



TRANSFORMATIVE GROWTH. SUSTAINABLE INNOVATION.

2020 SUSTAINABILITY REPORT

Kruger Products L.P. (KPLP)'s 2020 Sustainability Report describes its performance and management actions in key areas of environmental, social and economic sustainability. Performance data covered in this report reflects the 2019-20 calendar years and previous calendar years where stated. Data covers all of KPLP's manufacturing operations, which are located in Canada and the United States with the exception of our new plant in Sherbrooke, QC, which successfully completed start up operations in February 2021. Deviations from this boundary are clearly identified and stated within the report, data tables and footnotes. Explanations are provided, where available, for any deviations. Performance data are collected in accordance with relevant laws and regulations or accepted voluntary standards. Where appropriate, we report performance normalized to metric tonnes of production for a given year. All dollar values are expressed in Canadian currency unless otherwise indicated. Our sustainable development program, Sustainability 2020, was launched in 2016 and utilizes calendar year 2009 baseline data.

KPLP's sustainability report is informed by the Global Reporting Initiative's GRI Standard and the United Nation's Sustainable Development Goals (SDGs). We do not currently have a policy to seek external assurance for our report. This report has been reviewed by key KPLP leadership members including the CEO.



ABOUT THIS REPORT



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MESSAGE FROM THE CEO



Sustainability represents our commitment to conducting business in a manner that ensures the long-term prosperity of our people, our communities, our company, and our planet.

Dino Bianco, CEO, Kruger Products L.P.

WELCOME TO OUR 2020 SUSTAINABILITY REPORT

At KPLP, our vision is to be the most trusted, best loved tissue company in North America. Sustainability is intimately tied to this vision. Sustainability represents our commitment to conducting business in a manner that ensures the long-term prosperity of our people, our communities, our company, and our planet. We consider sustainability in every aspect of our business, and we believe this is critical to gaining the trust of our customers, our employees and our communities.

As a leader in the North American tissue paper manufacturing industry, we hold ourselves to high standards in everything we do. When we launched *Sustainability 2020*, we set challenging targets to reduce our operation's impacts in the following key areas: energy and water consumption, GHG emissions, and to improve employee health & safety.

The final year of *Sustainability 2020* was unique and tested us across our business. Our products experienced an increase in demand greater than anything we ever experienced as a result of the global pandemic. We came together as a team and worked with our retail and supply chain partners to get our products on shelves across Canada and the U.S. as quickly as possible. Now, as we end *Sustainability 2020* and turn our sights to the road ahead, I am proud of our team and our collective achievements. Even a pandemic could not hinder our commitment to sustainability. Our progress is encouraging and only makes us want to embed sustainability even deeper across our company.

Over the past five years, we have made major investments in our business. In 2017, we made a \$55 million investment in a new paper machine in our Crabtree, QC, plant that has increased the plant's overall production by 29%. In 2018, we announced our plan to build a new, state-of-the-art, \$575 million tissue plant, featuring Canada's largest and most modern through-air-dry (TAD) paper machine in Sherbrooke, QC.



MESSAGE FROM THE CEO CONTINUED...

In February 2021, we announced the completion of construction and successful start-up of Sherbrooke, QC. At maturity, this TAD machine will increase our annual output by almost 70,000 metric tonnes of bathroom tissue and paper towels. In addition we've announced further investment to expand the Sherbrooke operations with a new Light Dry Crepe (LDC) machine expected to increase our annual paper making output by at least 30,000 metric tonnes. While these investments enable us to grow and improve the resource efficiency of our manufacturing operations, we are also integrating them into our environmental performance metrics as we move into the next chapter of our sustainability journey.

In 2018, we launched an important strategic initiative for our company — an official diversity, equity and inclusion strategy. Around the world there is increasing awareness of social injustice, and we are doing our part within our company to empower a diverse and inclusive team. Our strategy will ensure that we foster a strong sense of belonging; a team-oriented and positive workplace that brings out the greatness and full potential in all of us.

I am proud of all we have achieved through *Sustainability 2020*, but we know our work is not done. Sustainability is a continuous pursuit and we are eager to step into *Reimagine 2030*, a decade of transformative growth and sustainable innovation. We are focused in four key areas where we can make tangible impacts: fibre, plastic, climate change, and water. The solutions we will devise throughout the next 10 years will be more complex, but we are ready for the challenge ahead and we hope others join us along our pursuit to *Reimagine 2030*. Our decisions and actions today will shape the world of tomorrow.

We welcome feedback from our stakeholders as we continue the journey toward building a more sustainable future.

Thank you,

DINO BIANCO

CEO, KRUGER PRODUCTS L.P.



MESSAGE FROM VP SUSTAINABILITY



After 10 years since first launching our first formal sustainability strategy, we know that our efforts are good for our company, good for our employees, good for the economy, and good for the environment.

Steven Sage, VP Sustainability, Kruger Products L.P.

When we began our formal sustainability journey more than a decade ago, we understood that success cannot be measured in one, or even five years. Sustainability is an ongoing commitment that requires dedication, continuous improvement and investment.

In 2016, KPLP launched *Sustainability 2020*, the company's second formal five-year strategic plan to improve our environmental footprint. We built on the success and learning of our previous program, *Sustainability 2015*. Through *Sustainability 2020* we set challenging targets to improve our operation's impacts in four key sustainability areas: energy, GHG emissions, water, and safety. We have made continuous investments and worked hard to improve our performance in each of these areas. We are proud that we fully achieved three of our four targets, while missing the fourth target by a small margin.

Energy and GHG emissions: We have reduced energy consumption intensity by 15% and Scope 1 GHG emissions intensity by 26% since 2009. KPLP has invested in more than \$8.3 million in energy efficiency and GHG reduction projects implemented over the past five years and we will continue to make improvements as we move into the next phase of our sustainability journey.

Water: We have reduced our water consumption intensity by 37% since 2009. Our through-air-dried (TAD) paper machine in Memphis uses significantly less water than traditional papermaking equipment and has been a major contributor to our progress. Our new TAD machine in Sherbrooke, QC will further reduce our water consumption.

Health & Safety: We have reduced our workforce injury frequency by 58% since 2015. This is an enormous accomplishment that has taken the dedication and vigilance of our entire company. The pandemic has reinforced how key our focus on employee health and safety, including mental health and emotional well-being, is to our overall success.



MESSAGE FROM VP SUSTAINABILITY CONTINUED...

Beyond our formal targets, we have also made steady progress on our other sustainability priorities. 100% of our fibre is third-party certified, including 59% that is Forest Stewardship Council®-certified. We became Sustainable Forestry Initiative chain of custody certified in July 2019.

While 2020 presented unique challenges to our business, we did not compromise on our sustainable commitments and we continued to plan for the next chapter of our sustainability journey. We brought together an extensive cross-functional team to provide insight as we developed *Reimagine 2030*, our next 10 years of transformative growth and sustainable innovation. This long-term horizon will provide us the time to undertake the investments needed to achieve even greater success. Our strategy centres on four new pillars: Products Empower, Planet Positive, Employee Impact and Community Embrace. We have created new quantitative targets and qualitative objectives. As our journey evolves, we plan to develop new objectives and may add new priorities as we progress and the world around us changes.

10 years after launching our first formal sustainability strategy, we know that our efforts are good for our company, good for our employees, good for the economy, and good for the environment.

Thank you for your interest and we welcome you to share your thoughts with us at sustainability@krugerproducts.ca

Regards,

STEVEN SAGE

VICE PRESIDENT, SUSTAINABILITY



ABOUT US



MISSION

VISION

VALUES

Making everyday life more comfortable.

To be the most trusted, best loved tissue company in North America.

-
- Entrepreneurship*
 - Family Spirit*
 - Commitment*
 - Integrity*
 - Customer Focus*



CANADA CONSUMER PRODUCTS

Products: Branded and private label bathroom tissue, facial tissue, paper towels, and paper napkins for consumer household use.

Brands: Cashmere® and Purex® bathroom tissue, Scotties® facial tissue, Sponge-Towels® paper towels, and White Swan® bathroom tissue and napkins for consumer household use.

Retail Customers: Grocery, drug, mass merchandisers, club stores, drug stores, and convenience stores.

UNITED STATES CONSUMER PRODUCTS

Products: Branded and private label bathroom tissue, facial tissue, and paper towels for consumer household use.

Brands: White Cloud® bathroom tissue and paper towels are sold at retailer locations across the United States.

Retail Customers: Grocery, drug, mass merchandisers, club stores, drug stores, and convenience stores.

AWAY FROM HOME (AFH) PRODUCTS

Products: Branded and private label bathroom tissue, facial tissue, paper towels, paper napkins, wipers, hand care, and dispensing systems for commercial and industrial use across all major market segments in Canada and the United States.

Brands: Embassy®, White Swan®, Chalet and Metro.

Segments: Food services, property management, healthcare, manufacturing, education, and lodging.

OUR BUSINESS



2020 RECORD REVENUE:

\$1.516
BILLION

86% Consumer Business Unit
13.9% Away From Home Business Unit
60.4% Canada / 39.6% U.S.

2,700
DEDICATED
EMPLOYEES

74% Hourly
26% Salaried
81.5% in Canada
18.5% in U.S.

9 PRODUCTION
FACILITIES

14 paper machines / 80 converting lines
Capacity: 345,000 metric tonnes Canada / 110,000 metric tonnes U.S.
Canada's largest tissue manufacturer with 38% of annual production capacity
Only tissue company with manufacturing operations in Western Canada



#1

- Canada's #1 Tissue Manufacturer***
- Canada's #1 Bath Tissue Manufacturer* since 2000**
 - Cashmere #1 Bath Tissue in Canada*
 - Purex #1 Bath Tissue in Western Canada*
- Canada's #1 Facial Tissue Manufacturer* since 2005**
 - Scotties #1 Facial Tissue in Canada
- Canada's #2 Paper Towel Manufacturer* since 2004**
 - SpongeTowels #2 Paper Towel in Canada*

*AC Nielsen Dollar Share



New Westminster, BC



Crabtree, QC

Gatineau (Laurier), QC

Gatineau (Richelieu), QC

Lennoxville, QC

Sherbrooke, QC

Scarborough, ON

Mississauga, ON - Head Office

Trenton, ON

Memphis, TN

Bentonville, AR - U.S. Headquarters

Our manufacturing operations are strategically aligned to the natural resources we use to make our products. KPLP has the largest combined annual production capacity of bathroom tissue, paper towels, facial tissue, and napkins in Canada and is the only manufacturer with production facilities in Western Canada.

In Canada our plants are located in New Westminster, British Columbia; Scarborough (Toronto) and Trenton, Ontario; Crabtree, Gatineau, Lennoxville and Sherbrooke, Québec. In the United States, our plant is located in Memphis, Tennessee.

OPERATIONS

OUR

Our governance and management structure is designed to ensure that all aspects of our business are conducted with integrity, transparency, and in full compliance with the laws and regulations of the jurisdictions in which we operate. We challenge ourselves to continually act in accordance with the highest standards.

Board of Directors

KPGP has a ten-member Board of Directors comprised of four external directors, including three independent directors, and six members from Kruger Inc.'s management, including KPLP's Chief Executive Officer. Kruger Inc.'s Chairman and Chief Executive Officer is the Chairman of the Board.

The Board's mandate includes specific duties and key responsibilities, such as Board organization, selection, retention and succession, strategic oversight, risk evaluation, financial matters and internal controls, disclosure to shareholders and others, policies and procedures, and monitoring and oversight. In performing many of these duties and responsibilities, it relies on services provided by Kruger Inc. pursuant to an Administration Agreement between parties.



GOVERNANCE

KPLP Leadership Team

The leadership team is led by KPLP's Chief Executive Officer. Other members include: Chief Financial Officer, Chief Marketing Officer, SVP & GM Consumer Business Canada, SVP & GM Consumer Business USA, SVP & GM AFH Business, SVP General Counsel & Corporate Affairs, SVP Supply Chain & Operational Excellence, and Corporate VP Technology & Product Development.

The leadership team is responsible for operational management of the company, including development and execution of the organization's mission, values and strategy. From a sustainability perspective, the leadership team reviews key environmental and social performance progress monthly and engages in the development, execution, and support of various sustainable development activities.



ETHICS

AND

INTEGRITY

KPLP operates under a number of policies developed either by Kruger Inc. and/or KPLP, but governed by KPLP's leadership team. These policies are regularly reviewed and updated as necessary. We actively adhere to these policies to ensure we are in compliance with applicable laws and regulations. For the reporting period, there have been no incidents of corruption or anti-competitive behavior.

