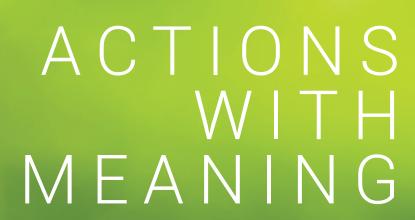


PERFORMANCE REPORT ON THE SUSTAINABLE DEVELOPMENT PLAN

2013 - 2015

SUMMARY REPORT



## ACTIONS WITH MEANING

Although Cascades is frequently held up as a model of sustainable development, we by no means take this enviable position for granted, as evidenced by the sterling efforts our teams have made over the past few years to achieve the objectives of our 2013–2015 Sustainable Development Plan. This ongoing commitment has enabled us to achieve the targets for six of the nine priorities we set ourselves, despite a demanding economic climate and the high-level performances that served as our starting point three years ago.

## ACTIONS FOR THE PLANET

Our drive for constant improvement served us particularly well in our actions for the **planet**, the first pillar of our sustainable development plan. Back in 2012, we were already far ahead of most of our competitors. The gap has widened since then, with our energy and water consumption results far exceeding the targets we set.

### ACTIONS FOR PROSPERITY

The second pillar of our sustainable development plan, **prosperity**, is expressed in concrete terms through our 2015 financial results, which, on a comparable assets basis, are the best results in our history.

This action area has also provided the impetus for the most extensive organizational transformation Cascades has ever undertaken. More than a mere review of our business processes, this initiative sets out to standardize and optimize our best practices so we may excel in a competitive environment that is more aggressive than ever. Our future absolutely depends on our capacity to innovate. In recent years we have proven that we can aim high and accomplish great things.

## ACTIONS FOR OUR PARTNERS

With a profoundly human dimension spanning over half a century, Cascades is pursuing its commitment with its **partners** by paying very special attention to its most valuable asset: its employees. Throughout the past three years, we have strengthened our health and safety culture, leading to the lowest accident rate on record at Cascades. In 2012, we learned that our employees wanted us to pay greater attention to defining their roles and objectives. Accordingly, to continually improve our response to their concerns, our organization implemented a major change, transforming its human resources management model to place greater emphasis on monitoring performance and on competency-based management.

However, these changes came about late in the course of our three-year plan, which partly explains why we could not meet our employee engagement target.

Keeping the focus on our goals and our values in a constantly changing world: this statement aptly sums up our track record over the past three years. We will continue to uphold Cascades' philosophy and values as we grow and prosper, respecting those around us and minimizing our environmental footprint.



## THE FRUIT OF OUR ACTIONS

#### ABOUT CASCADES

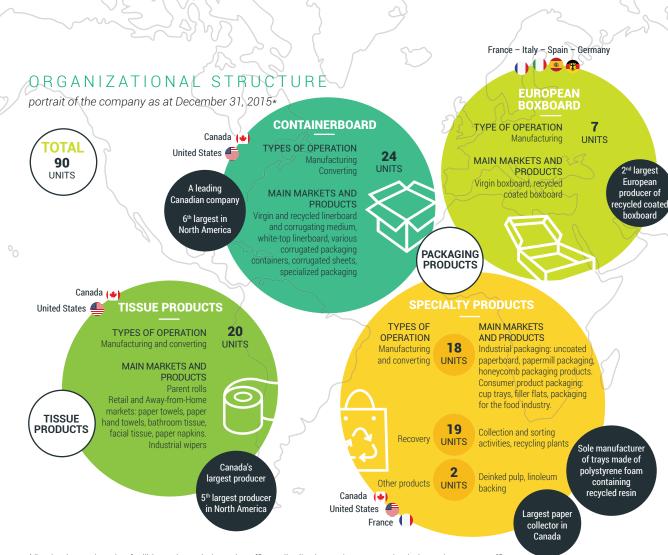
Founded in 1964, Cascades produces, converts and markets packaging and tissue products that are composed mainly of recycled fibres. The organization employs 11,000 women and men, who work in close to 90 production units in North America and Europe. With its management philosophy, half a century of experience in recycling, and continuous efforts in research and development as driving forces, Cascades continues to deliver the innovative products that customers have come to rely on. Cascades' shares trade on the Toronto Stock Exchange under the ticker symbol *CAS*.

#### SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Best Diamond (49%), Cascades Sonoco Inc. (50%), Cascades Sonoco US Inc. (50%), Greenpac Mill LLC (59.7%), Reno De Medici (57.61%).

20.29% participation in Boralex:

www.boralex.com



<sup>\*</sup> Production and sorting facilities only; excludes sales offices, distribution and transportation hubs and corporate offices. Includes the Greenpac plant.

