committee initiatives).

### Celebrating LGBTQ2S+ Pride All Year Round

To kick off Pride Month, Cascades published the first article from the LGBTQ2S+ community on its internal platform in early June. The aim of the article was to introduce the LGBTQ2S+ Committee and explain the meaning of the Pride flag. The flag was even flown at the company's head office in Kingsey Falls, as well as at Cascades offices in Saint-Bruno, Brossard and Calgary.

The committee's initiatives continued throughout the year. In December, an article demystifying gender identity, gender expression and biological sex, as well as a glossary of LGBTQ2S+ terms, was published.

### Healthy Workplace Month: advising, sharing and learning about physical and mental health

Throughout October, Cascades celebrated Healthy Workplace Month to highlight the importance of adopting workplace habits that promote a healthy mind, body and organizational culture. This was another occasion for Cascades to initiate dialogue with employees in both its Canadian and American units, and we carried out several initiatives by the Physical and Mental and Wellness Committee in this regard. A survey to take stock of employees' occupational health and to determine their interest in learning more about various topics was rolled out. The main themes that caught the attention of Cascaders were mental health and stress management, sleep, nutrition and physical activity.

Each week, an internal publication covering one of the identified topics was shared to open up dialogue, as well as to advise and encourage employees to adopt healthy habits at work and in all areas of their lives. Also, lunch conferences featuring staff members from various backgrounds were organized. Depending on their experience, some spoke about physical health, while others talked about mental health, all aimed at creating exchanges and discussion.

### Le Cascadeur, The Cascader and now, El Cascador!

The in-house newsletter, The Cascader, celebrated its 40<sup>th</sup> anniversary in 2022 and is now available in Spanish under the name *El Cascador!* *El Cascador* is the very first 100% Spanish internal communication tool. In recent years, the Spanish-speaking population has become increasingly important within Cascades, diversifying our big family even more. It was therefore only natural that our main internal communication tool should evolve to suit our different audiences.



# Workforce

## Profile

Cascades is first and foremost a story about family: one we have been writing with our 10,000 Cascaders in nearly 80 production units across Canada and the United States.

Cascades' organizational cultures places each employee at the heart of its success. By participating in the company's success, employees receive some of the profits through profit sharing.

Cascades considers training its staff to be an essential investment in its strategic development. Every employee plays a key role in the organization. That's why Cascades wants to provide them with the means to improve their knowledge and learn new skills in order for them to pursue their career in our company.



## Workforce Profile

Description	Unit	2019	2020	2021	2022
Percentage of women	%	21.58	20.73	20.98	22.32
Percentage of men	%	78.42	79.27	79.02	77.68
Total Number of Employees	-	10,339.00	9,762.00	9,673.00	10,176.00
Average seniority	years	9.00	10.00	9.00	11.00
Average age	years	44.00	44.00	42.00	42.00
Engagement rate	%	-	61.00	-	55.00
Average North America Industry Engagement Rate	%	-	-	-	56.00
Voluntary turnover rate	%	12.40	11.50	16.18	15.64
Total new employee hires	-	2,618.00	2,196.00	2,592.00	3,373.00

## Training

	2019	2020	2021	2022
Number of Employees Trained	9,530	6,429	5,875	6,754
Number of Hours Spent on Training	358,000	395,000	177,000	140,000
Amount Invested in Training (Millions of \$)	11	12	12	13

## Geographic Distribution of Employees

	2019	2020	2021	2022
Number of Business Units	80	81	80	76
Number of employees in Canada (%)	70	72	74	74
Number of employees in United States (%)	30	28	26	26