Code of Business Conduct and Ethics

Kruger Inc. developed and released its initial Code of Business Conduct and Ethics policy in 2011. The policy was updated for KPLP Products and approved by its Board in March 2021. This policy outlines how we conduct our business ethically, including human rights and anti-corruption policies, and in conformance with applicable laws, rules and regulations of all countries in which we conduct business. Additionally, it reinforces our commitment to diversity, equity and inclusion, the health and safety of our employees, as well as reducing the impact of our activities on the environment. It applies to all employees, officers and directors of KPLP, and provides various rules and guidelines for ethical business practices and procedures. The Senior Vice President of Human Resources holds ongoing responsibility for maintaining and enforcing the policy, which is available to employees on KPLP's intranet as well as publicly at [krugerproducts.ca](https://www.krugerproducts.ca)



RECOGNITION

***At KPLP we strive to be the best at what we do everyday.
We are honoured to be recognized with a variety of
awards that validate our ongoing efforts:***

*Corporate Knights' Best 50 Corporate Citizens in
Canada for 2nd consecutive year, Ranked #10*

SUSTAINABILITY

*CN EcoConnexions Partnership Award for
Sustainability*

SUSTAINABILITY

*Canada's Best Managed Companies for 2nd
consecutive year*

CORPORATE

Forbes Canada's Best Employers for 3rd consecutive year

CORPORATE

*Greater Toronto Area Top Employer for 7th
consecutive year*

CORPORATE

Women In Governance, Silver Level Parity Certification

CORPORATE

*Ranked #2 Canadian Packaged Goods Supplier,
Industry Survey*

CUSTOMER

*Hy-Vee Private Label Supplier of the Year, U.S.
Consumer Business*

CUSTOMER

*Walmart Mexico & Central America Supplier of the
Year Finalist for Private Brands, Grupo Tissue de Mexico*

CUSTOMER

*Adapt Marketing Group Supplier of the Year,
Away From Home Business*

CUSTOMER

*CNESST Grands Prix santé et sécurité du travail,
Innovation Category Finalist, Crabtree, QC Plant*

MANUFACTURING

*IABC International Gold Quill Award of Excellence,
Best of the Best, Special and Experiential Events,
Cashmere Collection*

MARKETING

*IABC International Gold Quill Award of Excellence,
Corporate Social Responsibility, Cashmere Collection*

MARKETING

*IABC International Gold Quill Award of Excellence,
Special and Experiential Events, Cashmere Collection*

MARKETING

*IABC/Toronto OVATION Award of Excellence,
Corporate Social Responsibility, Cashmere*

MARKETING

*IABC/Toronto OVATION Award of Excellence, Special
Events, Cashmere Collection*

MARKETING

*Hermes Creative Awards, Platinum, Chinese Television
Campaign, Scotties*

MARKETING

*Hermes Creative Awards, Honourable Mention, Kruger
Products Microsite*

MARKETING

*Strategy Marketing Awards, Multicultural Television
Merit Award, SpongeTowels*

MARKETING





RECOGNITION

Corporate Knights' Best 50 Corporate Citizens in Canada for 3rd consecutive year

SUSTAINABILITY

CN EcoConnexions Partnership Award for Sustainability

SUSTAINABILITY

Canada's Best Managed Companies for 3rd consecutive year

CORPORATE

Forbes Canada's Best Employers for 4th consecutive year

CORPORATE

Greater Toronto Area Top Employer for 8th consecutive year

CORPORATE

Women In Governance, Silver Parity Certification

CORPORATE

Ranked #1 Canadian Packaged Goods Supplier by Retail Customers, Industry Survey

CUSTOMER

London Drugs, Outstanding Partner of the Year, COVID-19 Response

CUSTOMER

Chamber of Commerce of Greater Joliette, QC Excelsiors, Crabtree, QC Plant, Industrial and Manufacturing Enterprises

MANUFACTURING

Canadian Tire, Vendor of the Year, Living Division

CUSTOMER

Epica Awards, Health & Beauty, Silver, Unapologetically Human Multi-Brand Ad

MARKETING

Epica Awards, Copywriting & Storytelling, Bronze, Unapologetically Human Multi-Brand Ad

MARKETING

Strategy Marketing Awards, Multicultural Television Merit Award, Scotties

MARKETING

Hermes Creative Awards, Platinum, Electronic Media/Social Media/Interactive Media|Video, SpongeTowels

MARKETING

Canada's Marketing Hall of Legends, Nancy Marcus, former CMO

INDIVIDUAL

Canadian Grocer GenNext, Kim Lichtman, Bath Tissue Marketing Manager

INDIVIDUAL





ROAD TO REIMAGINE 2030



10 YEARS OF DEDICATED EFFORTS

We entered 2020 with optimism knowing it was our final year of *Sustainability 2020* and recognizing that we were on the brink of a major pivot along our sustainability journey. The year 2020 represented 10 years of dedicated efforts to improve our footprint. Launched in 2016, *Sustainability 2020* was a five-year strategic plan to continue KPLP's sustainability commitments. The plan built on the success of our first five-year sustainability strategy launched in 2010, and it was anchored by four targets to improve our performance: greenhouse gas emissions, energy consumption, water use, and employee safety. We also increased our supply of certified sustainable fibre, launched a company-wide diversity, equity and inclusion strategy, and continued to support our communities through our community investments and extensive employee volunteering. Looking back on the past decade, we are proud of the progress our company has made, moved by the dedication of our employees to participate along the way, and we hope that you are inspired by our results.



ROAD TO
REIMAGINE
2030



SUSTAINABILITY 2020 RESULTS

Our Sustainability 2020 plan was anchored by four key sustainability objectives and we are pleased to report that we successfully achieved most of our targets.

	TARGET	ACTUAL
Healthy & Safety (OSHA TIR) [†]	-50%	-58%
Energy Consumption (GJ / MDMT) [*]	-15%	-15%
GHG Emissions (CO ₂ e / MDMT) [*]	-27%	-26%
Water Consumption (m ³ / MDMT) [*]	-35%	-37%

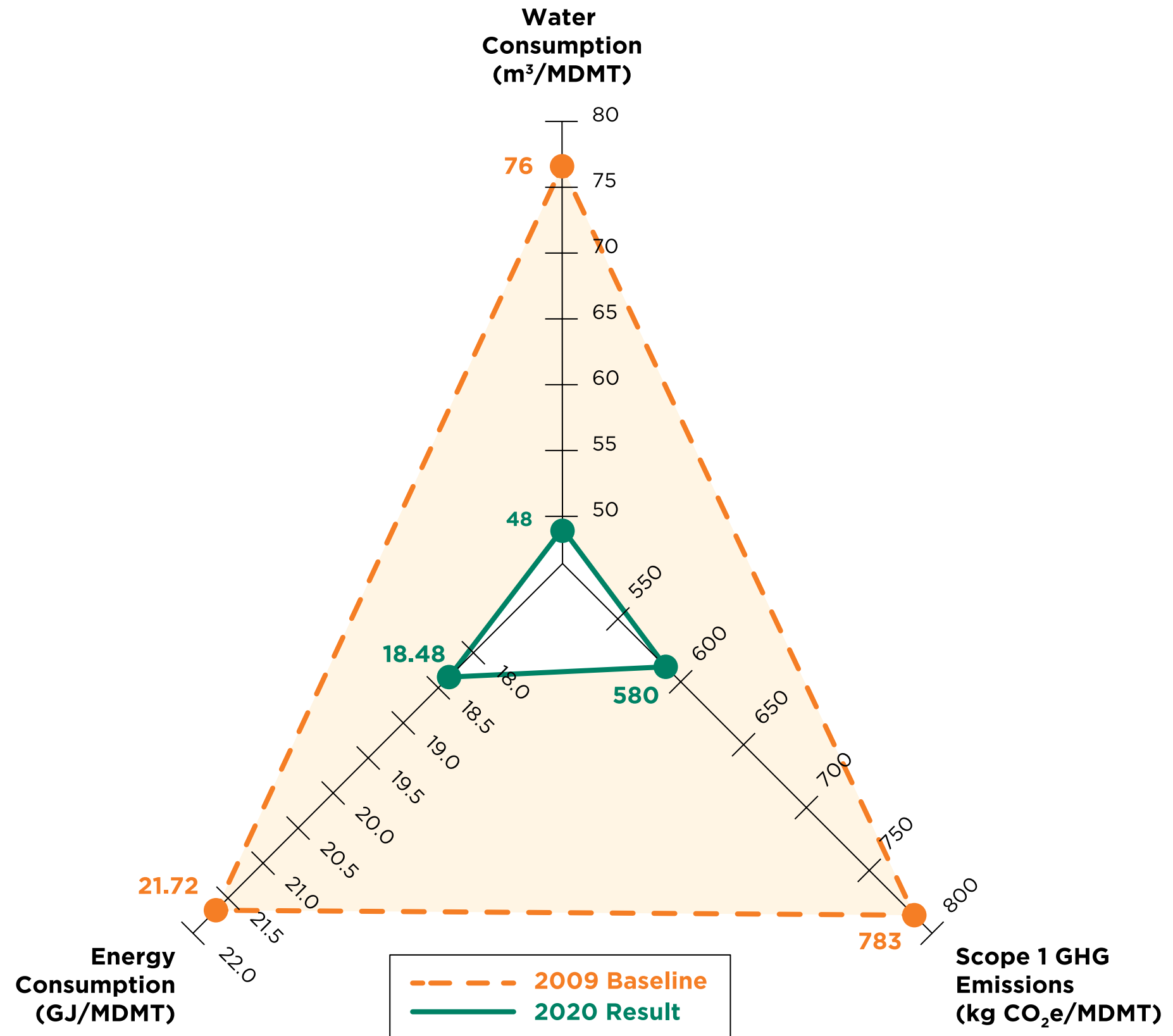
MDMT=Machine Dried Metric Tonnes

[†] OSHA Total Incidence Rate since 2015 Benchmark | ^{*} Intensity-based since 2009 Benchmark



OUR SHRINKING ENVIRONMENTAL FOOTPRINT

The graphic identifies our 2009 baseline footprint (orange) in three key environmental areas of our *Sustainability 2020* initiative. Our 2020 results (green) shows our progress: Energy consumption intensity was reduced by 15% from 21.72 to 18.48 GJ/MDMT; Water consumption intensity was reduced by 37% from 76 to 48 m³/MDMT; and Greenhouse gas emission intensity was reduced by 26% from 783 to 580 kg CO₂e/MDMT.





OUR SUSTAINABILITY JOURNEY

Since we began our sustainability journey in 2010, our company has evolved. We have made capital investments to improve and grow our business and have increased our production by 27% since 2009. We have introduced new technologies, built a new manufacturing plant, launched new products, and grown our customer base and market reach. Our investment in, and commitment to, sustainability enabled us to continue to reduce our environmental footprint while our production and revenue grew.

Beginning with Dino Bianco assuming the role of CEO in 2018, we have also added new leaders across our operations, and with that came a different way of thinking. The unique experiences these leaders brought is helping to build our internal vision, grow the ways we support employees and our communities, and explore new opportunities for our business.

ROAD TO
REIMAGINE
2030



THINK BOLDER MOVE FASTER BE MORE AGILE

As we changed, so too, did the world around us. Science continually shows the rapid and accelerating global risk that climate change poses to communities, businesses, and ecosystems. Global threats to biodiversity and natural resource depletion are accelerating at alarming rates that, if continued, will threaten the entirety of the global economy and the livelihoods of billions of people. Social equity, inclusion and diversity have become priorities not only for corporate board rooms, but for our consumers, customers and employees. The expectations and responsibility for businesses to lead in creating solutions to our collective social and ecological challenges have never been higher.

We stepped into 2020 eager to shape the next chapter of our sustainability journey. When the global COVID-19 pandemic began, our focus quickly adjusted to supporting each other through the period of uncertainty. Tissue had never been so valued, and we had a duty, as one of North America's leading tissue manufacturers, to be a beacon of strength and hope. Now, as we begin to recalibrate our business in the new COVID reality, our commitment to sustainability has only increased, with a renewed sense of urgency, purpose, and commitment.

It's time to reimagine sustainability at KPLP.

ROAD TO REIMAGINE 2030



INTRODUCING

REIMAGINE
2030 ™





REIMAGINE
2030 

TRANSFORMATIVE GROWTH SUSTAINABLE INNOVATION

We have thought about where we want to be in 10 years, and where we hope the world can be. This is the inspiration behind *Reimagine 2030*, a decade of transformative growth and sustainable innovation. The path ahead is not clearly defined, but our mission, making everyday life more comfortable, will guide us. The solutions we will devise will be more complex, but we are ready for the challenge ahead, and we hope others join us along our pursuit to *Reimagine 2030*. Our decisions and actions today will shape the world of tomorrow.

Our legacy of progress is important, but we recognize that we need to go farther, do better, and make an even greater impact. *Reimagine 2030* is designed to merge our business and growth plans with our sustainable commitments. We define success as progress in both areas and we will not sacrifice one for the other. We set lofty goals in areas where we can make the most impact: fibre, plastic, climate change and water. Achieving these will undoubtedly be challenging and require new thinking across our operations and value chain. This is a stark difference from our first two sustainability programs in which solving the challenges were more straight forward.



PRODUCTS

PLANET

PEOPLE

COMMUNITIES

Reimagine 2030 is a 10-year plan. This long-term horizon will enable us to set our ambitions higher and undertake the investments needed to achieve success. We are pushing ourselves to do more and be greater. Our strategy centres on newly defined sustainability pillars for our company – products, planet, people, and communities – and a broadened set of material issues covering our most significant environmental and social impacts. We have created new quantitative targets and qualitative objectives to anchor our plan. We plan to develop new objectives as we continue along our path of transformative growth and sustainable innovation, and may also add new priorities as we progress.

We undertook an extensive process to develop *Reimagine 2030*. We gathered market and industry research, examined current and future government policy priorities, and commissioned third party consumer research to understand the sustainability expectations and sentiments of our consumers across Canada and the U.S. We engaged our executive team to look back on the previous 10 years of sustainability progress and look ahead to where we should take our efforts in the future. This process helped us define our top priorities and areas for focus going forward. We then convened working groups of subject matter experts across our company to establish our specific goals considering our business plans and ambitions.



