# 2024
# Cascades Climate Report

Aligned with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and in accordance with the Climate-related Financial Risk Act (SB-261)

# Introduction

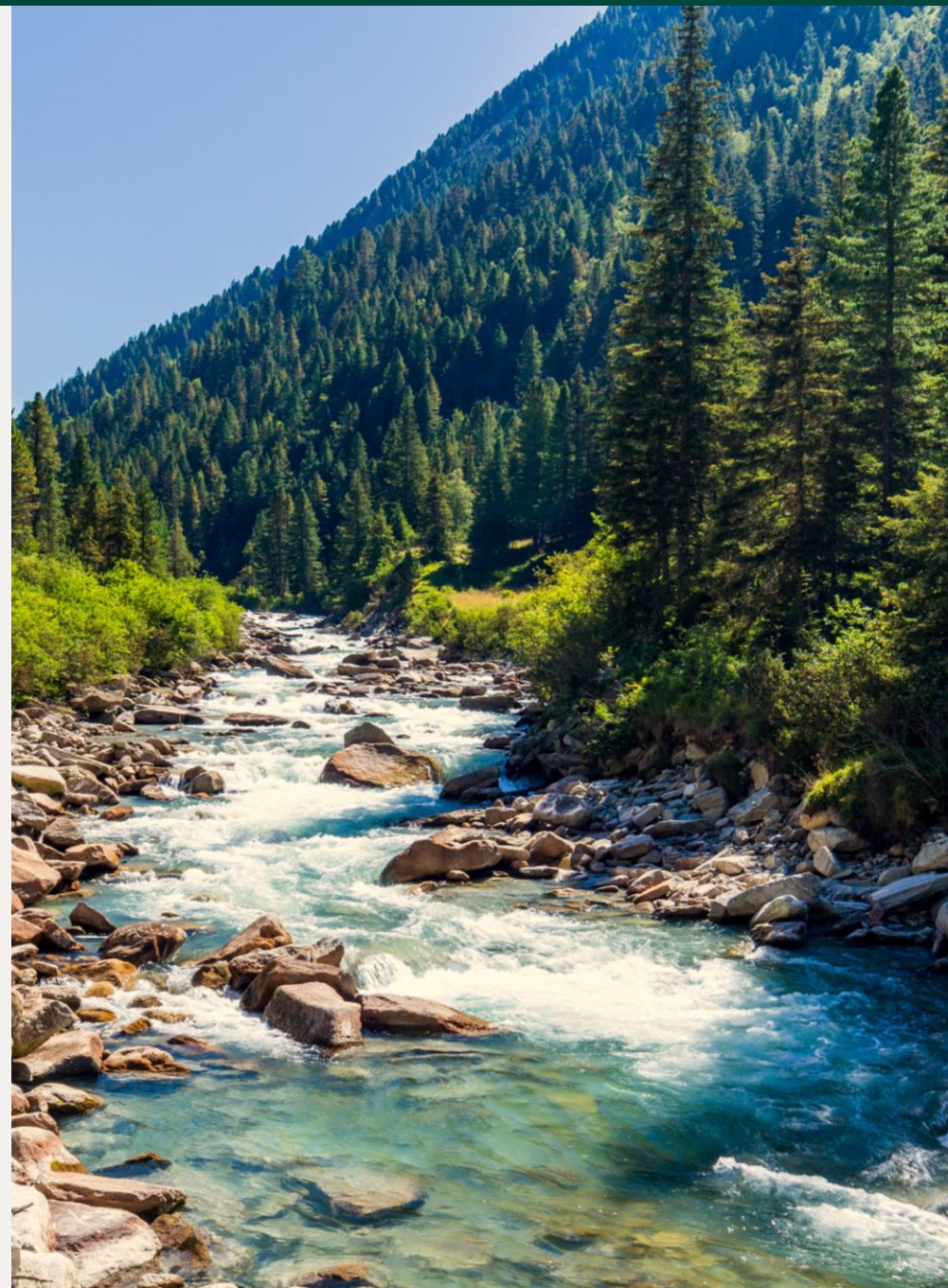
Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs 9,500 talents across a network of 65 operating facilities in North America, both in Canada and the United States. Driven by its participative management, half a century of experience in recycling, and continuous research and development efforts, Cascades continues to provide innovative products that customers have come to rely on, while contributing to the well-being of people, communities and the planet.

## Cascades' Climate Position

Cascades recognizes climate change as a critical business and societal challenge. Over the past decades, the company has implemented measures to reduce greenhouse gas (GHG) emissions by improving energy efficiency, transitioning equipment from fossil fuel to electricity and increasing the share of electricity from renewable sources. In 2021, Cascades committed to the Science Based Targets initiative (SBTi) to align its decarbonization pathway with the objectives of the Paris Agreement. These validated targets, presented in the Metrics section of this report, guide Cascades' efforts to reduce emissions across its operations and value chain.