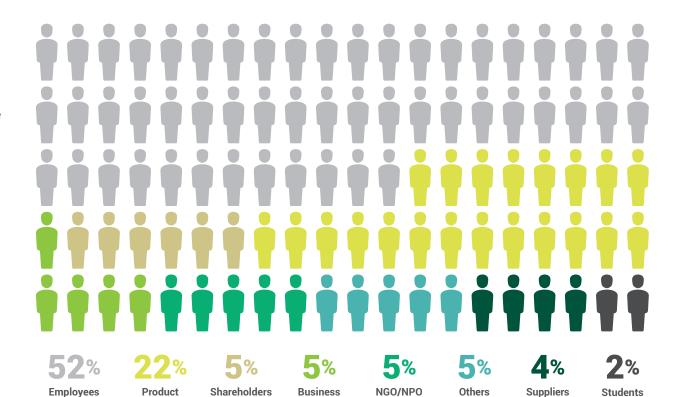
## IDENTIFYING OUR PRIORITIES FOR ACTION



Cascades' first sustainable development plan, which covered the 2010–2012 period, was put together on the strength of a broad consultation of its stakeholders. A new survey was conducted in 2013, which confirmed the nine priorities for action in the 2013–2015 plan. All the work of formulating the plan was overseen by a sustainable development steering committee made up of about 20 employees from different parts of the company. The issues that were retained fell within areas of substantial or strongly substantial importance for both Cascades and stakeholders. To ensure that the three pillars of sustainable development (planet, prosperity, partners) were evenly represented, three action priorities were established for each pillar.



THE SURVEY IN PREPARATION FOR THE 2013-2015 PLAN WAS COMPLETED BY **OVER 1,000 PEOPLE**.



Customers

Consumers

Representatives

# OVERVIEW OF RESULTS FOR THE NINE PRIORITIES 2013-2015

The results presented in the following pages are those of **Cascades operating units in North America**<sup>1</sup>. This is the framework chosen for the company's sustainable development reporting exercises.

	GOAL	INDICATOR	RESULT	TARGET	2012-2015	2012-2015	RESULT
4	Reduce the quantity of energy purchased to make our products	Gigajoules/ metric ton	10.96	10.60	-3%	-12%	9.67
Î	Increase the recovery of residual materials	Volume of residuals recovered	67%	71%	+6%	+13%	76%
<b>-</b>	Reduce the amount of waste water	Cubic metres/ metric ton	11.3	10.6	-6%	-12%	9.9
	Source materials from responsible suppliers	Volume of purchases considered responsible	23%	40%	+74%	+87%	43%
	Develop and market new products	New product sales / total sales	-*	6%	-	-	12.7%
\$	Optimize the return on capital employed	Return on capital employed (ROCE)	2.8%	6.0%	+114%	+100%	5.6%
	Reduce the number of accidents	OSHA frequency rate	3.8	2.5	-34%	-32%	2.6
	Increase the level of employee commitment	Engagement rate	55%	65%	+18%	+2%	56%
TTT	Increase our contributions to communities	Units having taken at least three initiatives	-*	85%	-	-	97%

2012

2015

LEGEND



TARGET OVER 85% ACHIEVED

TARGET NOT ACHIEVED

\* Results were compiled differently in 2012.

2015

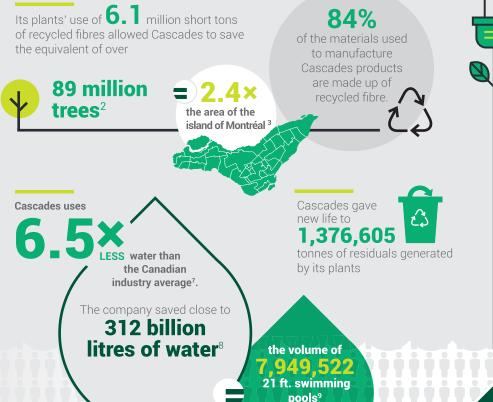
THE STERLING WORK OF CASCADES' TEAMS ENABLED THE COMPANY TO EASILY



Cascades' strong performance translates into tangible savings for the environment:

ACHIEVE THE TARGETS OF ITS THREE PRIORITIES FOR THE PLANET. **Between** 2013 2015 Cascades... **ENERGY** REDUCED ITS **ENERGY** CONSUMPTION target -3% **INCREASED** RECOVERY OF ITS RESIDUAL **MATERIALS REDUCED** 

> **EFFLUENT DISCHARGE**



the annual water consumption

volume of

3,401,421 individuals10

Cascades uses energy than the Canadian industry average4. This performance equated to savings of close to 92 million gigajoules<sup>5</sup> the annual consumption of **849,855**North American households6. RESIDUAL MATERIALS





<u> 10.96</u>

2012

2015 RESULT

2015 TARGET

**ENERGY** GOAL

Reduce the quantity of energy purchased to make our products

#### INDICATOR

Gigajoules of energy purchased / metric ton of saleable products (GJ/MT)

Since 1997. Cascades has had an internal team of about 15 energy efficiency experts as part of the Cascades GIE division (Energy Action Group). The expertise this team has developed in industrial energy efficiency is widely recognized today, so much so that its services are sought out by external customers.

conducted by Cascades GIE enabled the company to exceed its energy-reduction target. These projects, in combination with plant projects, led to savings of 1,031,105 GJ.

