Kruger Products Inc. - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Kruger Products Inc (KPI) is Canada's leading manufacturer and marketer of quality tissue products for household, industrial and commercial use. Based in Mississauga, Ontario, Canada, KPI employs approximately 2,800 employees with manufacturing operations in New Westminster, British Columbia in Canada; Scarborough and Trenton, Ontario in Canada; Crabtree, Gatineau, Lennoxville and Sherbrooke, Québec in Canada; and Memphis, Tennessee in the United States. Leading consumer brands include Cashmere® and Purex® bathroom tissue, SpongeTowels® paper towels, Scotties ®' facial tissue and Bonterra™ bathroom tissue, paper towels and facial tissue in Canada and White Cloud® bathroom tissue, paper towels and facial tissue in the United States.

Our majority shareholder, Kruger Inc., is a major provider of tissue products, 100% recycled containerboard, corrugated packaging, publication papers, specialty papers, pulp, renewable energy, and cellulosic biomaterials as well as a leader in paper and paperboard recycling in North America. A privately held family company, Kruger Inc. has 5,500 employees and its facilities are located in Québec, Ontario, British Columbia and Newfoundland and Labrador, as well as in the States of Tennessee, Maine, New York, Virginia, Kentucky and Rhode Island. The remaining shares of KPI (13.9% as of December 31, 2022) are held by KP Tissue Inc. which was created to acquire, and its business is limited to holding, a limited equity interest in KPI. KP Tissue Inc. is a publicly traded entity on the Toronto Stock Exchange (stock symbol KPT).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
Canada
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Direct operations only [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason
Do not own/manage land

Please explain
Wood fibre material is procured from suppliers who complete the harvesting and transportation of wood to our processing facilities. The harvesting of wood fiber occurs primarily on Crown land in Canada or on private land, not owned by Kruger Products. We consider emissions related to sourcing our wood fiber to be part of our scope 3 emission profile under category 1, purchased goods and services.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity
Timber

% of revenue dependent on this agricultural commodity
More than 80%

Produced or sourced
Sourced

Please explain
Kruger Products currently only produces paper fiber products including bathroom tissue, facial tissue, napkins and paper towel; these products make up our sole source of revenue. More than 80% of our fiber sourcing is from virgin sources with the remaining balance coming from recycling fiber sources. Each year we calculate and report on the distribution of recycled vs virgin sourced fiber for the company's operations.

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	48265Y1043

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	CEO holds overall responsibility for climate-related issues, provides guidance and approves sustainability targets, and reports to the Board on risks, objectives, and performance vs. objectives. CEO exerts top-down direction to the sustainability team to achieve goals and provide detailed plans on how goals will be achieved. This includes the creation of our long term 2030 sustainability targets that were approved in 2020 by the board and includes carbon and water reduction goals as well as certified fibre and plastic packaging reduction targets.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Reviewing and guiding strategy Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	The board completes a bi-annual review of strategy, risks and climate-related objectives to ensure the company is on track to meet our climate related targets. Long term planning including capital required to achieve objectives is determined by management and approved for immediate or future spending

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	The board is involved with setting and approving targets, reviewing industry best practices and competitor benchmarking. They are well informed on our cap-and-trade obligations and actively promote initiatives that reduce our exposure to paying extra for carbon allowances. They receive semi-annual updates for the company Sustainability VP to keep them updated on progress and to guide the future direction of sustainability initiatives.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
CEO receives quarterly reports on climate and environmental targets for the year.

Position or committee
Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position
Developing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets

Managing public policy engagement that may impact the climate
Assessing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
CSO updates the CEO on a quarterly basis on progress towards climate related metrics and annually on climate risk assessments

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Position or committee
Energy manager

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Integrating climate-related issues into the strategy

Coverage of responsibilities
<Not Applicable>

Reporting line
Operations - COO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Corporate Energy Manager reports on facility results on a quarterly basis and keeps project planning documents up to date on a bi-annual basis, including scoping future projects for approval

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Position or committee
Environment/ Sustainability manager

Climate-related responsibilities of this position
Developing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Reports on progress against corporates sustainability goals and works cross functionally to ensure plans are in place to meet long term goals and targets. Provides input on climate related risks to be developed into plans with CSO

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Incentives are linked to hitting carbon and water reduction targets as part of the annual review process to determine merit based increases and bonus rate

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Chief Sustainability Officer (CSO)

Type of incentive
Monetary reward

Incentive(s)

Bonus - % of salary
Salary increase

Performance indicator(s)
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Reduction in emissions intensity

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
The CSO (aka VP Sustainability) is recognized for ongoing efforts to achieve a broad range of objectives including emissions reduction targets. These are included in their annual review and tied to merit increases and yearly performance bonuses

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
CSO is incentivized to help company achieve carbon reductions as part of meeting incentive plan goals, by supporting initiatives and plans that will lead to meaningful reductions in resource usage that will reduce GHG emissions

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Entitled to incentive
Energy manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Salary increase

Performance indicator(s)
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in emissions intensity
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
The Energy Conservation Manager is responsible for developing and executing emissions reduction projects with each facility's energy team. While many of these projects have a long horizon, the Manager is financially awarded annually through incentive for reduction efforts in those periods in which annual objectives are achieved.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The Energy Manger is responsible for working cross functionally to activate capital projects that reduce energy consumption and GHG emissions. Incentives are tied to reduction results on a yearly basis as agreed upon with direct manager.

Entitled to incentive
Environment/Sustainability manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Salary increase

Performance indicator(s)
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The corporate Sustainability Manager has yearly performance metrics that are tied to their annual review, merit based salary increases and yearly bonus. These targets include long term GHG reduction targets, engaging various departments on scope 3 emissions - including logistics, reporting on company sustainability performance against peers and benchmarks and maintaining FSC and SFI/PEFC certifications for all raw material wood fiber purchased.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The Sustainability Manager is incentivized to improve data quality and reporting to external stakeholders to document progress towards climate incentives. This is accomplished by working cross functionally with various teams to help track impact and work towards setting climate goals.

