

**Driving
positive
change**

**2021
Sustainability
Action Plan**



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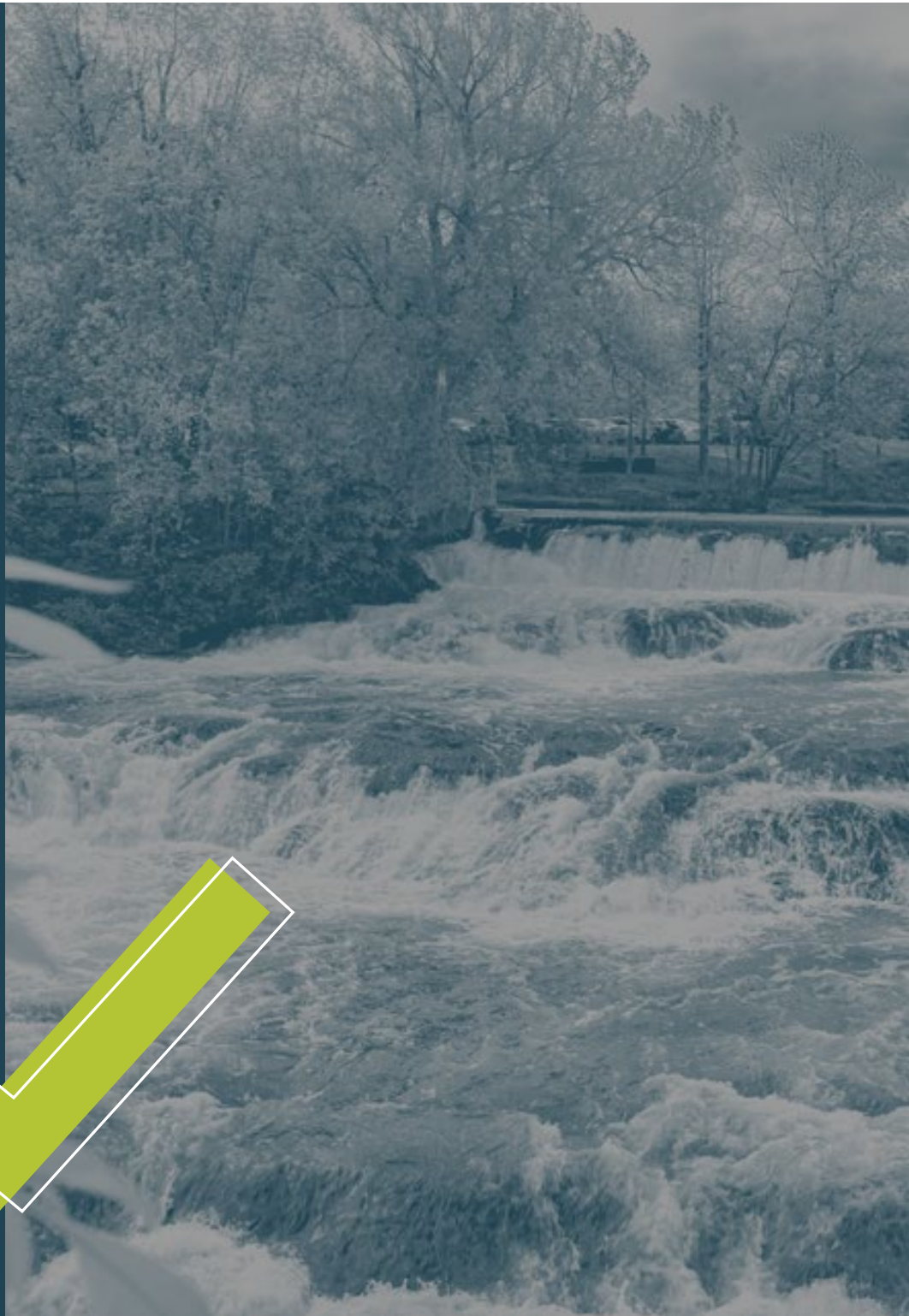
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Our Company



MIS- SION

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

VI- SION

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

VA- LUES

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

Message from **our CEO**

Sustainability is in Cascades' DNA.

In fact, since our company's founding by the ingenious and visionary Lemaire family in 1964, we have never stopped rethinking our ways of doing things. We continuously strive to reduce our use of natural resources because we understand their value and know that they are mostly limited, exhaustible and sometimes non-renewable. We continue working toward ensuring our employees have a safe and stimulating place to grow because we understand that they are equally invaluable. We always stay on the lookout for trends and rely on innovation to ensure our organization prospers and lives up to your ambitions because we understand that competition is fierce and market pressure is on the rise.

In 2020, our third Sustainability Action Plan came to an end. When our teams began building our fourth plan, we started by considering how we envision Cascades' future. What do we want our company to look like in 5, 10 or even 30 years? Our company is in an enviable position as one of the most responsible companies, in not only Canada, but the entire world. We unanimously agreed on this point: we wanted to continue being among this group of leaders who break the mould, while striving to minimize our environmental impact, being mindful of our employees' health and well-being and making informed, positive decisions for our prosperity.

We wanted our fourth Sustainable Action Plan to be ambitious. And that's exactly what we delivered. We set reduction targets for greenhouse gas emissions based on science and recommendations from the Science Based Targets initiative (SBTi). We wanted to think outside the box by exploring the exclusive use of renewable energy in our operations.

As a model for the circular economy, we're committed to ensuring our entire product portfolio can be converted into a different form by being recyclable, compostable or reusable. We want our actions to go even further for health, safety and well-being at work. We've also made equity, diversity and inclusion an integral part of our discussions with employees. In all, we made 15 ambitious commitments. I can already confirm that our teams are hard at work and proud to be out there driving progress on all fronts. I'm very proud of what we're accomplishing for our organization's future.

The pandemic made us realize many things, including that we play a vital role in the supply chain by providing packaging used to transport food, pharmaceutical and other products. We also realized just how much the public depends on our hygiene products. Throughout this crisis, we were resilient and able to weather these more turbulent times thanks to our dedicated staff and loyal business partners and customers. A Sustainability Action Plan is built for and by the various parties involved with our organization. That's what makes it so successful. If you're reading this, it's because our achievements appeal to you, and I'm grateful for that. Keep following us. The coming years have plenty more achievements in store.



Mario Plourde
President and Chief
Executive Officer



Our
**Business
Model**

Highlights

**2.1 millions
tonnes of**
paper and cardboard
reintroduced into
our products



**14,207
tonnes of**
plastics reintroduced
into our products



**1.5 million
tonnes of**
all kinds of material
recovered by our
17 sorting centres



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 8.6% in 2021—a 0.5% decrease from the 2019 figure. The reason why 91% 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 2.1 million tonnes of various grades of paper and cardboard into our products, bringing our recycled material in these products up to 83%.

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% and 63% less greenhouse gas emissions than a comparable version made from 100% virgin material.

Circularity at Cascades

Cascades’ 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,



Cascades relies on a team of some 1,000 people working in our 17 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!

¹ When comparing Cascades 100% recycled rounded-edge PET tray with the industry average made from 100% virgin PET. Source: 2021 Groupe Agéco Report.

² When comparing Cascades Fluff® Enviro (100% recycled) to the industry average (100% virgin). Source: 2021 Groupe Agéco Report

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 17 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 2021, **2.1 million tons** of recovered fibres were introduced in our plants.

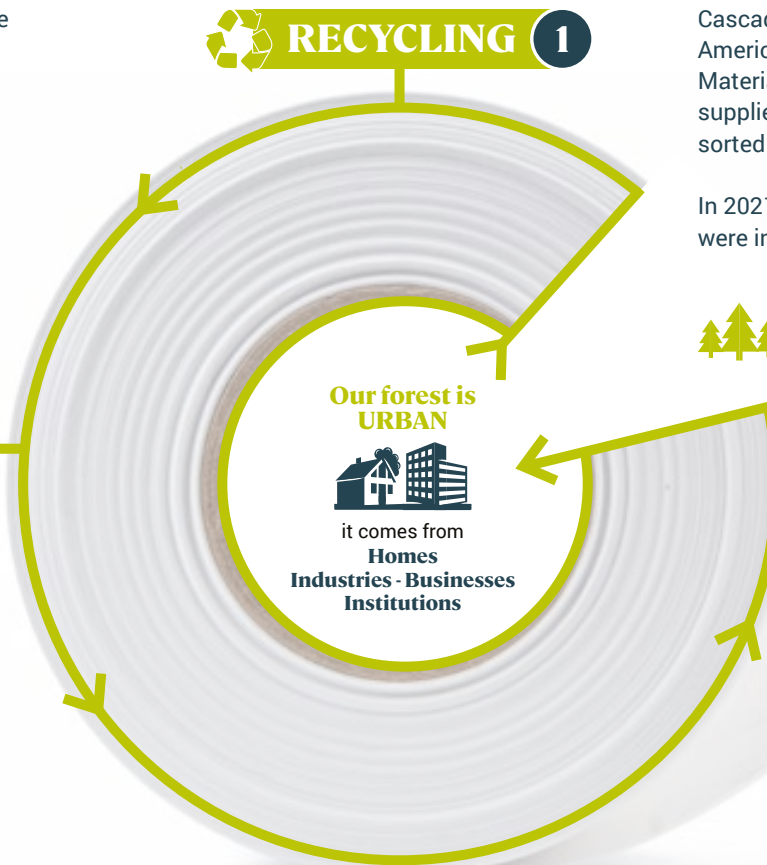
 **30.7 million trees**

4 USE

Most of the packaging products we create (91%) 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 Cascades mainly manufactures fibre-based 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.

In 2021, thank to our procurement teams' efforts, we reintroduced 14,207 tonnes of recovered plastic into our products.

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.



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 Cascades can have on them.

Materiality Matrix



- Environment
- Social
- Employees
- Responsibility for products and services
- Governance

3 Phase

Our target dates were some of the first things we considered in the vision.

In the past, Cascades 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, Cascades aligned itself 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**



Respectful of the planet

Cascades wishes to work in partnership on finding 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. Cascades is therefore joining the global movement of companies committed to climate action. As required by the SBTi, Cascades' 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 CO₂ eq./MT)

▼ **27.5%** 2030 vs 2019
scopes 1 + 2, other emissions
sources (kg of CO₂ eq.)

▼ **22%** 2030 vs 2019
scope 3
(kg of CO₂ eq./MT)



Climate change

▼ **100%** 2030
renewable electricity

▼ **6%** 2025 vs 2019
(GJ/TM)



Water consumption

▼ **15%** 2025 vs 2019
(M³/TM)

Solutions driven

Cascades wishes to work with its 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



Community minded

Cascades wishes to make decisions based on its positive contribution to the health and well-being of our communities in which it operates, 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



People focused

Cascades wishes 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^{3*}, 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 reported by Cascades. 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® 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 2021 report

The data presented in the 2021 report are compared to the results of 2020 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.

^{3*}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

Cascades has 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 2021, the company was once again among Canada's Top 100 Corporate R&D Spenders, ranking 60th with \$32 million in investments.

Cascades also has teams dedicated to innovation in each of its business sectors. Since 2017, it has also had a corporate team to support all groups in implementing promising projects, making Cascades a forward-looking company.



ESG acknowledgments

In 2021, Cascades received several ESG acknowledgments, including:



Global100

For the third year in a row, Cascades has 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 company Corporate Knights. Cascades ranks 18th among the 6,914 public companies analyzed worldwide, with more than \$1 billion in revenues. It also ranks first among the 34 other organizations assessed in the *Packaging* category.



Best 50 Corporate Citizens in Canada

Ranked 8th in Corporate Knight magazine's Best 50 Corporate Citizens in Canada, Cascades stood out for its clean revenues generated by its sales of products made with fibre that is either recycled or meet the FSC standards, its gender-diverse board and its occupational health and safety performance.

The *Global 100* and *Best 50* rankings use different methodologies, weightings for performance indicators and pools of analyzed companies.



Ranked among Canada's Top 100 employers

Cascades ranked among Canada's top 100 employers in 2021, in addition to standing out in the recruitment of recent college and university graduates.



Prix initiatives circulaires Winner

Cascades' fourth Sustainability Action Plan was a winner in the "Medium and Large Business" category of the Prix initiatives circulaires presented by Québec Circulaire. This competition recognizes initiatives that redefine business models, and production and consumption methods, so as to accelerate the transition to a circular economy in Québec.



Baromètre de la consommation responsable

Once again in 2021, Cascades was ranked among the top 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 1,000 Quebecers. Since these studies were first published in 2011, Cascades has been in the lead.

Associa- tions

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

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 \(RPTA\)](#)



Circular Plastics Taskforce

Cascades is one of the founding members of [Circular Plastics Taskforce \(CPA\)](#), an organization that emerged from an unprecedented collaboration between consumer product companies, packaging products 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.