# Governance



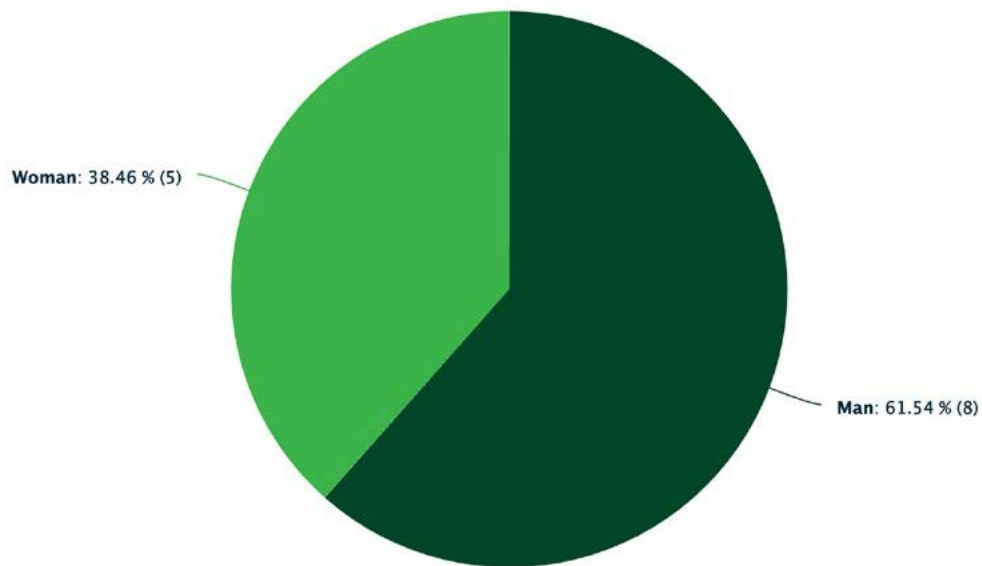
# Governance

at Cascades

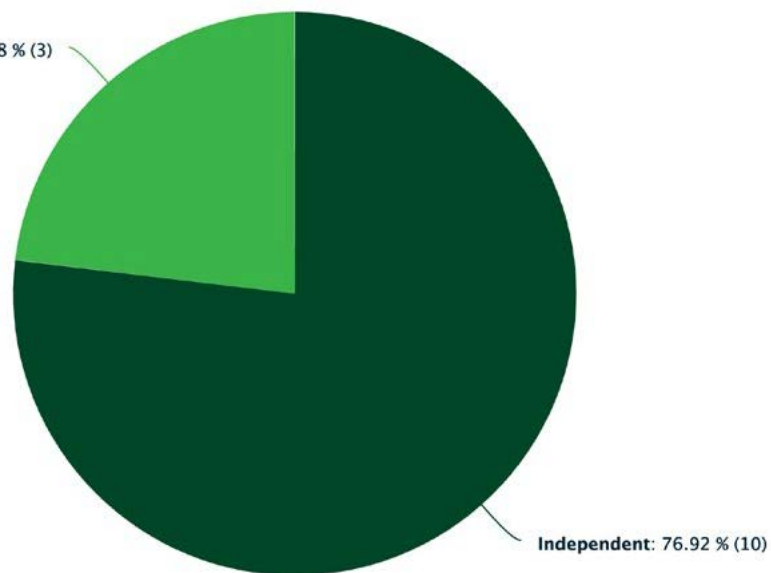
Cascades has integrated transparency and accountability into every level of its organization through a comprehensive code of ethics. Our governance structure encourages ethical actions, effective decision making and appropriate monitoring of our compliance.

The board of directors is responsible for the administration of the Corporation and must supervise the management of the business and affairs of the Corporation. The primary responsibility of the board is to oversee the management of the Corporation and to preserve and enhance its viability, with due regard for the interests of all its shareholders and other stakeholders. For more information regarding the current directors in office, the maximum term of office, as well as various policies and guidelines applicable to the Board of Directors of Cascades, please see Cascades' most recent Management Proxy Circular.

## Board of Directors (gender)



## Board of Directors (status)



## Board of Directors (status)

For more information, please visit our [website](#).

# Governance at Cascades

These principles demonstrate Cascades' commitment to sustainability. These describe the conditions for successfully implementing Cascades' vision and Sustainability Action Plan, achieving its targets and maintaining the company's leadership in the field.

1 

## **Sustainability: Everyone's Business**

Sustainability is practised at every level and requires commitment from all employees. The company educates its employees on sustainability issues and encourages individual and collective actions that help accomplish its activities, while respecting the well-being of people, communities and the planet. Cascades also encourages its various stakeholders to implement an organizational culture that embraces sustainability principles.

