

F0. Introduction

F0.1

**(F0.1) Give a general description of and introduction to your organization.**

Founded in 1964, Cascades (TSX: CAS) offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs 10,000 women and men across a network of over 90 production units located in North America. Driven by its participative management, half a century of experience in recycling, and continuous research and development efforts, Cascades continues to provide innovative products that customers have come to rely on, while contributing to the well-being of people, communities and the entire planet.

Cascades' business model has significantly evolved over the years. From a manufacturer of primarily paper and cardboard, the Corporation has transformed into the largest collector of recycled fibre in Canada and a North American leader in containerboard packaging, tissue papers as well as food and industrial packaging. In fact, Cascades is an integrated company, both upstream and downstream, and offers its customers a full range of converted products, as well as on-site pick-up of recyclable materials. It is therefore an active participant in creating a circular economy for various types of materials.

Cascades believes that using recycled fibers in its paper production is of vital importance to protect the world's forests and reduce its footprint not only on the forest, but also in terms of the water and the energy the Company's operations use to manufacture products.

F0.2

**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1 2020	December 31 2020

F0.3

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

CAD

F0.4

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Production Processing Manufacturing	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F0.5

**(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

Yes

F0.5a

**(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.**

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Country/geographical area	Cascades' European boxboard operations	Potential for forests-related risk but not evaluated	Throughout the years, Cascades has established joint ventures, made investments in associates and acquired significant participation in subsidiaries in order to increase its vertical integration, enhance customer service and increase efficiency in its marketing and distribution. A 57.95%-owned subsidiary, Reno de Medici S.p.A. (RDM), a European manufacturer of primarily recycled boxboard is among the Corporation's significant participations in subsidiaries and is referred to as the European Boxboard business segment. 79% of the fiber materials used by RDM are recycled and all the facilities are certified according to FSC® and/or PEFC™ standards. Operations and supply chain information for this business segment are not included in this disclosure since this business segment operates independently of Cascades. RDM publishes annually their own Sustainability Report that presents the results achieved in terms of sustainability and responsible management of resources. Detailed information can be found at: <a href="http://rdmgroup.com/sustainability/reporting/">http://rdmgroup.com/sustainability/reporting/</a>
Direct operations	Facility	Containerboard Packaging Bear Island facility in Virginia, USA	No potential	On July 26, 2018, the Containerboard Packaging segment acquired White Birch's Bear Island manufacturing facility in Virginia, USA. Currently, the facility is not in operation, therefore there is no potential for forests-related risk.

**F1. Current state**

**F1.1**

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Timber products**

**Activity**

- Growing/production of raw materials
- Using as input into product manufacturing

**Form of commodity**

- Hardwood logs
- Sawn timber, veneer, chips
- Pulp
- Paper
- Primary packaging
- Secondary packaging
- Tertiary packaging

**Source**

- Smallholders
- Single contracted producer
- Multiple contracted producers
- Trader/broker/commodity market
- Contracted suppliers (processors)
- Contracted suppliers (manufacturers)
- Other, please specify (Public lands (crown lands))

**Country/Area of origin**

- Brazil
- Canada
- Finland
- United States of America

**% of procurement spend**

100%

**Comment**

Cascades' origin stems from the belief that by reusing and transforming recycled material into useful products for companies and people, we could unlock untapped benefits for the Corporation, our employees, our shareholders, the environment and the communities in which we operate. Cascades has stayed true to its roots, making recovered paper, year after year, the biggest component in our operations for all business segments. In practice, this means that 83% of the fibre used to make our products is recycled, thus reducing the pressure on forest resources. Cascades diverted 1.9 M metrics tons of recycled fibres from landfills in 2020. We pride ourselves in being a Canadian leader and among the strongest advocates in the recovered paper business. In terms of raw wood materials, Cascades purchases hardwood logs and wood chips for the mills of Cabano and Trenton. Hardwood logs and wood chips come from public lands, private owners and from the forestlands owned by Cascades. Cascades is committed to sustainable forest management and monitors the origin of wood to ensure its sustainability. All wood raw material is purchase either Forest Stewardship Council® (FSC®) certified or from controlled sources according to FSC Chain of Custody certification system. Cabano and Trenton are set up to consume 60% virgin and 40% recycled fibre. This has been the case when the cost of recycled fibre was high, but consumption was closer to 50/50 in 2020. Market virgin and recycled pulp used for the tissue papers business segment are also materials procured by Cascades, and the Corporation strongly believes that procurement practices must ensure sustainability of the world's forest resources. Therefore, procurement practices for raw wood materials are extended to market pulp. In 2020, 100% of the market pulp purchased by Cascades fulfilled the stringent requirements of the Forest Stewardship Council standards. Given the diversity of Cascades' business segments, most of Cascades procurement of parents rolls and packaging material is "in-house". In addition, we source externally materials made of fiber like packaging materials and parent rolls. Our procurement policy is applicable to all suppliers of these materials and we plan to reach 100% of FSC content by 2025 and increase the FSC Mix portion as well.

**F1.2**

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	91-99%	In the Specialty Products segment, there are 4 facilities that don't rely on recycled fiber or virgin fiber for their operations. • Plastiques Cascades (Recycled plastic) • Cascades Plastics (Recycled plastic) • Cascades Inopak (Recycled plastic) • Cascades Flexible Packaging. These facilities manufacture plastic packaging products. Raw materials for these facilities include recycled plastic, plastic resin and plastic additives. In the Tissue papers segment, only one facility doesn't rely on recycled fiber or virgin fiber for their operations. • Cascades Groupe Tissu - IFC Disposables This facility manufactures specialized disposables wipes. Raw materials for this production include various substrates made from synthetic and natural fibres. All other operations rely on recycled fiber or virgin fiber for their operations.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F1.3**

**(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).**

**Forest risk commodity**

Timber products

**Type of control**

Own land

**Country/Area**

Canada

**Land type**

Other, please specify (Natural forests and tree plantations)

**Area (Hectares)**

10000

**% Area certified**

100

**Certification scheme**

FSC Forest Management Group certification

**Conversion of natural ecosystems during the reporting year**

No

**Area converted during the reporting year (hectares)**

<Not Applicable>

**% covered by natural forests**

<Not Applicable>

**Please explain**

Cascades Containerboard Packaging - Cabano (CCP-Cabano) owns 10,000 hectares of forest in the Bas St-Laurent region, Quebec, Canada. The asset comprises of natural forest lands, poplar plantations and softwood plantations. These forestlands are certified under the FSC Forest Management Group certification of the Fédération des groupements forestiers du Bas-Saint-Laurent (Certificate Code: NC-FM/COC-005023). Only hardwood species are used to produce our disclosed commodities.

**F1.4**

**(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.**

**F1.5**

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

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**(F1.5a) Disclose your production and/or consumption data.**

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Volume**

2186189

**Metric**

Metric tons

**Data coverage**

Full commodity production/consumption

**Please explain**

<Not Applicable>

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Volume**

1948178

**Metric**

Metric tons

**Data coverage**

Full commodity production/consumption

**Please explain**

<Not Applicable>

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**F1.5b**

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**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Timber products

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Bahia - Espírito Santo - Maranhão - Mato Grosso do Sul - Minas Gerais - Pará - Piauí - Rio Grande do Sul - São Paulo - Tocantins)

**% of total production/consumption volume**

3

**Please explain**

A portion of Cascades pulpwood supply originates from Brazil and accounts for approximately 3% of total consumption. In forest risk countries, our procurement strategy consists of purchasing all pulpwood FSC-certified. This strategy helps to ensure the sustainability of our supply chain. Regardless of whether country the pulpwood comes from, origin of wood is known since our FSC chain of custody management systems enable us to monitor the origin of the pulpwood purchased. In terms of traceability for Brazil, Cascades maintains a list of state or equivalent jurisdiction that covers our wood basket in that country (see list above).

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

97

**Please explain**

The vast majority of fiber used by Cascades is sourced within Canada and the United States. Fiber sources that can originate from these countries include recycled fibres, logs, wood chips, recycled pulp, virgin pulp, packaging materials and parent rolls. This volume accounts for approximately 97% of total consumption. A small portion of the paperboard and pulp purchased by Cascades originates from Finland and Sweden. This volume account for less than 1% of total production/consumption.