Paper & 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. Cascades is pleased to be an active member of PPEC, who work to promote the environmental sustainability and circular economy of our industry.



Sustainable and Alternative Fibers Initiative

Along with some 20 other global organizations, Cascades is a member of the [SAFI Consortium](#), a group created in the summer of 2021 to study, develop knowledge and foster technological developments 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](#) is an industry membership association 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 in society. Founded in 2005, SPC carved out a prominent position in the industry over the past few years, 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, we once again find a group of forward-thinking companies and brands that eco-design their products and provide consistent, transparent information to consumers so that they recycle their packaging.

Certifications

Because it believes in the importance of third-party mechanisms, Cascades has been working for many years while holding recognized certifications for validating its supply sources and manufacturing processes and methods.



Forest Stewardship Council®

The international forest certification from the Forest Stewardship Council® (FSC®) 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 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 the 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. Its market presence has led to positive changes and consumer awareness, enabling everyone 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 markets (institutional, commercial and industrial) are Green Seal® certified.



UL ECOLOGO

The UL ECOLOGO certification (UL for Underwriters Laboratories, one of the oldest safety certification firms) is based on multi-criteria, life cycle-based sustainability standards. All products certified according to an ECOLOGO standard must meet or exceed the criteria listed before receiving the right to use the trademark. The ECOLOGO certification is classified as a type 1 ecolabel under the International Organization for Standardization (ISO) and has been successfully evaluated 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



Green-house gas emissions

Reduce our greenhouse gas emissions using the Science Based Targets initiative approach, by:

- 38.7% scopes 1 and 2 for the mills (kg of CO₂ eq./MT) by 2030
- 27.5% scopes 1 and 2 for the converting plants and other facilities (kg of CO₂ eq./MT) by 2030
- 22% scope 3 (kg of CO₂ eq./MT) by 2030

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. Weather events are becoming more numerous and frequent. Cascades is approaching these risks seriously and rigorously. That is why we have set three targets for reducing our greenhouse gas emissions according to the Science Based Targets initiative.



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.

3 greenhouse gas reduction

reduction targets reviewed and approved by SBTi

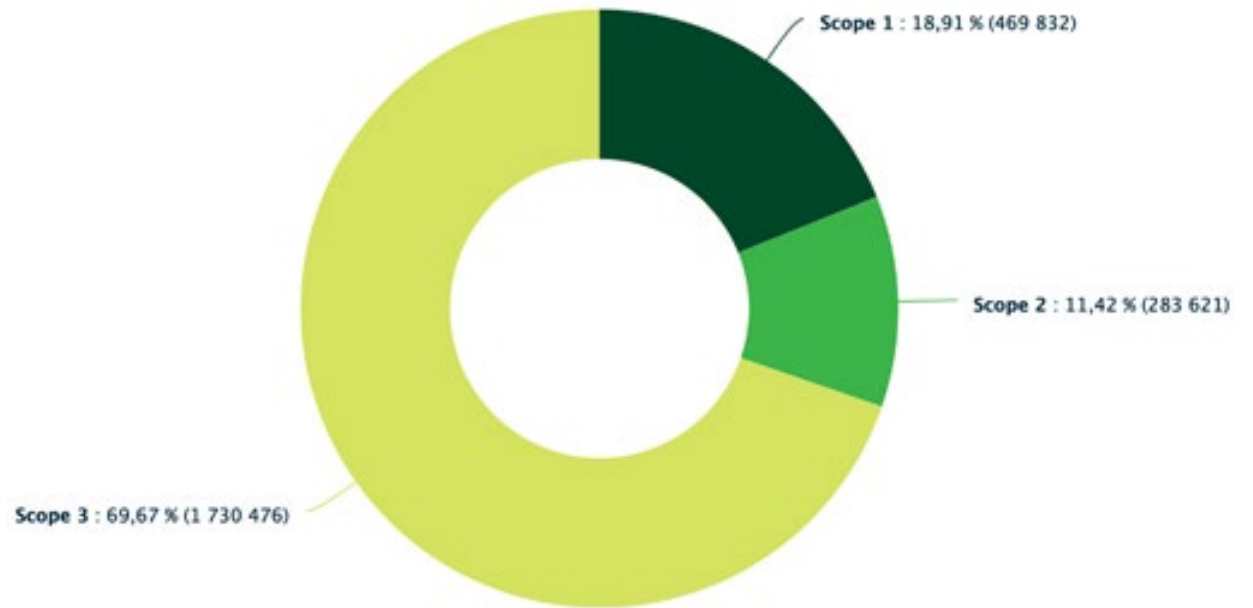


1 new electric boiler in Cabano, Québec

12 energy efficiency projects



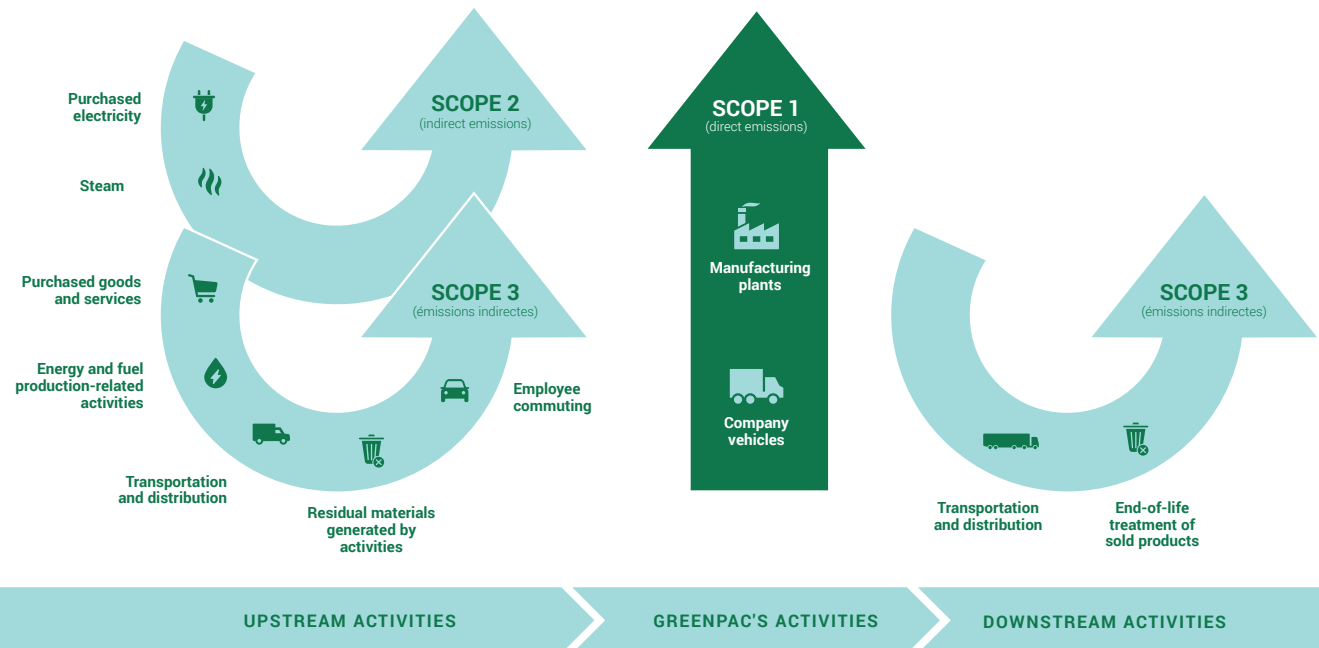
Scope Distribution



Our emissions distribution

Our greenhouse gas emissions for 2021 break down as follows:

- 19% related to scope 1 (direct emissions)
- 11% related to scope 2 (indirect emissions attributable to electricity and value)
- 70% to scope 3 (indirect emissions attributable to activities upstream and downstream of Cascades' operations)



Scopes 1 and 2

Scope 1 and 2 emissions come from our paper manufacturing plants (85%), our converting plants (9%) and our other activities (5%, including our Cascades Transport division, sorting centres, and offices and buildings).

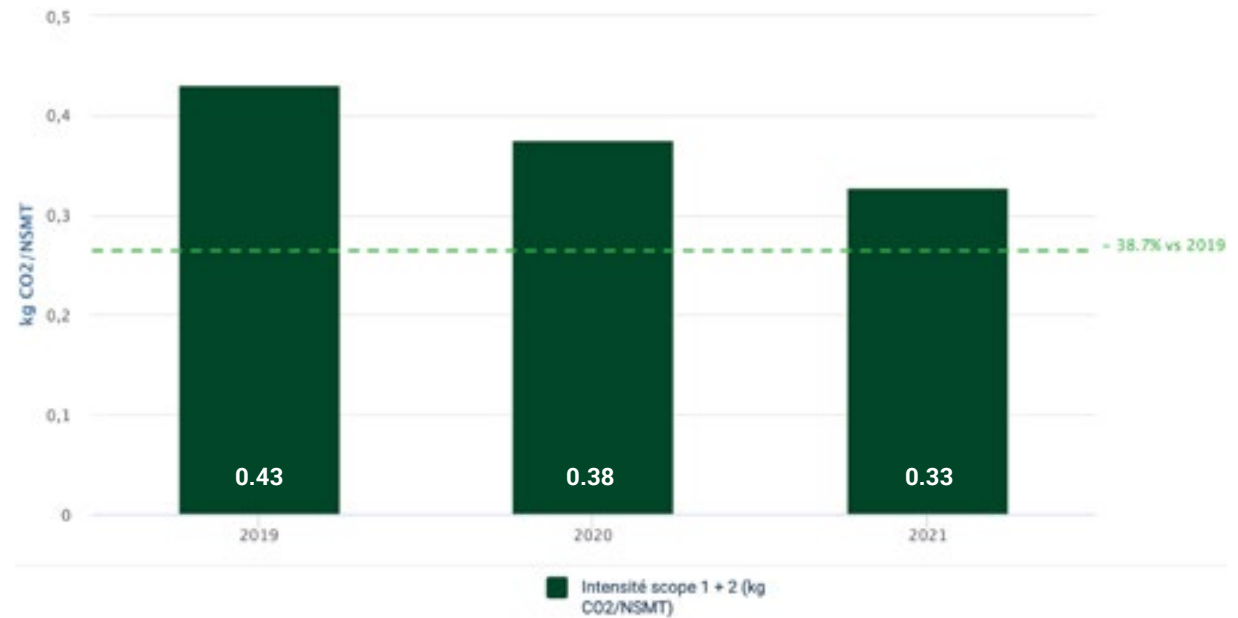
Our manufacturing and converting facilities operate in very different ways. To better measure the reduction of scopes 1 and 2, we have adopted two separate targets: for the paper manufacturing plants (23 mills), we want to reduce the intensity of the scope 1 and 2 emissions by 38.7% by 2030 (compared to 2019); for the converting plants (36) 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 CO₂ eq./MT) by 2030



Scope 1 and 2 for the mills

We ended 2021 with an overall 12% reduction in our scope 1 and 2 greenhouse gas emissions compared to the previous year, 2020. Among the projects that led to this performance is the installation of an electric boiler at our Cabano containerboard plant in 2020-2021. Our tissue mill in Wisconsin also concluded 2021 with a nice improvement over 2020, due in part to a greening of the electrical grid serving the plant (from 633 kg CO₂ eq./MWh in 2020 to 540 kg CO₂ eq./MWh in 2021). Production stoppages at two plants in our Tissue division, in Pennsylvania and Memphis, also had a positive impact on our results. These four plants combined resulted in reductions of 75,412 tons of CO₂ eq. for the 2021 period compared to 2020. Our other 19 mills share the remaining decreases equal to 19,126 tonnes of CO₂ eq.

Mills' GHG Emissions

GHG Emissions	Unit	2019	2020	2021
Scope 1	Metric Tonnes CO ₂ e	503,726	445,724	394,733
Scope 2	Metric Tonnes CO ₂ e	477,868	319,169	250,353
Total Scope 1 + 2	Metric Tonnes CO ₂ e	981,594	764,893	645,086
Scope 1 + 2 (variation versus 2019)	%	0.0%	-22.1%	-34.3%
Intensity scope 1 + 2	Metric Tonnes CO ₂ e / NSMT	0.431	0.376	0.327
Intensity scope 1 + 2 (variation versus 2019)	%	0.0%	-12.8%	-24.1%

Reduce by 27.5% our scope 1 and 2 for our conversion plants and others (kg de CO₂ eq. by 2030)



Scope 1 and 2 for the converting plants and other facilities

Nearly half (45%) of our converting plants' emissions are attributable to our packaging plants in the Containerboard Packaging division, i.e. 19 plants. Our emissions profile for this group of plants is the same as in 2020. The emissions for our Specialty Products Group plants, of which there are nine, also remained stable between 2020 and 2021. Once again, it is the production challenges encountered in our Tissue products converting plants that impacted our results: a reduction of 7,000 tons of CO₂ eq. was recorded in 2021 (vs. 2020).