#### IN PRACTICE: THE HOW

Cascades GIE organized a dozen kaizens at different plants, a practice that is not yet widespread in the Canadian industry, but frequently used in the United States by industrial members of the ENERGY STAR® program. This collaborative process, which brings experts and employees from various departments together in work sessions, has borne fruit, with a host of ideas for improvements being identified and pursued. In addition to the projects arising out of these kaizens, Cascades experts have completed several other major projects, including:



recovering steam by revaporating condensate to supply the building's heating system as well as a steam chest at the Norampac plant in Niagara Falls, New York.



installing an energy recovery steam generator in the **Cascades Tissue Group plant** in Mechanicville, New York.

This innovative project did not go unnoticed either. In fact, it was one of the top three projects of the year as voted by ENERGY STAR® members, and won

the Energy Manager Today Project of the Year Award handed out by the American group Environmental Leader.





"The kaizens conducted by Cascades GIE have proven very beneficial for us at the Lachute plant. They have already allowed us to identify many opportunities for improvement and to achieve savings of around 30,000 GJ. That is equivalent to \$605,000 out of a potential \$1.6 million in the short and medium term. In my view, any company could benefit from taking part in initiatives of this kind so that together we can attain a higher level of energy efficiency."

> - RÉGIS ARSENAULT. PLANT MANAGER, CASCADES TISSUE **GROUP - LACHUTE**





## RESIDUAL MATERIALS

GOAL

Increase the recovery of residual materials

#### INDICATOR

Kilograms of residuals recovered / kilograms of residuals produced

For over 50 years, Cascades has been giving new life to millions of tonnes of fibres. It is thus second nature to the company to try to divert its own residual materials from landfills by looking, year after year, for ways to recover as much of the residuals generated by its plants as possible.

In the past three years, Cascades' Environment Department has worked with plants to find new uses for their residuals. The various projects carried out have enabled the organization to exceed its target in this area.

#### IN PRACTICE: THE HOW

The following are just some of the initiatives implemented as part of the Cascades three-year plan:



The introduction of an energy recovery program at the Greenpac plant in Niagara Falls, New York. A substantial part of the residuals, screening rejects, is converted into energy by Covanta, a neighbouring business. The steam generated by

this process is sent to Greenpac and used for paper drying. Another part of the residual materials, strands (from the pulping process) and primary sludge, is converted by Frontier Fibers, LLC, either into energy or into animal litter. Because of these new projects, 74% of plant residuals are now being reused.



The reuse of deinking sludge at the Cascades Tissue Group plant in Memphis, Tennessee. This sludge is produced by the deinking process, which consists of washing paper to remove ink and clay

**CASCADES** 

Birmingham,

Alabama

SONOCO US INC.

residues. The sludge generated by the Memphis plant is now used to cover waste in a landfill located close to the plant, replacing sand as a natural resource that is highly sought after in industries where its use is more sustainable, such as the construction industry. As a result, the plant now gives new life to 96% of its residuals.

In other Cascades plants, deinking sludge can be reused in other ways:

- Fuel (biomass boiler)
- Farm fertilizer (liming soil amendment)
- Site restoration (mines, landfills)
- Use in the fill layer (cardboard production)



67%

**STATUS:** "Zero waste to landfill"

**NORAMPAC** 

Etobicoke, Ontario

71% +5% = 2015 compared with 2012

76%

2015 compare with 201

REFERENCE YEAR 2012

"We are proud to contribute to the circular economy by converting residuals from the Greenpac plant into energy. By opting for waste-to-energy conversion rather than the landfill for its residuals, Cascades has succeeded in avoiding the emission of close to 12,000 tonnes of  $\mathrm{CO}_2$  equivalent—equivalent to removing 2,500 cars from the

roads for a year and produced 25 million kWh of renewable energy, enough to supply 26,000 homes for a month."

> - DR. PAUL GILMAN CHIEF SUSTAINABILITY OFFICER, COVANTA





Cubic metres of waste water / metric ton of saleable products (m<sup>3</sup>/MT)

By choosing to manufacture the majority of its products from recycled materials, Cascades not only saves millions of trees every year, but also saves a substantial amount of water thanks to its manufacturing process. Year after year, its teams use their ingenuity to reuse water as much as possible in a closed circuit, thereby reducing the entry of fresh water into the plant as much as possible. Although Cascades was already miles ahead of the industry in 2012, the company has spared no effort to continue improving its performance.

In order to exceed the effluent discharge reduction target, experts from the Cascades Environment Department and Research and Development Centre helped plants identify opportunities to reduce the amount of water used in their processes.

