

F0. Introduction

F0.1

(F0.1) Give a general description of 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).

F0.2

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

	Start Date	End Date
Reporting year	January 1 2022	December 31 2022

F0.3

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

CAD

F0.4

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

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Processing
Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Explanation if not disclosing

<Not Applicable>

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Stage of the value chain

<Not Applicable>

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

<Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

Canada
United States of America

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) 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

F1. Current state

F1.1

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

Timber products

Activity

Refining & processing

Form of commodity

Pulp

Source

Multiple contracted producers

Country/Area of origin

Brazil
Canada

% of procurement spend

41-50%

Comment

F1.2

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

	% of revenue dependent on commodity	Comment
Timber products	81-90%	100% of our products require pulp, but 19% of the pulp we use comes from recycled paper sources
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

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

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

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

328268

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

All of our virgin pulp is third party supplied and is FSC Certified (81%), PEFC (16%) or SFI Certified (3%). Both certifications do not permit timber to be sourced from deforestation practices. We verify that all of our suppliers are maintaining their certification on a yearly basis but rely on the certification bodies to ensure that suppliers are compliant with certification rules.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

100

% of non-DCF production/consumption volume from unknown origin

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level

<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level

<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

<Not Applicable>

Timber products – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems

<Not Applicable>

% of DCF production/consumption volume physically certified

<Not Applicable>

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

0

F1.5c

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

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

68

Please explain

We source 68.2% of our pulp from Canada. All pulp sources are FSC or SFI/PEFC certified and as such, contain a country of origin. We track all incoming pulp shipments on a monthly and yearly basis to understand where our materials are coming from. FSC and SFI/PEFC audits are completed yearly to ensure we are following the guidelines of the standards. Using this information we are able to determine where all of our pulp is sourced.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Maranhao, Minias Gerais, Mato Grosso do Sul)

% of total production/consumption volume

32

Please explain

We source 31.8% of our pulp from Brazil. All pulp sources are FSC certified and as such, contains a country of origin. We track all incoming pulp shipments on a monthly and yearly basis to understand where our materials are coming from. FSC audits are completed yearly, and mills validate BOL and invoices to ensure that the products we are receiving are the certified products that were ordered. Using this information we are able to determine where all of our pulp is sourced

F1.6

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

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year (for the calendar year 2020)

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

All of our pulp is FSC Certified (82%), PEFC (16%) or SFI Certified (3%). Both certifications do not permit timber to be sourced from deforestation practices. We verify that all of our suppliers are maintaining their certification on a yearly basis but rely on the certification bodies to ensure that suppliers are compliant with certification rules.

F2. Procedures

F2.1

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

Yes, forests-related risks are assessed

F2.1a

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

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Issues considered

Tariffs or price increases

Stakeholders considered

Investors

Please explain

We assess the potential risk for primary material costs to increase based on current and potential world events. Price increases can impact bottom line profits, which could be a material issue to investors

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Own operations
Tier 1 suppliers
Tier 2 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

We know where each of our suppliers source their pulp/raw material through FSC and SFI/PEFC certifications, which are updated and audited on a yearly basis. This allows us to know the quantity and location of our sourced pulp as well as what certification is attached the material. We track transfers between our operations and materials purchased or sold to 3rd parties of processed material to ensure all material maintains it's certification standard . Data is collected on a monthly basis that details the quantities of materials sources by company and location. Data is stored and tracked through updated excel workbooks

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1 Yes, we use a classification system	We follow the methodology established by FSC, SFI and PEFC when classifying countries in regards to risk for Deforestation and conversion	The classification is not used often as we only source certified fibre, regardless of the source. Based on this criteria, and our supplier due diligence, the fibre we source is low risk.	

F3. Risks and opportunities

F3.1

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

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

F3.1a

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

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 its risk impact would include changes in cost to pulp/wood fibre.

F3.1b

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

Forest risk commodity

Timber products

Type of risk

Acute physical

Geographical scale

State or equivalent

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Wildfires

Primary potential impact

Supply chain disruption

Company-specific description

Our business is significantly dependent upon access to pulp to manufacture tissue products. We are currently sourcing this pulp from the Canadian and Brazilian wood basins. Significant fires could cause a disruption in market pulp supply and increase costs while decreasing availability of our source material, pulp.