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**F1.6**

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

**F2. Procedures**

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**F2.1**

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**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

**F2.1a**

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**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Timber products**

**Value chain stage**

Direct operations  
Supply chain  
Other parts of the value chain

**Coverage**

Full

**Risk assessment procedure**

Assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods  
External consultants  
Global Forest Watch Pro  
NEPCon Sourcing Hub  
National specific tools and databases  
Other, please specify (EcoVadis; Transparency International - Corruption Perceptions Index )

**Please explain**

Cascades has carried out a Controlled Wood Risk Assessments that follows the FSC National Risk Assessment for Canada and for the conterminous United States of America. This risk analysis covers the supply regions for logs and wood chips. The analysis assesses the risk of sourcing wood and fiber from the following unacceptable categories: • Illegally harvested forests; • Forests harvested in violation of traditional and civil rights; • Forests in which high conservation values are threatened; • Forests that are being converted to plantations or non-forest use; or • Forests in which genetically modified trees are planted. Cascades has established, implemented, and maintained a due diligence system (DDS) as an operational tool to ensure the origin of wood (logs and chips) is from sustainable sources. The risk analysis and DDS are reviewed annually by our virgin wood mills (Cabano and Trenton) and audited annually by NEPCon, an independent third-party. Cascades due diligence systems includes a complaint procedure to ensure that the Corporation addresses any complaint, concerns, or comments from external parties (e.g. Indigenous Peoples, stakeholders, interested parties, etc.) in a timely manner. Several other credible assessments are also used for assessing forests-related risks for Cascades fiber supply: • Global Forest Watch • Transparency International- Corruption Perceptions Index • NEPCon Sourcing Hub The Environmental Department of Cascades has a dedicated advisor to support the forest scheme activities and initiatives. Its role is to oversee the day-to-day activities related to forest certification and ensure that the Corporation meets all the certification requirements to remain certified. Its work also includes supporting fibre purchases to ensure continuous improvement of the fibre supply chain, identify barriers, implement corrective action plans and collaborate with forest consultants to improve the sustainability of our supply chain. Forests-related risks associated to our supply chain are equally assessed via EcoVadis. Ecovadis provides reliable corporate social responsibility scores across 21 indicators, within four categories, including Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

**F2.1b**

**(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?**

**Availability of forest risk commodities**

**Relevance & inclusion**

Relevant, always included

**Please explain**

Fiber procurement is always subject to risks related to availability of quality raw materials and is among the most important risk identified for our business. Cascades implements several strategies to mitigate the supply-related risks and the supply chain risk management is continuously monitored and adapted to counter new realities and emerging risks. To counter sudden pressures on the availability of raw materials, Cascades has built a procurement contingency plan. Throughout the years, strong relationships have been established with business partners that are dispersed in different geographical areas. In the event that a supplier's operations are halted, we therefore have alternative sources for our raw materials. Cascades has also increased the number of business partners to diversify risks and ensure business continuity. We believe that sharing risk awareness is an efficient way to prevent supply chain risks. Therefore, we value open, honest and on-going dialogues with our business partners. All operations (new and existing) are included in our supply chain risk management to identify, assess, and mitigate supply-related risks. Another approach for addressing supply related risks has consisted of making important investments in technologies that provide inventory visibility across the distribution network. Cascades has also added several strategic distribution centres to its network. These investments have allowed us to develop agility within our production and distribution networks. Also, having inventory data readily available allows us to better respond and predict supply chain issues. We take active part in discussion and activities organized with Canadian and American pulp and paper associations. We subscribe to Fastmarkets RISI and are a member of the Institute of Scrap Recycling Industries (ISRI). Our participation in these roundtables and activities enable us to be aware of trends and to consider potential future issues. Finally, for supply-related risk, we draw on the experience gained by being in the business of the pulp and paper industry for more than 55 years to continuously develop our resilience. On a monthly basis, supply-related risks and opportunities are communicated with the Board of Directors.

## Quality of forest risk commodities

### Relevance & inclusion

Relevant, always included

### Please explain

Cascades relies on the quality of forest commodities, and failure to comply with regulatory standards would have a significant impact on the quality of our products. Thus, product quality risk, that is an inherent part of the supply chain risk management, is closely monitored to avoid/minimise its impact. Fiber and timber commodities, a major constituent of our products, are carefully followed by Cascades Recovery group: from sourcing with various suppliers to continuous improving the quality of each load. Furthermore, Cascades deploys constant efforts and resources to develop and use alternative source of fibers to prevent supply chain disruptions, cost variations & loss of product quality. Additives are the second most important group of our products' constituents. The Cascades R&D centre is responsible for the selection and proper uses of these additives, via pilot tests and on-site trials, to ensure compliance to industry standards. Cascades takes pride in having the largest private research center in North America, Cascades' Research & Development (R&D) Center. This technical hub is providing expertise on matters related to pulp and paper, process chemistry, material imaging and the physics of materials to all of our more than 90 sites and business partners. Incoming raw materials quality monitoring is also carried out by each site to ensure it meets the rigorous standards and internal requirements. Cascades sites follow requirements and good manufacturing practices recommended from various notable organisation in our industry: Recycled Paperboard Technical Association/RPTA, Technical Association of the Pulp and Paper Industry/TAPPI, Forest Stewardship Council/FSC, FDA/US, Health Canada and others. Standard operational procedures and quality controls are in place to follow the integrity of our processes and products, from the raw material selection to the final goods manufactured & delivered to our customers.

## Impact of activity on the status of ecosystems and habitats

### Relevance & inclusion

Relevant, always included

### Please explain

Forests are the habitat of 80% of land animals and plants. Over-exploitation or mismanagement of our forests associated with some pulp and paper operations threatens the integrity of forest ecosystems and leads to habitat loss. We recognize the importance of habitat and ecosystem conservation and support it through our sourcing practices, performances, and communication. Our main strategy when it comes to reducing the impact of our sourcing activities consists of manufacturing products that are made from as much recycled content as possible. For 2020, 83% of the fiber materials used was sourced from recycled fibers, thus reducing the pressure of forest resources and subsequently ecosystems and habitats. The remaining of our inputs are virgin raw material. All virgin raw materials are purchase either FSC certified or from controlled sources according to FSC Chain of Custody certification system. By 2030 we plan to double our FSC Mix certification supply to go even further into the protection of biodiversity. This allows Cascades to have assurance that the virgin fibre we source meets some of the highest environmental standards which implies preserving the biodiversity, productivity, and ecological balances of the forest. Cascades has been proactive in protecting biodiversity through its Sustainable Procurement Practice. Among the general principles that define our vision of sustainable procurement and lay the foundations for its expectations of each supplier "respect for the environment through conserving biodiversity" is one of the core principles. Furthermore, we strive to design our facilities and conduct our operations to avoid adverse impacts to the environment and to operate in an environmentally sound manner. Finally, we undertake activities to raise internal and external awareness of the importance of conserving biodiversity and ways the company is addressing it. The Corporation's partnership with the David Suzuki Foundation and their Butterflyway Project is an example, each year employees are trained and implement initiatives to protect and develop biodiversity on different sites.

## Regulation

### Relevance & inclusion

Relevant, always included

### Please explain

Compliance with the social, environmental, and economic legislation is one of the 8 principles stated in Cascades' Sustainable Procurement Practice and compliance with timber legality legislation is no exception. Timber legislative monitoring at Cascades is ensured by the Environment Department. The department monitors changes or developments in legal texts and regulations that may affect the business activities and to ensure compliance with all applicable trade and customs laws when importing or exporting FSC products. Cascades has committed to collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. In addition, several other credible assessments are also used for identifying timber legislation risks for Cascades fiber supply: • FSC National Risk Assessment for Canada: Cascades uses the FSC NRA for Canada to assess risk of illegally harvested wood • FSC US Controlled Wood National Risk Assessment: Cascades uses the FSC US NRA to assess risk of illegally harvested wood • NEPCon Sourcing Hub: NEPCon has developed many risk assessments for timber and agro-commodities. Cascades refers to timber risk assessment produced by NEPCon to identify timber legislative risk in our supply chain and implement control measures.