#### IN PRACTICE: THE HOW

Our achievements include:



Recovering sealing water from vacuum pumps in the fresh water tank at the Cascades Tissue Group plant in Ransom, Pennsylvania.



7 PLANTS

have water discharges of less than 5 m3/MT

Canadian industry average = 64.4 m3/MT7

REFERENCE 2012 2015 TARGET 2015 RESULT

Replacing fresh water with hot water from the condenser for part of the process at the Norampac plant in Cabano, Québec.



A nine-point action plan to pursue a number of opportunities for improvement at the Cascades Tissue Group plant in St. Helens, Oregon. Some of the "red zones" flagged included leaky valves, which were replaced. For part of the manufacturing process, fresh water was also replaced by clarified water recovered from the process itself.

"I have now been with Cascades for 18 years and can confirm that finding ways to preserve our resources has always been an integral part of our culture. Every person in the company is working to attain our reduction goals. In a testament to this, the Mississauga plant managed to cut its water consumption by over 20% in 2015 thanks to the creativity and dedicated work of our teams. We will continue to look out for new solutions and remain proactive."

> - WENDY CERILLI TECHNICAL MANAGER. NORAMPAC MISSISSAUGA



ACTIONS WITH MEANING

## FOR PROSPERITY

By making strategic choices, Cascades created added value in several respects:

ITS EMPLOYEES' EFFORTS
HAVE ENABLED CASCADES TO
ATTAIN TWO OF ITS THREE
TARGETS FOR PROSPERITY.

Value of sales arising out of innovation

2013: **\$155.6** million

2014: **\$230** million

2015: **\$415.2** million

**\$800.8** million



The practices of 107 suppliers

were assessed, thereby enlightening them on the impact of their business decisions. Between 2013 2015 Cascades...

These results are attributable to, among other things, the introduction of several new products:







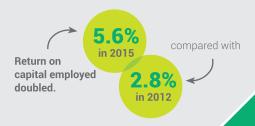
Tandem®+ paper towel and bathroom tissue dispensers





INCREASED THE
VOLUME OF
PURCHASES FROM
SUPPLIERS WHOSE
PRACTICES ARE
DEEMED RESPONSIBLE





12.7% target 6%



5

INCREASED ITS
SALES FROM
NEW INNOVATIVE,
ECO-RESPONSIBLE
PRODUCTS



IMPROVED ITS RETURN ON CAPITAL EMPLOYED





## SUSTAINABLE PROCUREMENT

GOAL

Source materials from responsible suppliers

#### INDICATOR

Purchases<sup>12</sup> from suppliers whose practices are considered responsible / total purchases

In an effort to associate itself with suppliers that share its values, since 2012 Cascades has been working with EcoVadis, an external firm specialized in assessing organizations' sustainable development performance. By the end of the plan, 107 of the company's suppliers had taken part in this process; through their commitment, Cascades was able to achieve its sustainable procurement target.

#### IN PRACTICE: THE HOW

Since 2012, in response to any new call for tenders, suppliers wishing to do business with Cascades must complete a questionnaire covering 21 parameters grouped into four themes: environment, labor practices, fair business practices and suppliers. Once the assessment has been completed, they can view their results in an online record that gives an overview of their business practices — valuable information that helps them identify sensitive areas and which corporate practices could be improved. Suppliers whose results do not meet the threshold set by Cascades are contacted and invited to remedy the situation.

In its multi-criterion assessment grid following a call for tenders, Cascades has added a section on sustainable development and takes the EcoVadis result into account. Suppliers can earn up to 10 points out of 100 for their social and environmental responsibility performance.

The number of suppliers assessed by EcoVadis varies with categories of products and services. Cascades is ahead in the "goods and services" and "chemical products" categories because the suppliers concerned were the first to take part in the process. The company is now aiming to increase the number of partners assessed in the remaining categories.

Suppliers of goods and services and chemicals

76% Virgin pulp suppliers

21%

Energy suppliers

15% Recycled fibre suppliers

For virgin fibre suppliers, in addition to the EcoVadis assessment (a 360-degree report on business practices), Cascades also considers FSC certification as a sustainable development criterion.

CSR PERFORMANCE

Environment ENV 80
Labor Practices LAB 50
Fair Business Practices FBP 40
Suppliers SUP 30

Environment Enviro

23%

REFERENCE YEAR 2012

2015 TARGET

+74%

2015
compared
with 2012

43%

2015
RESULT

+87% 2015
compared
with 2012

Example of an EcoVadis assessment sheet

"EcoVadis has been working consistently to educate major players about the importance of taking good corporate practices into consideration in buyer-supplier relations. Cascades showed leadership by becoming the first company in Canada to register as a user of our platform and make use of our corporate performance analysis services. This makes the company a model for others to follow."