Timeframe

4-6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

12000000

Potential financial impact figure - maximum (currency)

32000000

Explanation of financial impact

We estimated at a potential price increase could be between 2% and 5% of our costs of procuring fibre. If the cost of raw material, pulp, increased, it is very likely that a sizeable amount of the cost increase would be past on to the consumer to maintain operational profitability.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

By diversifying our suppliers and ensuring we only source from 3rd party certified sources such as FSC and SFI/PEFC, we can help mitigate the risk of a disruption in supply due to fire, and ensure that our suppliers are following forest management best practices. We have spread out our sourcing of material to different regions for many years and have had FSC certification and expectations of our suppliers since 2011 and will continue for the foreseeable future

Cost of response

0

Explanation of cost of response

we do not have the cost of these measures currently available, sourcing is highly weights towards cost avoidance so this factor improves our bottom line. In regards to 3rd party certifications, FSC, SFI/PEFC, these are absolute requirements for our suppliers - there has been no work done to see the cost difference between uncertified vs. 3rd party certified pulp suppliers at this time

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

State or equivalent

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Other reputational and market driver, please specify (Availability of certified sustainable material)

Primary potential impact

Brand damage

Company-specific description

Consumers are becoming more concerned about the sustainability of the products they buy, as such, part of our brands strengths is that all product is 3rd party certified through FSC or SFI/PEFC. If supply of certified materials diminished to the point where we could no longer offer 3rd party certified products, we may lose more eco-conscious consumers to competing and fully certified brands

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

We don't have a figure calculated at this time as it is our internal policy to source only certified fibre. At this time, we would continue to buy certified fibre as prices increased to ensure our customers would continue to receive certified products.

Primary response to risk

Supplier diversification

Description of response

By using a variety of suppliers in different forest market, we increase the likelihood that we will always be able to source 3rd party certified fiber. We set contracts in advance for each year so we have suppliers who are contractually obligated to supply us with enough certified fiber each year. At these yearly renewals we are able to adjust our supply contracts on a supplier by supplier basis to ensure we always have enough supply

Cost of response

0

Explanation of cost of response

The cost is part of our regular operating expense and is not seen as an additionality at this time. We are impacted by pulp commodity prices which can fluctuate based on factors outside of our control

F3.2

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

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

F3.2a

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

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Sales of new products/services

Company-specific description

As our downstream supply chain and their customers become more aware of and concerned by utilizing trees to produce household sanitary products, there is increasing pressure to use less forest sourced fiber in favour of recycled and non-tree alternatives. We have begun research into potential non-forest fibers that would maintain our product quality and reduce our dependency on forest sourced fiber. We are in the process of reviewing results and hope to complete manufacturing trials within the next several years. This has the potential to open up a new consumer base for our company, one that is concerned with the usage of forest fibers in products, and allow us to increase our market share among tissue manufacturers.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The impact has not been quantified financially

Cost to realize opportunity

0

Strategy to realize opportunity

we are still evaluating various options at this time but have not determined scale or cost of this type of change.

F4. Governance

F4.1

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

Yes

F4.1a

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

Position of individual or committee	Responsibilities for forest-related issues
Chief Executive Officer (CEO)	Responsible for oversight of all divisional operations as well as sustainability initiatives including forest-related issues, such as certifications, material cost and risks .

F4.1b

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

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The board sets the direction for 3rd party certification, including our goal to source all timber pulp from FSC or SFI/PEFC sources. This is one of our long term goals and strategies to reduce our Forest risk, but ensuring our suppliers are using the best forest management practices and are regularly audited through their 3rd party certifications

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Kruger has been in the forestry industry for over 100 years, we do not have a formal assessment completed, but forest related risks and issues are inherently part of how the company has been able to successfully operate over this time period.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

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

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Setting forests-related corporate targets Managing forests-related risks and opportunities	Quarterly	Sets overall direction and expectations for the organization, reviews results and approves plans for improvement, including 3rd party certifications and alternative fiber sourcing strategies and plans
Chief Sustainability Officer (CSO)	Monitoring progress against forests-related corporate targets Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	Responsible for implementing and maintaining chain of custody certifications.
Procurement manager	Managing value chain engagement on forests-related issues	Annually	Chain of custody requirements included in annual contracts
Risk manager	Assessing future trends in forest risk commodity demand	Annually	Working with CEO and Board of Directors
Environment/Sustainability manager	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	Maintaining and monitoring 3rd party fibre certification as well as researching industry best practices to help guide the company in expanding their management of forest risks and opportunities