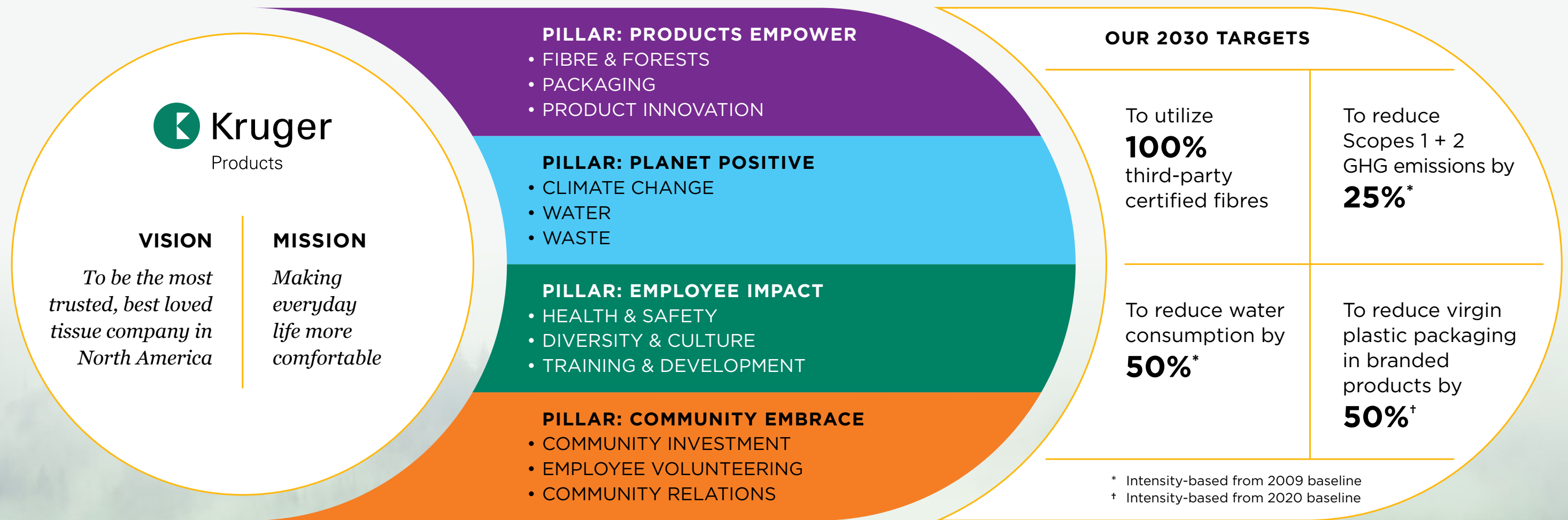
SETTING OUR DIRECTION

Perhaps most importantly, we want to ensure that everyone – our investors, our customers, our consumers, our employees, and our communities – trusts that sustainability is essential to both KPLP’s vision to be the most trusted, best loved tissue company in North America, and our mission of making everyday life more comfortable. We are embedding sustainability in every decision we make and every action we take, so it becomes an even stronger part of our company’s DNA.

Reimagine 2030 sets our direction, but we are only at the beginning of the journey. Over the next few years, we will be developing concrete strategies for achieving our objectives, setting new targets, and continuing to embed sustainability across our company. We invite you to join us on our quest to make our planet healthier and our communities stronger.

REIMAGINE 2030

OVERVIEW





SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

KPLP supports the UN Sustainable Development Goals. Developed as part of the 2030 Agenda for Sustainable Development and adopted by all United Nations Member States in 2015, the UN SDGs provide a blueprint for peace and prosperity for people and the planet, now and into the future.

At KPLP, we contribute to achieving several of the targets and indicators within the SDG framework across our business and operations. As part of Reimagine 2030, we are:



Committing to using 100% third-party certified fibre in all our products and expanding our green product offerings overall. We support sustainable forestry practices with Forest Stewardship Council® and/or UL EcoLogo certification of our EnviroCare line, and many away-from-home products too.



Introducing new GHG Emission Targets to reduce our Scope 1 and Scope 2 emissions by 25% by 2030.



Reducing water consumption by 50% by 2030 and setting a water quality target.



Reducing our virgin plastic packaging in branded products by 50% by 2030 and utilizing circular economy principles in manufacturing.



Promoting safe working environments, competitive wages and respect of workers rights through all our business practices.



Investing in new facilities and innovative, resource-efficient technologies to enhance product sustainability and quality for our consumers.



Using renewable energy in our operations and investing in energy efficiency.



Creating an inclusive and empowering environment for all employees through our Diversity, Equity & Inclusion Strategy, and initiatives like our Women's Network career development program, and Diversity in the Workplace mentorship events.



Supporting the wellbeing of employees through a comprehensive benefits package, and career development & recognition programs, while investing in our communities through partnerships with local and national charities, and employee volunteering.



PRODUCTS EMPOWER

Inspire and empower people to live comfortably and sustainably.



PLANET POSITIVE

Urge others to join our quest to leave this planet healthier than we found it.



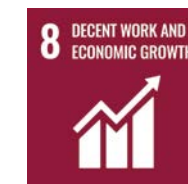
EMPLOYEE IMPACT

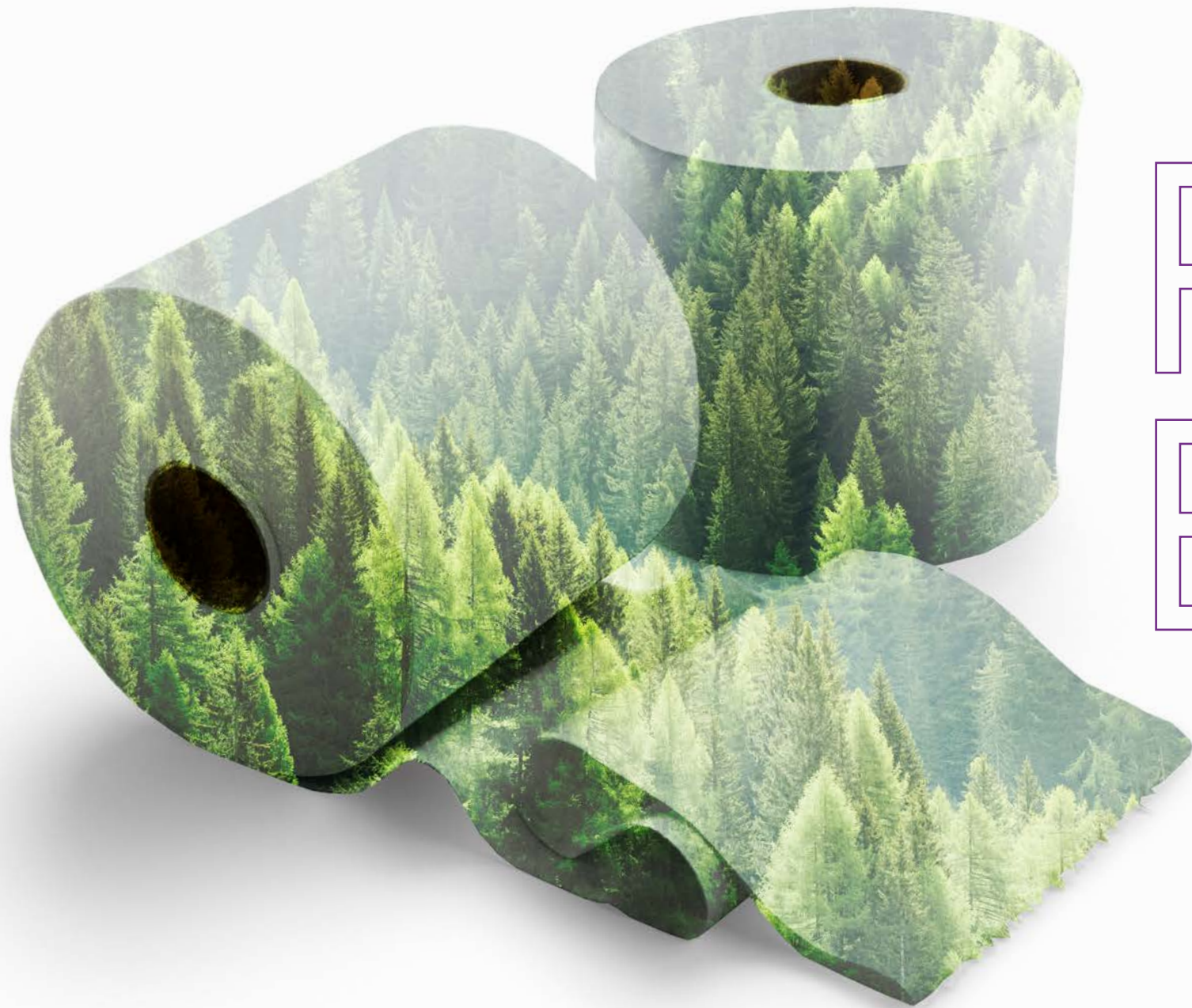
Cultivate our workplace practices so that every employee feels inspired and even more supported to achieve their aspirations and make their desired impact.



COMMUNITY EMBRACE

Create engagement with impact that makes everyday life in our communities more comfortable and sustainable.





PRODUCTS EMPOWER

PILLAR 1

Our goal is to make and market quality products that inspire and empower people to live comfortably and sustainably.



PRODUCTS EMPOWER

Improving the sustainability of our products means we seek to minimize their environmental footprint and enhance our sustainability performance across our value chain – from the natural resource inputs we use, and our manufacturing processes, to our product packaging and how we transport products to our customers. Through product innovation, we will also continue to invest in new ways to improve our sustainability performance and enhance our products for all our customers.

Our commitments

- Fibre & Forests – Maintain 100% third-party certified fibre in our products.
- Packaging – Reduce virgin plastic packaging materials in our trademark brand products by 50%².
- Product Innovation – Continually work to enhance our products and improve our sustainability performance through dedicated research and innovation.

² Intensity-based from 2020 baseline



PRODUCT CERTIFICATIONS

As the Canadian market leader and a growing North American supplier, we believe it is our responsibility to lead by example. All of our products are part of our ongoing commitment to sustainability, but we have also chosen to have many of our products certified by the most respected and most credible third-party certification systems available to our industry. As we move forward with Reimagine 2030, we will continue to evolve our sustainable product portfolio and our product certifications.



SUSTAINABLE PRODUCT OFFERINGS

Forest Stewardship Council® (FSC®)

KPLP was the first Canadian tissue manufacturer to earn chain of custody (COC) certification from FSC® in 2011. FSC® COC certification verifies that FSC®-certified material has been identified and separated from non-certified and non-controlled material as it makes its way along the supply chain, from the forest to the market. Our certificate is audited annually by Preferred by Nature to ensure compliance to FSC®'s standards. In 2020, KPLP offered 116 FSC®-certified products.

Sustainable Forestry Initiative (SFI)

In 2019 KPLP earned SFI chain of custody certification which tracks forest fiber through harvesting to manufacturing and to the end product, allowing KPLP to substantiate to customers that their products are made using certified forest content, certified sourcing or recycled content. Our certification is audited annually by BM Trada to ensure compliance with SFI's standards. In 2020 KPLP offered 29 SFI certified products.

ECOLOGO®

In 2020, KPLP offered 56 ECOLOGO® Certified products across our bathroom tissue, facial tissue, paper towel, and napkin product lines. ECOLOGO is recognized world-wide as North America's largest, most respected environmental standard and multi attribute certification mark. ECOLOGO provides consumers and customers with confidence in knowing that the products and services bearing the logo meet stringent standards of environmental leadership. ECOLOGO assures that our products demonstrate a significantly reduced environmental impact as measured by five key life-cycle criteria: resource consumption, energy consumption, wastewater quality, aquatic toxicity, and solid waste generation.



FIBRE + FORESTS



Healthy and sustainable forests are essential for our social and economic wellbeing and our ability to prevent the global climate and biodiversity crises. Forests are key to our shared, healthy future because they are one of the world's most important ecosystems with an expansive range of biodiversity, and they provide vital sources of clean water to cities and communities around the world. Forests are integral to stabilizing earth's climate and mitigating climate change by absorbing carbon dioxide as trees grow. Forests are also among the world's most bountiful and versatile natural resources, and are the source of many products we use every day. Millions of people rely on forests and forest products for their livelihood, and forests also have high cultural significance and offer recreational opportunities for people around the world.

Simply put, ensuring healthy, productive, and sustainable forests are vital for a sustainable planet and prosperous economy.

While KPLP does not own or manage its own forests, we know that our business depends on sustainable forests. Our use of forest resources — our fibre supply — is the greatest area we can have a positive impact on.

We are committed to sourcing sustainable fibre and are a strong supporter of sustainable forest ecosystem management. This commitment has been integral to our sustainability efforts since the beginning of our sustainability journey. In March 2011, KPLP became the first Canadian tissue manufacturer to earn FSC® certification and in July 2019 received SFI certification. Today, 100% of our virgin fibre is third-party certified by either FSC® or SFI, providing assurance that the fibre in our consumer and away-from-home products come from sustainably managed forests or recycled sources. Our fibre procurement policy is available on our website and guides our fibre sourcing.

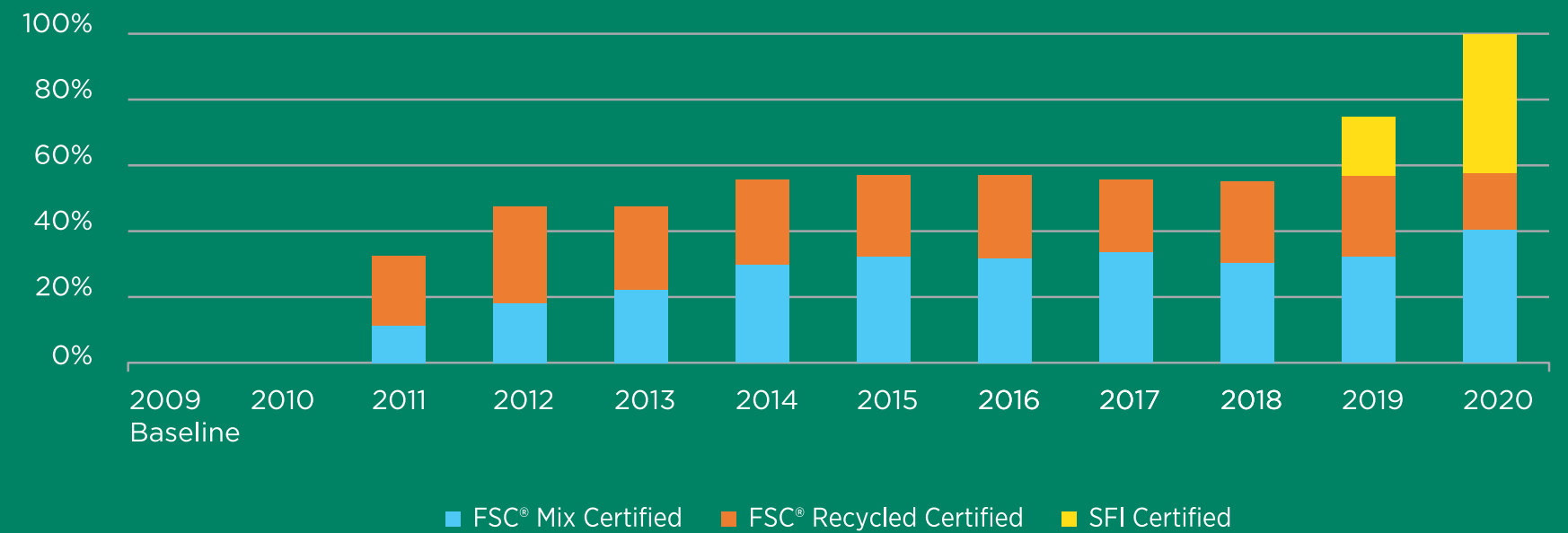


We also know that our commitment to sustainable forest management is not complete. As we look ahead to the next decade, we are committed to maintaining 100% third-party certifications as we grow. Beyond certifications, we will continue to work to identify opportunities to further enhance the sustainability of our fibre supply, and work with suppliers and partners to enhance the forest ecosystems and communities on which we depend.