PIERRE-FRANÇOIS THALER
 CO-PRESIDENT, ECOVADIS



## INNOVATION

GOAL

Develop and market new products

#### INDICATOR

Sales from new products<sup>13</sup> / total sales

At the conclusion of the 2013-2015 plan, Cascades is proud to report that the target it had set for innovation has not only been reached, it has been far exceeded. This success is the result of various changes to the organization's internal management structure, with a team now entirely devoted to the development of innovative products that are anticipating the needs of our various markets.

#### IN PRACTICE: THE HOW

Over the past few years, a number of new products marketed by the three divisions of Cascades have contributed to the attainment of this target. Here are some examples:

#### Norampac

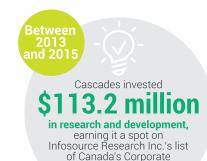
 Greenpac XP, our all-new linerboard that is revolutionizing the packaging industry with its strength, lightness and performance.



#### **Cascades Specialty Products Group**

 Integral™, a modified-atmosphere packaging system for fresh protein (meat and poultry) providing an optimal and extended shelf life.





Innovation Leaders.

REFERENCE 2012 2015 TARGET 2015 RESULT

- Ultratill™, a fresh produce container that is lighter than comparable products and made of 80% post-consumer recycled content.
- Poul-Tray<sup>™</sup>, a whole-chicken tray featuring an integrated flap that secures the chicken's legs and enhances shelf presentation.



#### Cascades Tissue Group

- Tandem®+ paper towel and bathroom tissue dispensing systems created to help facilities improve hygiene and lower their operating costs. Also available in compact form with the Tandem®+ Nano™.
- Superior quality tissue paper products thanks to leading-edge technology.
- The Cascades® Moka™ product line: launch of jumbo roll bathroom tissue and facial tissue products



"In recent years, we have devoted a great deal of effort to reviewing and improving our product-development processes. An in-depth analysis of how things were done elsewhere led us to introduce better practices, among them a more rigorous identification of needs and market opportunities. Now more than ever, Cascades is determined to focus its efforts on areas where it excels in order to keep moving forward as a leading supplier of innovative products with significant added value. We continue to explore new avenues to stay in the vanguard of

> the market and offer customers increasingly beneficial solutions."

> > - SUZANNE BLANCHET SENIOR VICE-PRESIDENT, CORPORATE DEVELOPMENT, CASCADES INC.





## FINANCIAL **PERFORMANCE**

GOAL

Optimize the return on capital employed

#### INDICATOR

Return on capital employed (ROCE)14

In recent years, Cascades has substantially improved its financial performance. This has been made possible by certain strategic changes, combined with favourable market conditions in 2015. Although we did not attain the 2013 - 2015 plan target, the company nevertheless doubled its return on capital employed compared with 2012. In 2015, Cascades was buoyed up by a wind of optimism, which saw its major investments in key areas of activity and the implementation of a number of standardization processes lead to excellent outcomes.

#### IN PRACTICE: THE HOW

#### Major projects to support the company's leadership

Over the past few years, Cascades has continued optimizing and modernizing its asset base in order to maintain its leadership position in an industry that is more competitive than ever before.

The total amount invested between 2013 and 2015 to modernize assets, enable the deployment of cuttingedge production equipment and increase the company's ownership: \$499 million<sup>15</sup>.

#### These major projects included: \$26 million

Investment in a biorefinery project at the Norampac plant in Cabano, Québec,

#### increasing Cascades' production capacity on the US West Coast. \$55 million New tissue

converting facility in Wagram, North Carolina, increasing Cascades' presence in southeastern US, a targeted growth area.



\$25 million Investment in tissue converting lines in Candiac and Kingsey Falls, Québec, particularly with the installation of a brand-new line for the manufacture of superior quality products.

\$35 million Installation of

a new paper machine at the Cascades

Tissue Group plant in St. Helens, Oregon,

\$26 million Installation of a new corrugator to boost production capacity at the Norampac corrugated board conversion plant in Drummondville, Québec,



REFERENCE 2.8% 2012 2015 TARGET

2015 RESULT

"In addition to favourable market conditions, strategic decisions and optimization and modernization efforts deployed over the past few years have contributed to the improvement in Cascades' financial

performance."