2 

## **A Clear Vision and Priorities**

Sustainability is an integral part of our company's business strategy. The Sustainability Action Plan defines our vision, directions and priorities. Senior management fully assume their leadership and employ a consistent organizational structure to achieve goals.

3 

## **Structured Processes and Transparent Communication**

Cascades has implemented data collection processes based on established performance indicators. Results are disclosed in a way that is contextualized, effective and transparent, and reaches all target audiences, both internally and externally. An update on results is provided through various defined platforms.

4 

## **Sustainability at the Heart of Business Decisions**

Sustainability is an integral part of the company's decision-making and business processes. For major projects or decisions, the impact on achieving Sustainability Action Plan targets is measured and taken into consideration.

5 

## **An Organizational Structure that Supports Action and Achieving Targets**

Cascades ensures that its structure and key teams support operationalization of the company's vision and Sustainability Action Plan. The results from monitoring targets and associated action plans are incorporated into employees' annual objectives as well as their performance evaluations.

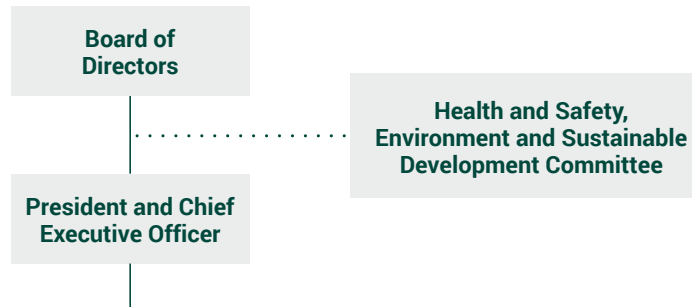
The various objectives of our plan are monitored through all the committees of the Board of Directors. Progress is monitored by the Health and Safety, Environment and Sustainable Development Committee.

The Board of Directors and the Health and Safety, Environment and Sustainability Committee provide high-level governance on sustainability issues, most notably on the Sustainability Action Plan, and monitor progress.

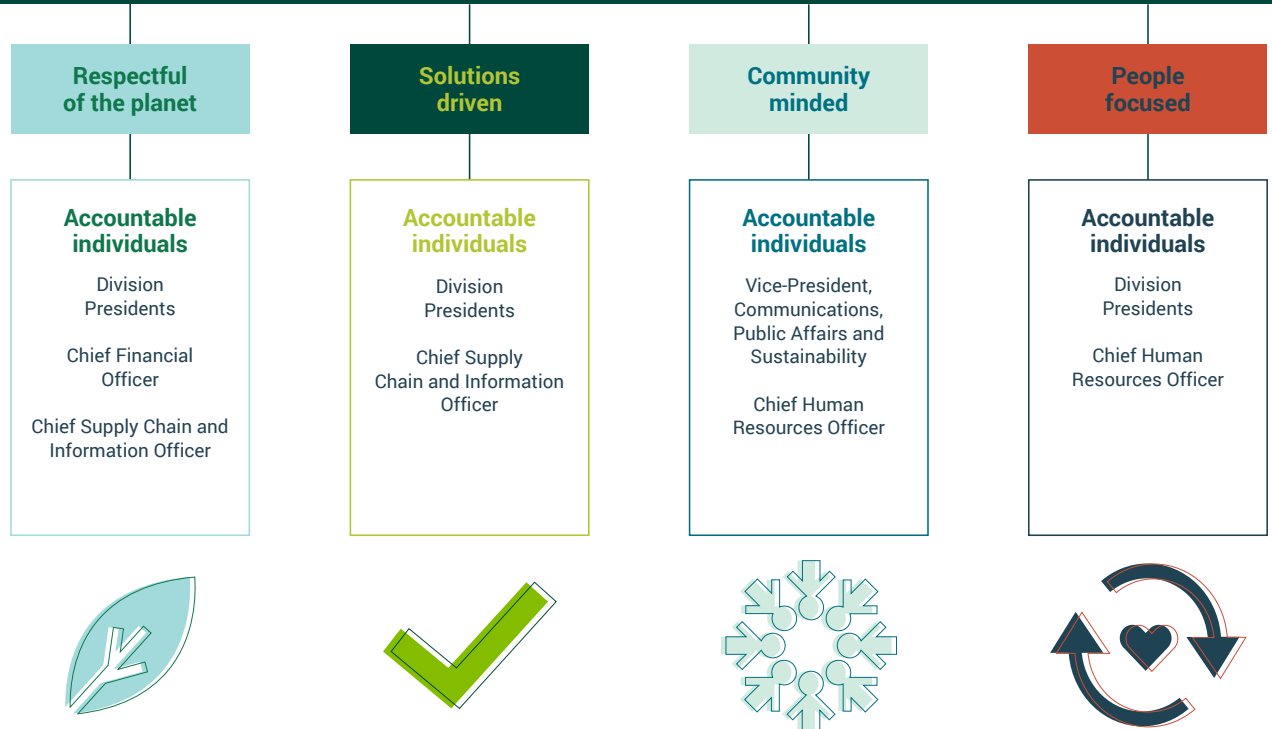
The Company's Management Committee approves the vision, Sustainability Action Plan and Cascades' directions in sustainability. It is also responsible for monitoring the action plans for all defined goals and targets. Progress reviews are performed every quarter or more frequently if needed.