PERFORMANCE

OUR

Sustainable Fibre Consumed





Forest Stewardship Council® (FSC®)

Today, Preferred by Nature is KPLP’s selected certifier, auditing a sample of our facilities on an annual basis. KPLP operates under a multi-site, credit system. FSC® is one of the most highly respected international certifications, ensuring that FSC®-certified products come from a responsible forest and/or that recycled fibre comes from certified suppliers with confirmation of post-consumer content. FSC® is the only certification supported by major international, national and local Aboriginal, Environmental and Social groups including: Greenpeace, the World Wildlife Foundation, the Sierra Club of Canada, ForestEthics, The Nature Conservancy, and the David Suzuki Foundation.

Sustainable Forestry Initiative (SFI)

The SFI Chain of Custody Standard is an accounting system that tracks forest fibre content (certified forest content, certified sourcing and recycled content through production and manufacturing to the end product). KPLP operates under a multi-site, credit system and is audited annually by BM Trada.

Fibre Origin (2020)

Our wood fibre is sourced from Canada, the U.S., and Brazil. Of our total fibre, 70% is sourced from Canada, a global leader in sustainable forestry, and enforces among the world’s most stringent forest management practices and laws. All (100%) of our fibre sourced from Brazil is FSC®-certified.

REGION	TOTAL KPLP FIBRE (%)	% FSC® MIX	% FSC® RECYCLED	% SFI CERTIFIED
Canada	70%	17%	25%	58%

REIMAGINE 2030: LOOKING AHEAD

As we move forward with Reimagine 2030, we will:



Continue to procure third-party certified fibre for future growth.



Seek to increase amount of FSC®-certified fibre used (our preferred certification).



Improve the fibre resource efficiency in our manufacturing processes.



Explore the viability and sustainability of non-wood fibre-based products.



Further identify opportunities to increase the sustainability of our fibre supply and support sustainable forest ecosystems.



PACKAGING

As a consumer packaged goods company, we have a responsibility to address the issue of packaging and plastic waste, and contribute to our industry's move towards a circular economy. Over the past few years, the world has become increasingly aware of society's over-reliance on plastic packaging and its threat to our environment. While there is a role for plastics in our society, finding alternatives has become a pressing global environmental imperative. According to a recent PEW research report, the annual flow of plastic into the ocean will nearly triple by 2040 without urgent global action. And disposal is only half of the plastic challenge. Most plastics are derived from fossil fuels, which directly contribute to climate change.

In *Reimagine 2030*, we are committed to doing our part to reduce our own plastic packaging and contribute to creating a new circular economy. We have set a plastic packaging reduction target for the first time and are actively working across our industry to address this complex challenge. We know that developing alternatives to plastic packaging extends beyond any single company. Addressing this issue requires collaboration across our industry and with external stakeholders, as well as diligence and innovation.



In April 2021, we became a signatory to the Canada Plastics Pact (CPP), joining industry partners, governments, and civil society partners united behind a vision of a circular economy for plastic, in which plastics stay in the economy and out of the environment. KPLP is the first tissue manufacturer to join the CPP.

We are looking forward to collaborating across our industry and beyond to bring about this shared vision. We are confident that we can reduce our plastic packaging and play a leading role in bringing innovative solutions to our industry in the coming years.





TARGET

2030

50%

**REDUCTION VIRGIN PLASTIC
OF TRADEMARK/BRANDED
PRODUCT PACKAGING
(LBS/QC)²**

PERFORMANCE

Since launching our initial sustainability program in 2010, we have actively worked to reduce the use of packaging across our operations and in our consumer products. Our efforts have resulted in:

OUR

- 24.5% decrease in total packaging material weight per Quota Case of finished product from our 2009 baseline.
- 89% of our packaging material by weight is fibre-based, all of which is made from 100% recycled materials and is 100% recyclable.

² QC: Quota Cases is our method to harmonize various product put-ups, formats, and sheet counts into a standardized consumption unit.



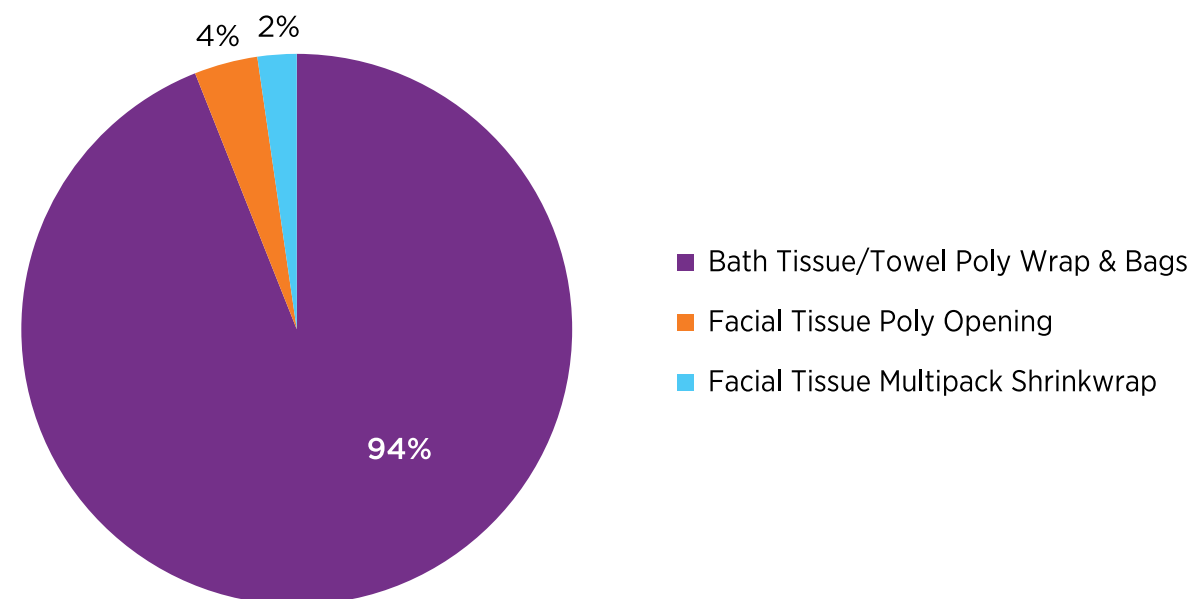
In 2020, KPLP used approximately 11.3 million pounds of plastic packaging, representing approximately 11% of our total packaging material. Most of our plastic packaging is used to wrap our paper towel and bathroom tissue products. The plastic used for our trademark branded products represents approximately 47% of the total plastic used, while the rest is used for products we manufacture for third-party private label brands and commercial away from home markets.

We are pursuing a range of strategies to reduce our plastic packaging:

- Working with our procurement teams and suppliers to explore potential new packaging solutions that are suitable for our operations, including recycled materials and plastic alternatives.
- Exploring a range of innovative alternatives, including bio-based/plant-based plastics, biodegradable options, hybrid paper/film, paper, and other new substances.
- Optimizing packaging on our products to improve efficiency and enhance product quality.

Beyond our company target, we will also work with our customers to identify opportunities to support their plastic reduction efforts through our private label products.

Trademark Brand Plastic Packaging





INNOVATION

At KPLP, we are committed to investing in our future – for our company, our people, our communities, and the planet. Innovation is at the heart of how we will achieve our targets. Reimagine 2030 sets our sustainability direction for the next decade, but our path is not yet fully defined. We know our company will continue to change, and that achieving our targets will require innovation – product innovation, technology innovation, and process innovation.

We have always made continuous investments in innovation and in our manufacturing facilities to grow our business, improve our efficiency, and reduce our environmental impact. At the start of our formal sustainability journey in 2010, we became one of the first tissue products manufacturers to invest in biogasification, which was integrated at our New Westminster, B.C. facility. That project has reduced GHG emissions by 247,961 metric tonnes of CO₂e over last 10 years.

In 2011 we were the first Canadian tissue manufacturer to be FSC® COC certified. And in 2019 KPLP became the first company to be certified ISO 50001 by the Bureau de normalisation du Québec for energy management.

We will continue to make investments in our company and pursue strategic innovations to build our business, improve the quality of our products and reduce our footprint. Achieving our goals will require new innovations to reduce our energy and emissions, develop packaging alternatives to reduce plastic, implement new technologies to improve the quality of our waste water, and many more, which we are only starting to explore. As we embark on *Reimagine 2030*, we will share our innovation progress, including the successes and the challenges along the way.





PLANET POSITIVE



PILLAR 2

Urge others to join our quest to leave this planet healthier than we found it.



PLANET POSITIVE

At KPLP, we are focused on reducing our environmental footprint. We believe that we can operate and grow our business while having a positive impact on the planet well into the future. We recognize that the world around us is changing rapidly, and that we need bolder thinking to positively impact more people and the planet.

Through *Reimagine 2030*, we are exploring how to infuse sustainability even deeper across our operations and value chain in the areas we can have the most impact – on addressing climate change, protecting water resources, and reducing waste by embracing circular economy principles in manufacturing.

Our commitments

- Reduce our GHG emissions by 25%¹.
- Set a GHG reduction target for our Scope 3 transportation emissions.
- Reduce our water consumption by 50%².
- Set a water quality target.
- Reduce operational waste and utilize circular economy principles in manufacturing.

¹ Intensity based Scope 1 and Scope 2 emissions from 2009 base year

² Intensity based from 2009 base year



CLIMATE CHANGE



Reducing our company's GHGs has been one of our top sustainability priorities since we launched our first sustainability program in 2010. Addressing climate change is a global necessity and a strategic imperative for our business. We believe society's action to combat climate change will accelerate in the decade ahead and so, too, will our actions and ambitions. We also believe that as a North American leader in the tissue industry, we have a duty to continue to push ourselves in this area.

At KPLP, we proactively identify and manage the risks and opportunities associated with climate change on our business. We focus on the areas of our business where we can have the greatest impact - our energy consumption and GHG emissions from our manufacturing operations - and where we believe we can have wider influence across our value chain.



MANUFACTURING

Within our manufacturing operations, our climate change mitigation efforts focus on improving energy efficiency, deploying GHG mitigation technologies, and using renewable energy. We rely on our dedicated team and external consultants to identify opportunities for continuous improvements in our operations, and we regularly make investments through a portfolio of capital projects and new technologies to shrink our environmental footprint.

Energy efficiency – We make regular investments in energy management to continually improve the performance at each of our facilities. In 2019, KPLP's Gatineau, QC plant became certified under the ISO 50001 for Energy Management. KPLP was the first company to receive this certification from the Bureau de normalisation du Québec (BNQ). The system provides the Gatineau plant with real time demand-response capabilities and energy analytics that save an estimated 61,000 GJ of energy per year.

Heat recovery – Tissue product manufacturing requires high amounts of heat. Capturing excess heat to reuse in operations can significantly reduce the amount of steam required at the facility, thereby reducing GHG emissions. KPLP installed a new heat recovery system at our Crabtree, QC plant in 2018, the third major heat recovery project we implemented during our *Sustainability 2015* and *Sustainability 2020* programs.

Renewable energy – Our industry is dependent on high amounts of energy, so replacing fossil fuel-based energy with renewable sources is necessary to achieve deep reductions in our GHG emissions. Across our operations, 26% of our total energy consumption is derived from renewable sources, and we will continue to explore ways to increase our renewable energy use. For example, the biogasification technology at our New Westminster, B.C. facility replaces 445,000 GJ of natural gas per year with renewable energy, and reduces approximately 14,500 tonnes of GHG emissions annually.