## Climate change

### Relevance & inclusion

Relevant, always included

### Please explain

Climate change risks concern several aspects of our business. Cascades operates plants and delivers products to clients in locations that may be subject to climate stress events such as sea-level rise and increased storm frequency or intensity. The occurrence of one or more natural disasters could cause considerable damage to our buildings, disrupt operations, increase operating costs such as freight and energy and have a negative impact on sales. Concerns over climate change may result in new or increased regional, federal and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases, or to limit or impose additional costs on commercial water use due to local water scarcity concerns. Paper production is energy-intensive and contributes to the emission of greenhouse gases, one of the main causes of climate change. A second-leading cause of climate change is deforestation. Unsustainable forest practices associated with pulp and paper operations contribute to deforestation. Our reputation could be damaged if we do not act, or are perceived not to act, responsibly with respect to our impacts on climate change. Cascades understands the role it must play to tackle climate change challenges and works actively to mitigate impacts related to our operations. Our main strategy consists of manufacturing products that are made from as much recycled content to reduce pressure on forest resources. For 2020, 83% of the fiber material used was recycled. With the balance being virgin raw material, sustainable sourcing is essential. Cascades monitors the origin of virgin raw materials to ensure its sustainability. All virgin raw materials purchased are either FSC certified or from controlled sources. To identify risks associated with our value chain emissions and identify reduction opportunities, Cascades' Energy Team has been tracking its Scope 1 and Scope 2 GHG emissions since 2010 and Scope 3 emissions have been calculated since 2018. Over the last few decades, Cascades has converted its steam boilers from heavy oil to natural gas systems. These investments, combined with years of work to improve energy efficiency, have enabled us to cut our GHG emissions in half since 1990. We also developed 3 targets on GHG emissions reduction using the Science Based Target initiative (SBTi) approach. Those targets are being reviewed by SBTi.

## Impact on water security

### Relevance & inclusion

Relevant, always included

### Please explain

In the paper industry, water is essential for processing and transforming fibres and other raw materials. It is also used in related activities such as washing, cooling and the production of steam energy. The increasing frequency of water-related events like droughts and floods, the growing attention on water scarcity and water pollution has prompted us to better understand the potential impact of water risks on our activities. Water issues can represent material, physical, regulatory and reputational risks and are integrated in our assessment of business risks. To offset water risks identified, Cascades undertakes the following measures : • We strive to maximize recycled fiber to meet the majority of our needs. Producing paper from recycled fibre requires less water than processes involving the transformation of wood into wood fibre, thereby reducing pressure on water resources. • Cascades gathers and monitors information related to water usage, water discharges and regulatory compliance. This data allow us to establish proactive water management strategies and identify operations/locations that are exposed to greater risk. • For our direct operations, we have set an ambitious goal in our Sustainable Development Plan to reduce the amount of waste water by 15% by 2025. • Respect for the environment through reducing water is one of the core principles of Cascades' Sustainable Procurement Practice. Water related risks associated with our supply chain are assessed via EcoVadis. Ecovadis provides reliable corporate social responsibility scores across 21 indicators, within four categories, including Environment, Labor and Human Rights, Ethics and Sustainable Procurement. The platform allows Cascades to build improvement plans online, complete corrective actions with our business partners and receive feedback from our suppliers. Furthermore, water risks in our supply chain are addressed by giving priority to fibre suppliers certified by the Forest Stewardship Council. With its ecosystem approach, FSC-certified forests contribute to efficient and sustainable water use, integrated water resource management, and protection of water-related ecosystems. • Water risks are integrated in individual facility budgets, financial projections, business scenarios, project proposals, etc.

## Tariffs or price increases

### Relevance & inclusion

Relevant, always included

### Please explain

The markets for some of the Corporation's products, particularly containerboard and boxboard, are cyclical. As a result, prices for these types of products and for its two principal raw materials, recycled paper and virgin fibre, have fluctuated significantly in the past and will likely continue to fluctuate significantly in the future, principally due to market imbalances between supply and demand. The costs of these raw materials present a potential risk to the Corporation's profit margins if it is unable to pass along price increases to its customers on a timely basis. Although changes in the price of recycled fibre generally correlate with changes in the price of products made from recycled paper, this may not always be the case. If Cascades were unable to implement increases in the selling prices for its products to compensate for increases in the price of recycled or virgin fibre, the Corporation's profitability and cash flows would be adversely affected. To mitigate price risk, our strategies include the use of various derivative financial instrument transactions, which establishes the price for notional quantities of old corrugated containers, internal quarterly reviews to assess price risks of raw materials, price monitoring via several price indexes (RISI, PIX, TTO) and developing trusting long-term relationships with suppliers.

## Loss of markets

### Relevance & inclusion

Relevant, always included

### Please explain

The markets for the Corporation's products are highly competitive. In some of the markets in which Cascades competes, such as tissue papers, it competes with a small number of other producers. In some businesses, such as the containerboard industry, competition tends to be global. Cascades also faces competition from alternative packaging materials, such as plastic and Styrofoam and new technologies such as hand-dryer technology. Competition in the Corporation's markets is primarily based on price, as well as customer service and the quality, breadth and performance characteristics of its products. The Corporation's ability to compete successfully depends on a variety of factors, including: • its ability to maintain high plant efficiency, operating rates and lower manufacturing costs • its ability to offer green and innovative value-added products • the availability, quality and cost of raw material, particularly recycled and virgin fibre, as well as labour • the cost of energy. Some of the Corporation's competitors may, at times, have lower fibre, energy and labour costs, and less restrictive environmental and governmental regulations to comply with than Cascades. For example, fully integrated manufacturers, or those whose requirements for pulp or other fibre are met fully from their internal sources, may have some competitive advantages over manufacturers that are not fully integrated, such as Cascades, in periods of relatively high raw material pricing. In contrast, competitors that are less integrated than Cascades may have cost advantages in periods of relatively low pulp or fibre prices because they may be able to purchase pulp or fibre at prices lower than the costs the Corporation incurs in the production process. Other competitors may be larger in size or scope than Cascades, which may allow them to achieve greater economies of scale on a global basis or to better withstand periods of declining prices and adverse operating conditions. In addition, there has been an increasing trend among the Corporation's customers towards consolidation. With fewer customers in the market for the Corporation's products, the strength of its negotiating position with these customers could be weakened. To mitigate competition risk, Cascades' targets are to offer quality products that meet customers' needs at competitive prices and to provide good customer service.

## Leakage markets

### Relevance & inclusion

Relevant, always included

### Please explain

To prevent and mitigate this risk through our supply chain and suppliers we are using 3rd parties' experts, which are the Forest Stewardship Council and EcoVadis. Ecovadis provides reliable corporate social responsibility scores across 21 indicators, within four categories, including Environment, Labor and Human Rights, Ethics and Sustainable Procurement. The platform allows Cascades to build improvement plans online, complete corrective actions with our business partners and receive feedback from our suppliers. Regarding our own products sold, the vast majority of them are recyclable and we plan to reach 100% of packaging we manufacture and sell to be recyclable, compostable or reusable by 2030. We are also active on educating our stakeholders to the recycling rules. As a major player in recovery and recycling, Cascades wants to ensure that all the packaging it manufactures is designed to be easily recovered, recycled, composted or reused at its end of life. We are joining a growing number of companies that have publicly committed to guaranteeing responsible end-of-life management of the packaging they offer in the market. Over the next few years, our teams will focus on improving products that pose challenges at the sorting or recycling stages, and on developing innovative solutions.



