



Cascades Canada ULC
404 Marie-Victorin Blvd., P.O. Box 30
Kingsey Falls, Québec J0A 1B0

Telephone: 819-363-5100
Fax: 819-363-5155

Policy on workplace diversity and inclusion

What is diversity?

At Cascades, **respect** is our number one value. The **diversity** of our **employees'** backgrounds, characteristics, experiences and perspectives helps us provide quality, competitive products and services to our customers. We know that by building a diverse workforce, we are contributing to our **company's success**, which translates into returns for **our shareholders**.

Why diversity is important

Cascades can benefit from improving its decision-making process and ensuring a diversity of perspectives by offering current and future employees equal opportunities to join and grow within the company.

Our commitment to diversity

An open, honest and discrimination-free work environment contributes to **employee engagement**. Our Code of Ethics and Business Conduct demonstrates our commitment to establishing sustainable management practices by setting the framework in which we do business with our stakeholders, including employees.

To add to our current framework, we wish to review our management practices from a continuous improvement perspective so that we can eliminate hidden biases, if required, and provide an equitable work environment and **career opportunities** regardless of gender, ethnicity, sexual orientation, religious beliefs or family or economic status.

We recognize and promote our employees based on their performance, skills and potential, and are committed to providing a workplace that enables them to reach their full potential, regardless of differences.

Cascades' number one value is respect for its environment and for all its stakeholders. This policy aligns with and **forms part of our Code of Ethics and Business Conduct**. It also complements all other corporate policies, including our policy on workplace harassment.

Our goal is to communicate the importance we attach to the **inclusion of women,¹ immigrants, people with disabilities, people with different religious beliefs and people from different generations**, so that we can count them among our pool of employees and provide everyone with a work environment that is free from any

¹ Reference: *management practice on the representation of women*

kind of discrimination. We also aim to offer **opportunities for advancement** in the company through processes that are free of hidden biases toward any group.

Priorities

To set a priority in establishing our policy on diversity, we have undertaken an analysis of our current **talent management** practices for our salaried positions. This analysis involves identifying opportunities for improvement and the gap between current and desired practices based on **data rather than perceptions**.

A communications plan with our stakeholders will also enable us to close the gap between facts and perceptions and raise awareness about what we expect from all our employees, suppliers, customers and the communities in which we work.

- ❖ Recruiting and onboarding
- ❖ Development of competencies (including leadership programs)
- ❖ Performance
- ❖ Compensation
- ❖ Succession
- ❖ Work-family practices
- ❖ Work environment
- ❖ Mentoring
- ❖ Communication

Recruiting and onboarding

This policy is being communicated to encourage candidates (both external and internal) who are interested in advertised positions to apply regardless of the group to which they belong, and to inform the members of selection committees that the selection process must be free of hidden biases regarding the candidates' differences.

Development of competencies (development plan)

As of 2018, all salaried employees at Cascades have been responsible for honing two (2) competencies (technical and behavioural) to ensure their development and reach their objectives related to their current position, or to support their aspirations to take on other responsibilities in the future.

All employees must inform their supervisors of their chosen competency development program, which must be aligned with their performance evaluation and aspirations.

Performance

The performance management process includes a calibration exercise. This step, which consists in comparing performance evaluations of a group of employees carrying out similar functions but supervised by different managers, reveals different evaluations (if any) for similar performance.

Compensation

Since 2008, Cascades has had a salary structure (base salary) that takes into account market data for similar responsibilities and the relative importance of these responsibilities for the company.

Succession

A structured process for identifying future prospects takes place every year and is attended by the company's executive members. This exercise consists in discussions on the performance and development potential of our employees with respect to the company's behavioural competencies, including "values and ethics."

Work-family practices

Cascades was built on family values, and the company supports its employees by offering facilitating measures such as deferred salary leaves, reduced work arrangements, telework, variable schedules, and maternity and paternity leave conditions that exceed statutory requirements. In all cases, these measures must be accessible and applied in an equitable manner.

Work environment

Establishment of standards for the layout of washrooms, break rooms, locker rooms, etc. that support our policy.

Mentoring

Mentoring is an integral part of our leadership programs. It is provided based on objective criteria for competency development and is linked to a defined goal.

Communication

All verbal and written communications must be inclusive and respectful, and must reflect the company's position regarding diversity and inclusion.

Measures

Measures for applying our practices are integrated into our process performance management.

Methodology

Data analysis

Discrimination of any kind is usually the result of unconscious biases. We work with data rather than perceptions to develop practical solutions that will support managers and address gaps, if necessary.

Data analysis enables us to adjust our human resources practices from a continuous improvement perspective, and to raise our standards.

Policy administration

Cascades' Human Resources Committee is generally in charge of administering this policy. The Human Resources Centre of Expertise is responsible for the policy's day-to-day administration.

Communications and implementation

All of Cascades' senior management members and employees will be informed of this policy and its importance. A copy of the policy will be provided to senior management members and to other employees who are required, or may be required, to make decisions under this policy. Members of senior management and employees must

understand this policy and its pertinence in order to ensure compliance with applicable laws.

*Adopted by the HR Committee on May 8, 2018
Amended on August 1, 2019.*