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Salary increase

Performance indicator(s)

Progress towards a climate-related target
Achievement of a climate-related target

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
The CEO is recognized for ongoing efforts to achieve a broad range of objectives including emissions reduction targets. These are included in their annual review and tied to merit increases and yearly performance bonuses

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The CEO is incentivized to help company achieve climate reductions as part of meeting incentive plan goals, by supporting initiatives and plans that will lead to meaningful reductions in resource usage that will reduce GHG emissions

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	Traditionally we have focused on 0-5 year timeline for identification of and implementation of projects focused on climate change including energy and water reduction projects as well as GHG reduction efforts. Our first sustainability program--Sustainability 2015 and its follow-up—Sustainability 2020 followed this timeline. We typically plan out large carbon reduction projects on a short-term horizon to ensure that we are utilizing the best technologies available and costing remains as accurate as possible.
Medium-term	5	10	As we look over the next 10 year timeline, we know that some of the low-hanging fruit efforts have yielded progressive results but that a longer timeline is necessary for the next phase of our journey. We have created Reimagine 2030 which sets our sustainability targets for 2030 vs 2009 baseline years
Long-term	10	30	As we look towards the next 10 years, we have an eye to the longer-term vision of 2050. Initiatives over the next 10 years will have an impact on the longer horizon. These sorts of initiatives require systemic changes to the way we currently operate and will have the greatest opportunity for significant improvement to our footprint. We continuously monitor trends, regulations and improvements in technologies to help map our long term vision on how the company could operate in the long term horizon. This includes projecting how the company could achieve carbon neutrality by 2050 and the reductions in energy consumption or fuel switching required to achieve this goal

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We define a substantive impact as an event or change, that would impact revenue by at least 5%, with a 90% probability of occurring. Indicators used to assess climate related impacts would include the price of pulp, facility down time due to extreme weather events and fuel costs.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The Board bears the responsibility to oversee the risk management systems and processes and reviews the associated outcomes and planning. The board requires a comprehensive framework and toolsets to assist it to structure an effective, robust enterprise risk oversight process Management has the responsibility for enterprise risk management (ERM). ERM provides a framework which assists the Board in its oversight role. Kruger Products' ERM identify risks and opportunities relevant to the organization's objectives, assesses them in terms of likelihood of risks and opportunities, determines a response strategy and monitoring progress. Each functional executive submits a list of risks for a cross-functional management team review which is ultimately presented to the Board as a list of company-wide identified key risks and the top 10 risks and their respective mitigation strategies as agreed by the Leadership Team. The ERM applies to both the company and asset levels of risk management.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Kruger Products understands applicable laws and regulations and has implemented internal policies and procedures to ensure compliance. In addition, a proprietary Corporate Environmental Management System (EMS) has been implemented, contributing to Kruger Products' efforts at mitigating this risk. This is supported by external audits performed on a three-year cycle by a recognized firm and the sharing of best practices between sites. Failure to comply with relevant environmental laws and regulations poses the threat of fines to the business. Our dedicated team monitors and reports on legislated metrics, such as water quality and GHG emissions under cap and trade for our Québec manufacturing, to ensure we remain compliant. To reduce our risk and expenses under a cap and trade environment, we are focused on energy efficiency projects and alternative fuel sourcing for facilities under these regulations to minimize our GHG emissions to the greatest extent possible. These include utilizing steam from the Cogen power plant operated by our affiliates and a heat recovery mechanism in Québec that is projected to save 22,500 MT CO2e per year at a projected cost of $6 million.
Emerging regulation	Relevant, always included	We continually monitor and review emerging and developing regulation in an effort to prepare for scenarios where changing regulation may impact our business operations. Regulatory reviews are primarily of Canadian and American law, as this is where we manufacture our product
Technology	Relevant, always included	We continuously monitor improvements in energy efficiency technology to ensure new facilities operate as efficiently as possible. The Energy Manager and local engineering teams at Kruger Products continuously monitor the market for emerging technologies, tradeshows and best practices that could help improve our energy efficiency and carbon reduction plans.
Legal	Relevant, always included	Failure to comply with relevant environmental laws and regulations poses the threat of fines to the business. We have dedicated team that monitors and reports on legislated metrics, such as water quality and GHG emissions under cap and trade for our Quebec manufacturing, to ensure we maintain our compliance.
Market	Relevant, always included	IPSOS research showed there is customer demand for environmentally friendly products. As consumers become more environmentally conscious, we want to ensure we have products that align with their lifestyle decisions. We are trying to fulfil that demand with products that meet expectations. Through our Bonterra brand, we strive to create products with a reduced environmental impact, including a reduced carbon footprint and reduced plastic waste versus traditional product lines. We plan to take learnings and wins from these product launches and integrate them into our other product offerings long term.
Reputation	Relevant, always included	Kruger Products' customers, competitors and NGO groups may determine that Kruger Products does not meet their definition of sustainable practices, which could reduce sales and have negative reputational consequences. Based on actions against competitors, customer inquiries, and other market reactions, we have made business decisions such as becoming FSC®-certified to reduce these risks. This is a shifting target, so we always look at current trends to stay ahead. We are committed to achieving our 2030 sustainability goals to validate our commitment to the environment, maintain or improve our current third-party certifications, and validate our emissions and targets in the short term.
Acute physical	Relevant, always included	Extreme weather events such as floods, cyclones and other natural disasters can occur and are out of the control of Kruger Products. These events could cause adverse effects on business operations and/or financial results if supply chains are disrupted or manufacturing facilities are physically or operationally damaged. Our facility sites were chosen to minimize the risk of flooding during the purchasing phase. Our manufacturing sites are spread out throughout Canada (6, QC, 2 ON, 1 BC), with one site in Memphis, the highest producing site, accounting for 22% of production. This means a worst-case scenario at our most active manufacturing site, we would see roughly a 22% reduction in revenue-generating capacity plus cost to rehabilitate the manufacturing operation. We have experienced this disruption before, with flooding in BC that disrupted supply chains and have taken learning to minimize impacts in the future.
Chronic physical	Relevant, sometimes included	We recognize that long-term climate change could directly impact the availability of wood fibre, the stability of manufacturing operations and disrupt the price and/or availability of energy required for our operations. If fibre availability was impacted by a lack of forest growth or reduced access to potential fibre sources, we would expect that the market price for this fibre would increase. Our planning for this risk includes researching alternative fibres to replace wood fibre for our product. Through investment in R&D, we are researching the potential of utilizing alternatives to wood fibres for our products through studies to gauge product quality and cost of production. Finding an appropriate substitute for our tissue product could reduce our risk of climate-related disruptions to wood fibre sourcing.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Evolving cap & trade schemes by various provinces applicable specifically to our British Columbia and Quebec paper manufacturing facilities, increase our operating cost in these provinces. Internal resources are required to monitor and report to these provincial bodies to ensure that our GHG emissions are compliant with local regulatory schemes. Likewise, we have dedicated recourses that are working towards minimizing the impact of carbon pricing through carbon reduction projects