The Group Management Committees are responsible for implementing operations-related projects and action plans. They are therefore expected to monitor their group's performance against targets and ensure alignment with priorities. The process committee meetings on identified issues also integrate and follow up on sustainability targets affecting operations.

The sustainability team coordinates all of the Sustainability Action Plan and supports various teams in moving major projects forward in this area.



**PILLARS OF OUR 2021–2025 SUSTAINABLE DEVELOPMENT PLAN**



**These governance principles have been defined as conditions for success, and are subject to review as the company evolves and needs change.**



# Cybersecurity

Cascades recognizes that cybersecurity is a major issue that will become increasingly complex in the coming years. In the course of our activities, we collect, generate and store a significant amount of data. We are aware that a possible leak of this data could compromise our business and harm our employees and partners. That's why we do our utmost to protect our information systems and respond effectively to cyber incidents.



At Cascades, we are committed to protecting data assets against the exploitation of system vulnerabilities, social engineering, phishing, viruses, malware and other cyber threats using modern tools. We do this by implementing a security management framework aligned with industry best practices, such as those of the National Institute of Standards and Technology (NIST) and the International Organization for Standardization (ISO).

### **A Dedicated Team**

We have a dedicated technology and cybersecurity team of qualified experts who oversees data security and operational controls. Our cybersecurity team also works with industry experts to further promote best practices.

Cybersecurity is a priority for Cascades, and the associated risks are included in the risk management program presented to the company's Audit and Finance Committee. This committee provides cybersecurity oversight and governance and reviews it every quarter. In addition, Cascades also educates all of its new employees on cybersecurity via its onboarding process and ensures that everyone follows the company's code of business ethics.



# Policies and Commitments

Cascades is committed to reducing its environmental footprint by minimizing the impact of its activities and products on the planet and the communities in which it operates.

## **Our Sustainability Policy**

Cascades is committed to reducing its environmental footprint by minimizing the impact of its activities and products on the planet and the communities in which it operates.

## **Our Environment, Health and Safety Policy**

Cascades is committed to minimize the environmental footprint of its activities and products, and to provide its organization with safe working conditions to create environments conducive to employee health and well-being.

## **Our Commitment on Human Rights**

Cascades recognizes the importance of protecting and promoting fundamental human rights. It is aware of the role it can play in upholding these rights, both within its facilities and in its supply chain.

## **Cascades' Sustainable Procurement Practice**

Cascades believes that its supply chain must reflect the deep commitment it has to sustainability. For this reason, a practice guides the selection of its suppliers according to specific criteria.