TARGET

2030

**REDUCE GHG
EMISSIONS BY**

25%*

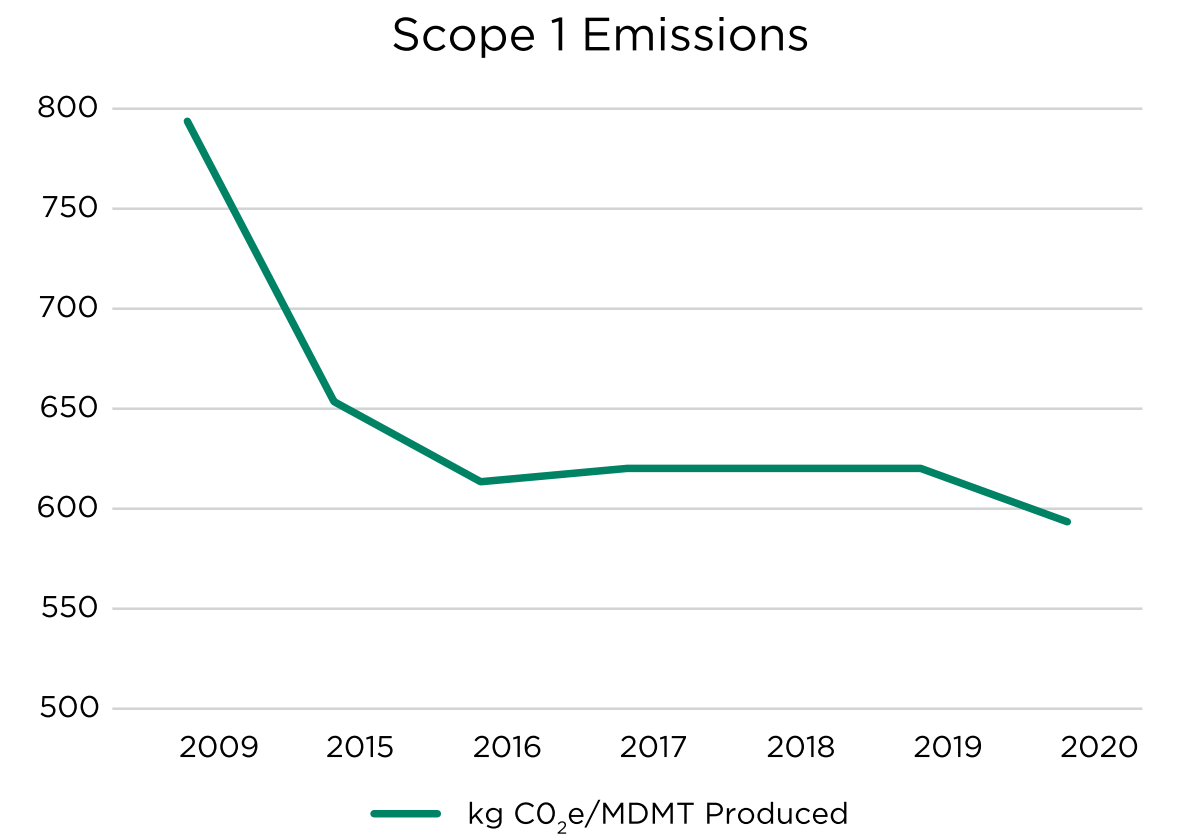
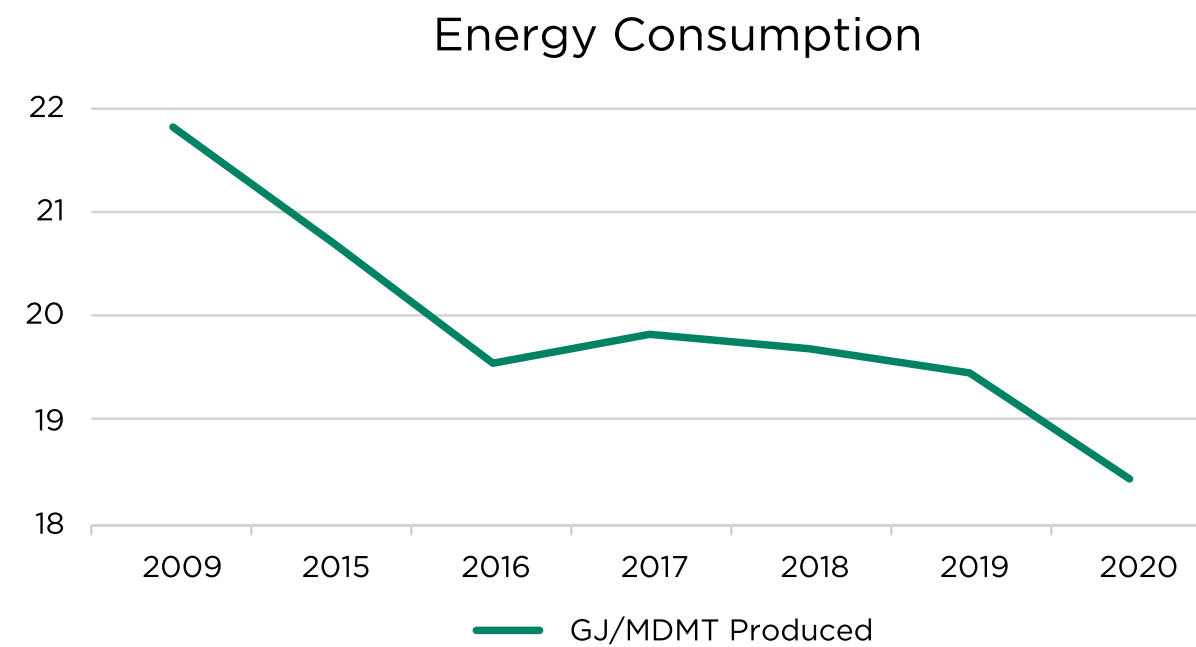
(TONNES / MDMT)

Moving forward, we know that we will need to do even more to reduce our footprint as we increase our ambition and continue to grow our business. Our 2030 target includes both Scope 1 and Scope 2 emissions for the first time. Our new plant in Sherbrooke, QC completed construction and successful start-up of its state-of-the-art facility featuring Canada's largest and most modern TAD tissue machine in February 2021, which will add at maturity, approximately 70,000 MT of bathroom tissue and paper towels. In addition, we've announced a further investment to expand the Sherbrooke operation with new production lines, as well as the construction of a new tissue manufacturing facility over the next three years. At maturity, the new Light Dry Crepe (LDC) machine is expected to increase our annual output by at least 30,000 MT. Meeting our 2030 targets while adding significant production capacity will require us to find more innovative and targeted solutions across our company. We are already exploring options and are decisively up for the challenge.

* Intensity-based from 2009 baseline



We have reduced our Scope 1 GHG emissions intensity by 26% and our energy intensity by 15% since our 2009 baseline, meeting our *Sustainability 2020* target for energy and nearly meeting our goal (27%) for GHG emissions. We achieved this progress while increasing our production nearly 30% during the same period.





TRANSPORTATION

As Canada's largest tissue products manufacturer, we have facilities across Canada and in the U.S. and serve customers in all provinces and states. Transporting our products from our manufacturing facilities to our end customers is vital to our business, and we know transportation is a significant contributor to GHG emissions. Our facilities are strategically located to serve these markets and we are the only tissue manufacturer with operations in Western Canada.

While we do not own or operate our own transportation and logistics network, we believe we have both a responsibility and the opportunity to contribute to moving towards a low carbon and sustainable transportation system. We are committed to improving the efficiency of our transportation network and contributing to reducing GHG emissions. We know this will require collaboration with our transport partners and changes to our own practices. In *Reimagine 2030*, we are committed to developing a transportation GHG emissions target and working with our partners to develop solutions that benefit us, our suppliers, our communities, and our planet.

OUR PERFORMANCE

While we did not have a transportation target in our previous *Sustainability 2020* goals, we have continually worked to improve our transportation efficiency since launching our first sustainability program in 2010. We have made improvements to our transportation efficiency through increasing cube utilization on shipments, resulting in improved logistics and shipping efficiencies, and increasing the use of lower carbon-emitting modes of transportation, such as rail.

REIMAGINE 2030: LOOKING AHEAD

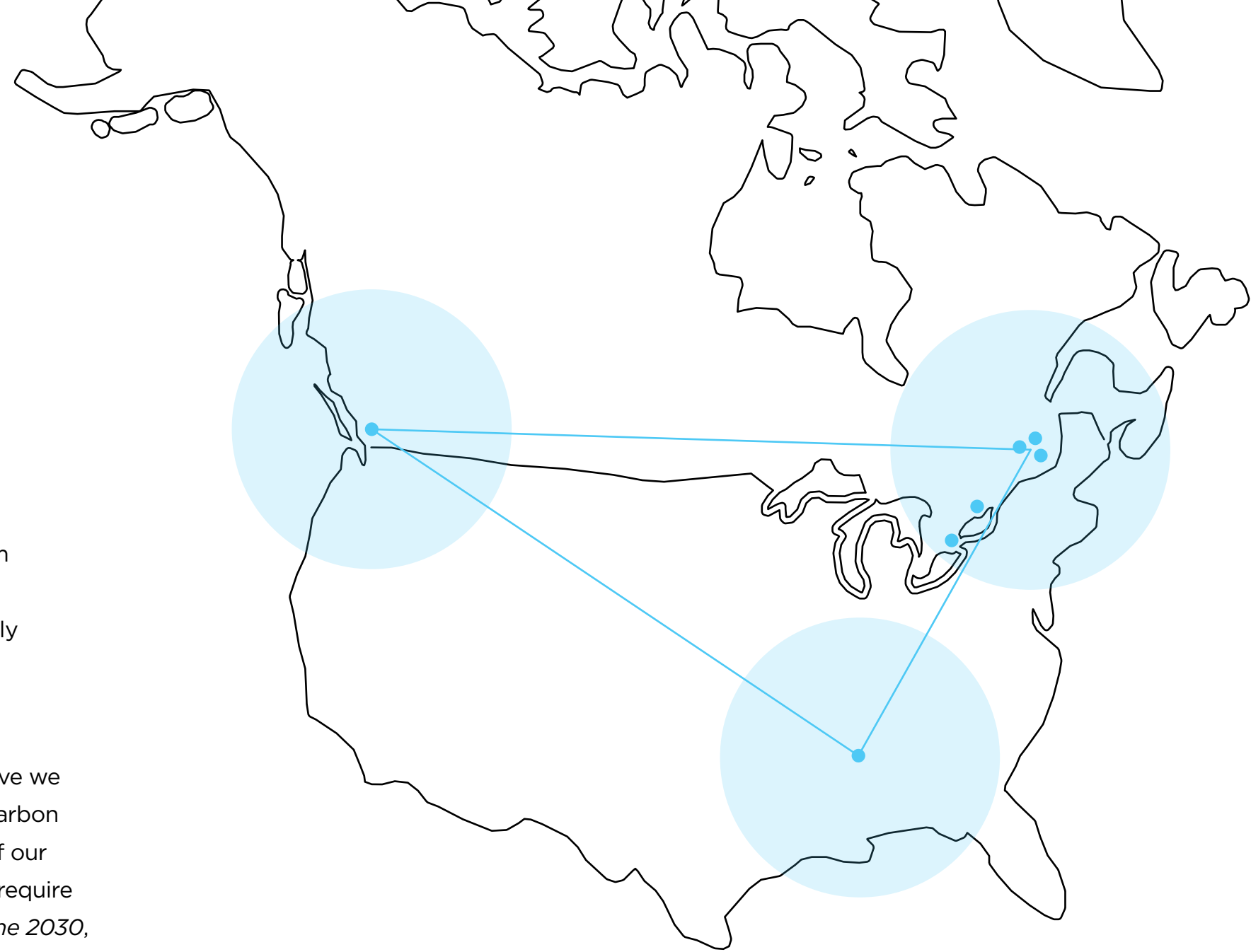
As we move forward with *Reimagine 2030*, we will:



Implement strategies to achieve our 2030 emission reduction goal.

Calculate our transportation GHG emissions (Scope 3).

Set a transportation emissions reduction target.





WATER



Sustainable water resources are vital to our business and we acknowledge the need for strong water stewardship. This means ensuring the long-term health and sustainability of the watersheds – the rivers, streams, lakes, and aquatic ecosystems – that our facilities and our communities rely on. Water stewardship requires collaboration among government, industry, and community partners. We can best contribute to sustainable water management by minimizing the amount of water we need for our operations and ensuring that the water we withdraw is returned to the environment as clean as possible.

WATER CONSUMPTION

Water is essential to the daily operations of our facilities. Nearly all of the water we use is returned to the environment after treatment. Pressure on water resources is increasing in many regions across the world, with increased concerns around water insecurity and water stress. While none of KPLP's manufacturing facilities are located in water scarce regions, we are committed to ensuring the water resources near our operations continue to remain sustainable, healthy ecosystems. Over our decade of dedicated sustainability progress, we have reduced our water consumption through process efficiencies and new technology.



TARGET

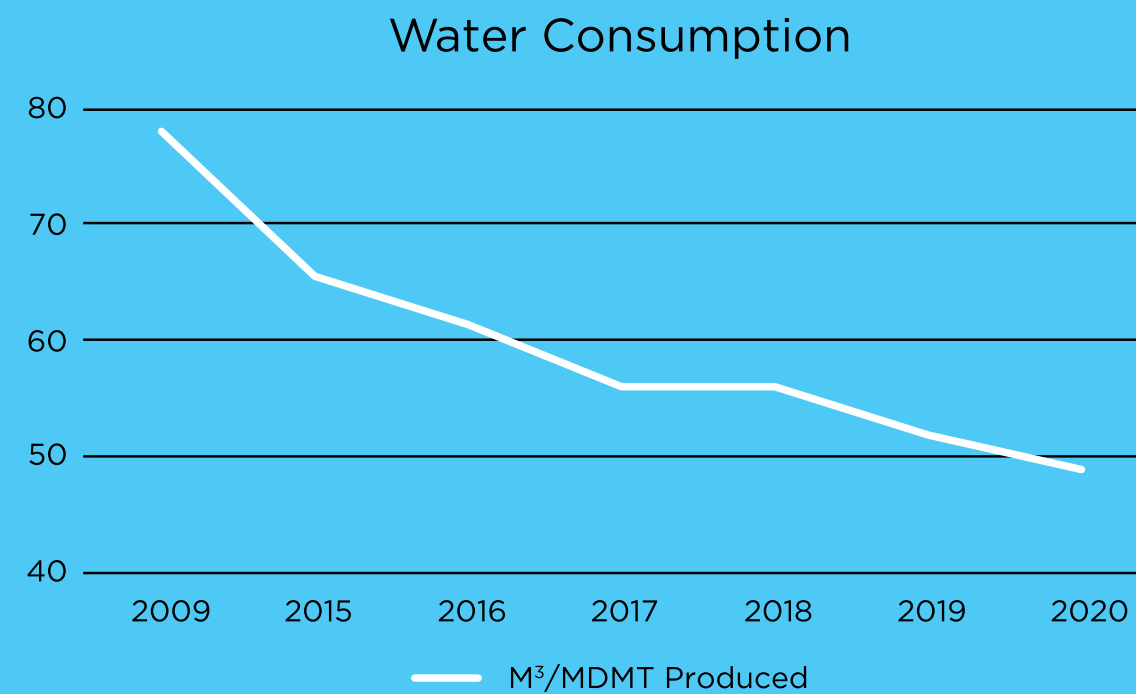
2030

**REDUCE
OUR WATER
CONSUMPTION BY
50%***

M³ / MDMT

OUR PERFORMANCE

We successfully met our 2020 target and reduced our water intensity by 37% from 2009 levels. We achieved our goals through investments in water efficiency equipment and our TAD paper making technology, which uses approximately 75% less water than traditional papermaking equipment. Moving forward, we are committed to further improving our water performance across our sites.