## Brand damage related to forest risk commodities

### Relevance & inclusion

Relevant, always included

### Please explain

Reputation risk is a top strategic business risk for Cascades. In 2020, the Corporation was named amongst the 100 Most Sustainable Corporations in the World according to Corporate Knights, ranking 17th, and has been recognized as the most responsible brand and organization, as measured by the Baromètre de la consommation responsable, for the 10th year in a row. Cascades has built a solid track record in terms of sustainability. Issues related to forest risk commodities could damage our reputation or brand image and affect our business, financial condition or results of our operations. To mitigate brand damage related risks, our strategies include transparency in our supply chain, sustainability performance, supplier assessments, implementation of corrective action plans, request for FSC certifications, sustainability development plan, quarterly monitoring of our KPIs, sustainable procurement policy, human rights commitment, etc. Dialogue with our stakeholders (including NGOs, suppliers, partners and the communities in which it operates. Since then, the Corporation has updated the Code when significant legislative, regulatory, or corporate policies or practices have dictated. The current 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. Preserving and enhancing Cascades' reputation requires a constant daily commitment from each employee to promote the highest principles of integrity and ethical behaviour. Since 2004, several policies have been adopted by Cascades to support the Code such as an Anti-Bribery and Anti-Corruption Policy and an Anti-Fraud Policy. We also have a third-party confidential ethics telephone line and a secure website Clearview Connects to report any violation or breach of the Code. Suppliers must also demonstrate ethical business practices as required in our Sustainable Procurement Practice. Corruption related risks associated with our supply chain are assessed via EcoVadis. Ecovadis provides reliable corporate social responsibility scores across 21 indicators, within four categories, including Environment, Labour and Human Rights, Ethics and Sustainable Procurement. More specific to corruption risks linked to forest commodities, several credible assessments are used to identify risks for Cascades' fiber supply: • FSC National Risk Assessment for Canada: Cascades uses the FSC NRA for Canada to assess risk of illegally harvested wood • FSC US Controlled Wood National Risk Assessment: Cascades uses the FSC US NRA to assess risk of illegally harvested wood • Transparency International (<https://www.transparency.org/en/cpi/2020/results>): This Corruption Perceptions Index is used to gain a general overview of corruption levels of our timber supply chain.

## Corruption

### Relevance & inclusion

Relevant, always included

### Please explain

With several thousand employees and more than 90 business units throughout the world, Cascades operates in a complex and rapid-paced commercial environment where we are called upon to make quick and informed decisions in a manner consistent with our values. In 2004, Cascades published the first version of its Code of Ethics and Business Conduct (the "Code"). The Code sets out the principles that govern the behaviour of its managers, employees, directors and consultants towards its customers, suppliers, partners and the communities in which it operates. Since then, the Corporation has updated the Code when significant legislative, regulatory, or corporate policies or practices have dictated. The current 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. Preserving and enhancing Cascades' reputation requires a constant daily commitment from each employee to promote the highest principles of integrity and ethical behaviour. Since 2004, several policies have been adopted by Cascades to support the Code such as an Anti-Bribery and Anti-Corruption Policy and an Anti-Fraud Policy. We also have a third-party confidential ethics telephone line and a secure website Clearview Connects to report any violation or breach of the Code. Suppliers must also demonstrate ethical business practices as required in our Sustainable Procurement Practice. Corruption related risks associated with our supply chain are assessed via EcoVadis. Ecovadis provides reliable corporate social responsibility scores across 21 indicators, within four categories, including Environment, Labour and Human Rights, Ethics and Sustainable Procurement. More specific to corruption risks linked to forest commodities, several credible assessments are used to identify risks for Cascades' fiber supply: • FSC National Risk Assessment for Canada: Cascades uses the FSC NRA for Canada to assess risk of illegally harvested wood • FSC US Controlled Wood National Risk Assessment: Cascades uses the FSC US NRA to assess risk of illegally harvested wood • Transparency International (<https://www.transparency.org/en/cpi/2020/results>): This Corruption Perceptions Index is used to gain a general overview of corruption levels of our timber supply chain.

## Social impacts

### Relevance & inclusion

Relevant, always included

### Please explain

Known for their generosity and concern for human welfare, Cascades' cofounders, the Lemaire brothers, made these values a part of the company culture early on. Cascades fully understand that social risks can lead to significant negative consequences to its organization's reputation and operations. Cascades embraces its role as a responsible corporate citizen. Managing social risks is mainly done through corporate social responsibility (CSR) initiatives that include several aspects of our business: • The location of our facilities • Our sourcing decisions • Items we manufacture and market • Business partners with whom we engage • Interactions with our customers • Interactions with local communities • The employment and benefits choices we make Concerned with providing comprehensive and transparent information regarding environmental, social and governance (ESG) matters, Cascades makes additional data available to investors and the public on a larger number of indicators identified by the Sustainability Accounting Standards Board (SASB). Year after year, the company provides donations and sponsorships to various projects and events related to its key sectors. Involved with some 300 organizations, Cascades builds sustainable and innovative partnerships in sustainable development, education and entrepreneurship, as well as in amateur sport and community involvement. Every year, Cascades employees proudly give their time to hundreds of social and environmental causes. These practices are recognized by Cascades' community involvement program, which seeks to enhance the company's positive impact within the communities in which it operates and to encourage volunteerism. Social risks associated with our fiber supply chain are mitigated by requesting the FSC certification for 100% of our raw fiber supplies. This allows Cascades to have assurance that the rights of communities, workers and Indigenous Peoples are prioritised and respected along our supply chain. The external EcoVadis assessment covers social impacts in the labour and human rights section. They analyse policies, actions and results in the areas of employee health and safety, working conditions, social dialogue, career management and training, child labour, forced labour, diversity, discrimination, human trafficking etc. They also report OSHA issues.

## Other, please specify

### Relevance & inclusion

Relevant, always included

### Please explain

Credibility of forest certification schemes: In our globalised world where sustainability has gone mainstream, voluntary programs are used by companies as evidence of sustainability. There are more than 50 certification programs addressing a wide variety of forest types, tenure and management regimes according to the Food and Agriculture Organization (FAO). The growth in the overall number of forest programs can make it difficult for consumers to differentiate the criteria involved in each program. Transparency, independence, science-based and continuous improvement are key principles for a credible and effective forest certification which made the Forest Stewardship Council (FSC) chain of custody certification a logical choice for Cascades. FSC has a high level of acceptance among the scientific community and major environmental NGOs such as WWF and Greenpeace Canada and is the most widely recognized forest certification system worldwide. Cascades participates in projects that provide new scientific evidence of FSC's impacts on forests, allowing it to build and maintain the necessary credibility for this forest program.

## F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

## Customers

### Relevance & inclusion

Relevant, always included

### Please explain

Cascades is a customer-centric organization. Therefore, customers are at the heart of decision-making when it comes to our sustainable fiber sourcing especially since there is an increased focus on environmental sustainability matters, including deforestation, land use, climate impact, water use and recyclability from our customers. We have open and frequent discussions with them, we invite them to visit our facilities, we answer their questionnaires and participate actively in their audits. Transparency is key in our approach. We offer training sessions at their facilities on diverse subjects such as recycling, circular economy, sustainable procurement, environmental benefits of recycled fibers and life-cycle assessments to support our discussions. We also always include our customers in our materiality assessments and regularly ask informally for their inputs on quality, products, labelling etc. Cascades due diligence systems includes a complaint procedure to ensure that the Corporation addresses any complaints, concerns, or comments from customers in a timely manner.

## Employees

### Relevance & inclusion

Relevant, always included

### Please explain

Cascades is often described as a multinational with a human touch. We are recognized as a company that is admired for its style of employee management, which since the company's origins has been based on the values of respect, teamwork, communication, initiative, adaptability, and autonomy. Cascades works to continuously engage its employees in our operations and strategic planning through different methods. • Employees are invited to share environmental and social issues that are the most important to them and provide input on the next steps that the organization should take to fulfill its role as a leading corporate citizen via an anonymous survey. Survey results are used for Cascades' materiality assessment. The performance targets and indicators that we include in our Sustainable Development Plan reflect the outcomes of our materiality process. Fibre sourcing and sustainable forestry were topics covered in the Sustainable Development Plan 2021–2025 Survey, ranked the highest and are integrated KPIs. • Every two years, Cascades employees are asked to complete the Engagement Survey (Kincentric). This exercise measures employees' level of commitment, their opinion of the company and their appreciation of their work environment. The exercise identifies avenues for improvement and builds on our strengths in order to provide an engaging work environment for everyone. • Waste management is at the heart of Cascades' business model and our employees are very passionate about reducing, reusing and recycling. Cascades has a recycling program which allows the Company to evaluate the performance of business units with an overall score based on management practices (60%) and the effectiveness of their waste management system (40%). Not only does this program make it possible to establish Cascades' internal standards related to waste management, but also to encourage employee awareness of their role in waste management and reducing the pressure on forest resources. • The Sustainability department and the Environmental department provide training sessions on sustainability and FSC requirements for sales, marketing, procurement teams and employees in the production facilities. These training sessions are good opportunities for the Sustainability Team and Environmental Team to solicit comments and feedback from employees on forests-related risks.