## Scope of Disclosure

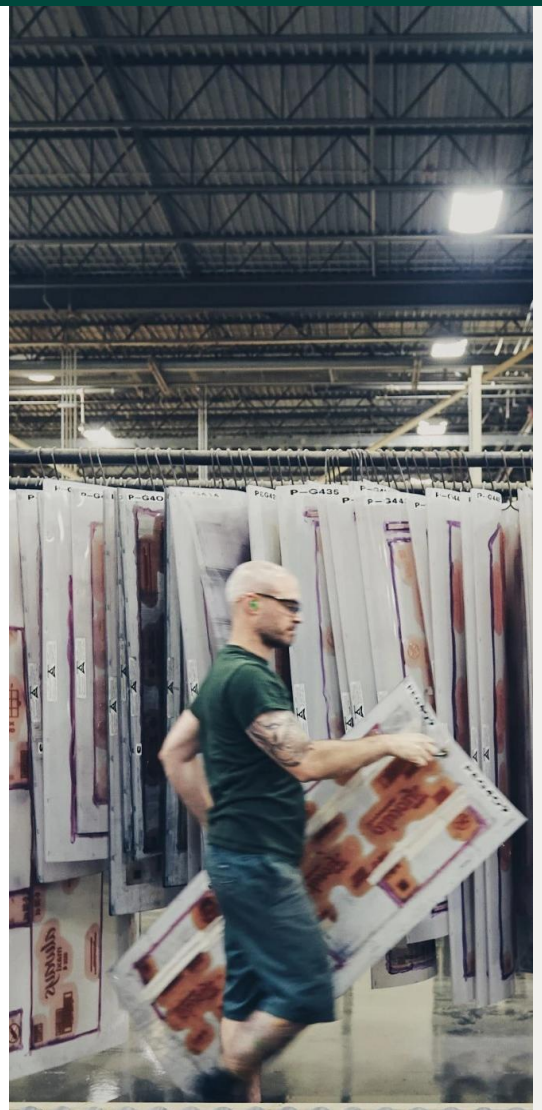
This report includes climate-related disclosures from Cascades Inc. (''Cascades''), its subsidiaries and joint ventures according to an operational control approach. It aligns with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, in accordance with the Climate-related Financial Risk Act (SB-261). It provides disclosure responses, including information on governance mechanisms and strategy related to climate risks and opportunities, as well as assessed metrics and targets. The Metrics section refers to our 2024 fiscal year (January 1 to December 31), as it was not possible to obtain consolidated data for 2025 by the time this report was published.