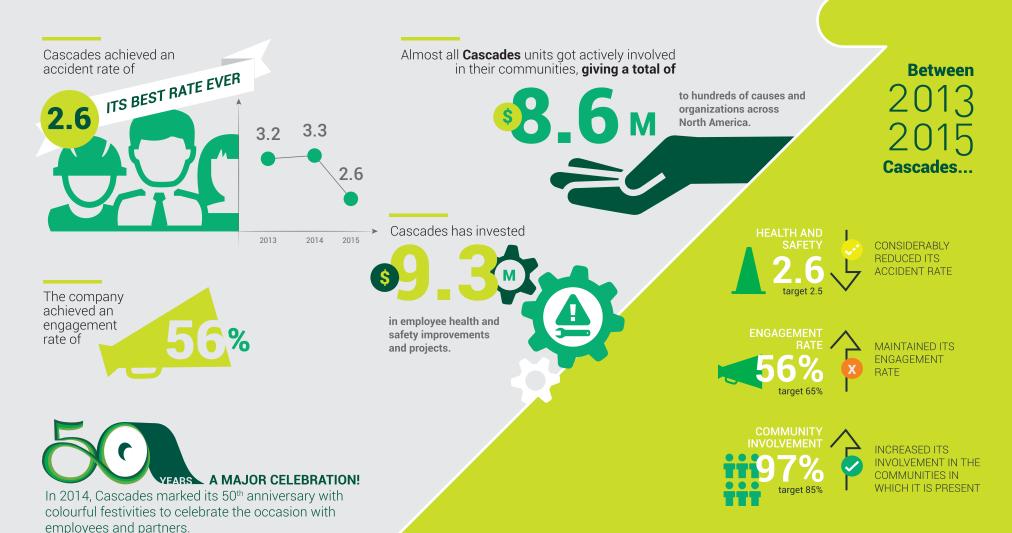
- ALLAN HOGG **VICE-PRESIDENT** AND CHIEF **FINANCIAL** OFFICER. CASCADES INC.

## **HIGHLIGHTS** 2013-2015



Cascades' performance translates into tangible results for its employees and the communities in which the organization is present.

CASCADES EASILY ACHIEVED
ITS COMMUNITY INVOLVEMENT
GOAL THANKS TO ITS TEAMS'
HARD WORK. THE HEALTH
AND SAFETY TARGET WAS 94%
ACHIEVED, BUT THE COMPANY
DID NOT OBTAIN THE DESIRED
RESULT WITH REGARD TO
EMPLOYEE ENGAGEMENT.





## HEALTH AND SAFETY

GOAL

Reduce the number of accidents

#### INDICATOR

OSHA frequency rate<sup>16</sup>

Employee health and safety has always been a priority for Cascades. In recent years, its teams have worked tirelessly to make the company's facilities safer. In 2015, this work, together with ongoing awareness initiatives and the heightened vigilance of personnel, enabled Cascades to achieve the lowest accident rate in its history. The organization came very close to achieving the target rate for the 2013–2015 period and is very proud of the progress made and its employees' dedication.

#### IN PRACTICE: THE HOW

Over the past few years, Cascades health and safety experts rolled out a strategic plan for the continuous improvement of safety practices. This strategic plan consists of three main phases: development, implementation and follow-up audits. By the end of 2015, the plan was 94% complete.

OSHA frequency rate of 0

2013
24
27
211
29
UNITS
The efforts of many units were rewarded with an OSHA frequency rate of 0 over the past three years.

3.8

2012

2015
TARGET

-34%
2015
compared with 2012

2015
compared with 2012

2015
compared with 2012



Fully deployed: Guidelines for lift truck management and cohabitation of pedestrian traffic and materials transportation in all units, safety standards for winding machines



Partially deployed: Rewinder machine safety standards, response protocol in the event of a serious injury/ death

Not deployed: health and safety data management system in SAP

All these elements combined contributed to reducing the number of accidents. Sixty-four incidents with injury involving the risk of death or permanent disability were recorded between 2013 and 2015, a slight reduction compared with the 2010–2012 period.

"Over the past few years, we have stepped up our efforts to develop an internal health and safety culture that will change our employees' behaviour, so that they take accountability for their own safety. Of course, we are aiming for zero accidents, but where human behaviour is involved, we are at the mercy of many other factors that may be out of our control. The role of the teams in place is to look to the future and identify potential risks so that we can achieve, at the least,

zero serious accidents."

- VALÉRIE BENOIT, REGIONAL HEALTH AND SAFETY COORDINATOR, CASCADES INC.

2012

2015 TARGET

2015 RESULT

2015 compared with 2012

## **EMPLOYEE** ENGAGEMENT

#### GOAL

Increase the level of employee commitment

#### INDICATOR

Engagement rate from the Aon Hewitt employee opinion survey<sup>17</sup>

As co-founder Bernard Lemaire has previously stated in an interview, Cascades' strength is its people. "Having great machines is all well and good, but if we do not have dedicated people, things will not work." As the company has expanded, maintaining this profoundly people-centred culture has brought its share of challenges. Today, the new generation of managers working in all our units is firmly set on carrying on this legacy.

#### "CASCADES' STRENGTH IS ITS PEOPLE."

- Bernard Lemaire, Cascades Co-founder

To take stock of employees' satisfaction with their employer, Cascades chose to use an anonymous survey. After making good use of a number of tools, in 2009 the company turned to the methodology designed by Aon Hewitt. A general overview of employee satisfaction was garnered from comments gathered from a specific sample of employees. In 2012, to give Cascades a better and

more complete understanding, the survey was extended to all employees in North America. The results were below expectations.