## Investors

### Relevance & inclusion

Relevant, always included

### Please explain

Cascades is serious about its role as a responsible corporate citizen and bases its approach on concerted, rigorous practices. The Corporation greatly values its investors' opinions in establishing the priorities for fiber sourcing especially since there is an increased focus on environmental sustainability matters, including deforestation, land use, climate impact, water use and recyclability. In the interests of transparency and of meeting any concerns related to forest-risk commodities, Cascades engages in several initiatives to foster more transparency such as CDP, Sustainalytics, Vigeo and makes additional data available to investors and the public on a larger number of indicators identified by the Sustainability Accounting Standards Board (SASB). Additional information about the organization is made available in the Corporation's "Investor Kit". Finally, Cascades has developed a Complaints and Comments Procedure. This procedure allows third parties to raise environmental and/or social concerns involving wood raw material in our supply chain.

## Local communities

### Relevance & inclusion

Relevant, always included

### Please explain

In keeping with its human values, Cascades cares about the well-being of the communities where it operates. Community stakeholders are invited to share environmental and social issues that are the most important to them and provide input on the next steps that the organization should take to fulfill its role as a leading corporate citizen via an anonymous survey. Survey results are used for Cascades' materiality assessment. The performance targets and indicators that we include in our Sustainable Development Plan reflect the outcomes of our materiality process. Fibre sourcing and sustainable forestry were topics covered in the Sustainable Development Plan 2021–2025 Survey, ranked the highest and are integrated KPIs. Cascades prides itself in being a Canadian leader and among the strongest advocates in the recovered paper business. These values are reflected in our relationships and interactions with local communities. For example, Cascades has partnered with the Fondation Monique Fitz-Back and EcoSchools to help promote best practices for reducing, reusing, and recycling in local schools, youth groups and communities. To allow communities to learn about the basics of recycling, paper manufacturing, plastic and to gain insights from Cascades, the Corporation organizes Open-Day events at our different mills and converting plants. Finally, Cascades has developed a Complaints and Comments Procedure. This procedure allows community stakeholders to raise environmental and/or social concerns involving wood raw material in our supply chain and ensure that Cascades addresses any concerns in a timely manner.

## NGOs

### Relevance & inclusion

Relevant, always included

### Please explain

Cascades has been honouring several long-term partnerships with NGOs and ENGOs such as the David Suzuki Foundation, GrandTrees, EcoSchool and the Monique-Fitz-Back Foundation. The success of these partnerships is the result of shared goals and effective communication. Cascades relies on these partnerships to improve its understanding of social and environmental issues. These stakeholders are included in our organization's forests-related risk assessments. NGOs and ENGOs are invited to share environmental and social issues that are the most important to them and provide input on the next steps that the organization should take to fulfill its role as a leading corporate citizen via an anonymous survey. Survey results are used for Cascades' materiality assessment. The performance targets and indicators that we include in our Sustainable Development Plan reflect the outcomes of our materiality process. Fibre sourcing and sustainable forestry were topics covered in the Sustainable Development Plan 2021–2025 Survey, ranked the highest and are integrated KPIs.

### Other forest risk commodity users/producers at a local level

#### Relevance & inclusion

Relevant, always included

#### Please explain

Aboriginal communities are forest risk commodity users/producers at a local level that are considered in Cascades' forests-related risk assessments. Through FSC, Cascades ensures that legal and/or customary rights related to forest management activities of indigenous communities in our supply area are being recognized and upheld. Any conflicts of substantial magnitude pertaining to the rights of Indigenous Peoples as a result of forest management activities could lead to significant negative consequences to Cascades' reputation and operations. The Environmental department carries out permanent informational monitoring activities linked to opposition to the exploitation of forest resources in our supply area of raw wood materials by Indigenous Peoples with legal and/or customary rights. Monitoring activities support our forest management and procurement practices. Cascades also has developed a Complaints and Comments Procedure. This procedure allows Indigenous governments and communities to raise environmental and/or social concerns involving wood raw material in our supply chain and ensure that Cascades addresses any concerns in a timely manner.

### Regulators

#### Relevance & inclusion

Relevant, always included

#### Please explain

Regulators are considered in our forest-related risk assessments as amendments to, or more stringent implementation of, current laws and regulations governing the Corporation's operations could have a material adverse effect on its business, operating results or financial position. In terms of forests-related risks, introduction of carbon taxes or zero net deforestation requirements for example, would impact our business activities. The Corporation's failure to comply with applicable environmental laws, regulations or permit requirements may result in civil or criminal fines, penalties, or enforcement actions that may have possible consequences on our corporate reputation. Cascades conducts its activities on an international level and is subject to various laws and regulations. Compliance with laws and regulations is an essential part of Cascades business operations. Cascades cooperates and engages with regulators for the development of proposed legislation and regulation which may affect our business interests.

### Suppliers

#### Relevance & inclusion

Relevant, always included

#### Please explain

Through personalized and mutually beneficial partnerships, we rely on the support of our suppliers to continuously create value for our customers. These stakeholders are included in our organization's forests-related risk assessments. Suppliers are invited to share environmental and social issues that are the most important to them and provide input on the next steps that the organization should take to fulfil its role as a leading corporate citizen via an anonymous survey. Survey results are used for Cascades' materiality assessment. The performance targets and indicators that we include in our Sustainable Development Plan reflect the outcomes of our materiality process. Fibre sourcing and sustainable forestry were topics covered in the Sustainable Development Plan 2021–2025 Survey, ranked the highest and are integrated KPIs. Survey. In 2012, Cascades retained EcoVadis, a firm specializing in assessing supplier practices for its Sustainable Procurement Program. This process enables us to ensure that we work with organizations that share our values. We rely on EcoVadis' CSR expertise to produce ratings and detailed scorecards that make it easier for Cascades and its suppliers to understand the suppliers' performance, and to work together in the event any improvements are needed. This program allows us to identify forests-related risks and opportunities for improvement in our supply chain.

### Other stakeholders, please specify

#### Relevance & inclusion

Relevant, always included

#### Please explain

PULP AND PAPER ASSOCIATIONS – Pulp and paper associations such as the PPEC (Paper & Paperboard Packaging Environmental Council), the FPAC (Forest Products Association of Canada), the CIFQ (Conseil de l'industrie forestière du Québec), the Fiber Box Association, and the CCCA (Canadian Corrugated and Containerboard Association) are all part of our materiality assessments and are punctually and/or regularly consulted..

## F3. Risks and opportunities

### F3.1

#### (F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

At Cascades, risks with substantive impacts are defined thanks to Cascades' internal rating system. High levels of financial impacts in this internal rating system, for example, will lead to a specific risk being identified as substantive.

Substantive financial or strategic impacts are assessed through an Enterprise Risk Management (ERM) process. This evaluation is performed in its extended version once a year in collaboration with our Corporate Director, Internal Audits and our Management Committee. Cascades' Chief Financial Officer (CFO) & President/CEO are responsible for reviewing this in-depth annual ERM assessment. Twice a year, this risk grid is also revised and examined by the Management Committee to track and integrate any potential changes. Finally, on a quarterly basis, Cascades' Chief Financial Officer (CFO) & President/CEO receive an update on High and Medium risks from our Corporate Director, Internal Audits, to allow a review of their relevance and integrate any new changes. Cascades' Corporate Director, Internal Audits also presents the full version of the ERM grid once a year to the company's Board members represented on the Board's Audit Committee. At each quarterly Audit Committee meeting, an update of the grid is also presented.