F4.3

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

	Provide incentives for management of forests-related issues	Comment
Row 1	No, not currently but we do plan to introduce them in the next two years	Forest risks are being integrated into the companies enterprise risk management system, and our 100% certified fibre goal for 2030 is part of incentive plans for several individuals through the organization

F4.4

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

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

F4.5

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

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

F4.5a

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

Row 1

Scope

Company-wide

Commodity coverage

Timber products

Content

Commitment to eliminate conversion of natural ecosystems
 Adoption of the UN International Labour Organization principles
 Commitment to resolving both social and environmental issues in own operations and supply chain
 Commitments beyond regulatory compliance
 Recognition of potential business impact on forests and other natural ecosystems
 Description of forests-related standards for procurement

Document attachment

Produits_Kruger_Politique_Matiere_ligneuse_juin2023_EN_v1.pdf

Please explain

All three of these commitments is related to our commitment to source FSC and SFI/PEFC certified wood. These 3rd party certifications are audited yearly to ensure compliance and ensure wood fiber we source comes from sources that do not promote deforestation and land conversion to plantations. These certifications are an internal policy and as such go beyond our regulatory compliance. The policy is reviewed on an as needed regular basis to ensure we are inline with our 3rd party certification industry expectations

F4.6

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

Forest risk commodity	Public commitments made
Timber products	Yes

F4.6a

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

Other, please specify (FSC, SFI and PEFC)

F4.6b

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

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- No conversion of High Conservation Value areas
- Adoption of the UN International Labour Organization principles
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
- Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2016

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2020

Please explain

Kruger Products will make its best effort to ensure that its wood fibre is sourced from forests where management practices comply with the requirements of recognized forest certification standards, such as FSC®, SFI®, PEFC and CSA Z809, and that wood fibre is not sourced from conflict timber or from controversial sources, such as:

- illegally logged forests;
- genetically modified trees;
- high conservation value forests that are threatened by forest industry activities;
- areas where civil or traditional rights under laws, agreements or treaties recognized by governmental authorities are violated;
- (natural or primary) forests being converted to plantations or non-forest uses; and
- areas where any ILO Core Conventions, as defined in the ILO's 1998 Declaration on Fundamental Principles and Rights at Work, are violated

We expect and have in the past, sourced 100% of our Fibre from certified sources that at minimum meet the above, but in all cases exceed these points. FSC and SFI/PEFC dictate that materials are not sourced from deforested area's for example. We have maintained 100% coverage of certified sources since 2014 and have not allowed any non-certified material since that time

F5. Business strategy

F5.1

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

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	KPI has committed to maintain its commitment to sourcing 100% of our fibre from 3rd party certified sources including FSC, PEFC and SFI. Maintaining this certification ensures our place in the market as an environmental conscious brand that our consumers can trust. We have maintained this level for the past few years by ensuring that any vendor we sign a supply agreement with only provides us with 3rd party certified fibre. This is verified during annual audits
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	We recognize the environmental risk of using forest fibre as our primary manufacturing material, as such we have begun trials to determine what alternative fibres, such as bamboo, could be successfully integrated into our product lines
Financial planning	Yes, forests-related issues are integrated	5-10	All pulp purchased by KPI must be 3rd party certified, FSC, PEFC or SFI. The company expects to pay a premium over uncertified pulp sources to maintain our pulp sourced from 100% certified sources commitment. Yearly supply agreements are signed to ensure we are getting the best price for certified pulp while staying competitive with competing brands

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2020

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody

PEFC Chain of Custody

SFI Chain of Custody

Base year

2010

Base year figure

0

Target year

2030

Target year figure

100

Reporting year figure

100

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

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

FSC Certification achieved in 2011. Objective in 2019 was to secure SFI/PEFC Certifications. This was achieved in July 2019. We ensure 100% 3rd party utilization through our supply contracts, each supplier must be certified to FSC, SFI/PEFC in order to be considered. Each certification requires annual audits to confirm that suppliers are maintaining their 3rd party certification status.