## **Our Commitment to Ethical Business Practices**

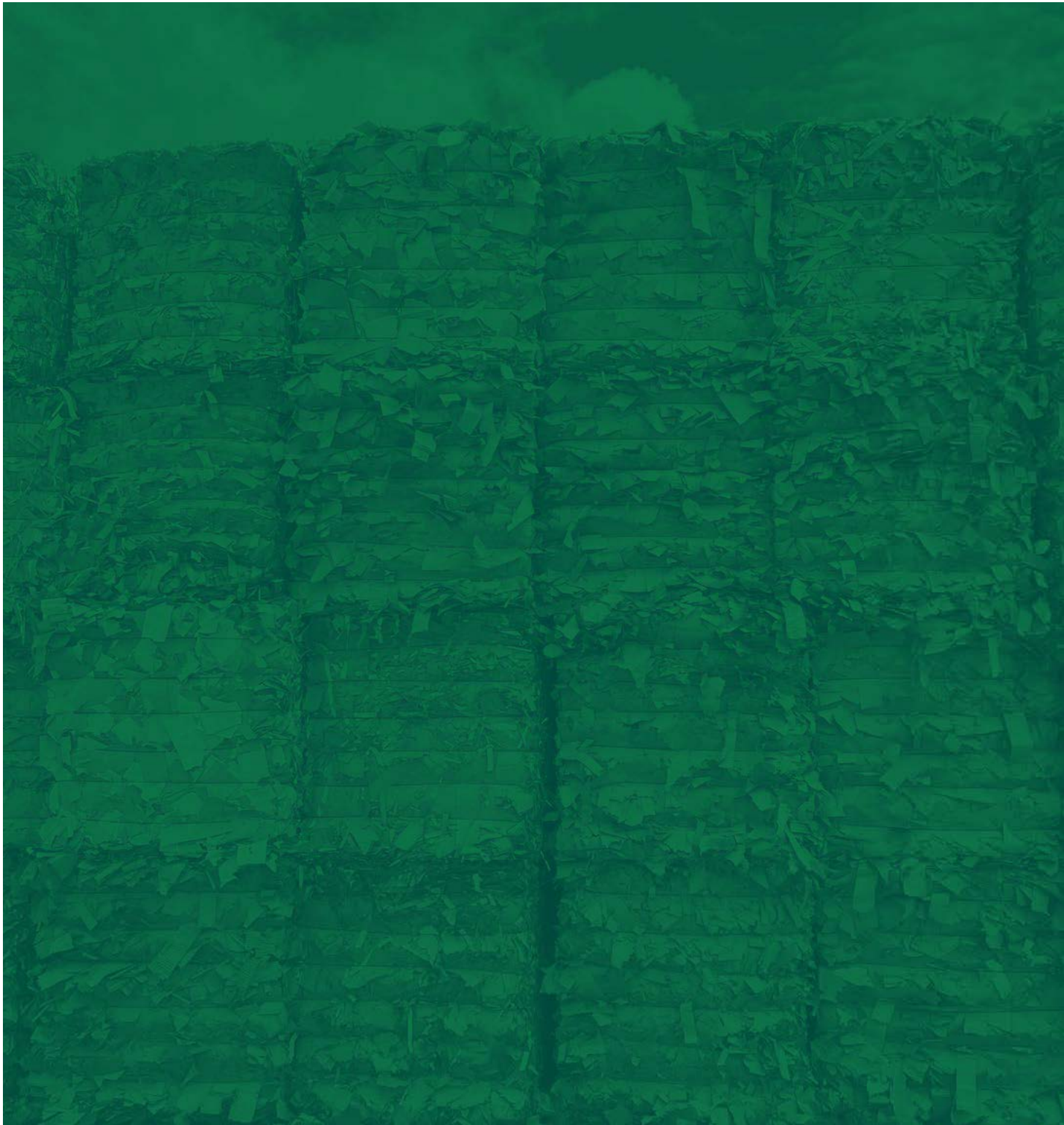
Cascades' Code of Ethics sets out the principles that govern the behavior of its managers, employees, directors and consultants towards its customers, suppliers, partners, and the communities in which it operates. The Code is based on the values and philosophy of Cascades, which have contributed to its success since 1964.

The current and authoritative version was revised not only with a view to comply with all applicable legislation, but also to preserve our enviable reputation, which constitutes an important asset and which rests on the exemplary conduct of each of us.