Cascades' Enterprise Risk Management (ERM) matrix comprises three main dimensions: inherent risk (risks before control, coming from the environment), likelihood of occurrence and financial impact. The matrix therefore consists of a mix of quantitative and qualitative criteria. Each dimension has three or four levels of importance: low, medium, high or extraordinary. Each dimension's importance in a final risk's score is weighted per its relevance for Cascades' Management Team. The final score obtained by this process informs the action plan to address the evaluated risk (e.g. whether a formal action plan is needed or whether it should be simply monitored by the Management Team).

Two main environmental risks are currently assessed by Cascades' ERM process: the risk linked to internal inadequate environmental practices and the risk of the inability to follow stakeholder expectations. Both risks include greenhouse gas emissions, water, energy and fiber consumption, and internal or business partners harmful practices.

**F3.1b**

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**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Forest risk commodity**

Timber products

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Uncertainty about product origin and/or legality

**Primary potential impact**

Constraint to growth

**Company-specific description**

Fiber procurement is always subject to risks related to availability of quality raw materials and is among the most important risks identified for our business. Cascades implements several strategies to mitigate the supply-related risks and supply chain risk management is continuously monitored and adapted to address new realities and emerging risks. To counter sudden pressures on the availability of raw materials, Cascades has built a procurement contingency plan.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial**

Virgin fibers are not our main raw material but the risk still exists. We take steps to mitigate it, so the financial risk exposure is deemed to be average.

**Primary response to risk**

More ambitious forest-related commitments

**Description of response**

Cascades manages its fiber risks by adapting its recipes and applying a market watch on chips, pulp and recycle fiber. We have one person dedicated to purchasing pulp and she advises Cascades on the trends, availability, and suspect sourcing so that the company can adapt sourcing accordingly. We also reduce risk by sourcing only sustainable fiber as described in our sustainable procurement policy. This document indicates that fiber sourcing is from sustainable suppliers with a preference for FSC-certified fiber. More information can be found in section F2.1b.

**Cost of response**

0

**Explanation of cost of response**

Risk management is part of the buyer's day-to-day activity and responsibility. We also have several subscriptions to different indexes and require participation in regular training.

**F3.2**

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.2a**

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

**Forest risk commodity**

Timber products

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation  
Supply chain  
Other parts of the value chain

**Primary forests-related opportunity**

Expansion into new markets

**Company-specific description & strategy to realize opportunity**

Forests play a vital role in fighting climate change, deforestation is a recurring topic in the news, awareness is increasing about the impact we have on forests. Cascades was started by manufacturing paper out of recycled fibers and we strongly believe that what we do reduces the impact on forests. As awareness rises, we think that more and more demand will be directed toward requiring that more sustainable materials, such as recycled fibers, be used in products. We therefore think that using more than 80% of recycled fibers in our products will allow us to reach new markets, which are increasingly becoming aware of forest risks and climate change risks.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Most of our customers are retailers, distributors, and manufacturers. The end user consumer is asking for more and more information and transparency. The impact will be cascaded to us but is difficult to quantify the financial opportunity.

**F4. Governance**

**F4.1**

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

**F4.1a**

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual	Please explain
Board-level committee	The Health and Safety, Environment and Sustainable Development Committee. The Committee currently consists of five directors, four of which are independent and one non-independent. They are appointed by the Board on the recommendation of the Governance and Nominating Committee at the first meeting following the annual meeting of shareholders. A member can be dismissed or replaced at any time by the Board. A member ceases to be a member of the Committee when he or she ceases being a Director.
Chief Executive Officer (CEO)	Cascades' Chief Executive Officer (CEO), who is also a director on the Board, is responsible of the performance indicators and targets, including sustainable procurement and paper-related targets and issues. He also approves the company's vision, strategies, objectives and targets. For example, Cascades' CEO is responsible for the sign-off of Cascades' Sustainability Action Plans, including procurement-related targets.
Director on board	Many of Cascades' Directors on the Board constitute the company's Health and Safety, Environment and Sustainable Development Board Committee (the "HSESD Committee"), which periodically reviews the company's sustainable strategies, targets and performance with Cascades' Vice-President, Communications, Public Affairs and Sustainability, along with the Vice-President, Environment. The Chair of the HSESD Committee reports to the entire Board with respect to sustainable procurement issues based on information exchanged with management at the HSESD Committee meetings.

**F4.1b**

**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Other, please specify (Monitoring and overseeing progress against goals and targets for addressing sustainable procurement)	Performance indicators & targets, including forest-related targets are revised quarterly with Cascades' Management Committee.

**F4.2**

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other, please specify (Vice-President Environment)	Both assessing and managing forests-related risks and opportunities	As important matters arise	Potential deforestation and forest degradation as well as conversion and degradation of other natural ecosystem of the Corporation's managed woodlands or in our supply chain are reported to the Vice-President of Environment. The Vice-President of Environment is a member of Cascades Management Committee. Responsibilities include assessing forest related issues, setting the environmental strategic orientations throughout the Corporation which have impacts on purchasing practices and sustainable supply practices and overseeing environmental regulatory compliance and compliance with environmental/forestry certifications requirements. The Vice-President of Environment reports forests-related issues to Cascades' Management Committee as important matters arise.
Chief Sustainability Officer (CSO)	Other, please specify (Manage the elaboration of the Corporation's sustainability vision and action plan, monitor performance indicators & targets, address material issues as they arise and report to Cascades' management and Board of Directors (HSESD committee))	As important matters arise	The Vice-President, Communications, Public Affairs and Sustainability is responsible for the Corporation's internal and external communications and acts as media spokesperson for matters related to potential deforestation and forest degradation as well as conversion and degradation of other natural ecosystems of the Corporation's managed woodlands or in our supply chain.
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	Quarterly	Performance indicators & targets, including forest-related targets are revised quarterly with Cascades' Management Committee

**F4.3**

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	See question F4.3a below.

**F4.3a**

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Operating Officer (COO) Chief Procurement Officer (CPO)	Achievement of commitments and targets	Cascades' Chief Executive Officer (CEO) is responsible of the performance indicators and targets, including sustainable procurement and paper-related targets and issues. Sustainable procurement goals and forest related issues are managed by the Procurement Directors under our 3 Chief Operating Officers and our Chief Procurement Officer, and procurement goals and performance are part of their objectives, as well as each buyers objectives.
Non-monetary reward	Chief Executive Officer (CEO) Chief Operating Officer (COO) Chief Procurement Officer (CPO)	Supply chain engagement	Supply chain engagement is linked to achieving our targets and is supported by the high management.

F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)

Cascades\_Annual\_Report\_2020\_english.pdf

F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

F4.5a

**(F4.5a) Select the options to describe the scope and content of your policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation Recognition of the overall importance of forests and other natural ecosystems	Cascades' sustainable procurement practices have the following provisions: Cascades will continue to promote the use of recycled fibres in the manufacturing of its products, thus reducing the pressure on forest resources. A life cycle assessment sanctioned by the industry shows that purchasing recycled fibres can reduce the global pressure on forest resources and other important natural resources, such as water, as well as the ecological footprint of paper products. Cascades will continue to purchase virgin fibres that come from forests under responsible management, and to communicate with its suppliers with a view to assessing their business practices. Cascades will not purchase fibres that come from old-growth forests, forests in danger, or wooded areas that are home to rare or at-risk species and ecosystems. To do this, priority will be given to fibre suppliers certified by the Forest Stewardship Council. Cascades recognizes this certification as the most comprehensive standard in the industry, and one that is constantly developing and adapting to different socio-economic situations.