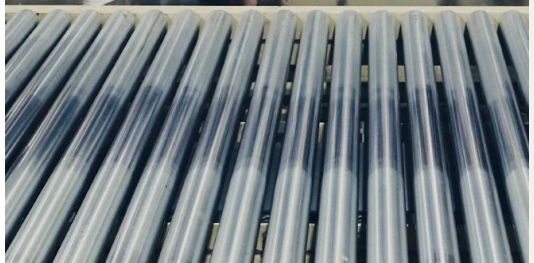


# Governance

**Cascades' governance around climate-related risks and opportunities**.

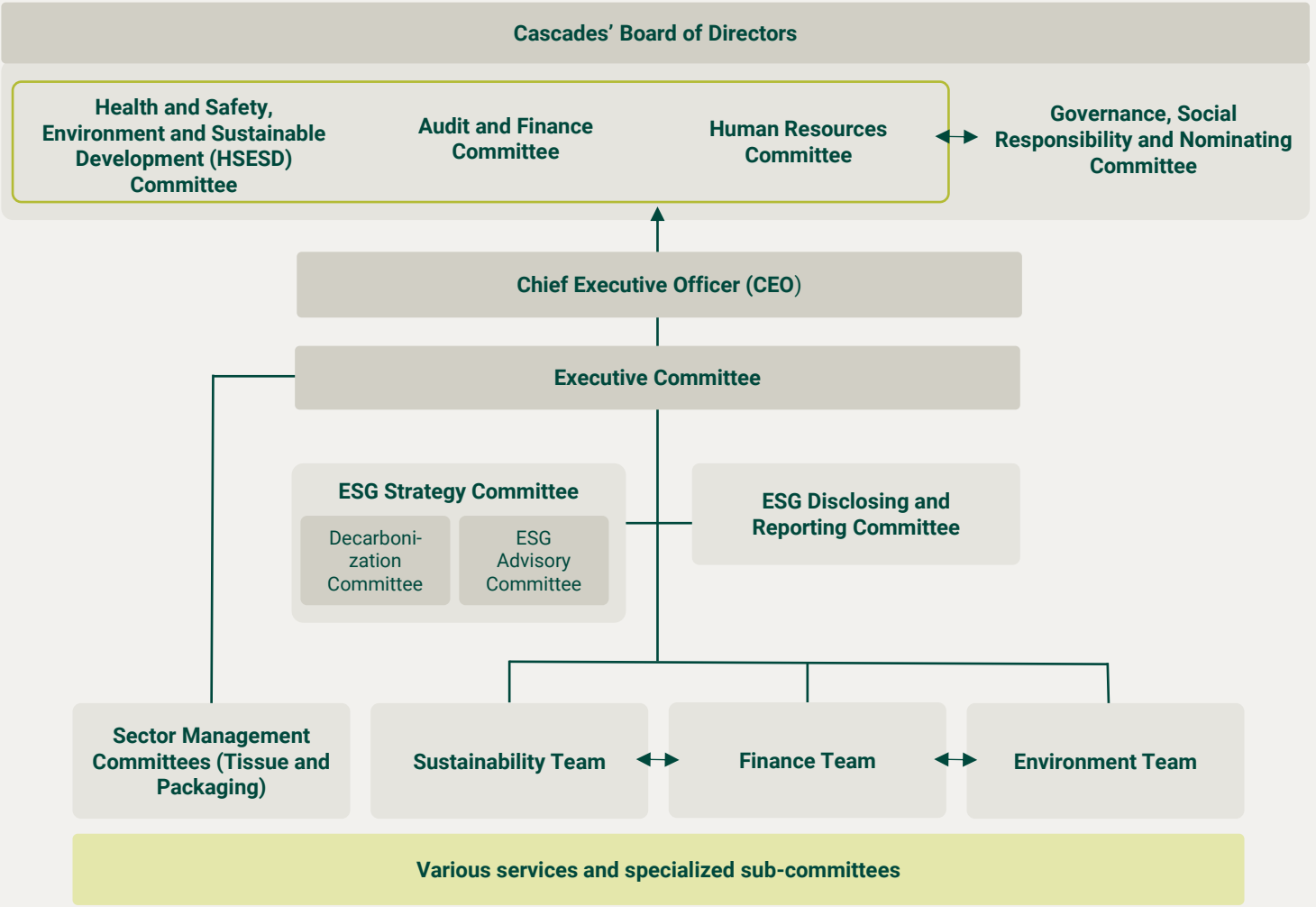
**1a.** Board's oversight of climate-related risks and opportunities
**1b.** Management's role in assessing and managing climate-related risks and opportunities





Cascades has established a governance structure and processes to implement and monitor the progress of its Sustainability Action Plan, which includes its climate strategy. These mechanisms are part of Cascades' corporate governance and are aligned with the global demand for increased transparency and proactive management of ESG-related risks and opportunities. The roles and responsibilities for each board and management-level body are described in the following pages.

## Corporate Governance – Environment, Social and Governance (ESG) Factors



# Governance

**Cascades' governance around climate-related risks and opportunities.**

**1a.** Board's oversight of climate-related risks and opportunities

## Role of Cascades' Board of Directors and Board Committees

Cascades' Board of Directors is accountable, among other responsibilities, for environmental and climate-related issues as described in the Board mandate policy. It integrates ESG considerations, including climate-related risks and opportunities, across Cascades' strategy. The Board approves the compensation of C-suite leaders and employees in key management positions, which is linked to Cascades' financial and ESG performance targets, including targets to reduce GHG emissions. The Board is advised by the following four committees, which all meet quarterly or more frequently if circumstances warrant:

- **Health and Safety, Environment and Sustainable Development (HSESD) Committee**
  The HSESD committee approves the targets and monitors the Corporation's progress against said targets under its Sustainable Development Plan and addresses climate-related issues. It is composed of a minimum of four directors, the majority of whom are independent. Climate-related issues are a standing item on the agenda of every meeting.

- **Audit and Finance Committee**
  The Audit and Finance committee is responsible for reporting to the Board about enterprise risks identified through the Enterprise Risk Management (ERM) process. Environmental and climate risks may arise as part of this assessment. They are also accountable for financial integrity and compliance. The committee is composed of three independent directors with financial expertise.

- **The Human Resources Committee**
  The Human Resources committee ensures that the organizational structure, compensation strategies, policies, and practices align with the achievement of the Corporation's ESG ambitions. The Committee is composed of four independent directors.

- **Governance, Social Responsibility and Nominating Committee**
  The Governance committee is tasked with establishing, implementing, and regularly reviewing the oversight structure for ESG while integrating other committees' roles and expertise in ESG-related risks and opportunities. It then oversees all of the Society's board committees' work in relation to their ESG roles. The Committee is composed of at least three independent directors.