* Intensity-based from 2009 baseline



WATER QUALITY

We operate water treatment equipment at all of our facilities to ensure that the water discharged back into the environment meets high water quality standards. At our plant in Crabtree, QC, our wastewater treatment facility also provides the water treatment services for the entire town.

Teams at each of our sites monitor water effluent discharges back to the environment on an ongoing basis. We report our performance to meet regulatory requirements, and continually look for opportunities to improve wastewater treatment.

OUR PERFORMANCE

We have made significant progress in reducing the water effluents discharged from our facilities, including reducing our Biochemical Oxygen Demand (BOD) by 29% since 2015, a key water quality metric.

REIMAGINE 2030: LOOKING AHEAD

As we move forward with *Reimagine 2030*, we will:



Continue to invest in water efficiency and equipment upgrades to further improve our water intensity performance.



Develop a company-wide wastewater quality target.



Enhance our wastewater treatment processes to go above and beyond compliance.



Complete site-specific wastewater treatment audits and develop improvement plans.



We are committed to good environmental stewardship and the continuous improvement of our waste management practices. At KPLP, we take a circular approach to waste management. This means we strive to think differently about the materials we use and how we manufacture and manage these resources. This enhances efficiency across our operations and supports our shrinking environmental footprint.

Our waste management approach is based on utilizing resources to their fullest extent and reusing materials to minimize sending waste to landfills. We focus on improving our resource efficiency and waste recovery to enhance our overall waste diversion. While diversion rates are an important indicator of our waste management approach, we believe that a focus on waste reduction is also vital. Therefore, we strive to work with suppliers and partners who share our commitment to sustainability. For instance, we use responsibly sourced wood pallets across our operations. In partnership with our suppliers, we reuse and pool these pallets to minimize waste.

OUR PERFORMANCE

In 2020, our waste diversion rate was 91%. We have achieved a waste diversion rate of 80% or greater each year since 2015.

REIMAGINE 2030: LOOKING AHEAD

As we move forward with *Reimagine 2030*, we will:



Apply a circular and zero-waste mindset to our manufacturing operations.

Continue to work with external partners to repurpose waste materials and contribute to a circular economy.

Continue to work with our suppliers on waste prevention.



PILLAR 3

Cultivate our workplace practices so that every employee feels inspired and even more supported to achieve their aspirations and make their desired impact.

EMPLOYEE
IMPACT





EMPLOYEE IMPACT



We are committed to ensuring that KPLP is a place where everyone can be their best selves and let their greatness shine.

Our commitments

- Provide the safest possible work environment for our people.
- Nurture our open, transparent, and innovative environment where voices and ideas are heard.
- Strengthen our culture of diversity, equity, and inclusion, and foster a sense of belonging for our employees.
- Grow capabilities and help our people reach their fullest potential through meaningful experiences, learning development, resources, mentoring, and coaching that brings out the greatness in all of us.

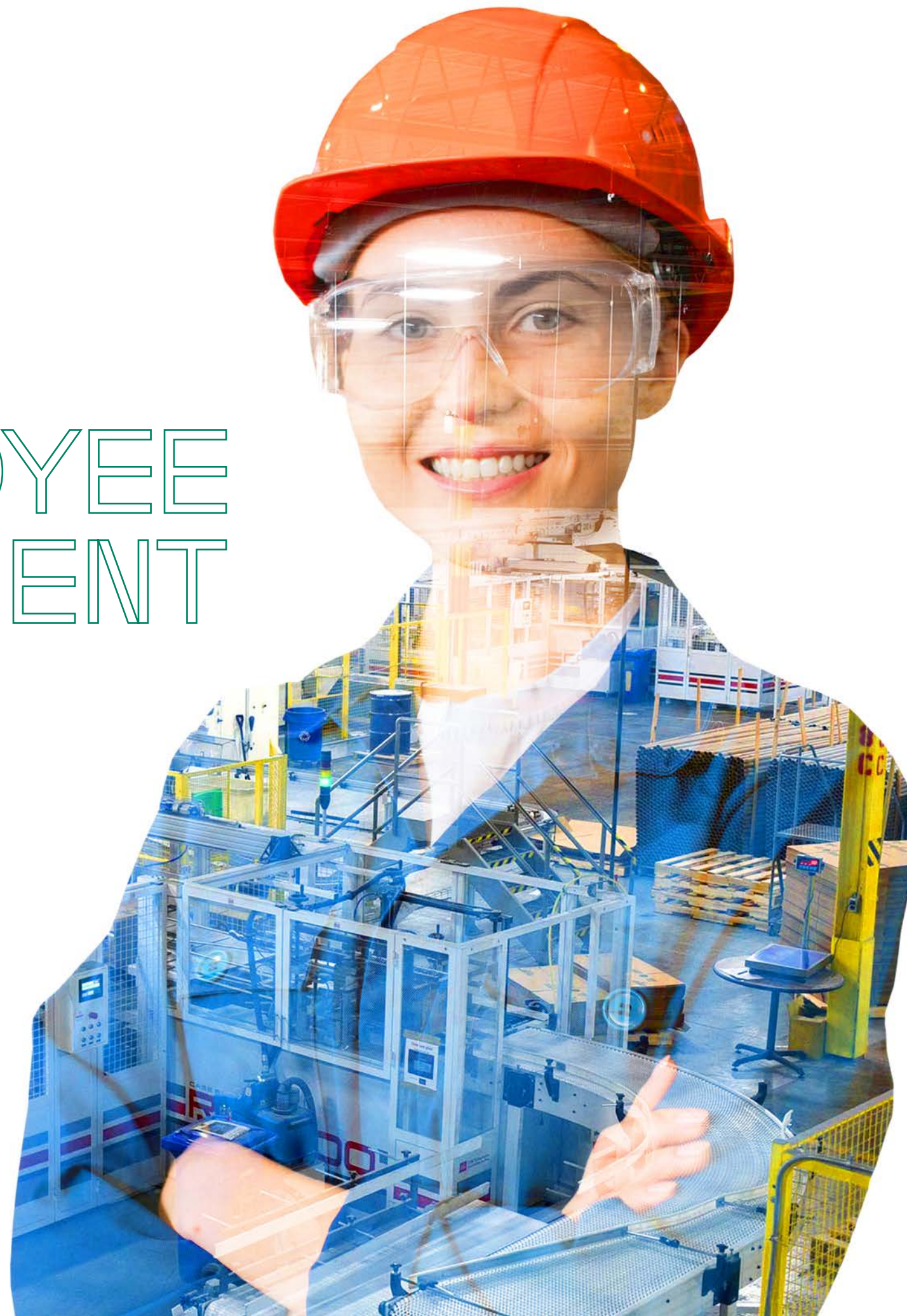
Over the past few years, we have focused on positively disrupting our culture to become even more progressive and purpose driven. We are continuing to meet the needs of our evolving workforce, celebrating our differences, and becoming stronger together. In recent years, we have strengthened our Human Resources team to advance one of our company's key strategic priorities on building our Winning Team and Culture.

Our efforts have been recognized by a variety of organizations, including being named a Top Greater Toronto Area Employer since 2012; being named by Forbes as one of Canada's Best Employers since 2017; and receiving two consecutive Women in Governance's Silver Parity Certifications.



EMPLOYEE COMMITMENT

Our people are our greatest strength, and we take great pride in providing a workplace that enables them to thrive. Our organization has grown to more than 2,700 employees across North America. We have a direct impact on the lives and well-being of our employees, their families, their communities; and this is a responsibility we take seriously.



Our supportive cross-functional teams tackle business challenges together, celebrate achievements, and take pride in the products we make. What is truly special about working at KPLP is our people and family spirit, where we work together, learn together, grow together, and bring out the best in each other.

Our people fuel the innovation that drives our business growth and sustainable development progress. To reach our full potential as a company, we recognize that our environment also needs to be one in which people can reach their full potential, one that encourages creative thinking, ideas, and celebrates diversity of thought at all levels of the organization. Instilling sustainable thinking in all that we do is every colleague's responsibility across our company and will solidify our leadership position long into the future.

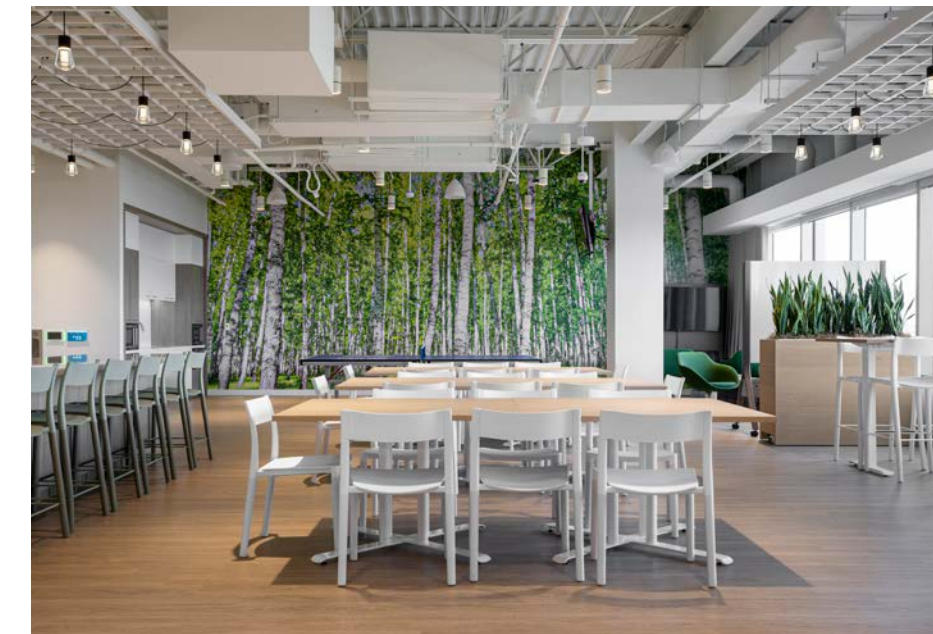
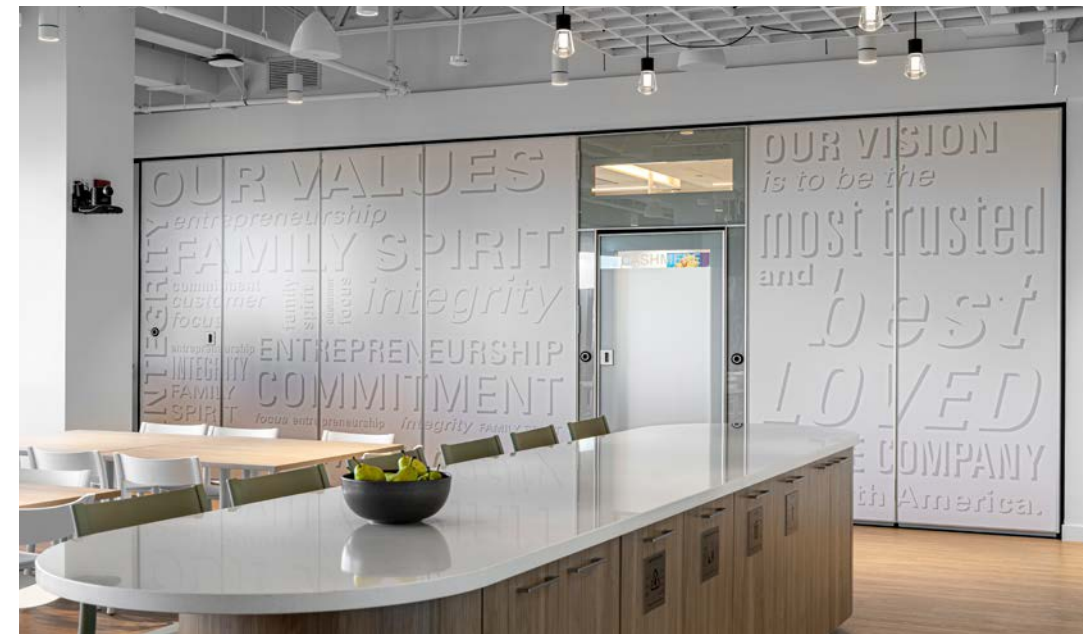
NEW HEAD OFFICE

We create great spaces to work to help inspire our employees to be their best selves, whether they work in one of our manufacturing facilities or our offices. In April 2020, KPLP transitioned to our new head office in Mississauga, ON. We had been in our previous location for almost 30 years, so creating our new office design allowed us to express our evolution as a company. Our new office design celebrates our brands and brings our “Tissue Land” concept to life, offering a more contemporary workplace for our employees to encourage collaboration, creativity, mindfulness, and performance.



We took care to find a new home that reflects our standards around sustainability. The building is LEED® CS Gold and BOMA Best Gold certified and includes several sustainable features: an abundance of natural light, LED lighting, level 2 electric car charging stations, bicycle storage, water efficient fixtures, solar powered landscaping, high emissivity roof, green cleaning, a waste management and diversion program, and a partial green roof. Perhaps most exciting is our living “green” plant wall in the lobby. It is the first thing seen as people enter our office, and it brings our commitment to sustainability to life as a reminder that we are embedding sustainability even deeper across our company through *Reimagine 2030*.

The office reflects what is important to us as a company. We engaged employees throughout the process to offer suggestions and weigh in on decisions. Its methodical design includes many innovative features to help our teams thrive through connectivity, collaboration and learning.



