VALUES TO GROW BY
It can be said that sustainable development is part of Cascades’ genetic code. My brothers Bernard, Laurent and I founded and built this business with a natural concern for sustainable development. We always considered it a duty to be proactive in improving and innovating with measures that make us leaders in our field. In the 1960s and 1970s, environmental protection was not much of a collective priority. However, we were already aware that our approach was avant-garde and that we were on the right path with our recovery and transformation of used paper and cardboard. Our environmental concerns for water and energy, among other things, would appear only later. But our progress has spoken for itself. Socially, we adopted a different way of working right from the start, and we continue to do so today, much to the interest of other organizations — for our profit-sharing, our open-door policy, and our community involvement.

Year after year, we continue to evolve and grow.

LOOKING PROUDLY BEYOND THE NUMBERS
The constant improvement of our processes and management methods has naturally led to a carefully structured sustainable development plan, focusing on the next challenges in our vision of growth. We also see such a plan as the extension of our outreach and educational efforts, both internally and in the community outside our business. Our plan for 2010-2012 was Cascades’ — and in my humble opinion the industry’s — first such formal document outlining the implementation of a vision of sustainable development. The planning process included a lengthy consultation with our stakeholders, the people who have a particular interest in Cascades’ success. It was a very enriching process that identified 18 strategic objectives.

Three years later, after much progress, as well as some targets that were not quite reached, it is clear that our objectives were ambitious. An economic downturn also added to the challenge. But I am proud of what we planned and accomplished. It took courage to question our practices. Our first public consultation reminded us of all the merits of an ongoing dialogue with our company’s stakeholders, whose contribution has been very important.

We will pursue these efforts with a renewed plan for three years. In so doing, we hope you will be interested in following our sustainable growth, and that we will inspire you to make similar efforts within your organization.

ALAIN LEMAIRE
CO-FOUNDER
EXECUTIVE CHAIRMAN OF THE BOARD
CASCADES
THE RESULTS OF THE 18 STRATEGIC OBJECTIVES IN THE 2010-2012 SUSTAINABLE DEVELOPMENT PLAN ARE AVAILABLE AT CASCADES.COM/SUSTAINABLE-DEVELOPMENT. SIMPLY CHOOSE THE OBJECTIVES YOU WISH TO CONSULT. EACH ONE COMES WITH GRAPHICS AND AN EXPLANATION OF THE EFFORTS AND FACTORS THAT AFFECTED RESULTS.

A PRINTABLE PDF DOCUMENT IS AVAILABLE AT THIS SAME ADDRESS.

CASCADES.COM/SUSTAINABLE-DEVELOPMENT

RESULTS FOR 2010-2012

MORE THAN 1000 STAKEHOLDERS SHARED THEIR OPINIONS ON OUR SUSTAINABLE DEVELOPMENT APPROACH

In February 2013, in partnership with a specialized climate-change and sustainable-development team from a renowned firm, we consulted our many stakeholders through an online survey. While the 2009 consultations sought to identify the most sensitive issues through a material analysis, this second consultation enabled us to:

- SEEK OPINIONS ON OUR SUSTAINABLE DEVELOPMENT APPROACH AND PERFORMANCE;
- ASSESS THE PERTINENCE OF THE CHALLENGES AND OBJECTIVES IN OUR 2013-2015 PLANNING;
- IDENTIFY EXPECTATIONS CONCERNING OUR OVERALL STRATEGY.

PRODUCT CONSUMERS 22%

SHAREHOLDERS 5%

CORPORATE CLIENTS 5%

REPRESENTATIVES OF NGOs/NON-PROFIT ORGANIZATIONS 5%

SUPPLIERS 4%

OTHERS 5%

STUDENTS 2%

EMPLOYEES 52%
AN ENRICHING EXPERIENCE

Our 2010-2012 Sustainable Development Plan has reached its conclusion. It motivated the people of Cascades to make our organization all the better, even though we are already leaders in our field. The experience also taught us that in many areas where we excel improvements are always possible, but we must double our efforts to continue making gains.

A RENEWED COMMITMENT

The results are encouraging us to pursue our efforts. We are therefore enthusiastically launching our second three-year sustainable development plan, for 2013-2015—a plan that was carefully and meticulously prepared and is the outcome of many meetings of our sustainable development steering committee. Such internal discussions provided detail and structure for the plan, but the document also reflects the opinions of 1018 people who answered our survey on our strategic orientations. We were pleasantly surprised by all the interest in our approach.

For this new three-year plan, we thought it wise to focus our efforts and channel our energies. We therefore reduced the number of objectives to concentrate on those deemed most important to our industry. As such, some of the objectives in our first plan have been combined.

This new sustainable development plan is an expression of Cascades’ continued interest in being a leader in the recovery, packaging, and paper industry. It defines our strategic orientations and will guide us in our constant effort to be a better company. We do this for the well-being of our employees, whose full cooperation is essential to the plan’s success, and we do this for everyone who has an interest in the progress and success of Cascades.

MARIO PLOURDE

PRESIDENT AND CHIEF EXECUTIVE OFFICER

CASCADES
9 CHALLENGES
- Energy
- Waste
- Water
- Sustainable Procurement
- Innovation
- Financial Performance
- Health and Safety
- Employee Mobilization
- Community Involvement

3 Dimensions
- Environment
- Economy
- Social

1 Goal
- Remain a leader in sustainable development
ENERGY

GOAL 1
REDUCE THE QUANTITY OF ENERGY PURCHASED TO MAKE OUR PRODUCTS

TARGET
10.6
(INDUSTRY AVERAGE: 24.8)²

INDICATOR
GIGAJOULES OF ENERGY PURCHASED/METRIC TONNE OF SALEABLE PRODUCTS

² REF.: FOREST PRODUCTS ASSOCIATION OF CANADA, 2011
WASTE GOAL
INCREASE THE RECOVERY OF WASTE MATERIALS

TARGET
71%

INDICATOR
KILOGRAMS OF WASTE RECOVERED / KILOGRAMS OF WASTE PRODUCED

ENVIRONMENT
ENVIRONMENT

WATER

GOAL
REDUCE THE AMOUNT OF WASTE WATER

TARGET
10.6

INDICATOR
CUBIC METRES OF WASTE WATER/METRIC TONNE OF SALEABLE PRODUCTS

(industry average: 61)\(^1\)

\(^1\) REF. FOREST PRODUCTS ASSOCIATION OF CANADA, 2011
SUSTAINABLE PROCUREMENT

GOAL
SOURCE MATERIALS FROM RESPONSIBLE SUPPLIERS

TARGET
40%

INDICATOR
PURCHASES* FROM SUPPLIERS WHOSE PRACTICES WERE EVALUATED AND CONSIDERED RESPONSIBLE/TOTAL PURCHASES

*PURCHASES NEGOTIATED BY CASCADES’ CORPORATE PROCUREMENT DEPARTMENT
ECONOMY

INNOVATION

GOAL
DEVELOP AND MARKET NEW PRODUCTS

TARGET
6%

INDICATOR
SALES FROM NEW PRODUCTS*/TOTAL SALES

*A PRODUCT IS CONSIDERED “NEW” FOR A PERIOD OF THREE YEARS
FINANCIAL PERFORMANCE

GOAL
OPTIMIZE THE RETURN ON CAPITAL EMPLOYED

TARGET
6%

INDICATOR
RETURN ON CAPITAL EMPLOYED (ROCE):
AFTER-TAX AMOUNT OF THE LAST TWELVE MONTHS (LTM) OPERATING INCOME EXCLUDING SPECIFIC ITEMS/
AVERAGE LTM CAPITAL EMPLOYED
HEALTH AND SAFETY

GOAL
REDUCE OCCUPATIONAL INJURIES AND ILLNESSES

TARGET
2.5

INDICATOR
OSHA FREQUENCY RATE: NUMBER OF OCCUPATIONAL INJURIES AND ILLNESSES THAT INVOLVED DAYS AWAY FROM WORK, RESTRICTED WORK ACTIVITY OR MEDICAL TREATMENT/NUMBER OF HOURS WORKED X 200 000
EMPLOYEE MOBILIZATION

GOAL
INCREASE THE LEVEL OF EMPLOYEE COMMITMENT

TARGET
65%

INDICATOR
MOBILIZATION RATE FROM THE AON HEWITT EMPLOYEE OPINION SURVEY
Community Involvement

Goal
Increase our contributions in the communities where we have facilities.

Target
85%

Indicator
Number of units having taken at least three community initiatives/total number of units.
FOR MORE DETAILED INFORMATION OR TO COMMENT ON ANY COMPONENT OF OUR SUSTAINABLE DEVELOPMENT APPROACH:
SUSTAINABLE_DEVELOPMENT@CASCADES.COM
LATERAL OBJECTIVES AND COMMITMENTS

- MAINTAIN A DIALOGUE WITH OUR VARIOUS STAKEHOLDERS
- CONTINUE OUR CLOSE COOPERATION WITH THE INDUSTRY AND DECISION-MAKERS
- EQUIP CASCADES’ BEST AMBASSADORS—OUR EMPLOYEES, INCLUDING THE SALES TEAM—with the know-how and tools to encourage our customers to adopt and offer environmentally friendly products
- ACTIVELY COMMUNICATE OUR SUSTAINABLE DEVELOPMENT VISION AND ACTIONS