## Climate-Related Expertise of Directors

The professional skills, experience, and qualifications of nominated directors are reviewed annually by the Governance, Social Responsibility and Nominating Committee to ensure the Corporation meets its objectives in director selection and nomination. Thirteen (13) skills are listed in Section 3.2 of the 2025 proxy circular. Three (3) of which are closely related to managing climate risks, opportunities, and business resilience (see below). Board Committees may invite any officer, director, senior management member, or external consultant to its meetings when additional information or expertise is required.

- **Environmental, Social and Governance (ESG) Factors:** All Board members (100%) have experience and understanding of issues and best practices related to ESG factors.

- **Risk Management:** Nine out of eleven members (82%) have experience in identifying, assessing, and mitigating risks, as well as overseeing risk management programs

- **Business Strategy and Transformation:** All Board members (100%) have experience in strategic planning, change management, and leading growth initiatives for a public company or other major organization.

# Governance

**Cascades' governance around climate-related risks and opportunities.**

**1b.** Management's role in assessing and managing climate-related risks and opportunities

## Cascades' Management Roles

- **Chief Executive Officer (CEO)**
  Cascades' CEO, who also serves as a Director on the Board, is the highest executive accountable for the overall oversight and approval of the company's sustainability strategy and targets, including GHG emissions reduction objectives. The CEO brings climate-related issues to the Board as significant matters arise and ensure the integration of ESG-related risks and opportunities into the executive mandates.

- **Executive Committee**
  The Executive Committee meets monthly and addresses ESG-related topics, including climate-related risks and opportunities, as needed or at least once per quarter. The Vice-President, Communications, Public Affairs, Sustainability and Environment reports quarterly to the HSESD Committee of the Board on the results of GHG emissions reduction targets and the other targets of the Sustainability action plan.

- **ESG Strategy and ESG Disclosing and Reporting Committees**
  These two management-level ESG committees provide the Executive Committee with specialized insight and oversight, particularly with regards to ESG regulatory and market requirements.

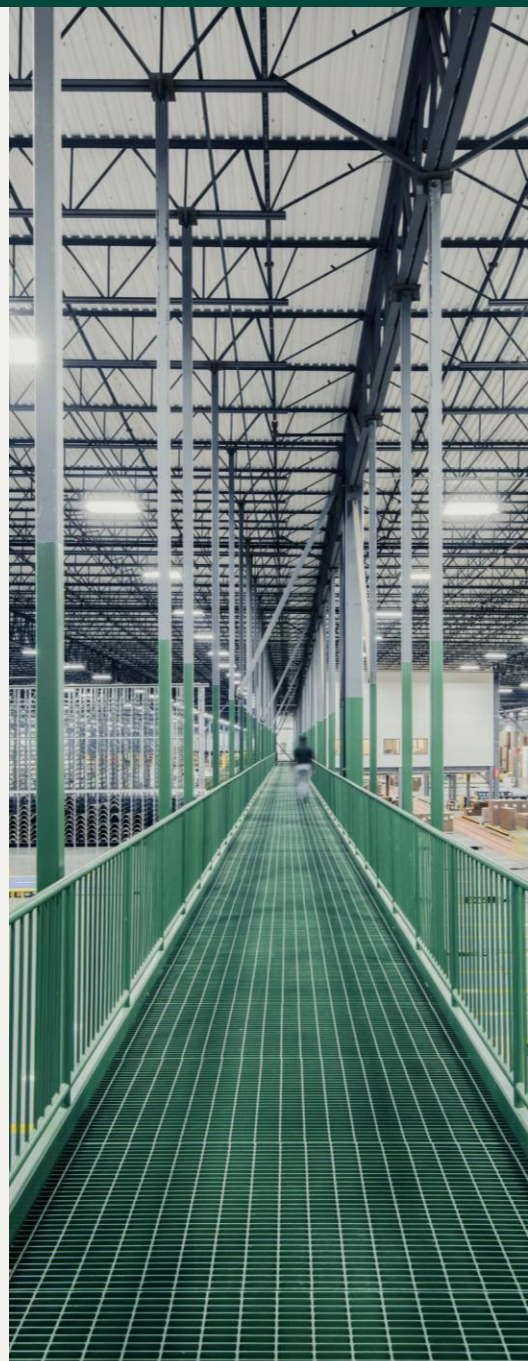
- **Sector Management Committees**
  The Sector Management Committees ensure the implementation of operational projects that are part of action plans to reduce our GHG emissions or mitigate our climate risks.