Time horizon

Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1800000

Potential financial impact figure – maximum (currency)
5000000

Explanation of financial impact figure
The lower estimate based on the projected increase in the Quebec cap and trade GHG cost to 2030. It covers the 2 of our facilities that currently fall under the reporting obligation but does not include our third facility that will be subject to 2023 reporting or our facility in British Columbia. The higher estimate includes these facilities at a high level. Neither projection considers

Cost of response to risk
6000000

Description of response and explanation of cost calculation
To reduce our risk and expensed under a cap and trade environment, we are focused on energy efficiency projects and alternative fuel sourcing for facilities under these regulations to minimize our GHG emissions to the greatest extent possible. These include utilizing steam from Cogen power plant operated by our affiliates and a heat recovery mechanism in Quebec that are projected to save 22,500 MT combined of carbon per year at projected cost of $6 millions. Not included in the cost is a biofuel generator in BC that is already operational, with plans to expand.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Market	Other, please specify (Fuel and Transportation Costs)

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Increased costs from third-party transportation providers for fuel/energy taxes and regulations to transport finished to customers and unfinished products between manufacturing sites

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
7000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
We have seen about 5% to 10% logistics increase historically year over year due to supply chain issues, fuel price increases and carrier cost increases

Cost of response to risk
0

Description of response and explanation of cost calculation
We are also aware of logistics and transportation risks that are impacted by fuel prices, carbon tax and availability. Since we exclusively use third-party logistics suppliers to move our goods internally and externally, we focus on three areas to manage risks:
1. Increasing cube optimization by loading more onto each truck to reduce the total number of truck
shipments required;
2. Increasing the amount of intermodal via rail versus over-the-road shipments; and

3. Route optimization to ensure our products travel only as far as needed to reach our customers.

Options 1 and 3 would not carry additional costs, and may actually reduce costs. The cost implications of option 2 have not been full explored at this time but is not expected to be a significant cost difference.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Requirement to disclose emissions on-package to increase visibility of emissions performance on products for consumer. Would require all packaging to be updated at significant cost.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
750000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
~$5,000/SKU for printing plates and creative costs per product. We have 150 sku's currently - this price assumes that every sku's packaging would require updating

Cost of response to risk
0

Description of response and explanation of cost calculation
Our focus is to continue reducing environmental impacts including energy, emissions, water, waste, fibre, etc. and address this legislation if and when it develops. We are also looking into 3rd party certifications for select products which may reduce our need for additional reporting for some sku's. These actions are the main focus of other initiatives so we do not have a dedicated cost to manage this risk at this time

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
All of KP's operations are located on bodies of water, primarily rivers. Risks of flooding from extreme weather could temporarily close facilities and potentially make it difficult or risky for employees to reach facilities. In addition, road closures could affect our ability to transport goods to market in a timely manner.

Time horizon
Long-term

Likelihood

Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
89000000

Potential financial impact figure – maximum (currency)
343000000

Explanation of financial impact figure
This estimate was created by assuming revenue is proportional to production - so a facility with 16% of our production, would contribute 16% to total revenue. The model assumes a worst case scenario where production is reduced to zero for a calendar year for our smallest and largest manufacturing sites

Cost of response to risk
0

Description of response and explanation of cost calculation
Facility sites were chosen to minimize the risk of flooding during the purchasing phase. Manufacturing operations spread out through multiple location which significantly reduces the possibilities that all operations would be affected at the same time. Significant flooding could adversely affect operations causing loss revenue and incremental costs to rectify. Our highest capacity manufacturing location produces 22% of our product, so a worst case scenario would see roughly a 22% reduction in revenue generating capacity plus cost to rehabilitate the manufacturing operation

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Heat stress

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Fibre supply chain from pulp manufacturers could potentially be affected by rising temperatures. Tree growth could be adversely affected by higher temps resulting in less supply close to manufacturing facilities and therefore resulting in higher costs.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3500000

Potential financial impact figure – maximum (currency)
35000000

Explanation of financial impact figure
Pulp prices fluctuate on the commodities market as demand and supply adjust to natural and external factors that are largely our of our control. This estimate range assumes that a severe lack of supply causes prices to increase by a single digit factor (x% min) to a double digit factor (xx% max)

Cost of response to risk
100000

Description of response and explanation of cost calculation
If the availability of fibre was impacted by lack of forest growth or reduced access to potential fibre sources, we would expect that the market price for this fibre would increase. We are in the early stages of researching the viability of alternative fibres through studies to determine the most suitable substitute for our tissue product - the response cost is a summary of cost of these studies

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
In the past, we have installed a biomass energy generation facility that uses unusable biomass to produce energy. Our latest manufacturing facility will utilize steam from a COGEN plant operated by our affiliate to reduce carbon emissions. With the success of the latest plant, we intend to hook up our new facility, expected to be online in late 2023, to the same COGEN plant to reduce our need for natural gas in the production process.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1300000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
This is the calculated savings from switching from purchased natural gas to purchased steam from a local cogen facility based on the internal analysis and supporting documentation presented to receive energy efficiency rebates for this project.

Cost to realize opportunity
2650000

Strategy to realize opportunity and explanation of cost calculation
We will need to build infrastructure to carry the steam from the cogen plant to our manufacturing site, there is already top-down support for this imitative due to the success of the first project. The cost is based on the cost of connecting our previous site, which is adjacent to the new site under construction

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We have not aligned our climate goals with a 1.5 degree world at this time. We are actively investigating what that would take for our organization so that we can develop a road map and set of recommendation for the board to consider.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Lack of internal resources	A lack a resources and internal expertise in the subject area, but as our organization is growing, and with the addition of subject matter experts and guidance from our consultants we aim to begin this work in the near term to help the business understand climate risks and adequately plan for the future