GHG Emissions for our conversion plants and others

GHG Emissions	Unit	2019	2020	2021
Scope 1	Metric Tonnes CO ₂ e	93,741	75,866	75,099
Scope 2	Metric Tonnes CO ₂ e	40,922	40,917	33,268
Total Scope 1 + 2	Metric Tonnes CO ₂ e	134,663	116,783	108,367
Scope 1 + 2 (variation versus 2019)	%	0.0%	-13.3%	-19.5%

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 raw data used were provided by our Procurement Expertise Centre and compiled by a third party specializing in greenhouse gas emissions assessment using data from the ecoinvent Database.

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 the methodology of the Science Based Targets initiative, 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
Scope 3	Metric Tonnes CO ₂ e	1,782,597.0	1,808,700.0	1,730,476.0
Intensity (scope 3)	Metric Tonnes CO ₂ e / NSMT	0.770	0.876	0.923

We ended 2021 with a relatively stable profile for total scope 3 emissions compared to 2020. However, the emissions distribution by category is not the same. Indeed, the "Energy and fuel production-related activities" category saw a reduction in emissions of 71,000 tons of CO₂ eq., which can be explained by a decrease in total energy consumption and updated electricity coefficients, among other things. However, the "End-of-life treatment of sold products" category moved in the opposite direction and recorded an increase in emissions of 72,000 tons of CO₂ eq., which can be explained by an update in the calculations related to transportation between the sorting centres and landfills for the treatment of end-of-life materials.

Several initiatives have already been put in place and others are planned for the coming years to reach our scope 3 target.

Purchased goods and services (category 1) Accounts for 51% of our scope 3 emissions

In pursuit of our efforts, an initiative has been launched with our main raw material and chemical product suppliers to gain a better understanding of their emissions and thus be able to collaborate on reducing them.

Transportation and distribution (managed by Cascades) upstream and downstream of production (category 4) Accounts for 8% of our scope 3 emissions

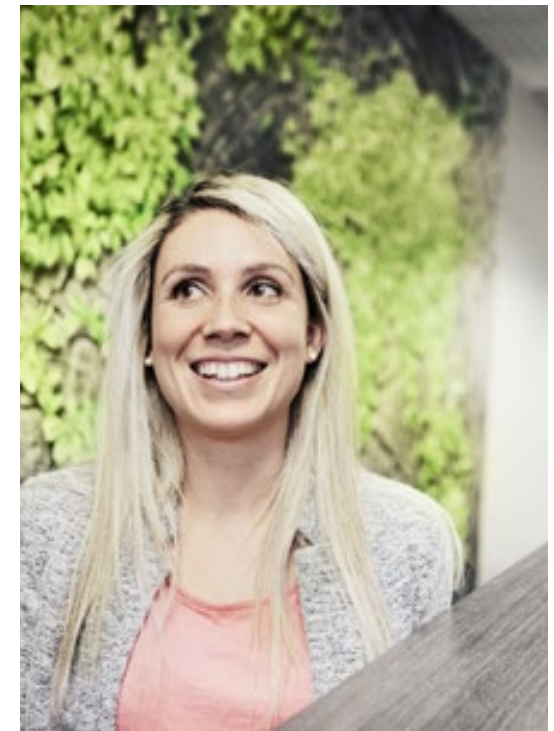
Transportation at Cascades represents more or less 300,000 movements of goods annually.

In recent years, Cascades has set up a logistics centre of excellence focused on optimizing all of its 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 tool developed was pilot tested by analyzing the routes in the Greater Toronto Area. The results quickly showed us the potential for improvement not only in our own practices, but also in those of our partners. Optimizing three loops resulted in savings of \$200,000, while optimizing another loop led to a reduction of 20,000 empty kilometres. This is another good example of how it is possible to do more with less, with positive economic and environmental impacts.

End-of-life treatment of sold products (category 12)

Accounts for 5% of our scope 3 emissions

Finally, our internal product development teams are continuously applying eco-design principles. For example, they are working to increase our products' recycled content and improve their recyclability, thus helping to reduce their end-of-life impacts. Our goal of having Cascades market only reusable, recyclable or compostable packaging by 2030 will certainly have a beneficial effect on this category of emissions.



Energy consumption

- 100% renewable electricity by 2030
- Reduce our plants' energy consumption by 6% (GJ/MT) by 2025

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

Highlights

58%
renewable
electricity



1.17M
GJ less energy
consumed

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 2021

² eGRID, United States Environmental Protection Agency (EPA), 2020

³ Hydro-Québec's Electricity Facts, 2020

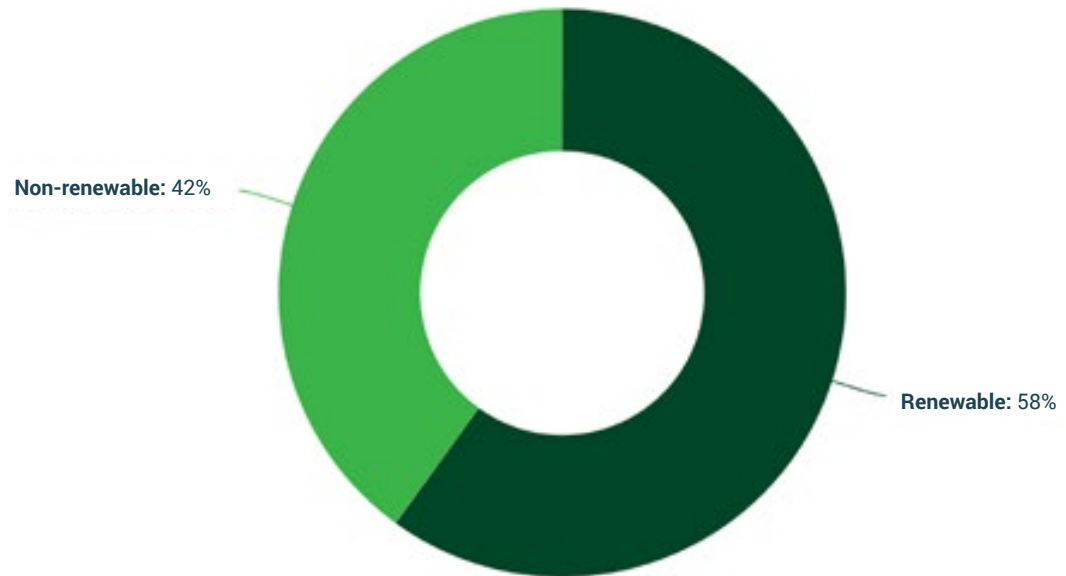
⁴ Provincial and Territorial Energy Profiles - Manitoba, Canada Energy Regulator, 2019

⁵ 2022 Year in Review, Independent Electricity System Operator (IESO), 2020

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%² of their grid coming from renewable energy, while states such as Oregon have 65%² 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^{3,4}, other provinces have a lower percentage, such as Ontario with only 36%⁵.

To meet certain market demands, in 2021, Cascades purchased the equivalent of 28,173 MWh in Renewable Energy Certificates (RECs).

100% renewable electricity by 2030

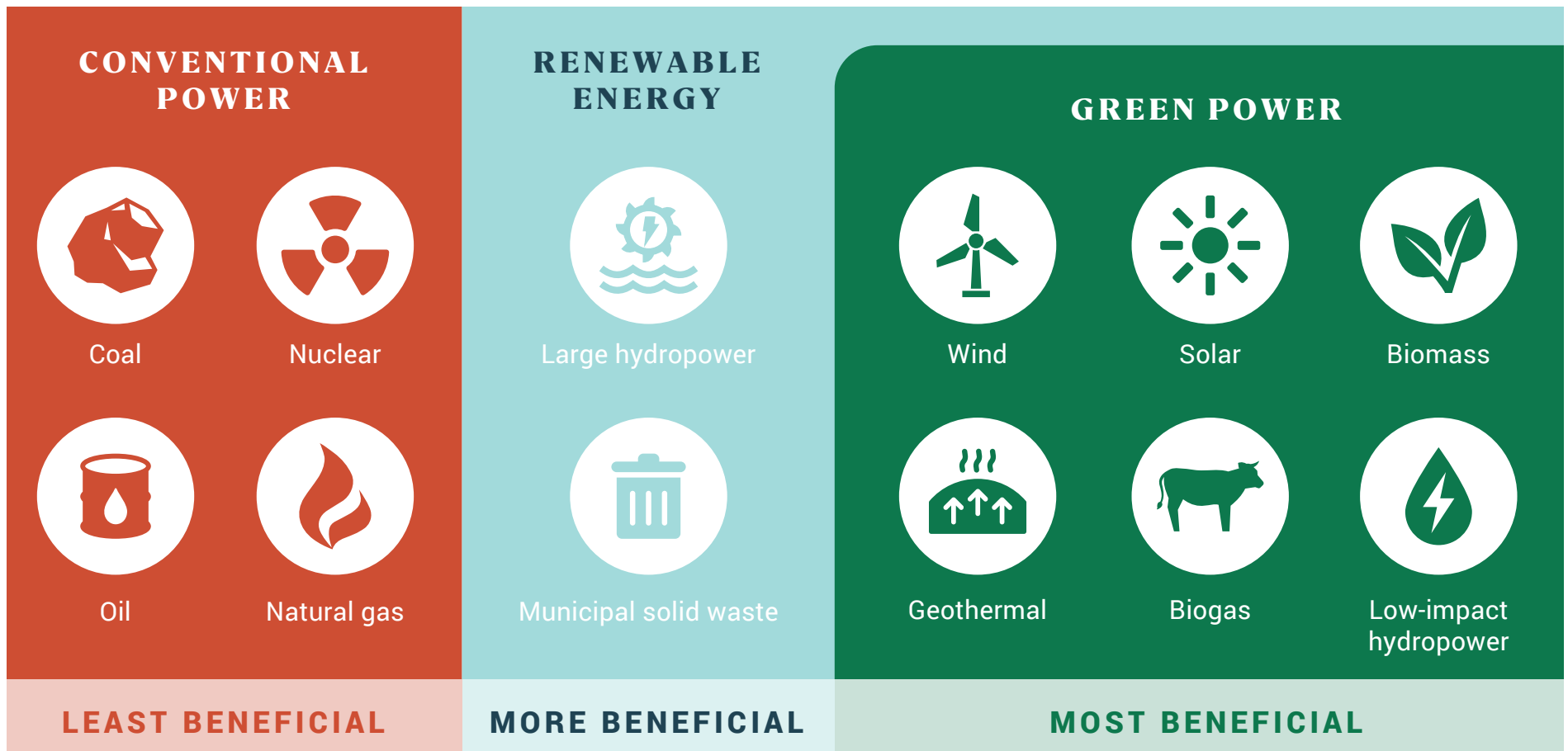


The gap between the current result and the target of 100% set for 2030 can be closed by various mechanisms, including long-term renewable energy purchase contracts such as Power Purchase Agreements (PPA) and Virtual Power Purchase Agreements (VPPA). On its own, Cascades may not be able to force an energy supplier to go green, but it can join with other stakeholders and apply pressure to accelerate the energy transition.

Renewable electricity

Before becoming electricity, energy must undergo a series of transformations. Electricity can be generated in many ways: from thermal power plants, by burning fossil fuels such as coal, oil or gas, or from renewable sources. Renewable energy refers to a variety of means used to produce energy from theoretically unlimited sources or resources available without time limit. 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).

Classification of Electricity Supply



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

Each region uses the energy sources available to it, in different proportions, 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 CO₂, whereas renewable energy sources are sometimes recognized as carbon neutral, if not low-carbon. However, this excludes emissions from facilities needed to generate electricity, such as dams or wind turbines.

Electricity represents about one third of the energy consumed in the world. This is the same proportion as at Cascades, where electricity represented 29% of the energy consumed in 2021. Given the energy mix of our supply, 68% of our electricity currently comes from renewable sources, ranging from 5% to 100% depending on the region.

This is mainly due to our strong presence in regions supplied by hydroelectric power. As a result, 39% of all electricity consumed in 2021 was used by plants operating in Québec.

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.



Roof of Cascades Containerboard Plant, Vaughan, Ontario

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.

Although these projects contribute to greening the electrical grids, Cascades cannot claim the green attribute of the electricity generated, because to do that, it would have to purchase Renewable Energy Certificates (RECs).



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.