#### IN PRACTICE: THE HOW

The 2012 survey highlighted a promising opportunity for improvement: working towards a better definition of roles and

objectives company-wide. In response to this finding, the organization embarked on a major change in its human resources management model, placing more emphasis on performance monitoring and competency-based management. Added to this effort was an organizational transformation aimed at standardizing Cascades' business processes and centralizing its data. In connection with this new approach, Cascades also implemented a multisolution software package to support all processes related to management of human capital. A number of new working methods have thus been deployed in response to employee concerns, particularly in the second half of 2015. All these initiatives are steps in the right direction.

"Cascades has undergone a major organizational transformation in recent years. We recognize that these changes may have affected our employees' level of engagement, because they brought a period of transition and uncertainty. The human resources team is working diligently to improve the situation, our concern being to continue to provide a work environment in which everybody can live up to their full potential and feel recognized. This concern for employee well-being helps foster

commitment and a sense of

belonging."

- CAROLINE TREMBLAY, VICE-PRESIDENT, HUMAN RESOURCES, NORAMPAC





## COMMUNITY INVOLVEMENT

GOAL

Increase our contributions in the communities where we have facilities

#### INDICATOR

Number of units having taken at least three community initiatives / total number of units

Following the lead of the Lemaire brothers, known for their generous, down-to-earth nature, Cascades' various units have always actively supported social and environmental causes. Doing so provides an opportunity to contribute directly to the vitality and development of the communities in which they operate. Since Cascades employees have a reputation for active community involvement, it is not surprising to find that the company exceeded its target for 2015.

#### IN PRACTICE: THE HOW

At the end of the 2013–2015 three-year period, 97% of the company's units had taken at least three community initiatives, resulting in a total of \$8.6 million being awarded in the form of donations and sponsorships. Every year hundreds of causes and organizations receive support — in the form of products, financial support or time — from Cascades.

These causes dear to Cascaders include: Canadian Cancer Society, Relay for Life, Kids Help Phone, Boston Marathon Jimmy Fund Walk, Toys for Tots Foundation, Opération Enfant Soleil, Habitat for Humanity, Fondation Centre de cancérologie Charles-Bruneau, American Cancer Society,





Special Olympics, Big Brothers Big Sisters, Ontario Association of Food Banks and Fondation du Centre hospitalier universitaire de Sherbrooke.

#### United Way/Centraide: An ongoing tradition

Over the years, Cascades and its employees have loyally supported several causes with which they feel a special connection, including United Way/Centraide. Active throughout Canada, this organization collects and invests funds in a network of organizations with the aim of breaking the cycle of poverty and exclusion. For over 30 years, hundreds of employees have involved themselves in a host of activities: from spaghetti dinners and jeans days to auctions, the teams of volunteers have always shown great imagination in gathering funds for the cause.

2013 CLOSE TO \$1 MILLION was raised for United Way/ Centraide



\$10. 2012 85% TARGET

"At Cascades Recovery, we have always seen local community involvement as an important part of our activities. An active community involvement program sends a strong message that we are fully invested in the communities where we are present and that we take their welfare to heart. It also gives our employees a chance to make a concrete contribution to the health of the community, in addition to supporting our sustainable development objectives and creating a positive employeremployee partnership."

> - TERRY FOSTER REGIONAL DIRECTOR, HUMAN RESOURCES, CASCADES RECOVERY INC.

## OUR ACTIONS ARE RECOGNIZED



The three years of the Sustainable Development Plan have been marked by various accolades, many of them specific to our sustainable development priorities.

2013 - 2014 - 2015

Cascades was recognized as the most responsible brand and organization in the eyes of Quebecers.

This was one of the findings of Observatoire de la consommation responsable (OCR) of UQAM's École des

sciences de la gestion.

2013 - 2014 - 2015

Cascades was named one of Canada's 50 best corporate citizens by *Corporate Knights* magazine.

2014 - 2015

Cascades was awarded two Sustainable
Development prizes by the Canadian Plastics Industry
Association (ACIP/CPIA) for its EVOK® polystyrene foam
food trays with 25% recycled content and its Ultratill™
mushroom container.

#### NOVEMBRE 2015

Cascades won an EnviroLys award in the Projet vert ICI+ category for the Alain-Lemaire Solar Park. This prize was awarded at the sixth edition of the EnviroLys gala presented by the Conseil des entreprises en technologies environnementales du Québec (CETEQ).

NOVEMBRE 2015

Cascades won the Santé durable (sustainable health) award from the Association pour la santé publique du Québec. This award recognizes an outstanding contribution from an individual or company to the social and economic development of Québec from a sustainable health perspective.

SEPTEMBRE 2015

Cascades was recognized by ENERGY STAR® at the Energy Meeting in Orlando, Florida, for its energy recovery steam generator project implemented at the Cascades Tissue Group's Mechanicville, New York plant.