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Evaluation in progress	Many of our retail customers and consumers are demanding greater transparency and a greater expectation of initiatives to reduce plastic packaging material. While 90% of our packaging material by weight is fibre-based, made from recycled material and recyclable, the remaining 10% is made from plastic—primarily oil-based polyethylene. We are currently evaluating potential alternatives which could offset this material, reducing carbon emissions and providing an innovative solution within the North American market.
Supply chain and/or value chain	Yes	We have mapped out our scope 3 transportation and distribution emissions and are in the process of setting a reduction target for this category. We have discovered opportunities to both reduce transportation costs and reduce GHG emissions, and are working with internal and external teams to realize these opportunities. Additionally we have begun using 2 fully electric transport trucks to move materials between 2 of our sites, reducing GHG emissions from our value chain.
Investment in R&D	Evaluation in progress	We are researching the potential of utilizing alternatives to wood fibers for our products through studies to gauge product quality and cost of production. Finding an appropriate substitute could reduce our risk of climate related disruptions to wood fiber sourcing
Operations	Yes	In the last year, we have connected one of our sites to a cogen plant that will reduce our reliance on natural gas by replacing it with steam generated at the cogen. The cogen is using biomass, including biomass that is created as a end waste product as part of our manufacturing process - creating a sustainable feedback loop. This addresses several of our climate related risks including regulatory price increases from Cap and Trade schemes that affect this plant , and creating a more resilient energy source that is not tied to oil and gas commodity prices and taxes

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Capital allocation	From an ongoing operations perspective, energy consumption is a critical component of our manufacturing costs. Reductions in this consumption have a direct effect on reducing operating costs. This continues to be a key driver to many of our initiatives and capital has been invested in efforts to reduce our energy, most notably through energy efficiency projects such as heat recovery. As we look towards large capital investments primarily through the installation of new paper machines, understanding the energy profile and potential mitigating technologies is a critical opportunity going forward. Incorporating renewable solutions appears to be a potential solution we're evaluating. As with many organizations, capital is always a challenge and the typical payback for energy efficiency products can be challenging from an allocation perspective. We often try to source government or utility funding to help in the implementation of these types of projects.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Metric tons CO2e per metric ton of product

Base year
2009

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.796

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.204

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.999

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2030

Targeted reduction from base year (%)
25

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.74925

% change anticipated in absolute Scope 1+2 emissions
13

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.647

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.222

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.87

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
51.6516516516516

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
We have set a 25% reduction target for 2030 of our company wide scope 1 and 2 emission from our 2009 baseline year. Calculation: MT CO2e/Machine Dried Metric Tonne produced.

Plan for achieving target, and progress made to the end of the reporting year
We continue to invest in energy efficiency projects, including a COGEN facility that came online this year, biogas generator, heat reclamation and emerging technologies as they become cost effective. This past year we achieved a 12% reduction from our base-line which means we are 51% of the way to achieving our target. We expect a variable progress to complete this goal as some years may have more impactful project than others

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency	metric tons of packaging consumed

Target denominator (intensity targets only)
Other, please specify (pounds of plastic packaging per branded case)

Base year
2021

Figure or percentage in base year
0.155

Target year
2030

Figure or percentage in target year
0.0775

Figure or percentage in reporting year
0.15

% of target achieved relative to base year [auto-calculated]
6.45161290322581

Target status in reporting year
Underway

Is this target part of an emissions target?
No it is not

Is this target part of an overarching initiative?
Other, please specify (Plastic waste reduction)

Please explain target coverage and identify any exclusions
The target pertains only to our branded products and their plastic packaging

Plan for achieving target, and progress made to the end of the reporting year
We planned to achieve this target by using less virgin plastic in our packaging, introducing a percentage of post consumer recycling plastic as well as using paper packaging, which our Bonterra line has. We expect that this will contribute to lowering our scope 3 emissions

List the actions which contributed most to achieving this target
<Not Applicable>

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	7825
To be implemented*	2	2425
Implementation commenced*	3	3000
Implemented*	3	15388
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
329

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
97000

Investment required (unit currency – as specified in C0.4)
456000

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
Boiler Combustion optimization project

Initiative category & Initiative type

Energy efficiency in production processes	Combined heat and power (cogeneration)

Estimated annual CO2e savings (metric tonnes CO2e)
14738

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1460000

Investment required (unit currency – as specified in C0.4)
3100000

Payback period
1-3 years

Estimated lifetime of the initiative
11-15 years

Comment
Connection to Co-gen plant to replace natural gas consumption with co-gen steam

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Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
321

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
53000

Investment required (unit currency – as specified in C0.4)
56000

Payback period
1-3 years

Estimated lifetime of the initiative
11-15 years

Comment

Boiler optimization project

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Reducing energy costs through energy efficiency projects.
Internal price on carbon	Included on CAPEX request form to determine carbon cost of initiative, set at $50/ton CAD
Partnering with governments on technology development	Government grants often supported for energy efficiency and carbon reduction projects
Compliance with regulatory requirements/standards	Minimize impact of Quebec Cap and Trade, and carbon Tax in Ontario and British Columbia

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	We are now using the 6th assessment for our GWP values, previously it was the 4th assessment

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 3	We updated our base year emission calculation as it did not include the scope 1 or 2 emissions from 2 of our smaller facilities in Ontario. They were initially only included in 2016, and even though it did not meet our base year recalculation threshold of 5%, we chose to update the emissions as part of our revisit of emissions calculations that included obtaining limit assurance for scopes 1 and 2 absolute emissions We also updated our scope 3 emissions baseline for several categories as more information was uncovered, including purchased good and services and transportation and distribution - this was as part of our progress to capture all sources that contribute to our scope 3	No

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
240589

Comment

Scope 2 (location-based)

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
61655

Comment

Scope 2 (market-based)

Base year start
January 1 2016

Base year end
December 31 2016

Base year emissions (metric tons CO2e)
94135

Comment
In partnership with TVA, MLGW provides as-delivered CO2 emission rates to its customers in a manner consistent with generally accepted carbon accounting standards, such as The Climate Registry's Electric Power Sector Protocol for the Voluntary Reporting Program, and the new World Resources Institute (WRI) and World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol's Scope 2 Guidance. These standards are now routinely used to disclose GHG emissions in corporate reports, SEC filings, and to public disclosure organizations such as CDP, The Climate Registry (TCR), EcoVadis, or the Dow Jones Sustainability Index (DJSI).