F6.2

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

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct and indirect suppliers	FSC, SFI/PEFC Chain of Custody. Supply contracts ensure suppliers are 3rd party certified, which is confirmed during annual audits. For day to day operations, every out going PO identifies the type of certified fibre we are expecting to receive. Once we receive the fibres, all staff are required to confirm that invoices and BOL's have the proper certification documentation and must contact the suppliers if there is missing data. Data is then added to credit tables via SAP, and are updated instantly, to ensure we have enough input certified fibre for our production output at each manufacturing facility	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

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

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Tree plantation	Brazil	32
Timber products	Mill	Canada	68

F6.3

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

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

F6.3a

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

Forest risk commodity

Timber products

Third-party certification scheme

FSC Recycled

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

19

Form of commodity

Pulp

Volume of production/ consumption certified

76449

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

Forest risk commodity

Timber products

Third-party certification scheme

FSC Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

66

Form of commodity

Pulp

Volume of production/ consumption certified

267810

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

The majority of our FSC certified suppliers are also certified to SFI/PEFC. This means that the FSC Mix certified wood we receive is also designated as PEFC controlled sources. Both standards have yearly audits to ensure we are in compliance with these certification schemes

Forest risk commodity

Timber products

Third-party certification scheme

PEFC Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

13

Form of commodity

Pulp

Volume of production/ consumption certified

51100

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

All of our PEFC suppliers are also FSC certified, this mean that the PEFC wood we receive is also FSC controlled wood. Both standards have yearly audits to ensure we are in compliance with these certification schemes

Forest risk commodity

Timber products

Third-party certification scheme

SFI Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

2

Form of commodity

Pulp

Volume of production/ consumption certified

9358

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

All of our SFI suppliers are also FSC certified, this mean that the SFI certified wood we receive is also FSC controlled wood. Both standards have yearly audits to ensure we are in compliance with these certification schemes

F6.4

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

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

All of our suppliers are providing certified fibre that is part of the FSC, PEFC or SFI certification system and bound to their commitment for no land use conversion. We have yearly audits for each of these schemes where we validate that our suppliers are still in good standing with these certifications

Monitoring and verification approach

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Exclude

% of non-compliant suppliers engaged

<Not Applicable>

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

We sign yearly supply contracts with our supplier to guarantee pulp volumes by certification (FSC, PEFC, SFI). Companies are bound to terms of the contract and we can reassess on a yearly basis if they are not meeting our standards.

F6.5

(F6.5) Indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code, and provide details of your methods and progress.

	Do you collect data on this indicator?	Percentage compliance with indicator	Method(s) for collecting data	Frequency of collecting data
% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
% of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
% of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
% of owned and/or managed properties with no gross deforestation after July 2008	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status	Yes	100%	Internal monitoring	Annually
% of suppliers with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit	Yes	100%	Internal monitoring	Annually
% of suppliers with signed Terms of Commitment of the Environmental Regularization Program (PRA)	Yes	91-99%	Internal monitoring	Annually
% of suppliers with no gross deforestation after July 2008	Yes	100%	Internal monitoring	Annually

F6.6

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

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

F6.6a

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

Timber products

Procedure to ensure legal compliance

We rely on the governance and auditing completed by the FSC to ensure our suppliers are in compliance with FSC certification. We then ensure that our suppliers maintain their certification during annual FSC audits and during annual supply agreement negotiations

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance
Brazilian Forest Code

Comment

Suppliers must be and maintain FSC certification which is aligned with the goals of the Brazilian Forest Code. Supplier FSC certification is reviewed bi-annually, once during our procurement contract process, and the second during our FSC annual audit to ensure suppliers are in good standing with FSC

F6.7

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

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are not currently directly purchasing from small holders in our supply chain as we require FSC certification which can be an added cost that smaller holders cannot afford. Smallholders could, however, be providing certified material as an input into our third-party suppliers.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Other, please specify (Managing forest related climate risks to reduce impacts)

Type of engagement

Innovation and collaboration

Details of engagement

Collaborate with suppliers on innovations to reduce forest-related impacts in products and services

Description of engagement

Meeting with suppliers to understand current initiatives to mitigate climate impacts of forest under their control. Meeting to determine if there are areas we can collaborate on regarding forest or climate related initiatives.

% of suppliers engaged by procurement spend covered by engagement

23

Explain the impact of your engagement on the selected action

Through our engagement we were able to solidify our supply arrangement with the supplier to ensure them of a desire to use their material long term given they could show a robust system in place to mitigate climate impacts as well as ensuring conservation and no conversion of current forest land.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Unknown

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Engagement helps achieve Target 1, ensuring we have continuous supply of certified fibre and that the supplier is active in maintaining their certification status)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

<Not Applicable>

Type of engagement

<Not Applicable>

Details of engagement

<Not Applicable>

Description of engagement

We are not working beyond our first tier at this time as we are focused on tier 1 engagement before expanding our scope down the supply chain

Explain the impact of your engagement on the selected action

<Not Applicable>

Does this engagement contribute to achieving a reported target?

<Not Applicable>

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Important, but not an immediate priority	We plan to engage more suppliers to determine opportunities for collaboration and mutual benefits

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Country/Area

Canada

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

Forest Stewardship Council of Canada Organizational Member; Economic Chamber
Former FSC Canada Board Member, Co-Chair

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Other ecosystem restoration

Expected benefits of project

Improvement of standard of living, especially for vulnerable and/or marginalized groups
Net gain in biodiversity and ecosystem integrity

Is this project originating any carbon credits?

No

Description of project

We are converting a parking lot at one of our manufacturing sites to a park / naturalizing the area to improve the local biodiversity and forest cover near the Ottawa river

Where is the project taking place in relation to your value chain?

Project based in area with direct operations

Start year

2019

Target year

2024

Project area to date (Hectares)

0.5

Project area in the target year (Hectares)

0.5

Country/Area

Canada

Latitude

45.42535

Longitude

-75.71091

Monitoring frequency

Never

Total investment over the project period (currency)

6000000

For which of your expected benefits are you monitoring progress?

Other, please specify (Not monitored)

Please explain

It will be a public park with increased green space and not used for carbon credits or biodiversity metrics at this time

Project reference

Project 2

Project type

Forest ecosystem restoration

Expected benefits of project

Net gain in biodiversity and ecosystem integrity
Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

We've partnered with One tree Planted to plant 100,000 trees over 3 years as part of a reforestation and conservation initiative

Where is the project taking place in relation to your value chain?

Project based elsewhere

Start year

2022

Target year

2024

Project area to date (Hectares)**Project area in the target year (Hectares)****Country/Area**

Canada

Latitude**Longitude****Monitoring frequency**

Please select

Total investment over the project period (currency)

100000

For which of your expected benefits are you monitoring progress?

Net gain in biodiversity and ecosystem integrity
Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Please explain

This is based on trees planted - in 2022 our contribution resulted in 35,000 trees planted in British Columbia, Oregon and Minnesota

F7. Verification

F7.1

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

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F2. Procedures

Data points verified

We are verifying pulp fibre inputs and certified product outputs along with the chain of custody procedures to ensure we are accurately accounting for these credits. We are verifying that 100% of our pulp fibre is third party certified, this refers to question 6.3

Verification standard

FSC and SFI/PEFC Chain of Custody standard is used to ensure that the pulp we are supplied meets the criteria established by these industry leading organization. We chose to use FSC and SFI/PEFC as they are well established certifications, cover all of the regions in which we source pulp and are well recognized and respected by consumers and industry peers. To us they are the gold standard of pulp fiber certifications

Please explain

FSC and SFI/PEFC conduct third-party audits annually of all locations involved in our supply chains, including our head office and all sites that produce certified product, using their trained and accredited auditors. As part of this audit we conduct internal audits of all sites to determine if there are any non-conformities while the certification bodies select a couple of sites to conduct in person or virtual audits themselves.

F8. Barriers and challenges

F8.1

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

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Lack of understanding of landscape/jurisdictional approaches

Comment

We rely on FSC certification to ensure suppliers are not engaged in deforestation and have not begun to develop partnerships with these suppliers to further these goals in a way where we could make a public commitment on this topic

F8.2

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

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Involvement in multi-stakeholder initiatives

Comment

We could work with a variety of stakeholders to further improve our exposure to deforestation by helping to strengthen 3rd party standards and ensuring our supplier maintain compliance with more regular auditing and/or internal spot checks to verify compliance

F17 Signoff

F-FI

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

F17.1

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

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

SF. Supply chain module

SF0.1

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

	Annual revenue
Row 1	1681403

SF1.1

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

Yes

SF1.1a

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

Requesting member

Walmart, Inc.

Forest risk commodity

Timber products

Form of commodity

Paper

Third-party certification scheme

FSC Chain of Custody

Total volume of commodity sold to member

63625

Metric

Metric tons

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

100%

Comment

SF2.1

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

SF2.2

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

Yes

SF2.2a

(SF2.2a) Specify the requesting CDP supply chain member(s) that have driven organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain and provide details on how.

SF3.1

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

Timber products

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

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

Please explain

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