Some of these features include:

- Open-concept office with assigned seating and spacious workstations for all employees that feature variable-height sit/stand desks, ergonomic chairs and personal storage, including a personal coat closet.
- Kruger Kafé is available to everyone to enjoy lunch together, have a meeting or just a change of scenery. This is also where our Quarterly Town Halls and special events take place when it is safe to do so.
- Hotelling area with lockers and storage space for remote workers.
- “Koffee” Bar for employees and guests to convene and enjoy a specialty, complimentary coffee throughout the day.
- Reflect Room and Retreat Areas - quiet spaces for personal meditation and relaxation.
- Energize Room - featuring workstations that are walking treadmills.
- Gaming area for breaks and team building, featuring branded ping-pong tables and video games.
- Water filling stations and personal reusable glass water bottles to eliminate plastic. These stations display a count of how many plastic bottles we have eliminated from our waste.



ACHIEVED

2020 TARGET

58%
REDUCTION
IN OSHA TIR
FROM 2015

+

HEALTH
 SAFETY

Providing the safest possible work environment to all our employees is in our DNA. There is nothing more important than providing a safe work environment for our colleagues.

We achieved significant improvements in our safety record. At the end of 2020, we reduced our Occupational Health and Safety total incidents rate by 58% from 2015, exceeding our 2020 objective.

We have a company-wide strategy that helps us maintain our high standards on health and safety, and all of our facilities work hard at ensuring a safe working environment for all employees, specific to each site. Our comprehensive approach focuses on our workplace, environmental, as well as the physical safety, and emotional well-being of our colleagues. Our facilities also comply with corporate safety guidelines under our corporate-wide Environment, Health & Safety (EH&S) standards, which are in place to ensure that we lead the industry in EH&S performance. Our teams regularly share best practices to support a culture of knowledge sharing and safety.



There is no better illustration of the significance of our values than our company's response to the COVID-19 pandemic. While the world was grappling with work-from-home, from shifting people's day-to-day routines, we were able to balance our emphasis on, and enhancements to, health and safety, while simultaneously meeting our commitments to make the products that people need every day, which were experiencing a rapid shift in demand.

We acted swiftly, putting numerous policies and protocols in place. With our values as our guiding compass, each member of our team went above and beyond. Our office-based teams quickly pivoted to maximize their productivity working from home. We proactively introduced a wage program to support our manufacturing hourly colleagues in the event they would have to miss work due to quarantine, and provided tools and resources to support the mental health and emotional well-being of all colleagues. We ran special programs and team building events to keep our teams connected during this time, including regular town halls hosted by our CEO. In all our facilities we implemented strict hygiene protocols, increased our cadence of cleaning and disinfecting, adjusted our ways of working to ensure physical distancing, added specific safety requirements to our production lines, equipped all of our colleagues with personal protective equipment, and introduced thorough pre-screening requirements for anyone required to enter our sites, as well as testing clinics. We continue to take significant measures to ensure the health, safety, and wellbeing of our employees. KPLP's response during this time has been centered around providing immediate support and frequent touchpoints with our employees. We conducted two engagement check-in surveys to ensure we were maintaining a pulse of how our people were doing, as well as identifying the types of support they may need to help them manage through the pandemic. We made sure our team members and families had the tissue products they needed, and provided them with a generous gift card to help them buy other essentials they needed during the pandemic. We listened to our employees and increased the level of mental health support through the Employee and Family Assistance Program and Wellness Wednesday program. Through innovation and resiliency, we kept all stakeholders safe and productive, and those working from home stayed connected and didn't miss a beat!

COVID 19 RESPONSE





DIVERSITY, EQUITY + INCLUSION

Our Diversity, Equity & Inclusion (DE&I) journey started a few years ago. Our commitment to DE&I is more than a people strategy; it's a business strategy. It's not a "nice to have," it is a business imperative that brings significant returns from a culture, business performance, and financial perspective. Our "Women's Network" is a key pillar in our DE&I framework.



Our DE&I statement, "We See Greatness in You – Your Differences Make Us Stronger", is our north star, exemplifying our commitment to ensuring we have diverse teams that reflect the communities, customers and consumers we have the privilege of serving. And it is our colleagues who bring this to life each and every day, not just in what we do, but also in how we do it. One of our training program offerings this year is about understanding personal bias, including gender bias. Conscious Inclusion is a program that will be offered to all employees – this training is focused on raising awareness of actions and behaviours that support inclusivity and creating a sense of belonging within the workplace.



DIVERSITY, EQUITY + INCLUSION

***“We see greatness
in you. Your differences
make us stronger.”***

***KPLP has
achieved 20% female
representation on the
Board and 22% in
senior leadership
roles.***

Our commitment to DE&I is more than a people strategy, it is a critical business strategy and widely recognized as a key pillar of our inclusive and welcoming culture, where everyone feels comfortable being their authentic selves. In 2019, we updated and launched a roadmap for our new DE&I strategy. In 2020, we continued to implement this strategy across our company. It is deeply tied to our employee value proposition and focused on awareness, skill building, policies, programs, and practices.

The diversity of thought, experiences, and perspectives our people bring contributes to the high performance of our teams. In 2019, we launched “The Power of Differences,” our DE&I education and awareness program, to all salaried employees, and this program is now part of our new employee onboarding program. We truly believe that the variety of skills, backgrounds, perspectives, and talent across our workforce makes our company a great place to work.

Our “Women’s Network” is led by employee volunteers with Executive Leadership Team sponsorship, and is dedicated to supporting careers, through development, awareness, education, celebration, building community, and bringing out greatness in the women who work at KPLP. Consecutively, in 2019 and 2020, we received Silver Parity Certification from Women in Governance, recognizing our progressive policies and programs, and how we support career growth and leadership opportunities for women in business. We will continue to strive to create an environment that empowers women across our organization to be successful.

Some of our initiatives over the past year have included:

- Speaker Series - employee events with panels and key notes from influential leaders and speakers.
- International Women’s Day #EachForEqual Campaign: breakfast celebration of great women working at KPLP.
- OWN Your Career Networking Event: our CEO and Executive team members, along with a panel of employees, shared personal stories on their career journeys.
- Diversity in the Workplace: a multigenerational workforce mentorship event in partnership with the Network of Executive Women.



At KPLP, we prioritize ongoing employee development and spent over \$5 million on training initiatives across the company in 2020.

TRAINING + DEVELOPMENT

We are invested in the growth and development of our employees. Over the past year, we built a Talent Management Framework that defines our focus and the programs we deliver to support our employees. Our learning curriculum is an important part of our commitment to employee development, and programs are developed based on capability assessments. Our learning programs and development opportunities contribute to the growth of our people, and help them reach their personal and career goals.

In the past year, we launched new tools to support employee development. While development is a continuous activity for us, below are some of our achievements in 2020:

- While we recognize that development occurs throughout the entire course of the year, we launched “Development Month,” where new tools and resources were introduced, allowing employees to take charge of their development and become the CEO of their careers. Employees had the opportunity to participate in facilitated workshops led by development planning experts to help them build their personal development plans for the year.
- We introduced a self-serve career and development portal on our employee intranet to make learning and development information easily accessible to employees, including competencies, development planning tools, annual learning curriculum, and access to a vast library of e-learning programs.
- We launched “Bravo! Bravo!” a new recognition program designed to celebrate our people and recognize achievements of individuals and teams across the company.
- We committed to investing more than \$9 million to establish a specialized training program for future employees at our new Sherbrooke, QC plant, in collaboration with the Industrial Training Centre of Excellence.

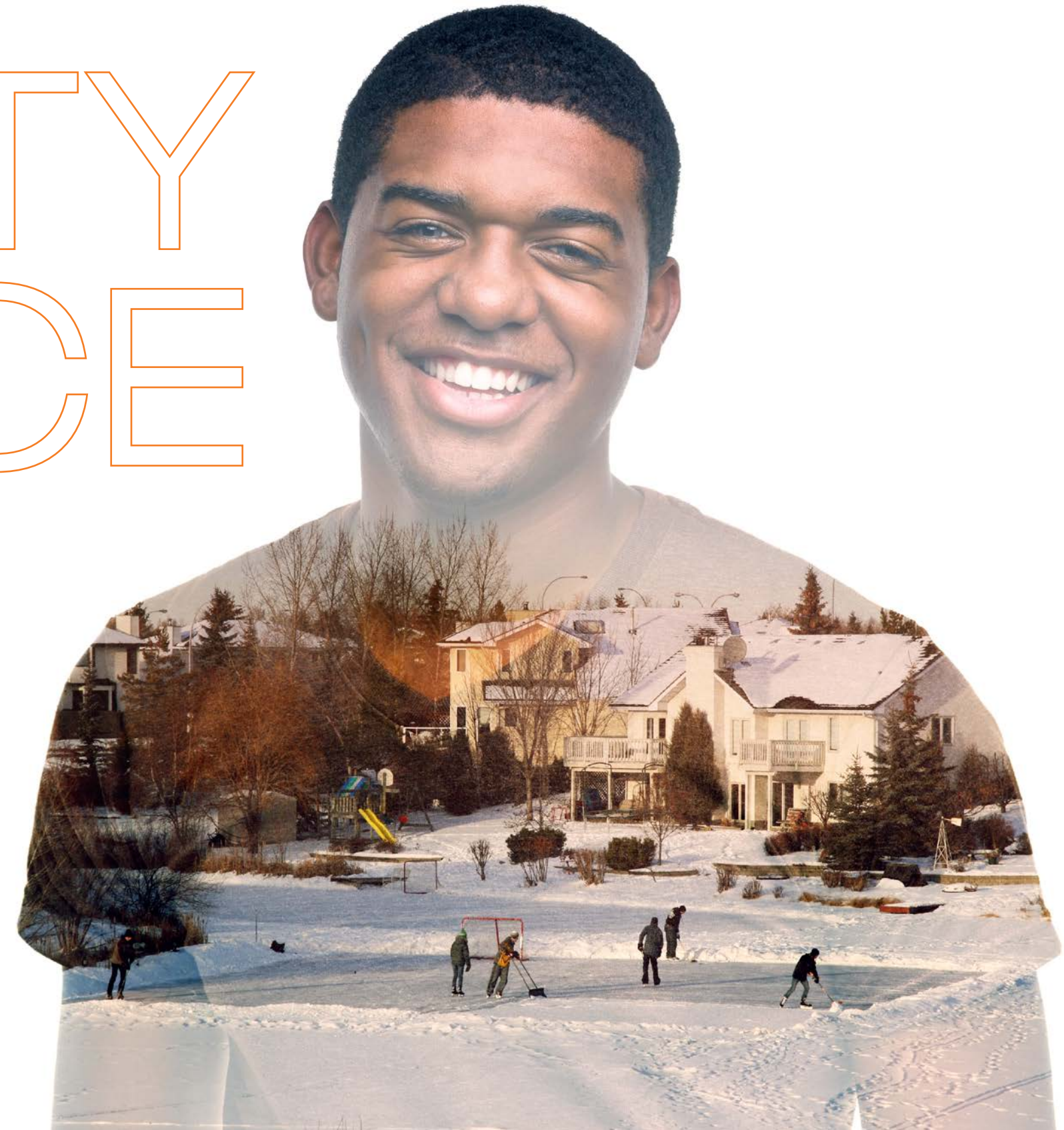
As we continue to grow, we will continue to enhance and evolve the many employee support initiatives to continue nurturing our people and teams. Our shared future is full of exciting possibilities.



COMMUNITY EMBRACE

PILLAR 4

Create engagement with impact that makes everyday life in our communities more comfortable and sustainable.





COMMUNITY EMBRACE

Our goal is to continue to engage with partners to make everyday life in our communities more comfortable and sustainable. We are focused on nurturing relationships and trust within the communities where we operate and developing partnerships that support our mission and our shared values with our customers. Our employees are positive influences in their communities, leaders in sustainability, and passionate about the places where they work, live, and play.

Community support has always been central to who we are at KPLP. However, we also believe there is much more we can do to enhance the lives of the millions of people we serve in communities across Canada and the U.S. every day. The COVID-19 pandemic has reinforced how interconnected we are, and as a corporate leader, our responsibility to our communities has never been greater. As we move forward with *Reimagine 2030*, we are committed to increasing our dedication to community embrace.

Our commitments

- Develop a strategic framework for our community embrace pillar of *Reimagine 2030* that continues to support our mission and vision.
- Focus our community investment and employee volunteering efforts to deepen our impact.



COMMUNITY EMBRACE

OUR COVID-19 RESPONSE

During the COVID-19 pandemic, given our role as a North American business leader, and the products we manufacture, it was imperative for us to further exercise support for our communities. Nurses, doctors, health care workers, first responders, and others on the front lines of the pandemic, are truly our heroes. While their focus is on healing us and our communities, our steadfast focus has been how we can best support them. We exemplified that we were all in this together. Through our #RollingItForward campaign, our national COVID-19 relief initiative, we made significant tissue product and monetary donations to local food banks and hospitals in major metropolitan areas.





COMMUNITY EMBRACE

OUR COVID-19 RESPONSE

To extend our campaign and engage the public, we partnered with the NHL Players Association to inspire Canadians to perform acts of neighbourly kindness. Through the #RollingItForward Initiative we:



Donated tissue products to 27 hospitals reaching 30,000 frontline workers in partnership with Mercedes Benz.

Delivered products across Canada with Food Banks Canada.

Provided product donations in our U.S. operations in Memphis, TN and Bentonville, AR.

Donated \$200,000 to support healthcare professionals through the Frontline Fund.

We recognize that an essential aspect of being a sustainable company is making a positive difference in our communities, and we are honoured to have played a role in supporting Canada and the U.S. through the global pandemic.





COMMUNITY INVESTING

At KPLP, we believe that we should make a difference in the lives of our employees, customers, and community members. We take our responsibility to do so very seriously. We invest time in community-building activities, thereby contributing to the health, welfare, and social well-being of neighbours and community partners.