- **Sustainability, Finance and Environment Teams**
  The Sustainability, Finance and Environment teams collaborate to monitor progress towards ESG targets, including those related to GHG emissions reduction. They also support various teams in advancing major projects, assess climate risks and opportunities, and report to the ESG Strategy, ESG Disclosing and Reporting and Executive Committees.

## Executive Compensation

The compensation of all C-Suite executives is tied to the attainment of Cascades' target covering the mills' GHG emissions intensity, through Profit Share Units (PSUs) and the long-term incentive plan. This approach reinforces the importance of GHG reduction targets as key strategic priorities across the organization.

In 2024, Cascades incorporated a relative Total Shareholder Return (rTSR) indicator into the Performance Share Unit Plan (PSU Plan) for its Named Executive Officers. The Corporation's TSR will be benchmarked against a group of industry peers over a three-year period. The rTSR component has an introductory weight of 10%, while the Return on Capital Employed indicator was reduced to 60%, and the ESG-related indicator was increased to 30%. Details on the applicable multiplier and the list of publicly traded industry peers for the rTSR can be found in Section 5.1.5 of the 2025 Proxy Circular under the Performance Share Unit section.



# Strategy

**The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.**

**2a.** Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term
**2b.** Describe the impact of climate-related risks and opportunities on the company's business, strategy and financial planning
**2c.** Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Cascades identified a series of material risks and opportunities according to the related potential to cause substantive effects (negative or positive) on the company. This assessment is based on the frequency of the occurring potential effect, the time horizon over which the effect occurs, and the likelihood of effect occurring. Cascades considers 0 to 2 years as short term, 3 to 5 years as medium term, and 6 to 10 years as long term.

This report presents the results of a preliminary assessment performed in 2025. A comprehensive analysis of climate physical risks and opportunities will be conducted in 2026 for all our assets and our value chain. This assessment will also ensure the quantification of risks and opportunities, when possible, to better integrate them into Cascades' planning.

## Physical Risks

A climate physical risk is a potential threat to people, assets, operations and supply chain caused by extreme weather events or long-term changes anticipated under certain climate scenarios.

### Methodology

In 2025, Cascades conducted a preliminary analysis of its climate-related physical risks over 10 strategic assets located in Canada and United States. These assets were selected for their strategic importance to Cascades' operations, both in the tissue and packaging sectors. This assessment used a high warming of 4.4°C scenario by 2050 (SSP5-8.5) with a high-level indication to how these exposures might change in a mid-warming scenario of 2.7 °C (SSP2-4.5).

### Preliminary material physical risks for Cascades

| Risks | Categories | Value Chain Stage | Exposure | Horizon | Anticipated Business Impacts | Main Adaptation Strategies |
|---|---|---|---|---|---|---|
| Extreme heat | Acute risk | Operations | Moderate | Short term | Affects employee productivity, wellness and retention.<br><br>May affect ability to deliver products to key customers and product quality due to impacts on drying and cooling processes. | Investments in air conditioning, longer breaks and schedule changes to help employees with the heat.<br><br>Adjustments in product humidity levels according to weather conditions. |
| Flooding and extreme precipitation | Acute risk | Operations, Upstream and Downstream | Low to High | Short term | Extreme precipitation (rain, snow and hail) and flooding may result in damage to assets and business disruption caused by difficult transportation of goods and employees. | Following insurance recommendations regarding assets. Proactive contract management with transport companies. |

# Strategy

**The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.**

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## Transition Risks and Opportunities

Climate transition risks and opportunities refer to the potential financial or operational challenges and benefits that arise when society shifts towards a low-carbon economy and solutions.

### Methodology

For this preliminary assessment, Cascades focused on the Net Zero 2050 scenario, that represents an ambitious and coordinated transition to a low-emissions, climate-resilient future requiring stringent climate policies, innovation, ambitious investment, and medium-to-high deployment of carbon removal solutions limiting global warming to around 1.4 °C by 2100.