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
168737

Comment

Scope 3 category 2: Capital goods

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
20672

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
74590

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
55624

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
13251

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
379

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
3487

Comment

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
1940

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
170853

Comment

Scope 3 category 10: Processing of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
3306

Comment

Scope 3 category 11: Use of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
This category is not relevant to our scope 3 emissions

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
99075

Comment

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
This category is not relevant to our scope 3 emissions

Scope 3 category 14: Franchises

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
This category is not relevant to our scope 3 emissions

Scope 3 category 15: Investments

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
This category is not relevant to our scope 3 emissions

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Energy Information Administration 1605(b)
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
US EPA Emissions & Generation Resource Integrated Database (eGRID)
Other, please specify (National inventory report 1990–2019: Greenhouse gas sources and sinks in Canada. Environment Canada, 2021.)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
270749

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
We have power purchase agreements for our Memphis, TN plant that include 0 emission electricity sources

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
91171

Scope 2, market-based (if applicable)
61652

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
Two Warehouse (1 Quebec 150,000 sqft, 1 B.C 510,000 sqft) and our head office (Ontario, 25000sqft) energy use and carbon emissions

Scope(s) or Scope 3 category(ies)
Scope 1
Scope 2 (location-based)

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
<Not Applicable>

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
1

Estimated percentage of total Scope 3 emissions this excluded source represents
<Not Applicable>

Explain why this source is excluded
These sources are a combined less than 0.74% of our total material GHG emissions. All sites are in Canada so we do not have power purchase agreements that would dictate the usage of a market based emission factor.

Explain how you estimated the percentage of emissions this excluded source represents
We used EIA (Energy Information Administration) estimates based on building use type to determine estimated natural gas and electricity usage. We then used location based emission factors to determine that the sum of these three locations equal to just over 2,500 tons of GHG emissions, roughly 0.74% of our material emissions from Manufacturing sources. The result returned emission intensities of 5.2 kgCo2e/ftsq for our office (Certified LEED GOLD) and 3.7 (Quebec) and 3.5 (BC) kgCO2e/ftsq for the warehouse locations, suggesting that our estimates are on the conservative side.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
180622

Emissions calculation methodology
Supplier-specific method
Hybrid method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
54

Please explain
We were able to get scope 1 and 2 data from 54% of our pulp suppliers via sustainability report or other public related disclosures. for our other major spends, chemicals and packaging, we utilized the spend based method based utilizing the EPA provided emissions factors for the composition of the materials

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
31207

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We matched up our capital spending by project type (IT, construction, electrical etc) with categories in the EPA guidance on Spend based carbon emissions to determine this categories emissions

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
75763

Emissions calculation methodology
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We calculated emissions from upstream emissions of purchased fuels, purchased electricity as well as transmission distribution losses using the latest available factors for the regions in which we operate

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
58384

Emissions calculation methodology
Hybrid method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
90

Please explain
Utilizing the World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6 and inputting weights and distance travelled, we are able to estimate the transportation part of our emissions. For the warehousing, we used proportional warehouse area we used, EIA energy usage estimates by warehouse size and local emission factors to estimate proportional building GHG emissions

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
13998

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We use EPA GHG emission factors based on the various waste streams that are tracked at our sites (OCC, plastic, Co-mingled recycling, Landfill) to determine emissions

Business travel

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
801

Emissions calculation methodology
Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Our travel booking partner collects our air, rail and rental car usage and provides a yearly breakdown of emissions by mode of transportation

Employee commuting

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
3930

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
We use an average commuting distance for each employee as well as the average fuel economy of a vehicle to get an estimate for this category. Given that the emissions are not material there is little incentive to get more granular data

Upstream leased assets

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
2013

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
We are using actual facility sizes with location based emission factors but using EIA estimates for electricity and natural gas use based on the facility type and size

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
176002

Emissions calculation methodology
Hybrid method
Average data method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
95

Please explain
Our finished goods transportation partner has an online dashboard that tracks weight, distance and carbon emissions for each our trips. We are able to isolate carbon emissions from 2021 exclusively. We have also accounted for the storage of finished goods but only 33% of our storage partners have responded to our request. Emissions we calculated using expected natural gas and electricity consumption based on facility type and size using the EIA data base. We then used local emission factors with the percent of the facility our products occupy to determine our emissions contributions

Processing of sold products

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
1489

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
50

Please explain
We are using industry averages at this time and plan to expand our reporting accuracy by collecting value chain partner scope 1 and 2 data for subsequent reports

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We create paper products for personal use that do not release GHG emissions during their usage phase

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
103630

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Suppliers provide us with the weights of packaging material on a yearly basis and we apply EPA emissions factors based on waste type. The other portion of the data is the materials we produced, which are tracking internally, and using the EPA emissions factors for waste type, we are able to calculate emissions

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not have leased assets in our value chain, all owned equipment is used for work done on company sites

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not own franchise or support franchise operations in our Business. Paper is made at manufacturing sites and then transported to warehouses where it is distributed to our retail suppliers (grocery stores)

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not have material investments with 3rd parties

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
All of our upstream emissions fit into the above categories

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
All of our downstream emissions fit into the above categories

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?
Yes

C-AC6.8a/C-FB6.8a/C-PF6.8a

(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

Emissions (metric tons CO2)
385

Methodology
Region-specific emissions factors

Please explain
We use wood waste from manufacturing and procurement at our manufacturing site in British Columbia to power a biomass electricity generator. The emission factor is determined using the factor 23gCO2e/kg fuel as per "National inventory report 1990–2019: Greenhouse gas sources and sinks in Canada. Environment Canada, 2021. Table A6.6-1 (Industrial combustion of wood fuel/wood waste)." combined with the biomass High Heating Value (HHV) to determine the emission factor. Therefore the emissions Biomass combustion EF (tonnes/GJ) = Biomass combustion EF (g/kg) / Biomass HHV (GJ/kg) /10^6 (g/tonne)

CO2 emissions from biofuel combustion (other)

Emissions (metric tons CO2)
267

Methodology
Region-specific emissions factors

Please explain
We use steam from a co-gen facility in Sherbrooke at uses wood waste from manufacturing and procurement from various locations, including our Quebec plants. Emissions are calculated using the HHV of biomass, the amount of GJ of steam provided to our facility and an assumed emission intensity of the biomass

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities
Timber

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
109987

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
We calculate scope 3 emissions for our supply of pulp, much of which is primary data. We saw a slight increase in emissions due to an increase in pulp consumption to meet increased production at our facilities.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00021524

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
361920

Metric denominator
unit total revenue

Metric denominator: Unit total
1681403000

Scope 2 figure used
Location-based

% change from previous year
9

Direction of change
Decreased

Reason(s) for change
Change in output
Change in revenue

Please explain
We were able to increase revenue while keeping production levels and GHG emissions relatively flat

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	269267	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	186.2	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	1296.02	IPCC Sixth Assessment Report (AR6 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Canada	191254
United States of America	79496