We align ourselves with the community and philanthropic endeavours that are important to our consumers and employees, particularly in the areas of cancer research, children's health, environmental conservation, and women's sports. Our efforts are intended to have significant positive impacts at both a local and national level. Our community investment is strategically focused, and we are committed to developing long-term relationships with the organizations and efforts we support. Moving forward, we aim to build on our strong foundation, and develop a strategic framework to guide our community investment efforts and support our mission at the corporate, regional, and local levels.

SOME OF OUR LONG-TERM NATIONAL SPONSORSHIPS & PARTNERSHIPS INCLUDE:



CANADIAN CANCER SOCIETY:

Since 2005, we have helped fund innovative research that aims to reduce the incidence of breast cancer, lower mortality rates, and support women and their families affected by breast cancer. Our partnership is rooted in our product offerings, packaging, and advertising. The Cashmere Collection is our annual fundraising campaign that showcases creative fashion creations from Canada's top design talent and raises awareness about this important cause.

SCOTTIES®' TOURNAMENT OF HEARTS®:

As a long-standing sponsor of the tournament, 2020 marked the 40th consecutive year of KPLP's sponsorship of the Canadian Women's Curling Championship. We play a part in bringing this event to life, which empowers the advancement of women in the world of sports.

CROHN'S & COLITIS:

KPLP has been a national sponsor for Gutsy Walk, Canada's largest community event committed to raising funds for Crohn's disease and ulcerative colitis since 2014.

RONALD MCDONALD HOUSE CANADA (RMHC):

Since 1990, our AFH division has donated all of the household paper products supplied to Ronald McDonald Houses across Canada. With 65% of Canadians living outside of a city with a children's hospital, RMHC's programs and services across Canada provide families with a home to stay together and receive support. The organization is a key part of the fabric of Canada's pediatric health care system.



EMPLOYEE VOLUNTEERING

Our employees are positive stewards and volunteers in our communities. Making a difference in the lives of others around us is a privilege. We encourage our employees to donate their time to a charity of their choice. Our employees have participated in activities from cooking meals, serving meals, tree planting, and delivering products to local charities. We've also extended volunteer opportunities to the children of our employees — inspiring youth and the next generation to give back.

Our various facilities also make a unique impact in their local communities by volunteering for causes they care about. Many of our facilities have a Community Involvement Committee that meets to brainstorm ideas on how our employees can be involved and contribute to our local communities.

In 2020, a year of immense pressure, we supported more than 30 initiatives and organizations across the country through sponsorships and employee volunteering. Some of the organizations and efforts that our employees have contributed to over the past year include United Way, Quebec Breast Cancer Foundation, Movember, Centre de Pédiatrie Sociale de Gatineau, Dressing for Success, Knights of Columbus, Big Brothers Big Sisters of the Mid-South, Sistering Women's Shelter, and Becel Ride for Heart.



COMMUNITY RELATIONS

Leading with kindness is at the forefront of our community involvement. Our intention is to help our communities see their greatness. As a consumer products company with manufacturing sites in multiple communities across Canada and the U.S., we understand that our company can play an integral role in improving the livelihoods of the communities where we operate. Cultivating long-term relationships within these communities is important to us. Our Community Involvement Committee is dedicated to organizing charity initiatives throughout the year and is entirely led by our employees. We aim to deliver the most impact possible through our contributions, and strive to be responsive and locally relevant. Drawing on our strengths, reach, and partners, we hope to address some of the toughest social and environmental challenges facing our communities.

For example, during the construction of our new Sherbrooke, Quebec plant, which was commissioned in February 2021, we conducted significant engagement with the community so that they felt informed and included throughout the process. Regular communications with the surrounding neighbourhood and local government, including meetings and newsletters, were incorporated into the efforts.

To maximize our charitable and volunteering efforts, we collaborate with local organizations and non-profits while prioritizing building meaningful relationships. Through these associations, we can gather greater insights into community issues and support solutions developed by the people who best understand the local needs.

OPERATIONS



ENERGY CONSUMPTION¹	UNIT	2020*	2019*	2018*	2017*	2016*	2015	2009 BENCHMARK
Natural Gas	Gigajoules	4,431,956	4,363,447	4,314,868	4,093,447	3,970,252	4,053,601	4,271,830
	% of Totals	63	62	61	61	61	61	65
Grid-Supplied Electricity	Gigajoules	2,311,861	2,327,163	2,329,479	2,305,309	2,246,507	2,187,507	1,992,136
	% of Totals	33	33	33	34	34	34	31
Biomass	Gigajoules	321,023	309,079	361,216	350,841	332,189	355,002	15,977
	% of Totals	4	4	5	5	5	5	-
Other (Diesel, Oil, Propane)	Gigajoules	22,517	37,109	44,760	34,020	28,297	31,392	287,585
	% of Totals	-	1	1	-	-	-	4
Total	Gigajoules	7,087,356	7,036,798	7,050,322	6,783,427	6,577,246	6,627,502	6,567,528
	GI/MDMT Produced	18.48	19.44	19.65	19.81	19.53	20.67	21.72
Energy from Renewables	% of Totals	26	26	27	27	29	27	26
GREENHOUSE GAS EMISSIONS¹								
Absolute CO ₂ e Scope 1 (Direct)	Metric Tonnes CO ₂ e	222,530	220,019	218,365	207,015	201,963	206,732	236,712
Intensity CO ₂ e Scope 1 (Direct)	kg CO ₂ e/MDMT Produced	580	608	609	605	599	644	783
Absolute Location-Based CO ₂ e Scope 2 (Indirect)	Metric Tonnes CO ₂ e	96,044	104,436	119,240	121,355	132,443	142,432	63,843
Intensity Location-Based CO ₂ e Scope 2 (Indirect)	kg CO ₂ e/MDMT Produced	251	289	332	354	393	444	211
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	318,574	324,128	337,239	328,371	334,407	320,613	300,545
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MDMT Produced	831	896	940	959	993	1060	994
Absolute Market-Based CO ₂ e Scope 2 (Indirect)	Metric Tonnes CO ₂ e	53,018	70,127	78,102	82,879	94,135	-	-

OPERATIONS



CAC EMISSIONS¹	UNIT	2020*	2019*	2018*	2017*	2016*	2015	2009 BENCHMARK
NOx	Metric Tonnes	278.5	282.5	302.3	292.5	285.1	-	-
SOx	Metric Tonnes	64.9	69.7	109.3	108.1	104.8	-	-
TPM ²	Metric Tonnes	82.0	81.4	93.2	91.3	87.5	-	-
VOCs ³	Metric Tonnes	15.8	15.7	16.1	15.5	15.2	-	-
CO	Metric Tonnes	288.2	283.3	296.4	286.4	276	-	-
WATER¹								
Absolute Effluent Hydraulic Flow	m ³	18,236,999	18,508,094	19,606,335	18,895,035	20,114,475	20,471,496	22,983,464
Intensity Effluent Hydraulic Flow	M ³ /MDMT Produced	48	51	55	55	60	64	76
EFFLUENT DISCHARGES¹								
BOD	Metric Tonnes	1,196	873	1,654	1,473	1,693	-	-
Suspended Solids	Metric Tonnes	4,872	3,492	2,901	2,956	4,800	-	-
COD ⁴	Metric Tonnes	6,847	5,253	5,588	5,988	-	-	-
AOX ⁵	Metric Tonnes	6	10	9	11	10	-	-
p ⁶	Metric Tonnes	-	3	4	4	4	-	-
SOLID WASTE¹								
Generated	Metric Tonnes	57,008	54,438	48,658	50,349	47,671	45,390	-
Recovered	Metric Tonnes	51,737	47,332	42,915	41,514	41,216	40,711	-
	% of Total	91	90	88	82	86	90	-
To Landfill	Metric Tonnes	5,271	5,106	5,743	8,835	6,455	4,679	-
	% of Total	9	10	12	18	14	10	-

PRODUCTS



CERTIFIED PRODUCTS	UNIT	2020*	2019*	2018*	2017*	2016*	2015	2009 BENCHMARK
UL ECOLOGO (UL 175)	No. of Products	56	52	58	55	55	55	93
Forest Stewardship Council®	No. of Products	116	112	110	107	127	126	-
Sustainable Forestry Initiative	No. of Products	29	1	-	-	-	-	-
Green Seal	No. of Products	1	1	1	1	1	1	1
PACKAGING MATERIAL								
Total Packaging Materials	Metric Tonnes	47,915	-	-	-	-	-	-
Total Packaging Intensity	Pounds per QCs	1.67	-	-	-	-	-	-
Total Fibre-Based Packaging	% of Total	89.2	-	-	-	-	-	-
Total Plastic Packaging	Metric Tonnes	2,082	-	-	-	-	-	-
Plastic Packaging Intensity	Pounds per QCs	0.155	-	-	-	-	-	-
PRODUCTION								
Paper	MDMT	383,477	361,917	358,807	342,427	336,771	320,613	302,414
Total Finished Cases	QCs (000s)	63,397	-	-	-	-	-	-
Branded Finished Cases	QCs (000s)	29,646	-	-	-	-	-	-

**KRUGER PRODUCTS L.P.
SUSTAINABILITY
KEY PERFORMANCE INDICATORS:**

SOCIAL



HEALTH & SAFETY	UNIT	2020*	2019*	2018*	2017*	2016*	2015
OSHA	Total Incidence Rate	1.67	2.60	2.06	2.88	3.60	4.01
Lost Work Days	No. of Days	506	1,023	614	765	1,436	907
Fatalities	No. of Employees	-	-	-	-	-	-
LEADERSHIP DIVERSITY							
Women in Board Roles	Percentage	20 ⁹	25	25	-	25	25
Women in Senior Leadership Roles	Percentage	22	20	18	10	10	10
Women in Management Roles	Percentage	37	-	-	-	-	-

*Includes Trenton and Scarborough, ON Converting Plants Data

¹Manufacturing operations only.

²For certain emission sources, an emission factor for TPM (total particulate matter) was not available. In these instances, PM10 or Filterable PM is used to represent TPM.

³For certain emission sources, an emission factor for VOC (Volatile organic compound) was not available. In these instances, TOC (total organic carbon) or NMTOC (non-methane organic compound) is used to represent VOC.

⁴Does not include New Westminster, BC Plant.

⁵Only Gatineau and Crabtree, QC Plants included.

⁶Only Crabtree and Lennoxville (Sherbrooke), QC Plants included.

⁷Only Gatineau, Crabtree and Lennoxville (Sherbrooke), QC Plants included.

⁸SFI Certified Forest Content

⁹2020 inclusive of both internal and external board members. Previous reporting for external board only.

QCs=Quota Cases is our method to harmonize various product put-ups, formats, and sheet counts into a standardized consumption unit.

OUR FACILITIES



KP LOCATION	PRIMARY FUNCTION(S)	ANNUAL PAPER MAKING CAPACITY (MT)	PRIMARY FINISHED PRODUCTS PRODUCED	TOTAL NO. OF EMPLOYEES*	THIRD-PARTY CERTIFICATIONS
CRABTREE, QUÉBEC CANADA	<ul style="list-style-type: none"> • Paper Making • Converting • Deinking & Pulping (Recycled) 	91,000	<ul style="list-style-type: none"> • Bathroom Tissue • Paper Towels 	638	ISO 9001:2015 FSC® CoC SFI/PEFC CoC ECOLOGO GMP CT-PAT
GATINEAU, QUÉBEC CANADA	<ul style="list-style-type: none"> • Paper Making (Laurier) • Converting (Richelieu) 	93,000	<ul style="list-style-type: none"> • Bathroom Tissue • Facial Tissue • Paper Napkins • Paper Towels 	397	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC ECOLOGO GMP CT-PAT
LENNOXVILLE (SHERBROOKE) QUÉBEC CANADA	<ul style="list-style-type: none"> • Paper Making 	24,000	N/A	44	ISO 9001:2015 FSC® CoC SFI/PEFC CoC ECOLOGO CT-PAT
MISSISSAUGA, ONTARIO CANADA**	<ul style="list-style-type: none"> • Corporate Head Office 	N/A	N/A	262	FSC® CoC SFI/PEFC CoC UL ECOLOGO
MEMPHIS, TENNESSEE UNITED STATES OF AMERICA	<ul style="list-style-type: none"> • Paper Making • Converting 	110,000	<ul style="list-style-type: none"> • Bathroom Tissue • Facial Tissue • Paper Towels 	498	ISO 9001:2015 FSC® CoC SFI/PEFC CoC GMP
NEW WESTMINSTER, BRITISH COLUMBIA CANADA	<ul style="list-style-type: none"> • Paper Making • Converting 	61,000	<ul style="list-style-type: none"> • Bathroom Tissue • Facial Tissue • Paper Towels 	384	ISO 9001:2015 FSC® CoC SFI/PEFC CoC GMP CT-PAT
SCARBOROUGH (TORONTO), ONTARIO CANADA	<ul style="list-style-type: none"> • Converting 	N/A	<ul style="list-style-type: none"> • Paper Napkins 	134	FSC® CoC ECOLOGO
SHERBROOKE, QUÉBEC CANADA	<ul style="list-style-type: none"> • Paper Making • Converting 	70,000 Projected	<ul style="list-style-type: none"> • Bathroom Tissue • Paper Towels 	195	FSC® CoC GMP
TRENTON, ONTARIO CANADA	<ul style="list-style-type: none"> • Converting 	N/A	<ul style="list-style-type: none"> • Bathroom Tissue • Facial Tissue • Paper Napkins • Paper Towels 	185	FSC® CoC UL ECOLOGO
TOTALS***	Metric Tonnes	379,000		2,737	

*As of October 2020 | **Includes sales offices in Bentonville, Arkansas USA and Laval, Québec Canada as well as individual home offices across the USA and Canada. | ***Totals do not include new Sherbrooke, QC plant expected to begin papermaking operations in early 2021.



We welcome feedback from our stakeholders. For more information, clarification or to provide any comments, please contact:

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