### Preliminary material transition risks for Cascades

| Risks | Categories | Value Chain Stage | Anticipated Business Impacts | Main Adaptation Strategies |
|---|---|---|---|---|
| Carbon compliance | Policy | Operations | May increase compliance costs and/or impose production constraints. | Reduce scope 1 and 2 GHG emissions; Monitor impacts on Cascades' operations and costs. |
| Energy costs and availability | Technology and market | Operations | May result in reduced energy availability and put upward pressure on energy prices due to competing demand for renewable energy. | Conduct energy efficiency projects and deploy targets to reduce the energy consumption of facilities; Proactive contract management with electricity utilities. |
| Decarbonization technology | Technology | Operations | Unfavorable ROI and limited funding opportunities related to key decarbonization levers may result in decarbonization plans being unachievable and/or financially nonviable. | Evaluate the installation of heat pumps and electric boilers when possible; Assess the ROI of multiple decarbonization projects; Deploy decarbonization plan to achieve GHG emissions reduction targets; Engage employees and management. |
| Recycled fibre supply cost and availability | Market | Upstream | Increased demand for recycled fibres and scarcity of some types of recycled fibers may result in reduced availability and upward pricing pressures. | Conduct research and development projects that integrate the principles of eco-design (e.g., to reduce the use of fibre in our products); Diversify supply sources. |
| Insurance cost | Market | Operations | Climate change events may result in increased insurance premiums and/or reduced coverage | Follow insurer recommendations to put adaptation strategies in place, minimize physical risks and limit insurance costs. |
| Reputational damage | Reputation | Downstream | Significant impact on our reputation as a leader in sustainability if we cannot meet the demands of our customers and employees in terms of sustainable development. | Pursue ESG reporting efforts, as well as corporate and commercial communications related to sustainability; Continue ambitious but attainable target-setting as part of the company sustainability action plans and implement projects to achieve them. |

# Strategy

**The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.**

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Preliminary material physical opportunities for Cascades

| Opportunities | Categories | Value chain Stage | Anticipated Business Impacts |
|---|---|---|---|
| Consumers and customers' expectations | Market | Downstream | Shifting consumer preferences in favor of products with high recycled content and low carbon footprint; Stronger relationships with customers thanks to a proactive response to climate-related expectations (ex. SBTi targets, use of RECs, disclosure of product environmental footprint, recycled fiber use) that may result in comparative advantage. |
| Access to capital | Reputation | Operations | Demonstrating climate leadership may provide greater access to capital through accessing a broader set of investors (investor diversification), or present better financing terms. |
| Talent attraction and retention | Reputation | Operations | Demonstrating climate-leadership may encourage talent attraction and retention. |

## Cascades' business model and operations

Circular economy is at the heart of Cascades' business model, which supports the use of recycled fibres in the manufacture of its products. Thanks to this approach, Cascades has become one of Canada's largest collector of recycled fibres and a North American leader in sustainable packaging and hygiene solutions. In 2024, 1.94 million metric tonnes of recycled fibre were introduced as raw material into our mills.

*"Since 1964, Cascades has wagered that it is possible to combine performance and responsibility. In 2024, our plants consumed **2.5 less time energy**, emitted **5.6 less water effluents** and **30% less GHG emissions** than the North American paper industry average.* These results reflect not only the strength of our practices, but also the very real commitment of the people who embody them."*

**Hugues Simon**
President and Chief Executive Officer
Cascades

* The conservation calculation is based on Cascades performance compared to the North American paper industry average for 2024, according to FisherSolve®, ©2024 Fisher International, a ResourceWise company.

# Risk management

**How the organization identifies, assesses, and manages climate-related risks.**

**3a**. Describe the organization's processes for identifying and assessing climate-related risks.
**3b.** Describe the company's processes for managing climate-related risks.
**3c.** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management

## Enterprise Risk Management (ERM)

Cascades' Enterprise Risk Management (ERM) annual process aims to identify the company's most significant risks. External analysts and databases compile a list of potential risks, which is then reviewed by members of the Executive Committee. Each member votes on the issues they consider material to Cascades. The Audit team aggregates these results and presents them to senior management and subsequently to the Audit and Finance Committee of the Board.

As part of this process, two environmental and climate-related risks have been identified among priority risks. These risks are addressed at the same level as other business risks and are reported to the Board (see below). Other climate-related risks may remain material to Cascades' operations but are not yet listed in priority enterprise risks.

- Reputational impact of inadequate environmental practices
- Reputational impact of not meeting stakeholders' climate-related expectations

## Operation Risk Management (ORM)

### Climate scenario analysis

The 2025 preliminary climate risks and opportunities assessment was conducted with the support of an independent consulting firm and involved a cross-functional committee including Finance, Operations, Environment, Insurance, Procurement, Audit and Sustainability experts. A more comprehensive climate analysis will be conducted in 2026 and will involve other internal experts.

Cascades also plans on mapping its value chain to identify priority locations for future risk assessments. Other climate-related risk categories are assessed on a regular basis by our internal Environment and Sustainability teams as important matters or changes arise.

### Double-materiality assessment and development of Sustainability Action Plan

Cascades consults its stakeholders as part of the development process for each of its sustainability action plans. The most recent consultation was completed in 2025 to inform the 2026 – 2030 plan (to be released in 2026). This process enabled Cascades to identify material topics and to highlight climate-related impacts, risks and opportunities (IROs) that need to be considered in the company's strategies. These insights can also inform the integration of climate considerations into risk management and long-term planning. Cascades plans to integrate and manage these IROs within the next sustainability action plan for the 2026-2030 period.