Despite another atypical year, punctuated by challenges and constraints that required, among other things, remote implementation of large-scale projects on both sides of a border closed by the health crisis, Cascades recorded a reduction of 193,000 gigajoules in 2021 thanks to the completion of various energy efficiency projects. Cascades' internal energy optimization team, CS+ Energy Division, established a two-pronged action plan: development and implementation of energy projects, and operational control.

Energy projects

In 2021, the Greenpac containerboard plant in New York put into service a direct contact water tower to heat the process, which alone recorded energy savings of 100,200 gigajoules. The source of these spectacular results is a \$3.2 million project implemented with an engineering team remotely. In this project, as in others, Cascades was able to count on the proactive efforts of its plant project leaders and developed partnerships with allies onsite.

Thanks to an investment of \$1.9 million, our Tissue plant in Kingsey Falls was also able to put into service a direct-contact water tower providing some 47,000 gigajoules in savings.

The recent use of variable frequency drives on major equipment at our North Carolina tissue plant has also resulted in significant energy savings. These drives make it possible to adjust the speed based on the requirements, delivering recurring annual energy savings of up to \$45,000.

Lastly, there are various electrical and thermal improvements and rapid maintenance and optimization operations that, combined, have generated considerable savings.

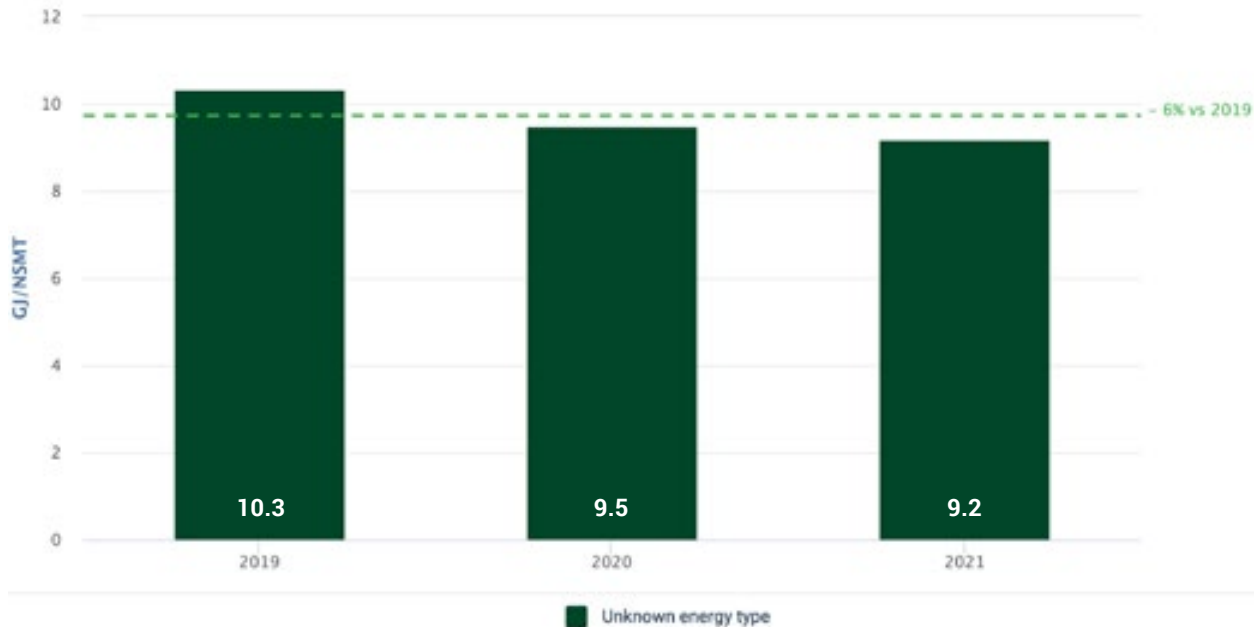
Operational control

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, a key strategy of Cascades' new Sustainability Action Plan, has been added to this project management process. 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.

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 and are monitored daily by our teams on the floor and reviewed by supervisory staff and management monthly. Finally, Cascades is proud to have once again passed the energy maintenance audit for its three groups.

Reduce the energy consumption at our plants by 6% (GJ/TM) by 2025



We ended 2021 with a consumption reduction that represents, in quantity, some 1,172,000 fewer GJ consumed compared to 2020 and, in intensity, a decrease of 8.2%, from 9.48 GJ per ton to 9.2 GJ per ton. The completion of the various projects planned made it possible to achieve the expected gains.

Energy Consumption of our Mills

Description	Unit	2019	2020	2021
Energy consumption	GJ	23,548,980	19,312,217	18,140,419
Variation versus 2019	%	0.0	-18.0	-23.0
Energy intensity	GJ/NSMT	10.336	9.487	9.199

Water consumption

- **Decrease effluents from our manufacturing plants by 15% (M³/MT) by 2025 vs. 2019**

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.

Highlights

1.2M
fewer M³
discharged



3.5%
reduction in effluents
(M³/TM)

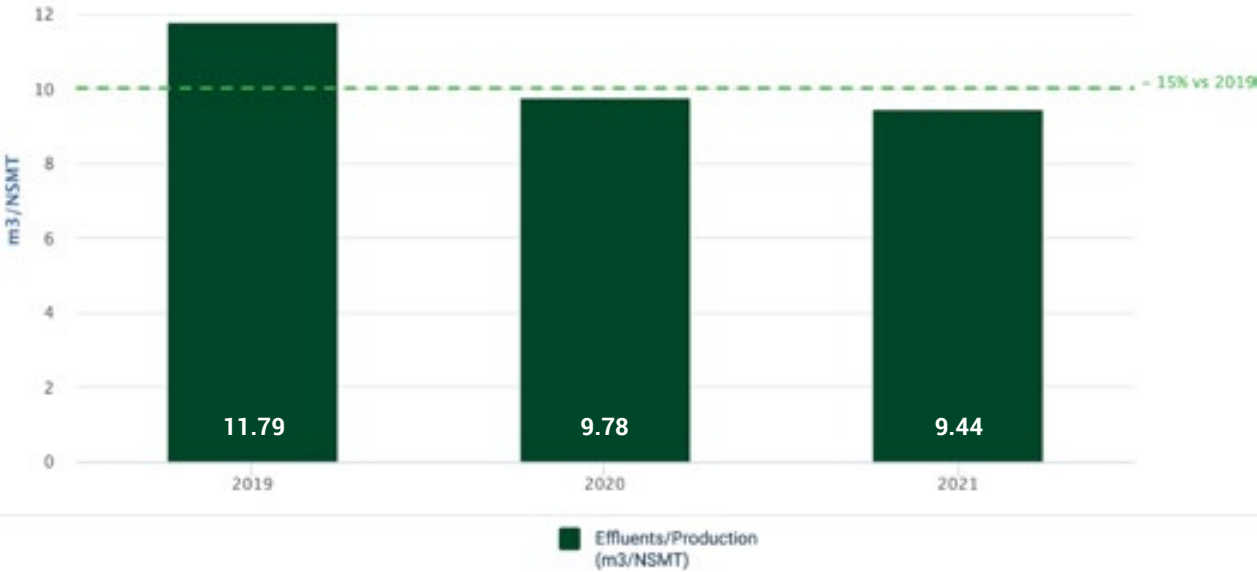


4.4 x
less water discharged than
the industry average*



*North American pulp and paper industry. Source: FisherSolve™ Next, ©2022 Fisher International.

Decrease effluents in our manufacturing plants by 15% (M³/MT) by 2025



Although the 2021 effluents technically meet our 2025 target, we know that the start-up of a new plant in 2023 will increase our water consumption.

We therefore set ourselves more ambitious annual reduction targets to plan for the opening of the new plant. Despite a slight delay in completing the scheduled projects, we ended 2021 with a significant reduction in water effluents.

Indeed, thanks to an internal process that ensures tight governance, Cascades was able to reduce its effluents by 3.5%, from 9.78 cubic metres per ton in 2020 to 9.44 cubic metres per ton in 2021, which represents a reduction of some 1,283,000 cubic metres.

Effluents

Description	Units	2019	2020	2021
Effluents	m3	26,853,819	19,903,935	18,620,768
Effluents/Production	m3/NSMT	11.79	9.78	9.44
Effluents/Production (variation versus 2019)	%	0.0%	-17.1%	-19.9%

In the Specialty Products Group, each plant achieved its annual target. We note particularly strong results for our Indiana and Iowa moulded pulp plants, which continued to produce with near zero effluent. The Kingsey Falls paper plant and North Carolina moulded pulp plant also exceeded targets thanks to outstanding effluent management and increased production.

In terms of projects targeting water consumption in 2021 at our tissue plants, the installation of a gravity filter at our Pryor, Oklahoma facility resulted in balanced water consumption by year-end.

As was the case for energy consumption and greenhouse gas emissions, 2021, the year in which our new Sustainability Action Plan was launched, was an opportunity to work as a team to identify areas for improvement in how we do things and evaluate a series of projects to be implemented. Among the actions targeted for water, we inventoried the processes and measuring instruments for water inflow and outflow for all Cascades plants. In this detailed report, the data archiving methods, calibration frequencies, and certifications were listed, serving as a baseline for identifying new avenues for improvement in the future.



Effluent 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.

Eco-designed products

➤ 100% of the packaging we manufacture and sell will be recyclable, compostable or reusable by 2030

Proud of its commitment to leading the way in eco-friendly hygiene and packaging solutions, Cascades has adopted guiding principles for developing new products. These principles cover every stage in the life of the products it manufactures and sells, from their design to their end of life.

Highlights

1 guide
on eco-design
principles published



1 new
life-cycle
assessment
(LCA)



6 packaging
solutions
pre-qualified by
How2Recycle®



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.

By regularly reviewing these principles, we are able to make significant improvements to our products in order to minimize their environmental impacts.

Our goal is to have 100% of the packaging we manufacture and sell be recyclable, compostable or reusable by 2030.

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

Non Recyclable: 8,74% (62 360 255)



Recyclable: 91,26% (650 921 196)

The vast majority of our packaging products, namely 91.3%, are currently considered reusable, recyclable or compostable. The more challenging packaging that has not yet achieved recyclable status is primarily made from plastic resins, including flexible plastic packaging made from recycled and virgin low-density polyethylene (rLDPE and LDPE), rigid plastic packaging made from recycled polyethylene terephthalate (rPET), and recycled polystyrene (rPS) packaging. Waxed cardboard boxes are also among the products that present recyclability challenges. There are areas 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.

Compared to 2020, the proportion of non-recyclable products has increased slightly. This is not due to an increase in the number of non-recyclable products being marketed, but rather to a downward revision of the acceptability rates for certain plastics in the U.S. following a new study by the Sustainable Packaging Coalition (ref. 2020-2021 Centralized Study on Availability of Recycling). Such is the case for transparent rPET trays as well as flexible rLDPE and LDPE packages, which are no longer considered recyclable since less than 60% of the population has access to a recovery program for these products.

Recyclability and How2Recycle

"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 by the Competition Bureau in Canada and the Federal Trade Commission in the United States. These rules are described in the following publications: Environmental Claims: A Guide for Industry and Advertisers, and Guides for the Use of Environmental Marketing Claims. In summary, they 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 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. In addition, at least 50% of the Canadian population, or 60% of the U.S. population, must have access to a selective collection service, a Store-Drop Off or recovery facilities that accept the product. In short, there should be no 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 the How2Recycle organization. This organization, created under the aegis of the Sustainable Packaging Coalition, proposes a standardized labelling system that provides consumers with clear 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 rate 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 the How2Recycle Guide to Recyclability.

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

APPLICABLE LAW

Recyclability claims must comply with the 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



Cascades considers its products "recyclable" only if they qualify as "widely recyclable."

These independent third-party evaluations ensure that we have a standard comprised in our statements. At the same time, it goes without saying that over the years 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 products behave in the pulping process. These are the great advantages of being an integrated company.

Compostability and CMA certification

Since Cascades advocates the circular economy, recycling is by far the most favoured end-of-life option. However, when recycling the container or packaging is not possible for various reasons, including that the contents will contaminate the container, composting may be considered. In such cases, we make sure to have our products certified by a recognized third party such as the Compost Manufacturing Alliance (CMA).

Life-cycle assessment (LCA)

While we pay particular attention to the end of life of our products, we do not neglect 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. Life-cycle assessment is a scientific method that makes it possible to evaluate the potential environmental and social impacts as well as the costs 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 scientific method is also a basic 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.

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

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

In 2021, we worked with the outside firm Agéco to conduct LCAs of six consumer and three commercial toilet paper products as well as three sanitary-product packaging products.

This assessment once again demonstrated the importance of using recycled materials to reduce the environmental impact of products. For example, when Cascades Fluff® Enviro toilet paper, made from 100% recycled fibre, is compared to the average industry products made from virgin fibre, it emits 63% less greenhouse gases and has 73% less impact on ecosystem quality. The positive impact of recycled material in manufacturing new products has also been confirmed for plastics. The LCA for our 100% recycled flexible plastic (rLDPE) toilet paper packaging shows that it emits 6% less greenhouse gases and has 70% less impact on ecosystem quality than the average industry packaging made from virgin material.



Responsible

procurement

- **100% recycled or certified fibre and paper by 2025**
- **Double our supply of FSC® Mix fibre by 2025 vs. 2019**
- **70% of our purchases sourced from responsible suppliers by 2025**

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, 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.



Highlights

83%
of our fibre
is recycled



100%
of our virgin fibre supplies
(pulp and woodchips)
meets the FSC standards

100%
of our strategic buyers
are trained in responsible
purchasing



Respect for the forests at heart

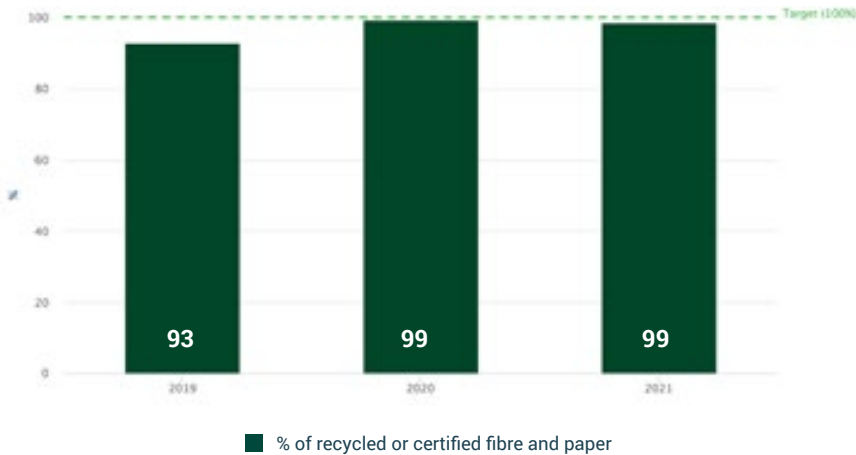
We have always favoured the use of recycled fibre in our products and we will continue to do so. However, depending on the availability of recycled fibre and the characteristics required for certain products, we sometimes have no choice but to use virgin fibre and paper. In such cases, Cascades sources 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, it also enforces respect for the rights of Indigenous peoples and of communities and workers. FSC certification includes several levels with Mix certification being the most demanding.

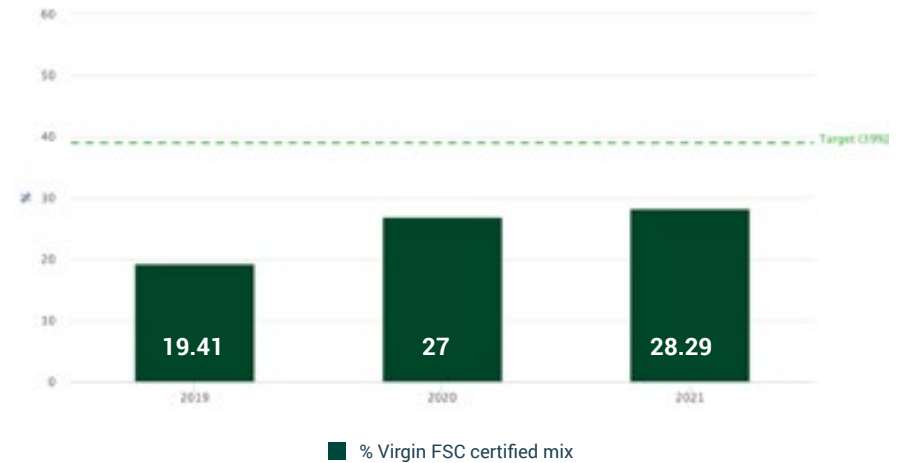
Cascades fibre and paper profile

The fibre we purchase, including waste paper and cardboard, pulp and woodchips, is either recycled or meets the FSC standards. The vast majority of externally sourced paper, such as parent rolls, meets the FSC standards. However, mainly due to availability, rolls may be purchased without this standard (approximately 1.2% of our purchases in 2021). 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 suppliers by doubling our supply of FSC Mix certified fibre.

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



Double our FSC Mix supply by 2025



Our fibre and paper procurement teams are committed to achieving these goals. The virgin fibre portion is already fully covered by the FSC standards. Our team responsible for FSC and our paper procurement teams are working with our suppliers both to ensure that all our inputs have this traceability and to increase the volume with FSC Mix certification.

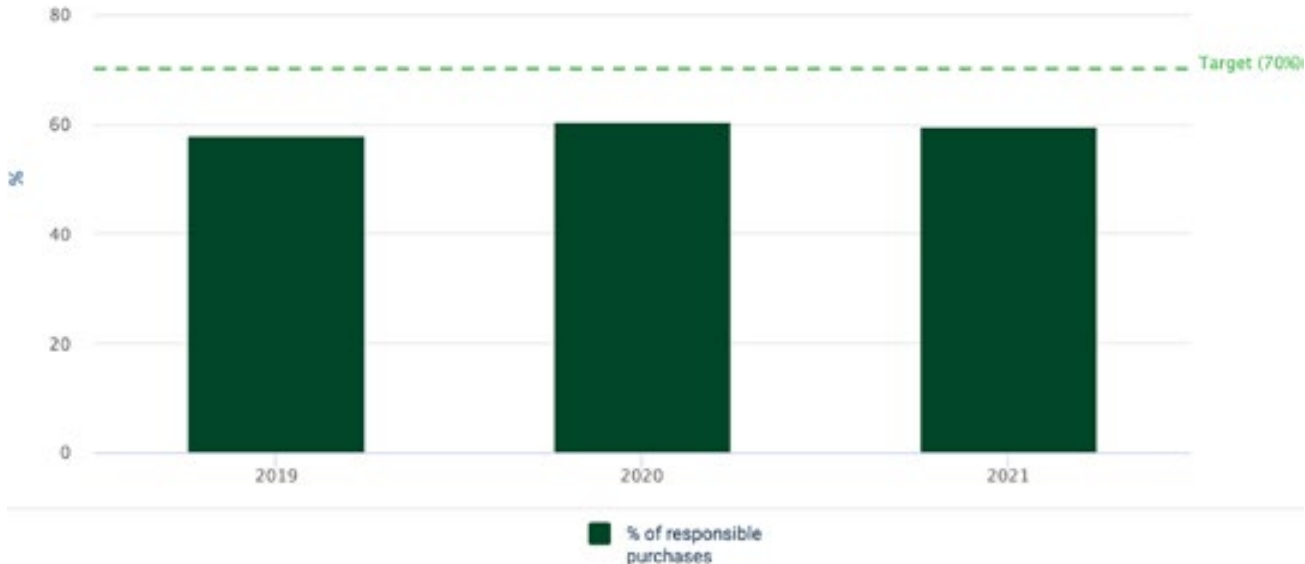
Responsible suppliers

Since 2010, Cascades has affirmed its desire to work with partners who share its values. The objective is always the same: source from a growing number of suppliers whose sustainable development practices have been evaluated and deemed responsible. We aim to source 70% of our procurement (in dollars) from responsible suppliers by 2025. This is an ambitious goal, considering that the pool of suppliers is evolving and that updating supplier records is an exhaustive, time-consuming process. Our goal is to make the organizations we work with aware of the level of maturity of their ESG business practices and help them evolve.

A responsible sourcing process allows us to know our suppliers better. It also allows our suppliers to know themselves better. This is how opportunities are created.



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



The result remained stable in 2021 compared to the previous year.

To ensure transparency and impartiality, we work with an outside firm that specializes in analyzing ESG practices. The evaluation is based on 21 criteria grouped into four main themes: environment, social and human rights, ethics, and responsible purchasing. It is valid for a period of three years. After this period, the supplier must update its evaluation. For suppliers who do not receive a passing grade, corrective actions must be taken and Cascades will require a re-evaluation within two years. In 2021, some 76 suppliers were evaluated or re-evaluated in this way.



Of course, Cascades also goes through this evaluation process, but it reviews its scorecard annually. Our company is proud to be among the TOP 25% most responsible suppliers evaluated by EcoVadis.

Residual materials

Within the context of its new Sustainability Action Plan, Cascades has not set a specific objective for residual materials for the simple reason that it has already achieved a high recovery rate of over 80%. Considering the composition of the main raw materials the company works with, this result exceeds our expectations. The challenge in the coming years will be to maintain this performance.

Highlights

83%
of waste diverted
from landfill



99%
recovery rate at the
Greenpac plant

Pulping

Purification & Sieving

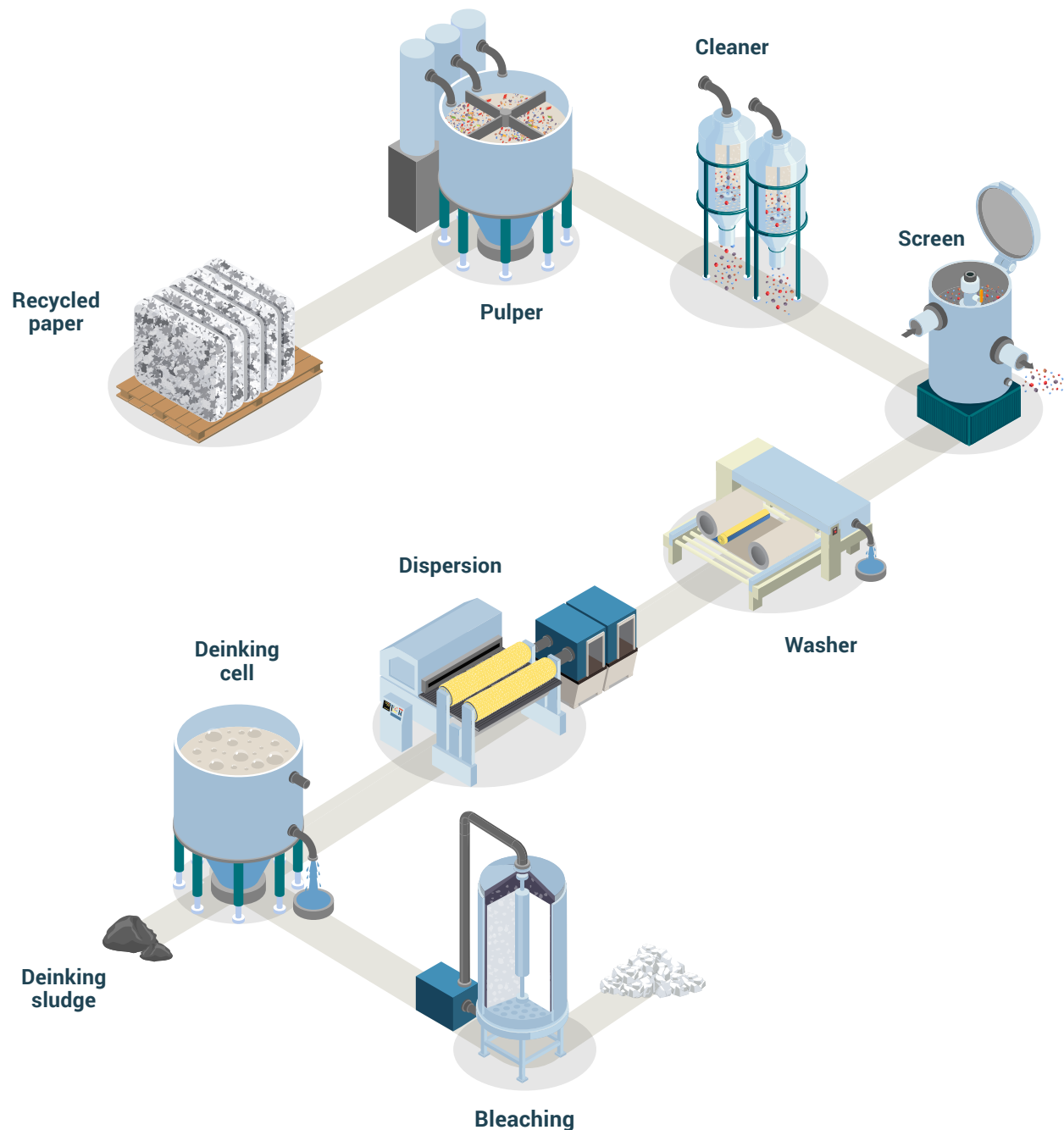
Cleaning & Screening

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 paper and cardboard we buy. Depending on the grade, each bale can contain up to 12%. For each ton purchased, this can represent as much as 120 kg of contaminants. Given that Cascades buys over two million tons of fibre per year, that is a significant amount of material. 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 plastic bags, water bottles or metal cans that might have fallen into the bales at the sorting centre, as well as the 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 of our Niagara Falls complex: Cascades Containerboard Packaging - Niagara Falls and Greenpac (NY). Through a cogeneration process, the pulping residues from these paperboard plants are used to produce electricity and steam. The electricity is redirected to Cascades' plants, where it is then used for product drying. A perfect example of circular economy, where outputs have a useful end of life. It is through partnerships such as this one, developed over the years, that we were able to recover all the manufacturing residues from these two plants in 2021.

Recovery of our waste for other applications

Furthermore, a long-standing collaboration with Buffalo Fuel Corp. has paid off in recent months as the company managed to recover the strands and pulping waste produced by these same two plants. Twisted together, the various components of this waste get caught on the lines in the manufacturing tanks. Sorting and 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.



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.

Recycling Program

In the early 2000s, Cascades implemented a recycling management program in all of its manufacturing and service units, including a wide range of items identified through characterization work. In the plants, these categories comprised electronic equipment, wood, electrical wire and rubber. In the service units, they included paper, cardboard, plastic, glass and metal. Cascades updated its program in 2020 with the objective of reducing at the source, since the best waste is still waste you don't generate in the first place. The launch of this campaign was highlighted by presenting a reusable coffee cup to employees who expressed interest in receiving one. A symbolic gesture aimed at reducing the consumption of single-use cardboard cups.

It is always impressive to see the range of products that can be developed with cardboard. Our teams had the idea to design a three-stream recycling management station made of cardboard on the outside and coroplast on the inside. Manufactured at our Cascades Containerboard Packaging plant in Victoriaville, these bins are used in many of our Québec units to manage traditional residual materials such as paper/ cardboard, plastic/glass/metal and final waste.



Are you having a coffee? Consider using a reusable cup or your Cascades Circular Cup!



The Circular Cup, the reusable coffee cup chosen by Cascades for its employees. Made in part from recycled cardboard coffee cups, it was the subject of an internal communication campaign for coffee machines.

In 2021, Cascades recovered 83% of its production residues, its highest rate ever. This performance was made possible by keeping the recovery programs in operation at the plants and the Niagara Falls facility sending almost everything to the nearby cogeneration plant, despite the higher production cost. Another demonstration of Cascades' commitment to do better.

Recovered waste vs landfill waste (mills)

Description	Unit	2021	2022
Waste Recovered	metric tonnes	452,260	10
Waste Sent to Landfill	metric tonnes	95,748	90
Percentage of Waste Diverted from Landfill	%	83	10
TOTAL WASTE	metric tonnes	548,008	100

Biodiversity

The decline in biodiversity is accelerating at an alarming rate. Experts estimate that the loss of living species is 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... Cascades wants to do its part to maintain the balance of the ecosystems. In addition to using the natural resources necessary for its activities wisely, our company has chosen to partner with several organizations whose core mission is to protect biodiversity. From the David Suzuki Foundation to Mission 1000 Tonnes, PurNat and Nature Conservancy Canada, such organizations are more important than ever.

The David Suzuki Foundation is leading the Butterflyway Project, a citizen campaign that proposes a range of concrete actions enabling the public and municipalities to contribute to the protection of the monarch butterfly, an endangered species whose population has declined by 90% in recent years. These actions include distributing and planting milkweed (the only plant that monarch caterpillars feed on), political action and advocacy to protect monarch-hosting ecosystems, and the establishment of an ambassador program, the Butterfly Rangers. Cascades has taken its involvement in the program a step further by inviting its employees to become ambassadors.

Candice Ruggero, Sustainable Development Leader, Sara Zerafa, Account Manager, Jason Gale, Project Leader, Operations Support, and Simon Ozorio, Senior Communications Advisor, all of whom work in our Cascades Recovery+ division, did just that. They 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.



**MISSION
1000
TONNES**



Mission 1000 tonnes and PurNat are two organizations that contribute to cleaning the natural environments. Thanks to them, hundreds of tons of waste have been removed from nature.

In 2021, we also began our partnership with the Nature Conservancy of Canada, a private, non-profit organization founded in 1962 whose goal is to protect the natural environments that are home to the country's wildlife. Working with individuals, corporations, foundations, Aboriginal communities, other organizations and government bodies, the Nature Conservancy of Canada has so far contributed to the long-term protection and management of more than 15 million hectares of ecologically significant land.



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. Cascades is doing its part to reduce the pressure on this precious resource by using 83% recycled fibre in the manufacture of its products. When the use of virgin fibres and papers is unavoidable, Cascades sources 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. This standard gives special attention to boreal woodland caribou populations.

In 2021, Cascades took up the first edition of Défi pissenlits (Dandelion Challenge), an initiative put forward by Miel & Co, a beekeeper located in Portneuf, Québec. Inspired by No Mow May, Défi pissenlits involves delaying the mowing of dandelions in the spring to provide this rich source of pollen and nectar to bees and other pollinating insects. A small gesture that makes a big difference during a period when flowers are not yet very abundant.



Social



Sustainable

cities and com- munities

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

The communities in which Cascades is established are central to its 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 some \$4 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.



Videoconference/ movie night

**for Cascades employees in
partnership with the David
Suzuki Foundation**

Committed to over 300 causes and organizations, Cascades has established sustainable and innovative partnerships in various sectors. To invest in and support organizations that have a positive social or environmental impact, Cascades decided to align its efforts with the UN's 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.**

Highlights



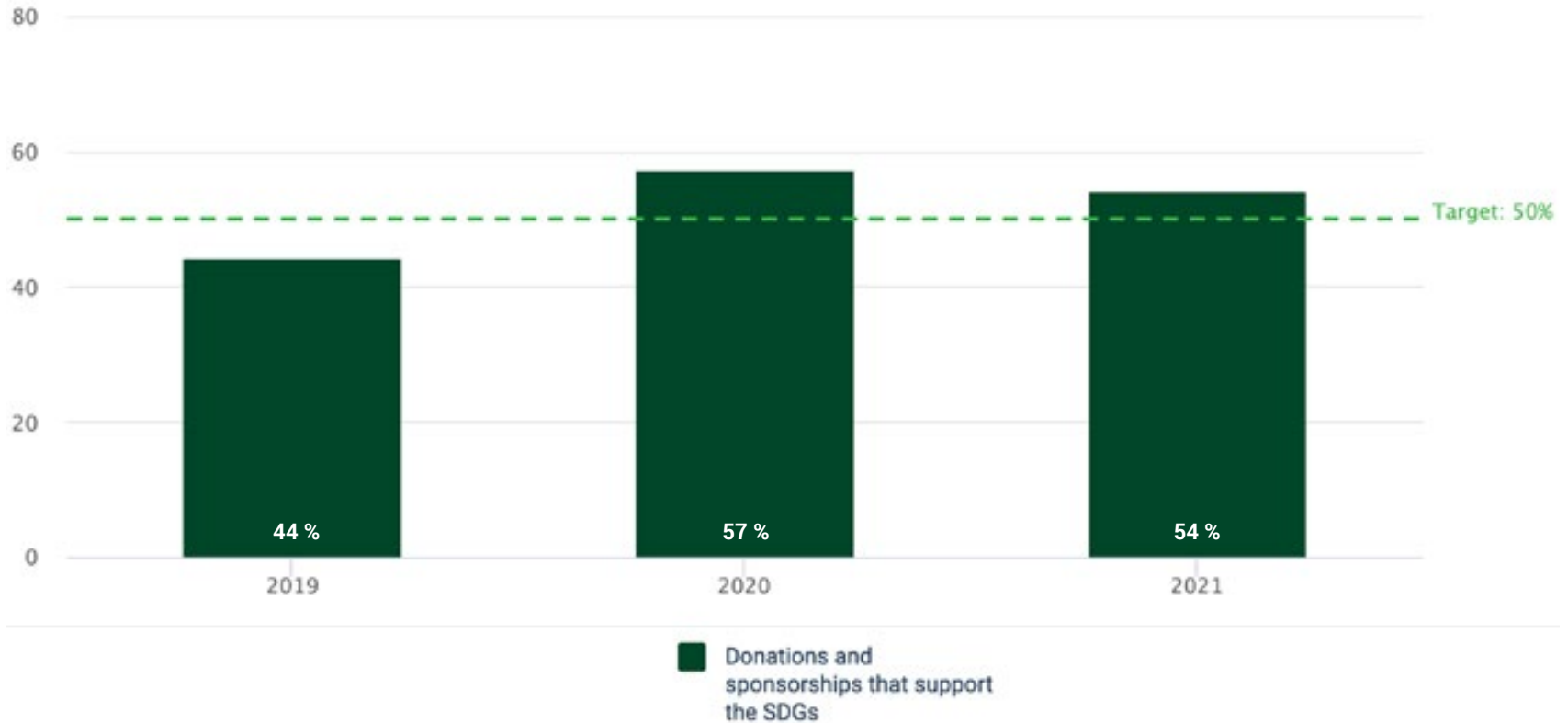
**First
partnership
agreement with
Mission 1000 tonnes**

Other supported organizations:

**Fondation Monique-Fitz-Back,
EcoSchools Canada, PurNat,
Centraide, Nature Conservancy
Canada, and more.**



Donation and sponsorship to causes that support the UN's Sustainable Development Goals (SDGs)



As we can see in the bar graph above, Cascades already reached its goal in 2020 and this trend continued into 2021 with 54% of the donations and sponsorship budget being allocated to causes in line with Sustainability Development Goals. Cascades will continue actively investing in communities near its facilities and focusing its efforts on causes whose main mission aligns with at least one of the UN's Sustainable Development Goals

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

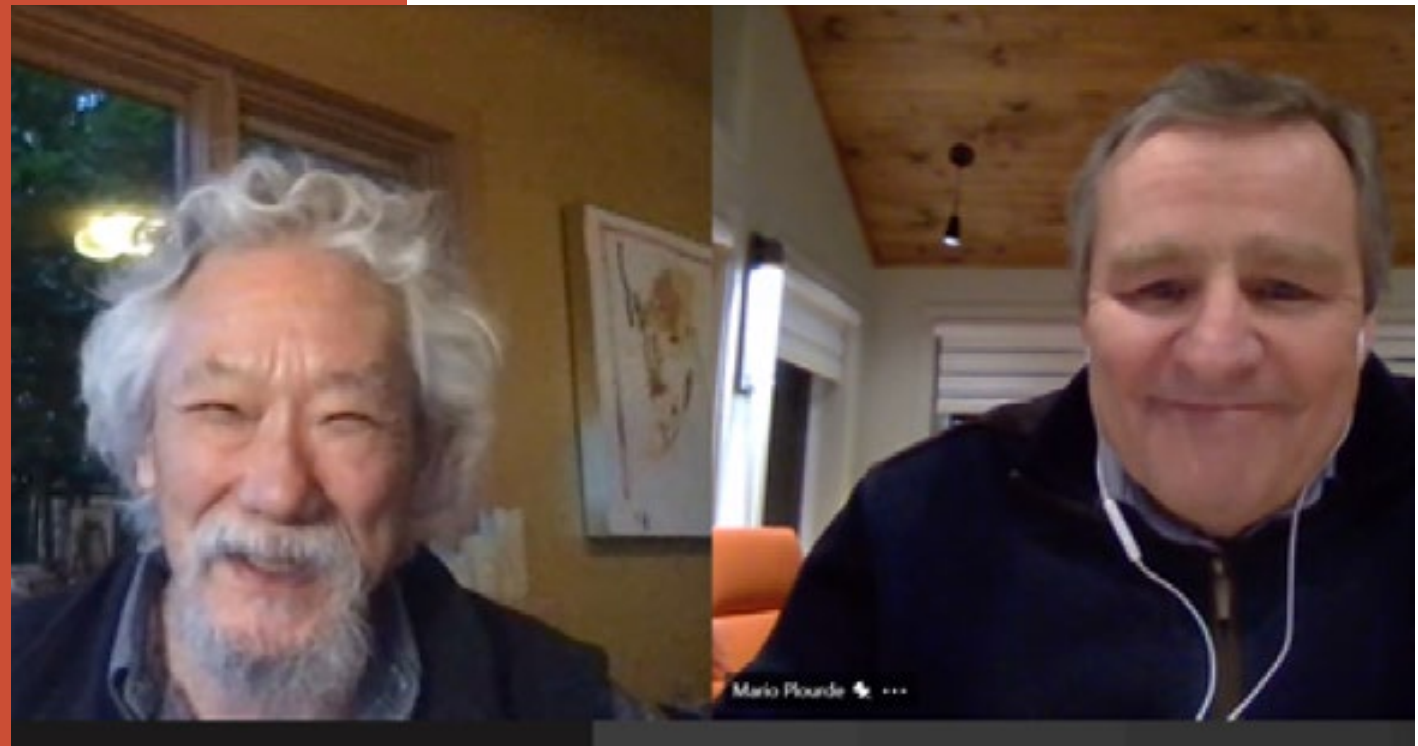


Mission 1000 tonnes

Mission 1000 tonnes wants to change the world by protecting marine and aquatic ecosystems through the removal of 1000 tonnes of waste from waterways. Cascades is a sponsor in the Mission 1000 tonnes' Ambassador Program: a group of individuals, including some Cascaders, committed to furthering the mission in their network and community.

Movie Night

Cascades employees were invited to a videoconference/movie night featuring Dr. David Suzuki, who started the foundation bearing his name, and Marie Plourde, our president. This evening focused on climate change and the importance of taking action.



Community

involvement

➤ **15,000 hours of community involvement completed by employees annually**

Inspired by the Lemaire brothers, the company's founders, Cascades employees contribute to their community's development by volunteering in causes that are important to them. The environment, helping those most in need, amateur sports, animal welfare: their involvement is as varied as it is generous.



1 COVID-19 vaccination centre for both employees and the community

Cascades is proud to recognize and encourage its employees' community involvement. Since 2016, employees have been asked to record their business and personal volunteer hours using a digital platform. Cascades compiles this data annually and awards 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, in its new human resources practices, Cascades gives its office employees the option of volunteering on two work days per years (up to 16 hours) for causes important to them. Cascades' vision for sustainability includes improving individual and community well-being. That's why one of our action plan's goals is community engagement, with the goal of reaching **15,000 hours of employee community involvement** each year.

Highlights



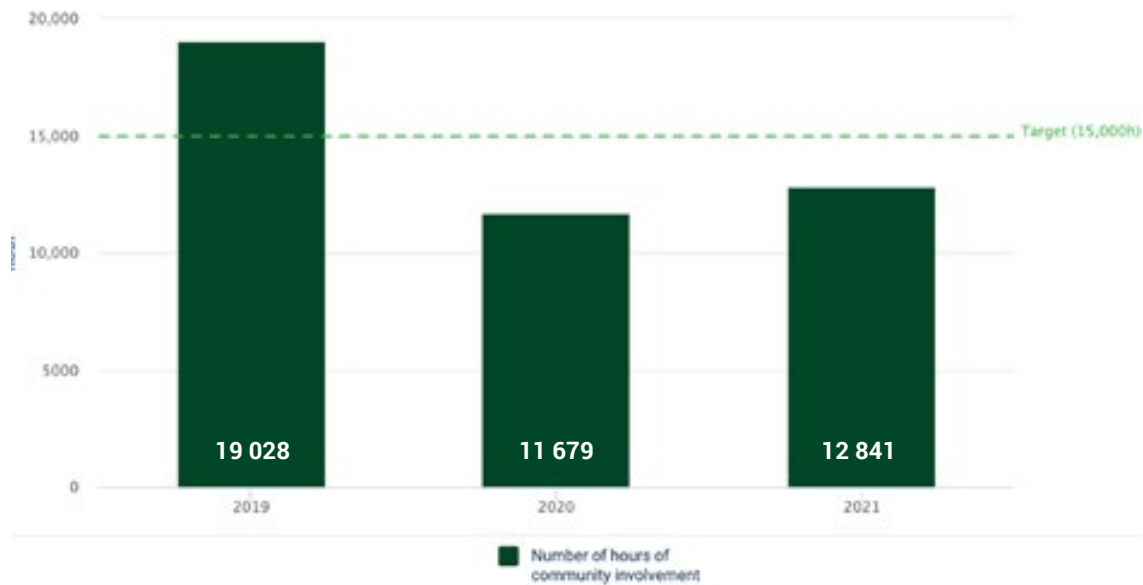
2 days cleaning up illegal landfills with our partner PurNat



4 employees recognized for their community involvement



15,000 hours of community involvement completed by employees per year



We unfortunately did not meet our goal in 2021, with 12,841 hours of employee volunteering. That said, it's important to remember that employees voluntarily disclose their community involvement hours, so the actual number of hours is likely higher than the amount reported in this graph. Moreover, this result could also be attributed to limited opportunities for involvement due to COVID-19 restrictions implemented by the government in 2020 and 2021. The number of community involvement hours will definitely increase with the lifting of these restrictions in 2022. Next year, we'll also be promoting various ways for employees to get involved in the community.

Establishing a vaccination centre to improve community well-being

Vaccination centre figures

In 2021, during the Québec and Canadian governments' mass vaccination campaign, major corporations were called to assist in the collective effort by establishing a vaccination point for their employees and respective communities. Cascades was one such organization, opening a vaccination centre in offices located at its Kingsey Falls Shared Services Centre. A large multidisciplinary team of salaried employees and volunteers, supported by our health and R&D centres of expertise, was deployed to provide this service, which was highly appreciated and praised by Québec's Minister of Health and Social Service, Christian Dubé

13,074
doses
administered



20+
employees
involved in the
centre's management
and administration

130 employees
generously donated their
time to keep the centre
operating smoothly



Éric Paul

Sales Manager,
Cascades Tissue Group
600 hours of community involvement



Why do you volunteer so much?

I started volunteering because my three daughters play soccer. One of them wanted to plan a trip by starting a fundraiser with their team, but I found it disorganized. We thought of creating a sponsorship program and presented our idea to our soccer association, who found it interesting right away. They even wanted us to make our guide available to the whole club. One thing led to another and I became a member of the board of directors—and then the following year, I served as the chair. We put a lot of things into motion during that time and I found myself bitten by the volunteering bug! Set a goal for yourself and don't stop getting involved until you've reached it. That's what led me to create a new club. Now, we're one of the biggest soccer clubs in Québec! However, this year, I decided to take a step back and pass the baton to my successors. In fact, my colleague, Jean-Philippe Lagacé, was one of the recipients of the community involvement award last year, who took my place as chair.

What would you tell people to motivate them to volunteer more?

Don't just think about yourself! We have privileged lives, so comparing yourself is comforting yourself. I'm lucky to have had a good education and to have been raised by a great family, so giving back to others who have not necessarily been as lucky is important to me. Knowing that we can make a difference is a source of happiness. Sometimes, it's not just about pleasure, but about taking a step back to quickly realize that your actions are making a difference in people's lives. Volunteering is also an incredible experience—it gives you countless skills that will help you for the rest of your life.

What cause will you help with your \$1,000 grant from Cascades?

I will donate the \$1,000 to the Union Lanaudière-Sud. This amount will definitely make a difference in young people's lives. I love that Cascades is acknowledging community involvement in this way. It encourages people to do more. Not only did I dedicate my time to a passion of mine, I also represented the company for which I work.

Health, safety and well-being

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

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. Cascades is proactive in keeping its employees healthy throughout their careers and beyond. We invest in prevention and awareness-raising to encourage employees to adopt healthy lifestyles and promote sustainable improvement in their health and well-being. That's why we've set two goals in this category.



Highlights

1.2
OSHA
frequency rate



1 change
in priority
of the health and safety
performance unit of
measurement, from OSHA
to the severity rate

Zero
fatalities



Achieving an accident-free work environment

At Cascades, we do our utmost to foster a safe and healthy workplace for all our employees. In addition to actions taken to secure our plants and improve our methods, we use awareness-raising and training to develop 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 recent years, our teams have focused on the OSHA frequency rate.¹ As part of the new Sustainability Action Plan, our internal safety teams have decided to focus on the severity rate.² 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.

¹ OSHA frequency rate calculation: number of accidents with lost time / number of hours worked x 200,000

² Severity rate calculation: number of days with lost time / number of hours worked x 200,000



OSHA frequency rate

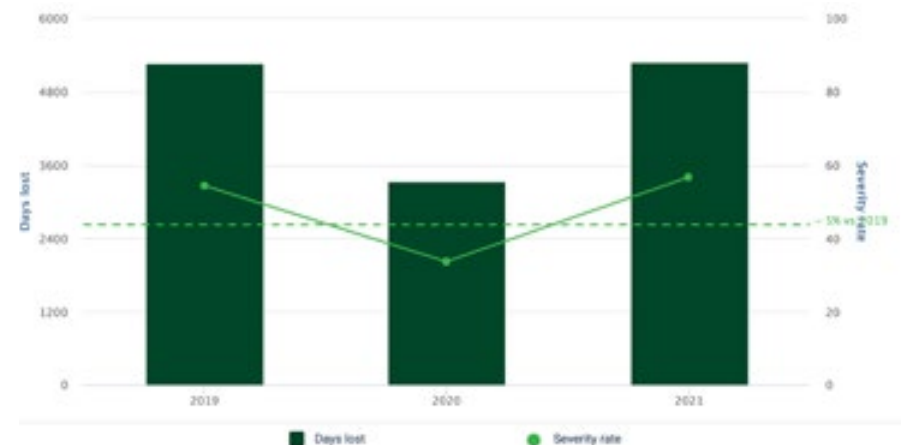
Once again, Cascades set a record by ending 2021 with an OSHA frequency rate of 1.2—the lowest ever in its history. This outstanding accomplishment proves that our staff truly prioritizes safety.

Health, safety and well-being data

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

Overall, even if work accidents are on a downward trend, the number of serious accidents remains mostly unchanged. More specifically, the same number of serious accidents occurred in 2020 and 2021, but some were more severe in 2021, causing an increase in lost days for that period, as shown in the above graph.

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



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.

According to the Bradley Curve, most Cascades plants are now at the dependent or interdependent stages. None of the plants are at the reactive stage.

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.

Training

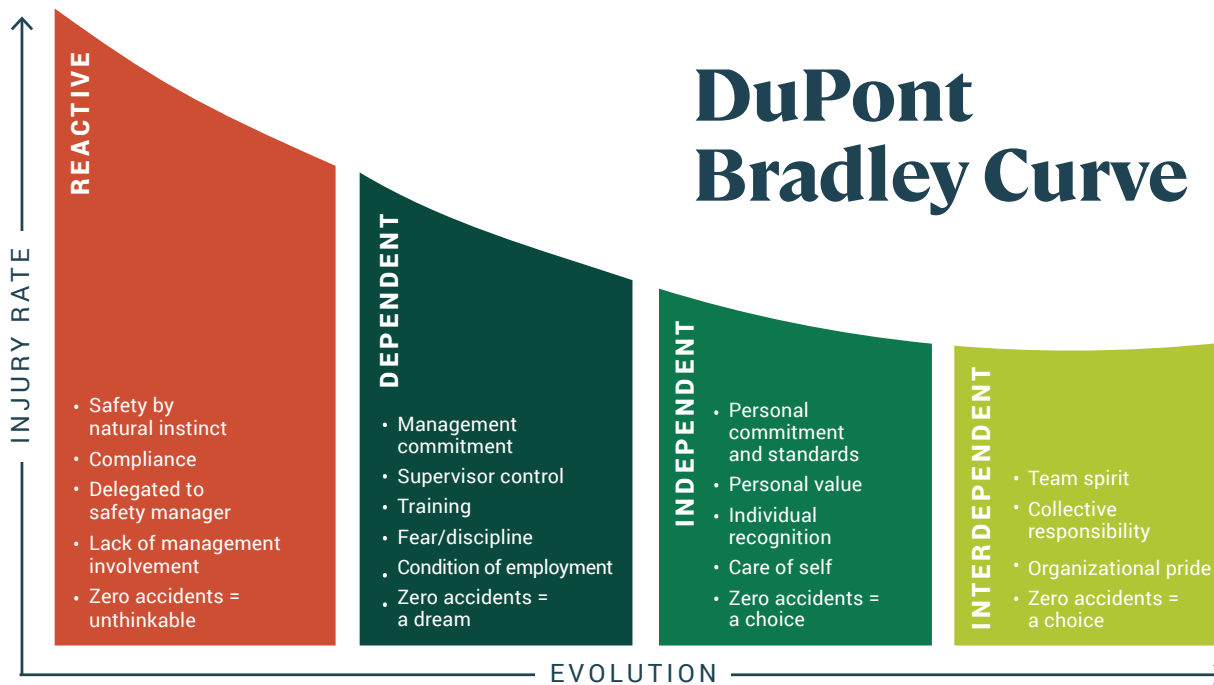
Training continues to play a key role in our efforts to inform and educate employees. With this in mind, the Cascades Health and Safety team recently developed an online training platform that plugs into the SAP tool used for

HR data management. Employees will now have access to job-specific training that reflects their daily reality.

Implementing software to reduce the number of serious accidents

Among the improvements on the corporate OHS team's agenda is integrating a new software that will provide more data and make decision-making easier. This software's first module, scheduled for integration in 2022, will be used to manage events, identify causes, determine corrective or preventive action and ensure follow-up.

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



Lastly, since this is a market indicator, Cascades is pleased to report that no fatal accidents were recorded last fiscal year, with the last fatality occurring in 2018.

Promoting preventive measures for health and well-being

We believe that our employees are more likely to adopt healthy lifestyles if they work in an environment providing them with the information and tools to do so. To that end, in 2021, our U.S. employees completed a voluntary and confidential self-assessment on their health and lifestyle. The firm responsible for the assessment then invited each participant to review their own report. This self-assessment will also be offered to our Canadian employees in 2022. We will then be able to disclose in our next Sustainability Action Plan the percentage of Cascaders who adopted a preventive health and wellness approach in this manner. In 2021, other initiatives were also implemented to encourage employees to adopt healthy lifestyle choices, including L'effet Go: a sports challenge to help incorporate physical activity into our day-to-day routine.



The pandemic turned our daily routines upside down. Overnight, we all had to put our busy lives on hold and reduce our contact in the hopes of stopping the spread of the virus. To break this forced isolation, revitalize work and counteract the decline in physical activity among its employees, Cascades proposed individual sports activities to bring people together as a team—two seemingly contradictory concepts, which led to the creation of L'effet Go: a sports challenge to better incorporate physical activity into our day-to-day routine using the Virgin Pulse virtual app.

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. The steps were calculated using a paired watch provided to each participant and by converting activities into steps (e.g. one hour of cycling equals 8,220 steps). The organizers also made it more challenging with competitions, virtual conferences and experience sharing. Following the first cohort's success and enthusiastic response, a second edition was launched in spring.

Effet GO Highlights

455
participating
employees



126
days of
activities

303,216
km travelled



Equity, diversity and inclusion

➤ **100% of employees trained on unconscious biases related to equity, diversity and inclusion**

Too often, the media reports on unfortunate events demonstrating that respect for diversity is still a fragile achievement in our society. Even in open and welcoming environments, unconscious biases can influence decisions and prevent some people from reaching their potential. At Cascades, we know that a diverse workforce is an asset that helps our company succeed. In order to create a professional environment that promotes everyone's growth, we've set the goal of having **all employees receive training on unconscious bias related to equity, diversity and inclusion**. 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 work context. The results of our objectives are calculated based on the number of employees taking the training divided by all employees.

Highlights

1 training
on unconscious biases offered to supervisors



16 portraits
of inspiring women
Cascaders shared on our
different internal platforms



5 sub-committees
created under the
Equity, Diversity and
Inclusion Committee



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

	2021
Employees trained on unconscious biases	295
Total Number of Employees	9,673
%	3.0

The unconscious bias training has two components. The first component consists of a 210-minute workshop 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. The first component was held in late 2021, leaving little time to share the information among teams, which explains the low percentage of trained employees for that year. In 2022, the second component will be aimed at all staff and in the form of short virtual modules, which will be added to the mandatory employee training path.

While pursuing its work, this committee expanded its mandate in 2020 by becoming the Equity, Diversity and Inclusion Committee, in order to be more inclusive in its diversity initiatives. We now have a team of between 25 and 30 employees implementing initiatives, supported by five sub-committees, to better integrate employees of different generations, genders, ages, sexual orientations and cultures.

Since 2019, Cascades has had 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 each division and region 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

In 2021, other initiatives were developed to provide our employees with an open, inclusive and discrimination-free workplace. Our goal is to help everyone succeed and achieve their full potential in the best conditions. In 2021, 16 portraits of inspiring women Cascaders were shared on our various internal broadcast platforms.

For HR managers, this work on equity, diversity and inclusion meant that the organization was ensuring it provided recruitment and advancement opportunities via fair and unbiased processes.

Work- force

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
Percentage of Women	%	22	21	21
Percentage of Men	%	78	79	79
TOTAL NUMBER OF EMPLOYEES		10,339	9,762	9,673
Average Seniority	years	9	10	9
Average Age	years	44	44	42

Geographic Distribution of Employees

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

Compensation

	2019	2020	2021
Salaries	643	667	618
Benefits	259	323	261
Profit sharing	53	57	66
Total Compensation (Millions of \$)	955	1,047	945

Training

	2019	2020	2021
Number of Hours Spent on Training	358,000	395,000	177,000
Number of Employees Trained	9,530	6,429	5,875
Amount Invested in Training (Millions of \$)	11	12	12
Amount Invested in Training (% of total payroll)	2	2	2

Governance



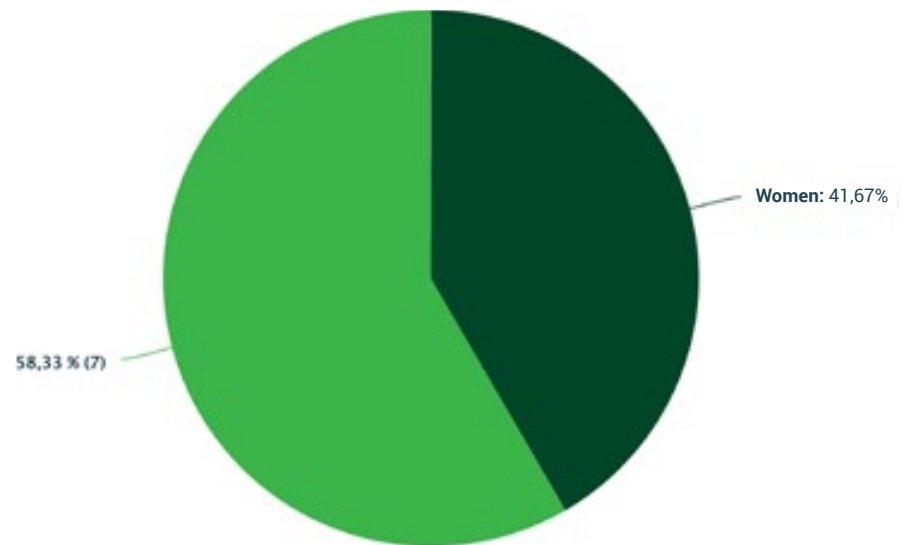
Governance

at Cascades

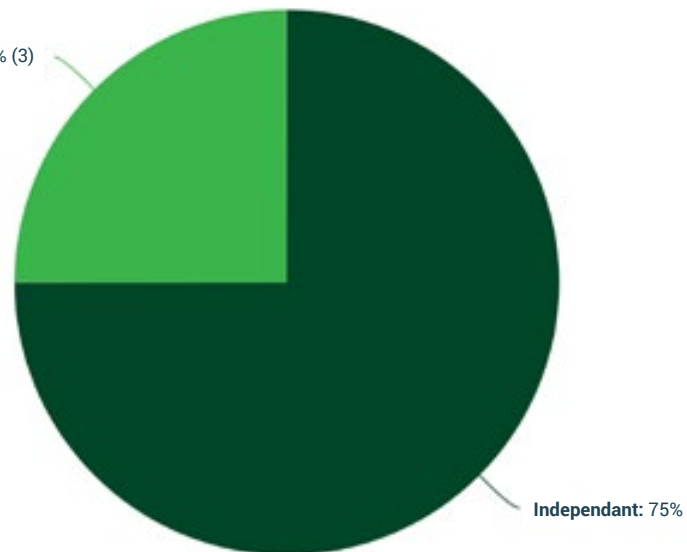
Cascades has integrated transparency and accountability into every level of its organization through a comprehensive code of ethics. Our governance structure encourages ethical actions, effective decision making and appropriate monitoring of our compliance.

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)



Non-independent: 25% (3)



Board of directors (status)

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

Principles of sustainability governance at Cascades

The following 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.

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, mainly its suppliers, customers and collaborators, to implement an organizational culture that embraces sustainability principles.

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.

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 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.

Board of Directors

President and Chief Executive Officer

Health and Safety, Environment and Sustainable Development Committee

PILLARS OF OUR 2021–2025 SUSTAINABLE DEVELOPMENT PLAN

Respectful of the planet

Accountable individuals
Division Presidents
Chief Financial Officer
Chief Supply Chain and Information Officer



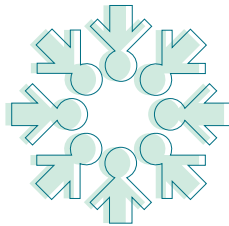
Solutions driven

Accountable individuals
Division Presidents
Chief Supply Chain and Information Officer



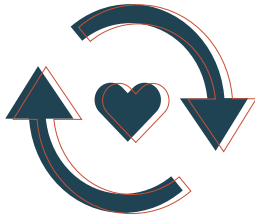
Community minded

Accountable individuals
Vice-President, Communications, Public Affairs and Sustainability
Chief Human Resources Officer



People focused

Accountable individuals
Division Presidents
Chief Human Resources Officer



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.

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.

These governance principles have been defined as conditions for success and are subject to change based on the company's development and needs.



Cyber-security

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



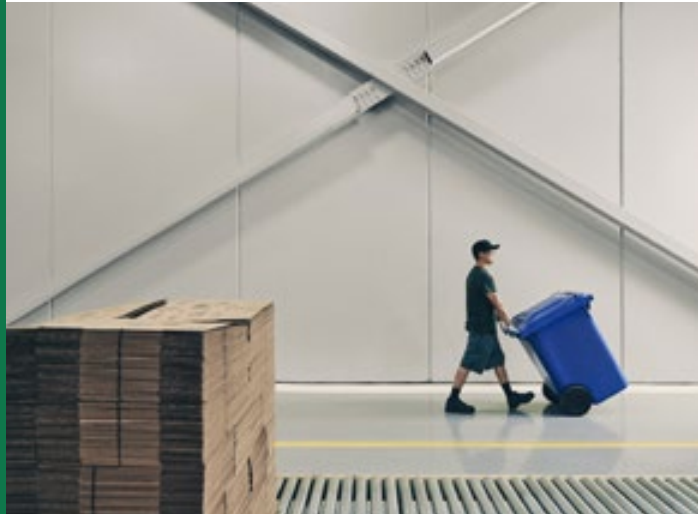
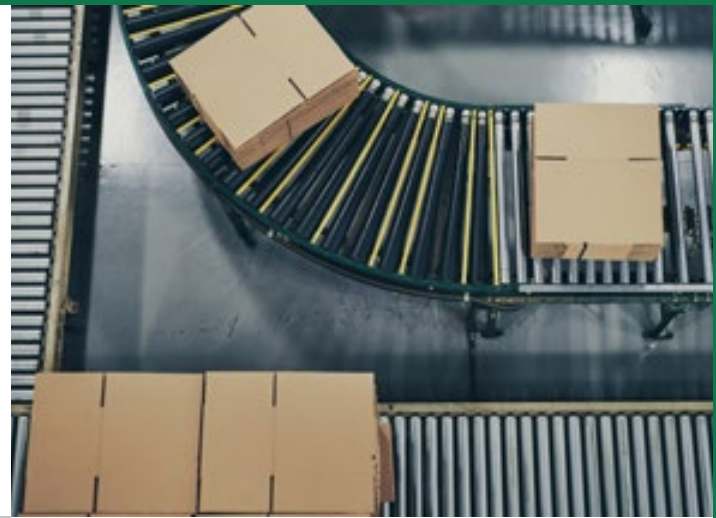
CDP

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 order to respond to requests from our stakeholders, you will find our most up-to-date reports below.

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). You will find our 2021 report below.

CDP Forest 2022



CDP Climate Change 2022

SASB 2021



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.

Governance

Disclose the organization governance around climate-related risks and opportunities

1a. Describe the Board's oversight of climate-related risks and opportunities CDP Climate Change 2021: C1.1a, C1.1b

1b. Describe management's role in assessing and managing climate-related risks and opportunities CDP Climate Change 2021: C1.2, C1.2a

Strategy

Disclose 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 CDP Climate Change 2021: C2.3a, C2.4a

2b. Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning CDP Climate Change 2021: C2.3a, C2.4a, C3.3, C3.4

2c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario. CDP Climate Change 2021: C3.2a, C3.3, C3.4, C12.1a

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks

3a. Describe the organization's processes for identifying and assessing climate-related risks. CDP Climate Change 2021: C1.2a, C2.1a, C2.1b, C2.2, C2.2a

3b. Describe the organization's processes for managing climate-related risks CDP Climate Change 2021: C1.2a, C2.2

3c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management CDP Climate Change 2021: C1.2a, C2.1b, C2.2, C2.2a

Metrics & Targets

Disclose the 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 CDP Climate Change 2021: C6, C7, C8, C9

4b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks CDP Climate Change 2021: C6.1, C6.3, C6.5

4c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets CDP Climate Change 2021: C4

Contribution to the
United Nations Sustainable

Deve- lopment 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% (M³/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

Development 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

Development 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