## **Our Commitment to Sustainable Energy Management Practices**

Cascades' is committed reducing its environmental footprint by minimizing the impact of its activities, specifically regarding energy consumption and use.

# ESG Disclosures



## CDP

Wanting to take an active part in the fight against climate change, Cascades has completed the Carbon Disclosure Project (CDP) assessment since 2017. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

In response to requests from our stakeholders, you will find below our 2023 reports.



## SASB

In an effort to provide comprehensive and transparent information regarding environmental, social and governance (ESG) matters, Cascades now makes additional data available to investors and the public concerning a number of indicators recommended by the Sustainability Accounting Standards Board (SASB).

Please find below our 2022 report.



## TCFD

Given its remit from the Financial Stability Board, the Task Force on Climate-related Financial Disclosure (TCFD) is committed to market transparency. The success of the TCFD recommendations depends on widespread adoption by companies in the financial and non-financial sectors. In 2021, Cascades started following the TCFD's disclosure recommendations in order to support investors, lenders, and insurance underwriters appropriately assess risk related to climate change.

You will find below our most up-to-date report.



Contribution to the  
**United-Nations**  
 Sustainable Goals

Cascades is proud to contribute to the United Nations' universal Agenda for Sustainable Development by aligning its actions with the Sustainable Development Goals (SDGs).

These goals to be met by 2030 outline the steps to a better and more sustainable future for all while addressing the global challenges we're all facing, particularly those related to poverty, inequality, the climate, environmental degradation, prosperity, peace and justice.

These are vast and complex objectives we must collectively address relatively quickly and with determination if we wish to maintain a viable, livable and equitable world.

The objectives of our sustainability action plan were identified through a broad consultation with our stakeholders. This allowed us to map and prioritize the environmental, social and economic issues to be addressed and Cascades' potential level of impact on them. Once these were identified, we linked the impact of our actions with their positive contribution to the universal agenda.

This was how we identified that our 2021 – 2025 Sustainability Action Plan objectives align with 10 of the 17 UN SDGs:

**Achieve an accident-free work environment by reducing days lost from work accidents by 50%.**

**Promote preventive measures for health and well-being with 100% of employees being committed to a preventive health and wellness approach.**

**3 GOOD HEALTH AND WELL-BEING**



**5 GENDER EQUALITY**



**Create a fair, diverse and inclusive work environment by having all employees receive training on unconscious bias related to equity, diversity and inclusion and showing them how to overcome their bias.**

**Reduce effluents from our manufacturing plants by 15% (M<sup>3</sup>/MT) by investing in our processes and equipment, and by implementing new governance and accountability processes to improve the performance of our units and reduce their water consumption.**

**6 CLEAN WATER AND SANITATION**



Contribution to the

# United-Nations

Sustainable Goals

Supply all our manufacturing and converting sites with 100% renewable electricity. Reduce our converting plants' energy consumption by 6% (GJ/MT).

## 7 AFFORDABLE AND CLEAN ENERGY



## 11 SUSTAINABLE CITIES AND COMMUNITIES



Invest at least 50% of our donation and sponsorship budget in causes and organizations that are in line with the SDGs and have a positive social or environmental impact.

Ensure circularity or a responsible end of life for our products by aiming to have 100% of the packaging we manufacture and sell recyclable, compostable or reusable.

Aim to have at least 70% of our purchases sourced from responsible suppliers by having them involved in an evaluation of their business practices.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Contribution to the

# United-Nations

Sustainable Goals

Reduce our scope 1, 2 and 3 greenhouse gas emissions using the Science Based Targets initiative (SBTi) approach by implementing several measures including energy efficiency projects, renewable electricity purchases and a transition to low-carbon technologies.

## 13 CLIMATE ACTION



## 15 LIFE ON LAND



Ensure that 100% of our fibre and paper inputs are recycled or certified and double the FSC Mix proportion, which guarantees that products come from forests whose operations meet rigorous and recognized environmental, social and economic standards.

Give back to the community and support community engagement by encouraging our employees to invest in causes they care about, with the aim to accumulate 15,000 volunteer hours annually.

## 17 PARTNERSHIPS FOR THE GOALS