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
1625 Fifth Avenue, New Westminster, BC V3M 1Z7 Canada	16771	49.202196	-122.933917
2888 rue College Sherbrooke, QC J1M 1Z4 Canada	10349	45.364081	-71.854584
20 Laurier Street Gatineau, QC J8X 4H3 Canada	51403	45.426761	-73.469773
100 First Avenue Crabtree, QC J0K 1B0 Canada	57107	45.965754	-73.469773
400 Manhannah Avenue Memphis, TN 38107 USA	79496	35.188543	-90.040856
106 Dufferin Avenue Trenton, ON K8V 5E1 Canada	752	44.096067	-77.580644
330 Route de Windsor Sherbrooke, QC J1C 0W8	54009	45.486808	-71.957516
1000 de la Carrière, Gatineau, QC J8Y 6T5	529	45.458045	-75.731482
111 Manville Rd, Scarborough, ON M1L 4J2	334	43.72452	-79.28196

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

270749

Methodology

Region-specific emissions factors

Please explain

Our scope 1 emission occur from the use of fossil fuels, primarily natural gas in the processing of forest pulp fiber into tissue paper products. Each location uses the appropriate region specific emission factor provided by Natural Resources Canada or the EPA

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	1925	1925
United States of America	89246	59727

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
1625 Fifth Avenue, New Westminster, BC V3M 1Z7 Canada	637	637
2888 rue College Sherbrooke, QC J1M 1Z4 Canada	36	36
20 Laurier Street Gatineau, QC J8X 4H3 Canada	171	171
100 First Avenue Crabtree, QC J0K 1B0 Canada	250	250
400 Manhannah Avenue Memphis, TN 38107 USA	89246	59727
106 Dufferin Avenue Trenton, ON K8V 5E1 Canada	196	196
330 Route de Windsor Sherbrooke, QC J1C 0W8	507	507
1000 de la Carrière, Gatineau, QC J8Y 6T5	14	14
111 Manville Rd, Scarborough, ON M1L 4J2	115	115

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	21910	Increased	5	We increased production at the newer TAD facility that consumes more natural gas (while reducing water and fibre) while production was decreased at LDC facilities that traditionally consume less natural gas (but more water and fibre)
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	94747	1467011	1561758
Consumption of purchased or acquired electricity	<Not Applicable>	674950	108056	783006
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	21244	0	21244
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	790941	1575067	2366008

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Our biomass usage is not certified sustainable at this time

Other biomass

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
94747

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We have a system on our site that converts locally sourced wood waste into clean burning syngas to produce 40,000 lbs/hour of steam that is fired directly into a boiler in place of natural gas.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
not applicable

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
n/a

Oil

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
132

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We have some process equipment that utilizes fuel oil in it's operations

Gas

Heating value
HHV

Total fuel MWh consumed by the organization
8861

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
1457858

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We use natural gas for manufacturing processes as well as building heat. We also use propane powered forklifts

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
n/a

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
8861

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
1552898

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
This is our Natural Gas, Propane, Fuel oil and biomass usage for manufacturing, building heat and forklifts

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
United States of America

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier
Electricity

Low-carbon technology type
Hydropower (capacity unknown)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
20139

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Comment
We do have a purchase agreement with an energy provider in Tennessee. As per their scope 2 market-based calculation fact sheet, "TVA does not create or transfer RECs from any of its hydroelectric sources. Therefore, any hydroelectric energy percentage disclosed by TVA in this factsheet also can be reported as renewable to CDP." This is equal to about 10% of their supply mix

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Canada

Consumption of purchased electricity (MWh)
573136

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
21244

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
594380

Country/area
United States of America

Consumption of purchased electricity (MWh)
209871

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
209871

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
20.69

Metric numerator
GJ Energy

Metric denominator (intensity metric only)
MT Paper Produced

% change from previous year
2

Direction of change
Increased

Please explain
Production was shifted to our newer facility that uses a more energy intensive process to make paper, but reduces the amount of water and wood fiber required to make paper

---

Description
Other, please specify (Water usage)

Metric value
47

Metric numerator
m3 water consumed

Metric denominator (intensity metric only)
MT Paper Produced

% change from previous year
4

Direction of change
Increased

Please explain
Result was within our expected values

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
EN Limited assurance report - Kruger Products Final 2022.pdf

Page/ section reference
Page 1, 3 & 5

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
EN Limited assurance report - Kruger Products Final 2022.pdf

Page/ section reference
Page 1, 3 & 5

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
BC carbon tax
Québec CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Québec CaT - ETS

% of Scope 1 emissions covered by the ETS
60

% of Scope 2 emissions covered by the ETS
1

Period start date
January 1 2022

Period end date
December 31 2022

Allowances allocated
183749

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
162520

Verified Scope 2 emissions in metric tons CO2e
928

Details of ownership
Facilities we own and operate

Comment

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

BC carbon tax

Period start date
January 1 2022

Period end date
December 31 2022

% of total Scope 1 emissions covered by tax
6.2

Total cost of tax paid
889046

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We have an appointed team member with senior leadership providing oversight to keep track of our Carbon Allowances and expenditures in Quebec's Cap and Trade system to ensure that we have enough credits to retire at the end of each reporting period. To minimize risk, we are monitoring, tracking as well as implement capital projects to reduce GHG emissions and energy consumption in all of our sites to reduce our exposure to these regulatory systems, including the installation of a Cogen facility in Quebec and biomass facility in British Columbia. We also participate in government and energy distributor grant programs to accelerate our implementation and have a multi-year list of project to be implemented, given funding approval, to ensure continuous improvement in our energy reduction and GHG emission profiles

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Implicit price

How the price is determined
Price with material impact on business decisions

Objective(s) for implementing this internal carbon price
Drive energy efficiency

Scope(s) covered
Scope 1
Scope 2

Pricing approach used – spatial variance
Uniform

Pricing approach used – temporal variance
Static

Indicate how you expect the price to change over time
<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
50

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
50

Business decision-making processes this internal carbon price is applied to
Capital expenditure
Operations
Procurement

Mandatory enforcement of this internal carbon price within these business decision-making processes
Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
Knowing the price of carbon allows decision makers to understand the whole impact of a given project and whether or not it will positively affect our carbon reduction ambitions

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our customers/clients
Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number
40

% of customer - related Scope 3 emissions as reported in C6.5
27

Please explain the rationale for selecting this group of customers and scope of engagement
These customers typically require us to provide metrics about products we sell them for their own sustainability reporting including fibre and product certification, energy and emissions data and PCR plastic usage, but there is a mutual desire to improve the sustainability offering of these products. They are also some of our largest customers by spend and volume sold to.