# Metrics

**Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

**4a.** Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Consult the ESG Data section of our 2024 Sustainability report and the 2025 CDP Disclosure for complete environmental and climate data.

Cascades tracks and discloses data related to its operations and value chain in line with its climate strategy and efforts to reduce GHG emissions. The following topics were identified by the materiality assessment that informed the development of the 2021–2025 Sustainability Action Plan and will continue to be reported in the upcoming 2026–2030 Sustainability Action Plan. Additional information may be included in future reports to provide a more comprehensive view or to cover new material topics.

## Climate-related Metrics

The following data categories are collected annually for our Sustainability Report. GHG emissions (scopes 1 and 2) and energy data are collected monthly and reported quarterly to the Executive Committee and the Board.

| Data Categories | Information |
|---|---|
| Scope 1 and 2 GHG emissions | Scope 1 GHG emissions are reported by facility type (mills, converting plants, and other activities). We provide the metric tons associated with each gas, including biogenic emissions. The information is presented both in absolute terms and in intensity, based on our annual net saleable metric tons (NSMT) of products. Scope 2 emissions are reported using both the market-based and location-based approaches, as disclosed in the 2025 CDP Report. |
| Scope 3 GHG emissions | Upstream scope 3 GHG emissions include category 1 (purchase of good and services), category 3 (energy and fuel production-related activities), category 4 (upstream transportation and distribution), category 5 (residual materials generated by production), category 7 (employee commuting) and category 12 (end-of-life treatment of sold products – excluding biogenic methane). Additional categories will be reported as part of the 2026 disclosing cycle. |
| Energy consumption | The total energy consumed is reported in gigajoules per year, per energy source, per non-renewable vs renewable energy, and per facility type (mills or converting and other activities). The energy consumed is also reported in intensity. |
| Air pollutant emissions | Air pollutant emissions are reported per types of pollutants, only for mills. |
| Water effluents | Water effluents are only reported for mills due to their important consumption of water. The water effluents of converting plants are considered minor. The information is presented in cubic meters ($m^3$) in absolute and in intensity, based on our annual net saleable metric tons (NSMT) of products. We disclose the proportion of suspended solids returned to effluents, and the proportion of biochemical oxygen demand (BOD) after five days in effluent. |
| Procured fibers | Metric tonnes of recycled and virgin pulp and fibres are reported. We track the percentage of fibres that meet the FSC certification standards, along with the percentage of FSC-Mix fibre which is reported separately. |
| Residual materials | The quantity of materials recovered and diverted from landfill is reported at the mill level, along with the balance of residual materials sent to landfill. |
| End-of-life scenarios of sold products | Metric tonnes of recyclable or compostable packaging manufactured and sold are reported. |

# Metrics

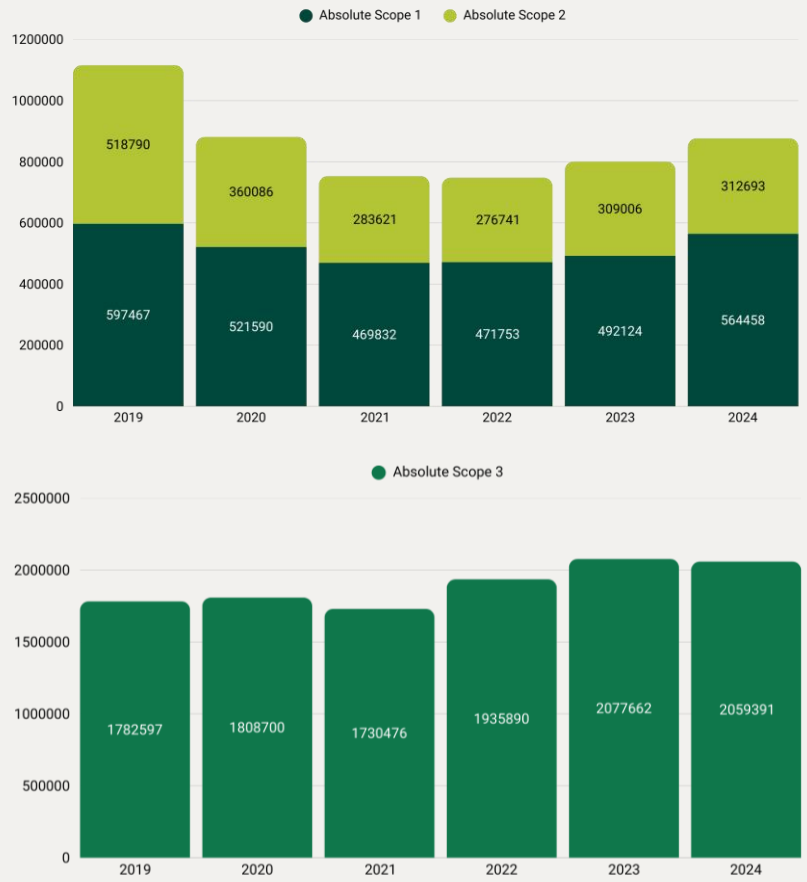
**Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

**4b.** Disclose scope 1, scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
**4c.** Describe the target used by the organization to manage climate-related risks and opportunities and performance against targets

Cascades reports its annual GHG emissions for scopes 1, 2 and 3 since 2019. These emissions are reported both in absolute and in intensity, in accordance with established GHG emission reduction targets.

Cascades is currently adjusting the GHG emissions inventory for its reference year (2019) and for 2024 to reflect some important methodological and asset changes. In the meantime, the differences between the 2024 results and those of precedent years are artificially inflated. The recalculation of the GHG inventory will be reflected in Cascades' upcoming publications.

### 2019 to 2024 GHG Emissions Inventory (MT of $CO_2$ eq.)




Cascades has set targets to reduce its GHG emissions in line with the recommendations of the Science Based Targets initiative (SBTi) and on a trajectory of global warming well below 2°C , which were approved by the organization in July 2021. These targets are set for 2030 with a 2019 baseline. Cascades is currently reviewing its GHG emissions reduction targets to align with the most recent changes in standards and SBTi requirements.

### GHG Emissions Reduction Targets

- **Reduce our mills' GHG emissions by 38,7 % (scopes 1+2, intensity, MT of $CO_2$ eq./NSMT)**
  Cascades has set a target to reduce the emissions intensity of its mills by 38.7% (MT of $CO_2$ eq./NSMT). This specific focus on mills reflects their significant contribution to our overall emissions inventory. In 2024, Scope 1 and 2 emissions from mills accounted for approximately 75% of Cascades' total Scope 1 and 2 emissions. This can be explained by the fact that mill operation is highly energy-intensive compared to converting plants. Targeting mills is therefore essential to achieving meaningful reductions in GHG emissions across our operations.

- **Reduce the GHG emissions of our converting plants and other activities by 27,5% (scopes 1+2, absolute, MT of $CO_2$ eq.)**
  This portion of our scope 1 and 2 emissions relates to the operations of our converting plants, Cascades Transport division, sorting centers, buildings, offices and landfills. These activities represent approximately 25% of our scope 1 and 2 emissions.

- **Reduce our scope 3 GHG emissions by 22,0% (intensity, MT of $CO_2$ eq./metric tons of shipped products)**
  Categories 1, 3, 4, 5, 7 and 12 are currently included in our scope 3 inventory and target. Purchase of goods and services (category 1) and Energy and fuel production-related activities (category 3) were associated with 82% to 89% of our scope 3 emissions between 2019 and 2024.

  Consult our 2024 Sustainability report for complete information about our performance with regards to GHG emissions reduction targets.

# TCFD index

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| **1a.** Board's oversight of climate-related risks and opportunities<br>**1b.** Management's role in assessing and managing climate-related risks and opportunities | Board Mandate Policy<br>Charter of the HSESD Committee<br>Charter of the Audit and Finance Committee<br>Charter of the Governance, Social responsibility and Nominating Committee<br>2025 Proxy Circular<br>2021 – 2025 Sustainability Plan<br>CDP 2025, section C4 Governance |
| **Strategy** | |
| **2a.** Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term<br>**2b.** Describe the impact of climate-related risks and opportunities on the company's business, strategy and financial planning | CDP 2025, section C3 Risks and opportunities |
| **2c.** Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 2024 Sustainability Report, pages 8 to 21<br>CDP 2025, section C5 Business Strategy |
| **Risk management** | |
| **3a.** Describe the organization's processes for identifying and assessing climate-related risks<br>**3b.** Describe the company's processes for managing climate-related risks<br>**3c.** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management | CDP 2025, section C2 Identification, assessment, and management of dependencies, impacts and opportunities |
| **Metrics** | |
| **4a.** Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | 2024 Sustainability Report, pages 75 to 84<br>CDP 2025, section C7 Environmental performance – Climate change |
| **4b.** Disclose scope 1, scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks | 2024 Sustainability report, pages 23 to 30<br>2024 Sustainability Report, pages 75 to 78<br>CDP 2025, section C7 Environmental performance – Climate change |
| **4c.** Describe the target used by the organization to manage climate-related risks and opportunities and performance against targets | 2021 – 2025 Sustainability Plan<br>2024 Sustainability report, pages 23 to 30<br>CDP 2025, section C7 Environmental performance – Climate change |