F4.5b

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate deforestation Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets	The following goals with indicators can be found in Cascades' sustainable development plan: Eco-designed product : 100% of the packaging we manufacture and sell to be recyclable, compostable or reusable by 2030. Sustainable Procurement : Reach 100% FSC certified fibers and paper purchases. Double our FSC Mix certified fibers and paper purchases. Purchases from suppliers whose practices were evaluated and considered responsible by a third party.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6



**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Yes

Cascades-Sustainability-Action-Plan\_0.pdf

Sustainable-Procurement-Practice-Cascades\_EN.pdf

**F4.6a**

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**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

Other, please specify (FSC Certification)

**F4.6b**

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**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

**Forest risk commodity**

Timber products

**Criteria**

No trade of CITES listed species

No conversion of High Conservation Value areas

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

No sourcing of illegally produced and/or traded forest risk commodities

No sourcing of forest risk commodities from unknown/controversial sources

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

91-99%

**Cutoff date**

Not applicable

**Commitment target date**

No target date

**Please explain**

100% of the virgin pulp, roundwood and chips purchased by Cascades fulfils the stringent requirements of the FSC standards: Forest Stewardship Council –Forest Management Standards, Forest Stewardship Council – Chain of Custody Standard, Forest Stewardship Council – Reclaimed Material Standard and Forest Stewardship Council– Controlled Wood Standard. This procurement practice allows Cascades to answer to the criteria listed below. 1. No trade of CITES listed species " FSC and CITES work from the same starting point: protecting species where necessary and allowing harvesting and trade where this is compatible with sustainable management. FSC supports the implementation of the rules set by CITES. And goes beyond them. Besides the CITES Appendices, additional legal restrictions at the national level, as well as trade within the country, fall inside the scope of the FSC requirements ". Source: [https://fsc.org/sites/default/files/2019-07/FSC-trade-of-endangered-species-publication%20EN%20May%202019\\_0.pdf](https://fsc.org/sites/default/files/2019-07/FSC-trade-of-endangered-species-publication%20EN%20May%202019_0.pdf) 2. Adoption of Free, Prior and Informed Consent "Obtaining the free, prior and informed consent of Aboriginal Peoples before undertaking forestry operations on lands that Aboriginal Peoples rely upon is an important requirement in FSC's Principles and Criteria for Forest Management. FSC is committed to incorporating free, prior and informed consent into certification requirements with the goal of increasing meaningful and tangible benefits to Aboriginal peoples and the forest sector as a whole." Source: <https://ca.fsc.org/en-ca/standards/new-national-forest-management-standard/free-prior-and-informed-consent> 3. No conversion of High Conservation Value areas FSC Principle 9 states that "High Conservation Values must be maintained and/or enhanced the High Conservation Values in the Management Unit through applying the precautionary approach."

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**F5. Business strategy**

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**F5.1**

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**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Two objectives specifically on forest related issues are part of our sustainability action plan: - 100% of the fiber and paper we use is recycled or certified by 2025 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 specific technical needs of customers, we are sometimes forced to use virgin fibre and paper. In such cases, Cascades buys from suppliers with the highest forest management standards. Our virgin fibre and pulp are certified, and we are expanding the scope to include paper rolls we purchase externally to cover all of our fibre and paper inputs. - Double our FSC Mix certified supply by 2025 There are three levels of FSC® certification. FSC® Mix certification guarantees that products come from certified forests whose operations meet the highest environmental, social and economic standards. Cascades would like to work with its supply chain to promote inputs in this category.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Cascades' procurement practice includes the following commitments: Cascades will continue to promote the use of recycled fibres in the manufacture of its products, thus reducing the pressure on forest resources. A life cycle assessment sanctioned by the industry shows that purchasing recycled fibres can reduce the global pressure on forest resources and other important natural resources, such as water, as well as the ecological footprint of paper products. • Cascades will continue to purchase virgin fibres that come from forests under responsible management, and to communicate with its suppliers with a view to assessing their business practices. Cascades will not purchase fibres that come from old growth forests, forests in danger, or wooded areas that are home to rare or at-risk species and ecosystems. To do this, priority will be given to fibre suppliers certified by the FSC. Cascades recognizes this certification as the most comprehensive standard in the industry, and one that is constantly developing and adapting to different socio-economic situations.
Financial planning	Yes, forests-related issues are integrated	5-10	On a quarterly basis, pulp and recycled fibers are evaluated to manage inventories.

**F6. Implementation**

**F6.1**

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

**F6.1a**

**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Timber products

**Type of target**

Engagement with direct suppliers

**Description of target**

60% of Cascades' corporate purchases had to be made from suppliers whose practices were evaluated and considered responsible by a third party (EcoVadis) by 2020. Corporate suppliers include energy, recycled fibers, virgin pulp and goods and services. Regarding virgin fibers solely, we reached 81% of the spend in 2020. The supplier must have an evaluation less than 3 years old and a scoring of more than 37. More information here: [www.ecovadis.com](http://www.ecovadis.com)

**Linked commitment**

Other environmental commitments

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

<Not Applicable>

**Start year**

2016

**Target year**

2020

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

60

**% of target achieved**

100

**Please explain**

The goal of 60% has been reached at the end of 2020. This includes energy, recycled fibers, virgin pulp and goods and services suppliers. Regarding virgin fibers solely, we reached 81% of the spend in 2020.

**F6.2**

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	FSC Chain of Custody	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.2a**

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	100

**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.3a**

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC Chain of Custody

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

100

**Form of commodity**

Hardwood logs

Sawn timber, veneer, chips

Pulp

**Volume of production/ consumption certified**

424565

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

100% of the virgin pulp, roundwood and woodchips purchased by Cascades fulfils the stringent requirements of the Forest Stewardship Council standards: - Forest Stewardship Council –Forest Management Standards - Forest Stewardship Council – Chain of Custody Standard - Forest Stewardship Council– Controlled Wood Standard. The amounts purchased for each FSC product group (FSC 100%, FSC Mix and FSC Controlled Wood) vary according to market conditions and material availability.

**F6.4**

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place, but for other commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.5**

**(F6.5) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.**

	Do you collect data regarding compliance with the Brazilian Forest Code?	Please explain
Timber products	No, we do not collect data	Cascades does not collect data regarding compliance with the Brazilian Forest Code from its pulp suppliers directly. However, Cascades purchases 100% of its Brazilian pulp from planted pulpwood plantations that are FSC-certified. Among other rigorous criteria and sustainability indicators, FSC requires compliance with all applicable federal, state, county, municipal and tribal laws. Therefore, Cascades suppliers must demonstrate compliance during their annual audit with Brazil's Forest Code (Law 12.651 – 2012) that establishes a regulatory framework for land use and environmental conservation on rural properties, with the purpose of protecting native vegetation.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.6**

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.6a**

**(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

**Timber products**

**Procedure to ensure legal compliance**

The International Operations Department at Cascades Canada ULC provides Cascades Group units with all the expertise necessary for the management of customs, international transportation, and immigration. The Department informs, assists and educates the Cascades units so that they can comply with the laws and procedures of governments. They provide training and assistance to employees in each unit to help them better understand the requirements for importing and/or exporting products. The mission of the Department is to maintain and improve upon the strong reputation that the Cascades Group has built among governmental authorities over the years. Regulatory monitoring of forest regulations at Cascades is ensured by the Environment Department. The department monitors changes or developments in legal texts and regulations that may affect the business activities throughout North America and to ensure compliance with all applicable trade and customs laws when importing or exporting FSC products.

**Country/Area of origin**

Brazil

**Law and/or mandatory standard(s)**

USA Lacey Act

Other, please specify (Customs Act ; Plant Protection Act ; Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act ; Third-party certification of sustainability)

**Comment**

Cascades must ensure legal compliance with forest regulations for its facilities in Canada and the United States. Importation of forest products is governed by four main pieces of legislation: - Canadian Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act - Canadian Plant Protection Act - Canadian Customs Act - US Lacey Act To import forest commodities from Brazil, these additional requirements must be met: - Use third-party certification of sustainability - Traceability of their supply chains all the way back to the forest - Provide the scientific names of the species being supplied - Provide the country of origin - Have proper and credible documentation These requirements are met by purchasing FSC certified raw materials.