Impact of engagement, including measures of success
Successes can include initiatives like using recycled paper, certifying fibre used in products or reducing the amount of plastic packaging used for a product. These initiatives would improve our scope 3 emissions but have little to no impact on our scope 1 or 2 emissions as they are related to our value chain and not direct operations.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with government and energy distribution companies for development and funding of capital investment projects to reduce our energy consumption and GHG emissions. We are also engaging with fibre suppliers to better understand risks and mitigation strategies as well as packaging suppliers to incorporate PCR poly into our packaged products.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Our suppliers are expected to meet all of the requirements of our supplier sustainability policy which can be found here https://www.krugerproducts.ca/pdfs/Sustainability-Our_Policies/sustainability_policies_supplier_2020.pdf

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

No mechanism for monitoring compliance

Response to supplier non-compliance with this climate-related requirement

Other, please specify (We handle these on a case-by-case basis when discovered, but would start with dialogue between parties to determine corrective actions and next steps)

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

We are part of Food, Health & Consumer Products of Canada. This organization is working to reduce the environmental impact of consumer products within Canada that would ultimately reduce our scope 3 emissions. Activities are reviewed with the VP sustainability on an as needed basis to ensure alignment with our company and climate impact goals

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (Food, Health and Consumer Products Canada (FHCP))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Sustainability is a key priority for industry, government and the public. On behalf of our member companies, FHCP is committed to providing leadership in working together to protect and conserve our resources. Packaging waste diversion programs and Extended Producer Responsibility (EPR) is one tactic of FHCP's and our members' broader approach to environmental sustainability. That approach commits us to work with all levels of government and industry stakeholders to increase recycling of food and consumer product packaging in Canada, with the shared goal of reducing packaging waste sent to landfill.

FHCP's Sustainability Strategy is focused on promoting responsible stewardship and sustainability policies and practices.

Stewardship is a key priority for FHCP and its members. FHCP plays a focused lobbying role supporting the development of provincial packaging stewardship/EPR legislation and programs as per our EPR policy position. FHCP is engaged in all packaging stewardship programs in Canada and serves as s a valuable resource to members in helping them comply with programs through our informative communications and stewardship tools.

FHCP is also currently in the process of evolving and broadening FHCP's work on environmental sustainability, with the goal of taking a more holistic approach to our environmental priorities. FHCP is developing a Climate Change position, which will also address food waste and responsible packaging.

The environment is of the utmost importance to the Canadian food, beverage and consumer products industry. All across the country, we see evidence of an industry that is taking significant steps to conserve water, improve energy efficiency, reduce greenhouse gas emissions, reduce waste and encourage sustainable packaging initiatives.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
0

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
kpt-ar2022-en-final.pdf

Page/Section reference
Emission and Other metric Targets - Pg 10

Content elements
Strategy
Emission targets
Other metrics

Comment
Other metrics include our water, certified fibre usage and virgin plastic reduction targets and progress vs the stated baseline

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Biodiversity strategy	

C16. Signoff

C-FI

(C-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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	VP, Sustainability	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Kruger Products Inc (KPI) is Canada's leading manufacturer and marketer of quality tissue products for household, industrial and commercial use. Based in Mississauga, Ontario, Canada, KPI employs approximately 2,800 employees with manufacturing operations in New Westminster, British Columbia in Canada; Scarborough and Trenton, Ontario in Canada; Crabtree, Gatineau, Lennoxville and Sherbrooke, Québec in Canada; and Memphis, Tennessee in the United States. Leading consumer brands include Cashmere® and Purex® bathroom tissue, SpongeTowels® paper towels, Scotties ®' facial tissue and Bonterra™ bathroom tissue, paper towels and facial tissue in Canada and White Cloud® bathroom tissue, paper towels and facial tissue in the United States.

Our majority shareholder, Kruger Inc., is a major provider of tissue products, 100% recycled containerboard, corrugated packaging, publication papers, specialty papers, pulp, renewable energy, and cellulosic biomaterials as well as a leader in paper and paperboard recycling in North America. A privately held family company, Kruger Inc. has 5,500 employees and its facilities are located in Québec, Ontario, British Columbia and Newfoundland and Labrador, as well as in the States of Tennessee, Maine, New York, Virginia, Kentucky and Rhode Island. The remaining shares of KPI (13.9% as of December 31, 2022) are held by KP Tissue Inc. which was created to acquire, and its business is limited to holding, a limited equity interest in KPI. KP Tissue Inc. is a publicly traded entity on the Toronto Stock Exchange (stock symbol KPT).

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	1681403

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Costco Wholesale Corporation

Scope of emissions
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Facility

Allocation level detail
Allocation is based on Air dried metric ton of product sold to this customer at each site, vs the air dried metric ton on product produced at that site. That relative output percent is then attributed to the sites GHG emissions. We then sum the attributed GHG emissions at each site for scopes 1 and 2

Emissions in metric tonnes of CO2e
33471

Uncertainty (±%)
5

Major sources of emissions
Natural Gas, other petroleum fuels

Verified
No

Allocation method
Allocation based on mass of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
GHG emissions are based on our operational control and chosen based on materiality as per the GHG Protocol Corporate Standard

---

Requesting member
Costco Wholesale Corporation

Scope of emissions
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Allocation level
Facility

Allocation level detail
Allocation is based on Air dried metric ton of product sold to this customer at each site, vs the air dried metric ton on product produced at that site. That relative output percent is then attributed to the sites GHG emissions. We then sum the attributed GHG emissions at each site for scopes 1 and 2

Emissions in metric tonnes of CO2e
509

Uncertainty (±%)
5

Major sources of emissions
Electricity

Verified
No

Allocation method
Allocation based on mass of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
GHG emissions are based on our operational control and chosen based on materiality as per the GHG Protocol Corporate Standard

---

Requesting member
Sobeys Inc.

Scope of emissions
Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Facility

Allocation level detail
Allocation is based on Air dried metric ton of product sold to this customer at each site, vs the air dried metric ton on product produced at that site. That relative output percent is then attributed to the sites GHG emissions. We then sum the attributed GHG emissions at each site for scopes 1 and 2

Emissions in metric tonnes of CO2e
13778

Uncertainty (±%)
5

Major sources of emissions
Natural Gas and other petroleum fuels

Verified
No

Allocation method
Allocation based on mass of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
GHG emissions are based on our operational control and chosen based on materiality as per the GHG Protocol Corporate Standard

---

Requesting member
Sobeys Inc.