JUNE 2015

Cascades won the Sanitary Maintenance Distributor Choice Award for its Tandem®+ dispenser. This award, recognizing the most innovative maintenance products of the year, is voted by readers of Sanitary Maintenance magazine.

#### DECEMBER 2014

The Consumer Products Packaging Group

won the sustainable development award at the
annual supplier summit of HAVI Global Solutions.

This award recognizes the integration of sustainable development into business practices and corporate culture.

To see a complete list of awards and distinctions, go to the Cascades website: www.cascades.com/en/sustainable-development/awards-and-distinctions/

FEBRUARY 2014

Cascades received Walmart Canada's Vendor Sustainability Award. This award celebrates a company's sustainability initiatives and its efforts to help Walmart achieve its sustainability goals.

DECEMBER 2013

Cascades received the Environmental Strategy of the Year award from Pulp & Paper International at the 2013 PPI Awards in Dubai, in addition to garnering an Innovative Product of the Year award for the Cascades® Moka™ product line.

JUNE 2013

Alain Lemaire was named "Greenest CEO in Canada" at the 12<sup>th</sup> annual Corporate Knights gala.

## NOTES ON OUR ACTIONS



Below are some details concerning the measurement indicators used by Cascades and its industry.

#### Net saleable production:

Environmental data is compiled using net saleable production in metric tons as produced and machine-dried (metric tons of saleable products).

#### Short ton:

A short ton is equal to 0.907 metric tons. In the recycled fibres field, the tonnage is calculated in short tons.

MFTRIC

tons

907

ka

#### Metric ton (MT):

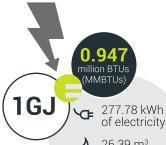
A metric ton is 1,000 kilograms or 2,205 pounds. It is called a "metric" ton to distinguish it from other types of tons used in some technical fields (short tons and long tons).

## 1,000 2,205 lb.

#### Energy:

Water:

1 m<sup>3</sup>



26.39 m<sup>3</sup> of gas

(varies with the calorific value of natural gas)

#### References

<sup>1</sup> Except "Financial Performance" and "Health and Safety," which cover all Cascades operating units.

short

ton

- <sup>2</sup> One tonne of recycled fibres saves 17 trees. Source: U.S. Environmental Protection Agency, 2012. Since a tonne of recycled paper does not contain only paper and the yield factor is not 100%, calculation is not based on the amount of recycled fibres purchased, but on net saleable production made from recycled fibres.
- <sup>3</sup> The island of Montréal has an area of 499.1 km<sup>2</sup>. Source: Statistics Canada, 2011.
- <sup>4</sup> The average for the Canadian paper industry is 26.67 GJ/MT. Source: Forest Products Association of Canada, 2015.
- <sup>5</sup> Compared with the same tonnage manufactured with the average energy intensity of the Canadian paper industry.
- <sup>6</sup> Average energy consumption of a North American household is 102.2 GJ per year.

  Reference: Combined average of the annual energy consumption of a Canadian household (109.8 GJ) and an American household (94.5 GJ). Source: Natural Resources Canada, 2013, and U.S. Energy Information Administration, 2009.
- <sup>7</sup> The Canadian paper industry average is 64.4 m<sup>3</sup>/MT. Source: Forest Products Association of Canada, 2015.
- $^{\circ}$  Compared with the same tonnage manufactured with the average discharge of the Canadian paper industry.

- <sup>9</sup> An above-ground swimming pool 21 feet in diameter and 4 feet deep contains 39,200 litres. Source: Pool Supplies Canada Inc.
- Note and the Consumption in North America is 315 litres per person per day.
  Reference: Combined average per-person daily water consumption in Canada (251 litres) and the United States (378 litres). Source:
  Natural Resources Canada, 2011, and WaterSense, U.S. Environmental Protection Agency, Office of Wastewater Management.
- 11 Audited sales based on IFRS accounting standards.
- 12 Purchases negotiated by Cascades Corporate Procurement Department.
- <sup>13</sup> A product is considered "new" for a period of three years.
- 14 After-tax amount of the last twelve months' (LTM) operating income, excluding specific items / average LTM capital employed.
- 15 Cash flows from (used for) investing activities according to IFRS accounting standards, 2013 to 2015.
- 16 Number of accidents with lost time or temporary assignments or medical treatments X 200,000 hours / hours worked.
- <sup>17</sup> Survey conducted every three years.

#### CASCADES

Performance Report on the 2013-2015 Sustainable Development Plan, Summary Report, published on August 8, 2016.

> **Production:** Sustainable Development Department **Graphic Design:** EMBLÈME Communication

> > Please send suggestions or comments to: developpement\_durable@cascades.com

To view the 2016-2020 Sustainable Development Plan, go to WWW.CASCADES.COM/EN/SUSTAINABLE-DEVELOPMENT

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