**F6.7**

**F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	Sources of wood from smallholder wood suppliers represent a small percentage of Cascades' suppliers. No initiatives have been implemented to date.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.8**

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators	41-50%	44% of our suppliers, representing 81% of our total spend (for virgin fibers) are assessed through EcoVadis on social and environmental indicators.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.9**

**(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?**

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	We work with brokers and directly with manufacturers. When working with brokers, we ask them for an evaluation and in collaboration can ask their manufacturers as well.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.10**

**(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in industry platforms

**Initiatives**

<Not Applicable>

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

We take active part in discussion and activities organized with Canadian and American pulp and paper associations. We subscribe to Fastmarkets RISI and are a member of the Institute of Scrap Recycling Industries (ISRI). Our participation in these roundtables and activities enable us to be aware of trends and to consider potential future issues.

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**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with policymakers or governments

**Initiatives**

<Not Applicable>

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

Cascades cooperates and engages with regulators for the development of proposed legislation and regulation which may affect our business interests.

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**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with non-governmental organizations

**Initiatives**

<Not Applicable>

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

Cascades has been honouring several long-term partnerships with NGOs and ENGOs such as the David Suzuki Foundation, GrandTrees, EcoSchool and the Monique-Fitz-Back Foundation. Cascades also participates in projects that provide new scientific evidence of FSC's impacts on forests, allowing it to build and maintain the necessary credibility for this forest program.

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**F6.11**

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**(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

**F6.11a**

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**(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Project reference**

Project 1

**Project type**

Forest ecosystem restoration

**Primary motivation**

Voluntary

**Description of project**

Cascades has been a proud partner of PurNat since 2015 and encourages Cascaders and communities to share with that organization any information regarding illegal landfills. On June 4, 2017, around 20 Cascades employees in Kingsey Falls got their hands dirty in order to clean up a former landfill in Saint-Lucien, a municipality in Centre-du-Québec. In October, another landfill in Boucherville, in Quebec, has been cleaned voluntarily by around 10 Cascades employees. Overall more than 6 tons of

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waste have been removed from nature.

**Start year**

2015

**Target year**

Indefinitely

**Project area to date (Hectares)**

0

**Project area in the target year (Hectares)**

0

**Country/Area**

Canada

**Latitude**

0

**Longitude**

0

**Monitoring frequency**

Every two years

**Measured outcomes to date**

Other, please specify (Waste, including scrap metal, plastic, household waste, tires and other refuse)

**Please explain**

Overall more than 6 tons of waste have been removed from nature.

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**Project reference**

Project 2

**Project type**

Biodiversity offsetting

**Primary motivation**

Voluntary

**Description of project**

Protecting the environment is in Cascades' DNA, which is why its partnership with the David Suzuki Foundation makes sense. The company has been honouring this partnership since 2016 by supporting the Foundation in its mission to protect nature's diversity and the well-being of all life. This is a concrete way of further expanding our civic action and its positive impact on the planet. The specific project mentioned here is regarding the Monarch butterfly. 90% of its population disappeared in the last decades and we are working with the David Suzuki Foundation to protect them by having concrete actions and raising awareness through our employees.

**Start year**

2016

**Target year**

Indefinitely

**Project area to date (Hectares)**

0

**Project area in the target year (Hectares)**

0

**Country/Area**

Canada

**Latitude**

0

**Longitude**

0

**Monitoring frequency**

Annually

**Measured outcomes to date**

Biodiversity

**Please explain**

Several employees are trained each year by the David Suzuki Foundation on Monarch butterflies and then use their knowledge to implant different projects : specific plants planted around our facilities in the Toronto region; gardens have been growned also on several facilities grounds.

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**Project reference**

Project 3

**Project type**

Biodiversity offsetting

**Primary motivation**

Voluntary

**Description of project**

Protecting the biodiversity is key to an healthy environment and we see their decline, even more in urban areas. Bees are responsible for pollinating one third of what we eat, on top of being vital to our ecosystems and biodiversity, which is why their global population decline is so alarming. Our partnership with the company Alvéole is helping



us reintroducing bees in the urban environment. In 2016, beehives have been installed in our facility in Brossard, Québec and in 2019, more have been installed in our recovery facility in Toronto. Our partnership also includes workshops to raise awareness, in addition to have honey produced at our facilities!

**Start year**

2016

**Target year**

Indefinitely

**Project area to date (Hectares)**

0

**Project area in the target year (Hectares)**

0

**Country/Area**

Canada

**Latitude**

0

**Longitude**

0

**Monitoring frequency**

Annually

**Measured outcomes to date**

Biodiversity

**Please explain**

We currently have 6 beehives and plan to implement others in the future.

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## F7. Verification

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### F7.1

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**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

No, but we are actively considering verifying in the next two years

## F8. Barriers and challenges

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### F8.1

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**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Limited availability of certified materials

**Comment**

Cascades encounters challenges from many supply chain disturbances such as raw material shortages, quality of the product, and seasonal demand. Sourcing FSC certified materials which are available in very limited quantities on the market, can add complexity, reduce flexibility and add costs to our supply chain structure.

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**Forest risk commodity**

Timber products

**Coverage**

Direct operations

Supply chain

**Primary barrier/challenge type**

Complexity of certification requirements

**Comment**

The FSC certification is recognized for setting higher standards than any other forest certification program. These stringent standards give users the best assurance that certified forests are being managed responsibly. To that end, FSC is continuously developing, reviewing, and improving their normative documents. Cascades must invest an important amount of time and energy to assess evolving standards and to implement new standard requirements in a timely manner.

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F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Greater supplier awareness/engagement is one the main measures that would improve Cascades' ability to manage its exposure to deforestation and/or conversion of other natural ecosystems since Cascades relies on partnerships established with its suppliers for its certified raw materials.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Main measure

Increased demand for certified products

Comment

As a customer-centric business, Cascades aligns its supply chain and other business processes to better serve and create value for our customers. Therefore, an increase in demand for certified products from our customers justifies the resources needed to meet forest certification requirements.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Vice-President, Communications, Public Affairs and Sustainability	Chief Sustainability Officer (CSO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	

SF0.2

(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Yes

### SF1.1a

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(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

**Requesting member**

Grupo Bimbo, S.A.B. de C.V.

**Forest risk commodity**

Timber products

**Form of commodity**

Secondary packaging

**Third-party certification scheme**

FSC Chain of Custody

**Total volume of commodity sold to member**

2366

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

81-90%

**Comment**

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**Requesting member**

Walmart, Inc.

**Forest risk commodity**

Timber products

**Form of commodity**

Paper

**Third-party certification scheme**

FSC Chain of Custody

**Total volume of commodity sold to member**

119107

**Metric**

Metric tons

**What % of the volume reported in column 5 is certified?**

81-90%

**Comment**

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### SF2.1

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(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

### SF2.2

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(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

### SF3.1

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**(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?**

**Timber products**

**Estimate GHG emissions and removals from land use and land use change**

No, but plan to do so in the next two years

**Please explain**

In comparison with other companies in the pulp & paper market that manage millions of hectares for their production, Cascades' timber asset of 10 000 hectares in the Bas St-Laurent region is very small. Moreover, wood material for the mill's production is sourced through an indirect chain of suppliers. Wood harvested from this area is purchased by sawmills of the region in order to produce different wood products such as graded lumber, pre-cut pallet stock and woodchips. CCP-Cabano purchases woodchips for its paper production from these sawmills. Indirectly, a portion of the timber harvested in Cascades woodlots could be found in the chips that are used in our paper production. For this reason, emissions from forestry activities undertaken on our woodlots are not included in the 2020 CDP climate change disclosure. GHG emissions for woodchips purchases, on the other hand, are accounted for in our annual GHG emissions in scope 3 category 1 "Purchased goods and services". Cascades firmly believes that forests have great potential to limit the harmful consequences of climate change and is evaluating the possibility to include harvesting activities in Cascades' forests in CSR and carbon disclosure reports. With that in mind, Cascades is actively involved in studies that aim to quantify the carbon impacts of FSC-certified forest management. We hope the outcomes of these studies will allow Cascades to quantify and communicate the climate impacts of our forestry practices.

**Submit your response**

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I am submitting to</b>	<b>Public or Non-Public Submission</b>	<b>Are you ready to submit the additional Supply Chain questions?</b>
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

**Please confirm below**

I have read and accept the applicable Terms