Scope of emissions
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Allocation level
Facility

Allocation level detail
Allocation is based on Air dried metric ton of product sold to this customer at each site, vs the air dried metric ton on product produced at that site. That relative output percent is then attributed to the sites GHG emissions. We then sum the attributed GHG emissions at each site for scopes 1 and 2

Emissions in metric tonnes of CO2e
110

Uncertainty (±%)
5

Major sources of emissions
Electricity, Purchased Steam

Verified
No

Allocation method
Allocation based on mass of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
GHG emissions are based on our operational control and chosen based on materiality as per the GHG Protocol Corporate Standard

---

Requesting member
Walmart, Inc.

Scope of emissions
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Facility

Allocation level detail
Allocation is based on Air dried metric ton of product sold to this customer at each site, vs the air dried metric ton on product produced at that site. That relative output percent is then attributed to the sites GHG emissions. We then sum the attributed GHG emissions at each site for scopes 1 and 2

Emissions in metric tonnes of CO2e
48064

Uncertainty (±%)
5

Major sources of emissions
Natural Gas, other petroleum fuels

Verified
No

Allocation method
Allocation based on mass of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
GHG emissions are based on our operational control and chosen based on materiality as per the GHG Protocol Corporate Standard

---

Requesting member
Walmart, Inc.

Scope of emissions
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Allocation level
Facility

Allocation level detail
Allocation is based on Air dried metric ton of product sold to this customer at each site, vs the air dried metric ton on product produced at that site. That relative output percent is then attributed to the sites GHG emissions. We then sum the attributed GHG emissions at each site for scopes 1 and 2

Emissions in metric tonnes of CO2e
40415

Uncertainty (±%)
5

Major sources of emissions
Electricity

Verified
No

Allocation method
Allocation based on mass of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
GHG emissions are based on our operational control and chosen based on materiality as per the GHG Protocol Corporate Standard

---

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Kruger Products Inc 2022 Sustainability Report - https://www.krugerproducts.ca/sustainability

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	We allocate GHG emissions based on a proportional amount of products sold to a customer by weight and our total GHG emissions

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We are capable of distributing scope 1 and 2 emissions but require more work to fully allocate scope 3 emissions to these customers

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member
Costco Wholesale Corporation

Group type of project
Change to provision of goods and services

Type of project
Reduced packaging weight

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
1-3 years

Estimated lifetime CO2e savings
5.5

Estimated payback
Cost/saving neutral

Details of proposal
Proposal to downgauge poly packaging. GHG savings are yearly reductions in MT based on the reduced plastic use and impacts our Scope 3 emissions

---

Requesting member
Costco Wholesale Corporation

Group type of project
Reduce Logistics Emissions

Type of project
Other, please specify (Removing Pallets from Shipments)

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
1-3 years

Estimated lifetime CO2e savings
5.5

Estimated payback
Cost/saving neutral

Details of proposal
The proposal is to remove pallets from shipments. The GHG savings assumes a distribution distance of 100km on average for all pallets. GHG estimation based on MT/KM distance method as per World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.

Requesting member
Costco Wholesale Corporation

Group type of project
Change to provision of goods and services

Type of project
Reduced packaging weight

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
1-3 years

Estimated lifetime CO2e savings

Estimated payback
Cost/saving neutral

Details of proposal
GHG saving not calculated at this time. Proposal would change single wrapped paper towel rolls to a package of 3 paper towels, reducing the amount of poly required for packaging

---

Requesting member
Walmart, Inc.

Group type of project
Reduce Logistics Emissions

Type of project
Other, please specify (Eliminate double stack pallets where possible)

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Cost/saving neutral

Details of proposal
remove one pallet from double stack to save on shipping weights and provide more product per shipment

---

Requesting member
Walmart, Inc.

Group type of project
Change to provision of goods and services

Type of project
Reduced packaging weight

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
1-3 years

Estimated lifetime CO2e savings

Estimated payback
Cost/saving neutral

Details of proposal
Downgauge facial tissue box board packaging on flats packaging

---

Requesting member
Walmart, Inc.

Group type of project
Reduce Logistics Emissions

Type of project
Route optimization

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
1-3 years

Estimated lifetime CO2e savings

Estimated payback
Cost/saving neutral

Details of proposal
Reallocating DCs so that we would service DCs closest to our production mills

---

Requesting member
Sobeys Inc.

Group type of project
Change to supplier operations

Type of project
Implementation of energy reduction projects

Emissions targeted
Actions that would reduce our own operational emissions (our scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings
4500

Estimated payback
1-3 years

Details of proposal
We are implementing ISO 50001 Energy management systems in our New Westminster (makes facial tissue) and Crabtree (makes Paper towel) plants and expect to see the aforementioned carbon reductions on a yearly basis from their implementations

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
Yes, I will provide data

SC4.1a

(SC4.1a) Give the overall percentage of total emissions, for all Scopes, that are covered by these products.
100

SC4.2a

(SC4.2a) Complete the following table for the goods/services for which you want to provide data.

Name of good/ service
Paper Towel, Bath Tissue, Facial Tissue, Napkins

Description of good/ service
Paper based tissue products

Type of product
Final

SKU (Stock Keeping Unit)
Not SKU specific at this time

Total emissions in kg CO2e per unit
879

±% change from previous figure supplied

Date of previous figure supplied

Explanation of change
Not previously supplied. This figure is the kg of CO2e emissions per MT of product. It covers the manufacturing of the product only - scopes 1 and 2

Methods used to estimate lifecycle emissions
GHG Protocol Product Accounting & Reporting Standard

SC4.2b

(SC4.2b) Complete the following table with data for lifecycle stages of your goods and/or services.

Name of good/ service
Paper Towel, Bath Tissue, Facial Tissue, Napkins

Please select the scope
Scope 1 & 2

Please select the lifecycle stage
Production

Emissions at the lifecycle stage in kg CO2e per unit
879

Is this stage under your ownership or control?
Yes

Type of data used
Primary

Data quality
We are using primary data from utility or onsite meters, our scope 1 and 2 emissions are verified with limited assurance

If you are verifying/assuring this product emission data, please tell us how
We have only received limited assurance on our total scope 1 and 2 emissions at this time

SC4.2c

(SC4.2c) Please detail emissions reduction initiatives completed or planned for this product.

Name of good/ service	Initiative ID	Description of initiative	Completed or planned	Emission reductions in kg CO2e per unit

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?
No

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms