



Investing for Impact

Kruger Products 2023 Sustainability Report





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About This Report

The 2023 Sustainability Report from Kruger Products Inc. (“KP” or the “Company”) describes the performance and management approach of the Company in key areas of environmental, social and economic sustainability.

Performance data covered in this report reflects the 2023 calendar year and previous calendar years where stated. The data covers metrics primarily related to KP’s manufacturing operations in Canada and the United States – deviations from this boundary are identified within the report, data tables and footnotes. Explanations are provided, where available, for any deviations. Performance data aligns with relevant laws, regulations and recognized voluntary standards. Where appropriate, we report performance normalized to metric tonnes of production for a given year. All dollar values are expressed in Canadian dollars unless otherwise indicated. We launched our sustainable development initiative, “Reimagine 2030,” in 2021, using the 2020 calendar year as a baseline for third-party certified fibre and virgin plastic packaging. To allow for better comparability of data across our industry, we shifted our baseline year for greenhouse gas (GHG) emissions and water consumption to 2015 from 2009, beginning with this report.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards (2021). It is also informed by the Sustainability Accounting Standards Board (SASB) Household & Personal Products Standard and Pulp & Paper Products Standard, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). GRI, SASB and TCFD indices can be found in the Appendices.

This report has been reviewed by key members of KP’s Leadership Team, including the CEO and General Counsel.





Message from Dino Bianco

Chief Executive Officer

When we launched Reimagine 2030 – our ten-year strategy to grow as a company while minimizing our impact on our planet – we understood we were embarking on a journey, a decade-long pursuit of transformational growth and sustainable impact.



Dino Bianco
Chief Executive Officer

This kind of evolution begins with understanding your starting point, setting meaningful goals, and investing the time and resources to achieve them. In early 2024, KP underwent a materiality assessment, to ensure we are prioritizing the sustainability topics most important to our business and the areas where we can achieve the most environmental, social and economic impact. We have also made significant financial investments to expand our business and reduce our environmental footprint.

In 2023 we marked the first full year of using the new cogeneration system at our state-of-the-art Sherbrooke, QC plant and it performed beyond our expectations. By replacing a portion of the natural gas the facility uses with biogas, the system reduced our GHG emissions by nearly 15,000 MT, more than the projected annual decrease of 14,000 MT.

Since the inception of the plant in 2018, we have invested nearly \$1 billion to create a premium-quality tissue manufacturing hub in Québec’s Eastern Townships. A second tissue plant at Sherbrooke, slated to begin operations in 2024, will create an additional 100 long-term jobs for hourly and salaried workers, bringing the total number of jobs created in Sherbrooke to over 350. The second facility will be equipped with an advanced model, double-width Light Dry Creped (LDC) tissue machine, which will use nearly 75% less water than our current LDC assets. This new machine will be the first KP asset equipped with new vacuum system technology – supported with financial assistance from Hydro-Québec – which uses 45-50% less electricity than traditional LDC vacuum systems.

Because sustainability begins with efficiency, we continued to improve the energy efficiency of our systems and infrastructure across our operations in 2023. We have invested more than \$1.2 million, including roughly \$580,000 in grant money, in energy management improvements at our Crabtree, QC and New Westminster, BC plants, both of which achieved ISO 50001 certification in 2023. The two plants followed in the footsteps of our Gatineau, QC plant, which achieved ISO 50001 certification in 2019, and we expect our Sherbrooke

TAD, QC plant to gain certification in 2024, with our other facilities following in the coming years.

In an effort to further improve operating efficiencies, KP also shut down older and inefficient production assets at our Memphis, TN plant in early 2023. The shutdown, which included an LDC paper machine and six converting lines, also increased the profitability of our Memphis operations.

Finally, we rounded out 2023 with a \$14.5 million investment to expand production at our facilities in Gatineau. The first phase is the installation of a facial tissue converting line at our Richelieu Plant, which will increase production of our Scotties® facial tissue by 25%. The second phase, which we expect to complete in June 2025, will contribute to our continued waste reduction efforts. At our Laurier Plant, also in Gatineau, new equipment will collect tissue production residues that will be reused in the manufacture of our products.

Of course, any journey worth taking includes a range of experiences – from the rewarding to the humbling. We made some exciting progress towards Reimagine 2030 goals for climate change and water usage in 2023, and we maintained our previously achieved level of excellence in sustainable fibre sourcing and responsible forest ecosystem management, using 100% third-party certified fibres in our products. However, we saw disappointing results with regard to our plastic packaging target. From 2020 to 2023, the virgin plastic packaging intensity of our products increased by 8.5%. While setbacks can be frustrating, they also present an opportunity to learn and do better. We are currently working on strategies to reverse this trend, and we remain committed to meeting our 50% reduction target by 2030. In 2024 we will begin to use 25% post-consumer recycled (PCR) plastic in select product packaging.

To have a meaningful impact requires a willingness to make necessary investments and take concrete action. Most importantly, it requires evolutionary thinking. For KP, this means our sustainability vision is becoming even more integrated into our overall business policies and strategies with each step in our journey.

“To have a meaningful impact requires a willingness to make necessary investments and take concrete action.”

As the leading tissue manufacturer in Canada, we have a responsibility to produce high-quality products while also protecting our environment, particularly given our dependency on natural resources. We are grateful for the recognition we continue to receive for our good work. For six consecutive years, KP has been named one of Canada’s Best 50 Corporate Citizens by *Corporate Knights*, and one of Canada’s Best Managed Companies for excellence in areas of strategy, culture, commitment, capabilities, innovation, governance and financial performance. Kruger Products’ inclusion in the *Corporate Knights* Best 50 list also highlights our leadership in sustainability and responsible business practices. This recognition not only boosts the Company’s reputation but also serves as a motivation to continue its efforts towards sustainability.

Finally, we are forever grateful to our employees for their vital contribution. Together we will continue to work hard and demonstrate our commitment to achieving meaningful and long-lasting impact. At KP, our sustainability strategy is more than just words, it is the North Star guiding us to our destination.



Q&A with Steven Sage

Vice President, Sustainability & U.S. Marketing

Steven joined Kruger Products in 2009. He created and leads the implementation of Kruger Products’ sustainable development program and manages its environmentally branded products portfolio. As a result, he is uniquely suited to provide strategic insight to Kruger Products’ Senior Leadership Team and Board about the Company’s sustainability strategy, approach and performance.

Q. Why is sustainability critical to Kruger Products’ business and its impact on the environment and society?

As a business that relies on natural resources, it is crucial for us to manage those resources responsibly. Our key stakeholders, including our employees, customers, consumers and investors, increasingly expect us to take action in critical areas such as climate change, water conservation, plastic reduction and responsibly sourced fibre. Meeting these expectations is a moral imperative and essential to maintaining trust and Kruger Products’ reputation. Additionally, sustainability often leads to opportunities for cost savings and operational efficiencies. By reducing waste, optimizing resource use and adopting sustainable practices, we can reduce our environmental footprint while also improving our bottom line. Most importantly, we ensure that the natural resources we all depend on are available for our ongoing operations as well as for future generations.

Q. How is Kruger Products’ Reimagine 2030 strategy bringing the Company closer to achieving its vision, “To be the most trusted, best loved tissue company in North America”?

Our Reimagine 2030 strategy emphasizes transparency in reporting our progress towards our targets, and this creates credibility with stakeholders by both demonstrating accountability and that our actions live up to our words.

And, by aligning with trusted third-party certifications – such as the Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative (SFI) and Programme for the Endorsement of Forest Certification (PEFC) – Kruger Products remains accountable for maintaining responsible forest management and sourcing practices, which helps to build trust with customers and consumers who prioritize sustainability in their purchasing decisions.

Q. What roles do the Board and CEO play in supporting the Company’s sustainability journey, and how has the Board evaluated Kruger Products’ recent progress?

The Board has oversight of Kruger Products’ ESG strategy, disclosure and ESG risks. It ensures that we fulfill our commitments regarding responsible sourcing, GHG reduction and water management, among others. I regularly update the Board on the Company’s progress on key sustainability initiatives and towards achieving our Reimagine 2030 targets. This helps ensure sustainability remains a priority at the highest levels of the organization and assists the Board in providing guidance and support as needed.

As part of its evaluation process, the Board considers how effectively our initiatives drive sustainable growth, manage risks and enhance the Company’s reputation. Because it recognizes the importance of addressing climate change, the Board has added climate risks to the Company’s enterprise risk management system. By proactively managing and mitigating the risks associated with climate change, the Board aims to ensure the long-term resilience of the business.

Q. Can you provide some insight on why the Board felt it was important to integrate climate risks (and other ESG topics) into its responsibilities?

We are a large manufacturer, and we recognize that climate risks and other environmental, social and governance (ESG) topics can have a significant impact on our business ranging from resource availability and operational costs to regulatory compliance and consumer perception. Integrating these topics into the Board’s responsibilities helps ensure the Company remains aware of these risks, develops mitigation strategies to address them, and complies with the increasing number of regulatory requirements related to sustainability – including carbon pricing mechanisms such as cap and trade, regulations around plastics use and water effluent standards – allowing us to avoid potential penalties or reputational damage.





Q. From your perspective, what sustainability achievements have been pivotal for Kruger Products' Board and the Company?

Becoming the first Canadian tissue maker to be certified by the FSC® was a significant milestone for Kruger Products. This certification demonstrates a commitment to responsible forest management and sustainable sourcing practices. It not only aligns with the Company's sustainability goals, it also sets a precedent for the industry, showcasing Kruger Products' leadership in promoting environmentally friendly practices. We can also be proud of our consistent progress on key priorities, such as climate, water and fibre.

Continually advancing towards our objectives shows Kruger Products' unwavering commitment to sustainability and responsible business practices, which are values that resonate with our Board, employees, customers and stakeholders.

Q. When considering recent economic and social trends, what are the greatest opportunities for Kruger Products to strengthen its presence and performance?

There are several opportunities for Kruger Products to grow as a company and strengthen our position in the North American tissue marketplace. The exit of a key competitor from the Canadian market will allow us to expand our presence and market share in the facial tissue category. The growth of the new Canadian immigrant population allowed us to tailor our marketing strategies and product offerings to effectively reach this demographic. And with inflation driving increased demand for affordable alternatives to name-brand products, we can expand sales of customers' trademark and own-brand products, which offer our customers and consumers quality tissue products at a lower cost.

Q. Looking ahead to 2030, what do you hope Kruger Products will have accomplished by then?

Across the Company, we hope that Kruger Products will have successfully met or exceeded our Reimagine 2030 targets, and that we will continue to be recognized as a sustainability leader for our industry. By setting high standards and implementing innovative sustainability initiatives, Kruger Products aims to inspire others in the industry to follow suit and drive change across the sector that will continue to produce positive results long past 2030.

“The Board provides oversight of Kruger Products' sustainability policies, investments and practices, ensuring that we fulfill our commitments.”





About Us

Headquartered in Mississauga, Ontario, KP is one of North America’s leading manufacturers of quality tissue products for household, industrial and commercial use. We serve the Canadian and U.S. consumer markets with well-known brands such as Cashmere®, Purex®, SpongeTowels®, Scotties®, Bonterra® and White Cloud®. Our Away From Home commercial products division distributes a wide range of tissue products and solutions to diverse industries, including food service, hospitality and healthcare.

KP’s ten manufacturing plants are in areas geographically aligned with the natural resources required to make our products and are close to key population centres.

Our manufacturing facilities include ten across three Canadian provinces (Québec, British Columbia and Ontario), representing a tissue manufacturing capacity of 44% of Canada’s total output, and a U.S. manufacturing plant in Tennessee.

We employ approximately 2,800 people at these manufacturing sites, our corporate headquarters and regional sales offices. Together, KP’s mission, vision and values define who we are as a company.



MISSION

Making everyday life more comfortable

VISION

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

VALUES

Entrepreneurship, Family Spirit, Commitment, Integrity, Customer Focus



Our Business



OUR BRANDS

Cashmere®

#1 Bath Tissue in Canada¹

Purex®

#1 Bath Tissue in Western Canada¹

Scotties®*

#1 Facial Tissue in Canada²

SpongeTowels®

#2 Paper Towel in Canada³

CANADA CONSUMER PRODUCTS

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

Brands: Cashmere® and Purex® bathroom tissue, Scotties® facial tissue, SpongeTowels® paper towels, and Bonterra™ bathroom tissue, paper towels and facial tissues for consumer household use.

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

UNITED STATES CONSUMER PRODUCTS

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

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

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

AWAY FROM HOME DIVISION (AFH) PRODUCTS

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

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

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

1 KP calculation based on MarketTrack database for the Bathroom Tissues category for the latest 52 weeks ending December 31, 2023 time period. Copyright © 2024, Nielsen Consumer LLC.

2 KP calculation based on MarketTrack database for the Facial Tissues category for the latest 52 weeks ending December 31, 2023 time period. Copyright © 2024, Nielsen Consumer LLC.

3 KP calculation based on MarketTrack database for the Paper Towels category for the latest 52 weeks ending December 31, 2023 time period. Copyright © 2024, Nielsen Consumer LLC.

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Production Facilities

2,800

Dedicated Employees

\$1.9B

Revenue



Reimagine 2030

We launched Reimagine 2030 – KP’s ten-year sustainable development initiative – in 2021, building on our accomplishments of the previous decade. Our Reimagine 2030 strategy guides our sustainability efforts across four key pillars: Products Empower, Planet Conscious, Employee Impact and Community Embrace.

It also established four new quantitative targets to be achieved by the end of the decade:

- Reduce our Scopes 1 and 2 GHG emission intensities by 35% by 2030 from a 2015 baseline
- Reduce our water consumption intensities by 35% by 2030 from a 2015 baseline
- Reduce virgin plastic packaging intensities in our branded products by 50% by 2030 from a 2020 baseline
- Utilize 100% third-party certified fibres in the manufacturing of our products

The strategy’s long-term horizon enables us to aim higher, develop more impactful goals and undertake the investments needed to succeed. More detail on the metrics we track and report on can be found under Progress Against Commitments and Targets, [page 11](#).

Products Empower

Create products made from responsibly sourced materials that minimize our impact on the environment and reduce our use of plastic.

Planet Conscious

Minimize our impact on the land, water and air to do our part to create a more sustainable world.



Community Embrace

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

Employee Impact

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



REIMAGINE 2030

Road to Reimagine 2030



2008–2009

2010–2019

2020–

2008

Sustainability identified as key strategic priority by the Leadership Team

2009

Dedicated resource hired – VP, Sustainability

Benchmark data collection

First in pulp and paper and in Canada biogasification system begins operations in New Westminster, BC to reduce emissions by 50% annually

2010

First program – **Sustainability 2015** – launched with eight public targets using 2009 benchmarks

2011

First public reporting of results

First Canadian tissue manufacturer to earn FSC® chain of custody certification

2012

First report to CDP Climate Questionnaire

Heat recovery project begins operations at Gatineau, QC plant to reduce GHG emissions by 14.5% annually at maturity

Convened first of eight annual Leaders in Sustainable Thinking industry roundtables to discuss collaborative sustainability solutions

2013

First sustainability report published to GRI standards

Offered one of the largest portfolios of third-party certified tissue products in North America

2014

Heat recovery project begins operations at Crabtree, QC plant to reduce GHG emissions by 6% annually at maturity

2015

Conducted first stakeholder engagement project to identify key materiality issues

2016

Final 2015 results published

Second program – **Sustainability 2020** – launched with four public targets

Awarded Walmart Canada’s Sustainability Vendor of the Year

2017

Recognized as one of Canada’s Future 50 by *Corporate Knights*

2018

Recognized for first time as one of Canada’s Best 50 Corporate Citizens by *Corporate Knights*

2019

Earned SFI/PEFC chain of custody certification

Gatineau, QC plant achieves ISO 50001 certification

Began reporting to CDP Forestry questionnaire

Second heat recovery project begins operations at Crabtree, QC plant to reduce GHG emissions by additional 9% annually at maturity

2020

Achieved 100% fibre third-party certified

2021

Final 2020 results published

Launched **Reimagine 2030** with four public targets

Sustainability becomes a pillar in new KP corporate strategy

First Canadian tissue company to join Canada Plastics Pact

2022

Gatineau, QC plant begins supplying effluent heat to Zibi community, creating first district energy system in North America

Bonterra – the Company’s first sustainability-focused product line – introduced

Sherbrooke, QC plant begins Digital Twin AI project, reducing GHG emissions

2023

Two electric trucks begin operations for internal transfers between Crabtree, QC and Laval, QC warehouse

First sustainability report published with reference to the TCFD and SASB standards

Crabtree, QC and New Westminster, BC plants achieve ISO 50001 certification

Use of cogeneration system at Sherbrooke, QC performs beyond expectations in first full year of operations, reducing GHG emissions by nearly 15,000 MT







Conducted a materiality assessment

Board integrates climate risks and opportunities into its risk oversight responsibilities







REIMAGINE 2030

Progress Against Commitments and Targets

STRATEGIC PILLARS	FOCUS AREAS	OUR COMMITMENTS AND TARGETS	2030 TARGET STATUS	2023 PROGRESS	UN SDGs	REFERENCE
Products Empower	Responsible Sourcing	Use 100% third-party certified fibres annually Expand our green product offerings Support sustainable forestry practices	✔ Achieved	100% of fibre procured was third-party certified Increased the number of FSC®-certified products from 158 last year to 186	 	Pages 23–24
	Plastics & Packaging	Reduce virgin plastic packaging in branded products by 50% by 2030	⚠ Needs Improvement	The virgin poly in our packaging increased by 8.5% to 0.168lbs/QC from 0.150lbs/QC in 2023. We are developing a transition plan for 25% PCR poly on our branded products that we expect to initiate in 2024.		Page 25
	Product Innovation	Invest in new facilities and innovative, resource-efficient technologies to enhance product sustainability and quality for our consumers	No Target	Invested \$351.5 million in our Sherbrooke, QC Light Dry Creped (LDC) facility, which is expected to significantly reduce energy and water use intensities compared to our old manufacturing assets		Page 31
Planet Conscious	Climate Change, and Energy & GHG Emissions	Reduce Scope 1 and Scope 2 emissions intensity by 35% by 2030 Invest in energy efficiency and continue to explore fuel switching opportunities	➤ On Track	Reduced our Scope 1 and 2 emissions by 26% vs. our 2015 baseline Two more facilities earned their ISO 50001 certification Our Sherbrooke, QC TAD facility, which is connected to Kruger Energy's Cogeneration facility, will help reduce emissions by 15,000 MT yearly	 	Pages 28–31
	Water Management	Decrease water usage intensity by 35% by 2030	➤ On Track	We reduced our water usage by 31% vs. our 2015 baseline		Page 32
	Waste Management	Reduce operational waste and utilize circular economy principles in manufacturing	No Target	Waste diversion decreased due to changes in our downstream partnerships. We expect to onboard new partners in 2024 to accept fibre end product for soil amendment.		Page 33



REIMAGINE 2030

STRATEGIC PILLARS	FOCUS AREAS	OUR COMMITMENTS AND TARGETS	2030 TARGET STATUS	2023 PROGRESS	UN SDGs	REFERENCE
Employee Impact	Occupational Health & Safety	Achieve a 0.74 Total Incident Rate (TIR) by 2025 Support the safety of employees	👉 On Track	Achieved a TIR of 0.86, improving from 1.37 in 2022 Improved our lost time case rate from 0.66/100 employees in 2022 to 0.39/100	 	Page 35
	Talent Attraction & Retention and Fair Labour Practices	Provide competitive wages and career development opportunities and respect workers' rights	No Target	Introduced the Employee Development Month and continued KP's leadership accelerated management program (KP LAMP) 73% of Kruger Products employees are covered by collective bargaining agreements		Page 37
	Diversity, Equity & Inclusion	Create an inclusive and empowering environment for all employees through our Diversity, Equity & Inclusion Strategy and various initiatives	No Target	Providing employees with wellness and family-friendly benefits Evolving and expanding the KP Women's Network Conducting yearly corporate office diversity and cultural awareness initiatives such as Pride, Black History Month and Ramadan		Page 37
	Employee Training & Development	Invest in our employees through training opportunities and development programs to help employees reach their full potential	No Target	Respect in the Workplace Training for all KP employees launched in 2023 and rolled out to all sites in 2024 Over 137,000 total employee training hours across all our sites in 2023 Investing in a new standardized Learning Management System to strengthen employees' learning experience		Page 38
Community Embrace	Community Engagement & Investment	Invest in our communities through partnerships with local and national charities, and employee volunteering	No Target	Continued our support of breast cancer research through our annual Cashmere collection event and awarded The Kruger Big Assist to five new communities, supporting local hockey programs and diversity. We also support a number of local initiatives at each site, to help the communities where we work.	 	Pages 40–44



REIMAGINE 2030

Sustainability from Start to Finish

Kruger Products integrates sustainability into everything we do, considering the environmental and social impacts of our operations at every stage, from the materials we source to the disposal of our product packaging. By incorporating sustainability throughout our value chain, Kruger Products reduces our negative environmental and social impacts, enhances our reputation, and creates long-term value for stakeholders.



	Materials Sourcing	Operations and Culture	Product Design and Innovation	Packaging	Product Distribution	Marketing and Sales	Product End-of-Life
Strategic Objectives	<ul style="list-style-type: none"> ● Source from responsibly managed forests, which conserves biodiversity and promotes fair labour practices. It ensures wood fibre is not sourced from conflict timber or other controversial sources. ▲ Reduce risk of non-conformances among suppliers by assessing their ESG practices and performance 	<ul style="list-style-type: none"> ▲ Improve water conservation and resilience to water scarcity ▲ Strengthen waste reduction and the reuse and recycling of materials ▲ Mitigate climate change risk and improve resource efficiency ■ Promote a culture of safety and improve employee engagement 	<ul style="list-style-type: none"> ● Realize product development opportunities to meet growing customer sustainability expectations 	<ul style="list-style-type: none"> ● Improve packaging innovation that reduces virgin poly use and waste and minimizes the negative impact on ecosystems 	<ul style="list-style-type: none"> ▲ Reduce transportation-related GHG emissions and increase the efficiency of our distribution network 	<ul style="list-style-type: none"> ● Provide consumers with sustainable focused product offerings while improving the sustainability story for all of our brands 	<ul style="list-style-type: none"> ▲ Support responsible end-of-life management of our products to create a more circular economy
2023 Performance	<ul style="list-style-type: none"> ● 100% third-party certified fibres, 89% of which is FSC® certified ▲ Identified critical suppliers by spend and are establishing an ESG dashboard to monitor their performance 	<ul style="list-style-type: none"> ▲ Decreased our water consumption intensity by 31% (2015 baseline) ▲ Diverted 87,854 tonnes of waste to landfill ▲ Reduced Scope 1 and 2 emission intensity by 26% (2015 baseline) ■ Achieved a 0.86 OSHA Total Incident Rate 	<ul style="list-style-type: none"> ● Spent \$5.6 million on R&D programs to develop innovative product solutions 	<ul style="list-style-type: none"> ● Increased virgin plastic packaging in branded products by 8.5%, which we are committed to reducing 	<ul style="list-style-type: none"> ▲ Adding six electric trucks to our fleet, which could potentially reduce our GHG emissions by nearly 2,600 MT CO₂e annually 	<ul style="list-style-type: none"> ● Obtained third-party certifications for our products, such as FSC®, SFI and ECOLOGO® certifications, to promote responsible marketing practices ◆ Leveraged partnerships with 4ocean and One Tree Planted to address indirect environmental impacts in communities, in line with promoting our products as environmentally conscious 	<ul style="list-style-type: none"> ▲ Used over 65,000 MT of recycled fibre in our products, over 62,000 MT of which was made at our Crabtree, QC facility ▲ 38,000 MT of fibre manufacture waste used as soil amendments instead of being sent to landfill ▲ Conducted a Product Carbon Footprint of Bonterra products

Sustainability Pillar Legend

- Products Empower
- ▲ Planet Conscious
- Employee Impact
- ◆ Community Embrace



Awards/ Recognition 2023

Corporate

[Canada's Best Managed Companies](#) Gold Level for 6th consecutive year

[Forbes Canada's Best Employers](#)

[Greater Toronto Area Top Employer](#) for 11th consecutive year

[Women in Governance](#) for a 4th year

Individual

[Star Women in Grocery Rising Star](#): Susan Folk, Corporate Director Category Sales Planning

[Grocery Business Hall of Fame](#): Michel Manseau, SVP & GM Canadian Consumer Business

[Food, Health & Consumer Products of Canada \(FHCP\) Award of Distinction](#): Dino Bianco, Chief Executive Officer

[Pulp & Paper Canada's Top 10 Under 40](#): Tania Prévost, Environment & Continuous Improvement Coordinator

[Stevie Awards Female Executive of the Year – Consumer Products – More Than 2,500 Employees](#): Susan Irving, Chief Marketing Officer

[Canadian Marketing Association: Premiere Award Achievement in Marketing](#): Ashley Faccenda, Associate Marketing Manager

[Canadian Grocer Generation Next Award](#): Ryan Scanzano, Business Development Manager

[Italian Chamber of Commerce of Ontario \(ICCO\) Unico Primo Pentola d'Oro Award](#): Dino Bianco, Chief Executive Officer

Manufacturing

[Les Mercuriades: Mercure Award](#) for Economic and Regional Development Contribution: Sherbrooke, QC plant

Customer

Balpex Vendor of the Year – Cleaning and Hygiene – Platinum Category: Away From Home Division

[Canadian Federation of Independent Grocers \(CFIG\) Master Merchandiser Single Manufacturer – Small Surface](#) – Gold, Colemans St. Anthony, NL & Kruger Products

Marketing

[PAC Global, Sustainable Packaging Design](#), Bonterra Bath Tissue and Bonterra Facial Tissue

[Shopper Innovation + Activation \(SIA\) Marketing](#) Bronze, Bonterra Television Campaign

[Best New Product, Better for the Environment Paper Towel](#), Bonterra

[Strategy Marketing Bronze](#), :15 Seconds and Under, Cashmere UltraLuxe “Sounds of Softness”

[Advertising & Design Club of Canada \(ADCC\)](#) Mick Griffin Best Editing Gold Award, Direction Silver Award and Cinematography Bronze Award, Unapologetically Human Love is Messy Campaign

Sustainability

[Corporate Knights Best 50 Corporate Citizens](#)

[North American Paperboard Packaging Council, Excellence Award](#) in Sustainability and Innovation: Bonterra Tissue Box Plastic Replacement

[CN EcoConnexions Awards](#)





Mega-trends Affecting Kruger Products

MEGATREND	RISKS	OPPORTUNITIES	HOW KRUGER PRODUCTS IS ADDRESSING THIS TOPIC
Circular economy	<ul style="list-style-type: none"> Declining availability of post-consumer recycled (PCR) fibre (sorted office waste) Not meeting customer and consumer expectations (e.g., growing concerns around plastic waste) Falling behind competitors in sustainability perception Potential government regulation 	<ul style="list-style-type: none"> Improve product sustainability position with customers and consumers, and demonstrate industry leadership Be better prepared to respond to potential regulation Potential cost savings by diverting less waste to landfill 	<ul style="list-style-type: none"> Exploring alternative fibres such as bamboo, bagasse and wheat straw Working towards including PCR poly packaging for our products Canada Plastics Pact (CPP) member and active participant in CPP’s Flexible Working Group
Advances in Artificial Intelligence (AI)	<ul style="list-style-type: none"> Data privacy and security – mishandling of data could lead to regulatory fines, damage to brand reputation and loss of consumer trust Overreliance on AI-driven tools can lead to disruptions caused by technical errors, biased data, cyber attacks or technical failures 	<ul style="list-style-type: none"> AI could help drive innovation and improve operational efficiency by reducing waste and energy usage 	<ul style="list-style-type: none"> AI Digital Twin at Sherbrooke, QC plant increases efficiency and reduces waste Expanding this AI capability to additional manufacturing sites AI Demand Forecast Accuracy designed to improve production planning leads to more efficient transportation
Growing Canadian population diversity	<ul style="list-style-type: none"> Potential market share loss to competitors 	<ul style="list-style-type: none"> Create new lifelong customers by engaging with new Canadians and immigrants 	<ul style="list-style-type: none"> Ethnic focused marketing with Unapologetically Human Love is Messy Campaign adaptations for Southeast Asian and Chinese communities Other brand marketing efforts targeting new Canadians
Sustainable procurement	<ul style="list-style-type: none"> Failing to comply with legislative requirements, such as Bill S-211 in Canada, could result in fines 	<ul style="list-style-type: none"> Build brand reputation and image by procuring materials that our customers can trust and which mitigate their supply chain risks Reduce the environmental, social and economic impacts in our supply chain by sourcing responsibly 	<ul style="list-style-type: none"> Increased understanding of suppliers’ policies and practices FSC®/SFI/PEFC fibre sourcing Working on mapping and digging further into fibre supply Sourcing fibre packaging that is recycled and PCR or FSC® recycled
Net zero	<ul style="list-style-type: none"> Challenge to meet net zero ambition as a growing company with significant reliance on energy Carbon tax/cap and trade policies reduce operating income 	<ul style="list-style-type: none"> Challenge engineering teams to think outside the box to develop a net zero roadmap with projects that result in cost saving Explore alternative renewable energy sources Improve brand attractiveness by responsibly marketing products as carbon neutral/zero emissions 	<ul style="list-style-type: none"> Our newest facilities, in Sherbrooke, QC, have been built with energy efficiency in mind and located in Québec, which has near net zero electricity emissions



Materiality Assessment

Following our 2015 materiality assessment, we worked with a third-party sustainability consultant in 2023/24 to ensure we continued to prioritize the ESG topics most relevant to our company and important to our stakeholders. The assessment was carried out in alignment with recommendations from the Global Reporting Initiative (GRI) Standards. Using an impact lens, the topics were prioritized based on their relative importance to our operations and their impact on our communities, the economy and the environment. In areas where we have identified new or increasingly important topics, we are working to enhance our reporting.

STEP 1: IDENTIFICATION

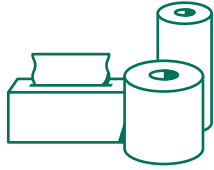




In this step, 21 ESG topics were identified based on our previous assessment, the priorities and practices of high-performing industry peers, and sector-specific material topics from relevant SASB standards.

STEP 2: PRIORITIZATION

We surveyed internal and external stakeholders, including Board members, employees, suppliers, commercial customers, federal and municipal governments, and NGOs. Twenty follow-up interviews were conducted to gain insights on KP's ESG commitments, topics of importance and impact, and the Company's ability to address these topics. The survey results were analyzed, and an impact materiality lens was used to prioritize the identified topics.

STEP 3: VALIDATION

A validation working session was held with subject matter experts and department managers at KP to discuss the assessment results and propose long-term goals and strategic actions for the immediate and near term. Following the workshop, we conducted a gap analysis to strengthen our disclosure of highly material topics. To help inform KP's strategic approach to ESG and guide our corporate reporting, the industry review, stakeholder engagement and working session insights, and gap analysis findings were incorporated into a roadmap and shared with the Leadership Team.

PILLAR	 Products Empower	 Planet Conscious	 Employee Impact	 Community Embrace	 Governance
PRIMARY TOPICS	Plastics & packaging Product quality & safety	Energy & GHG emissions Water management	Fair labour practices Occupational health & safety		Business ethics & transparency Responsible sourcing
SECONDARY TOPICS	Biodiversity Product innovation	Air pollution Climate change Product end-of-life management Waste management	Diversity, equity & inclusion Employee training & development Human rights Talent attraction & retention	Community investment & engagement	Data privacy & cyber security Responsible marketing



Stakeholder Engagement

Current and Prospective Employees

WHY WE ENGAGE

To attract and retain top talent

HOW WE ENGAGE

Annual Sustainability Report; corporate website and social media; town hall meeting; intranet

WHAT WE HEARD

Employees join KP and stay because the Company's values align with theirs

Customers

WHY WE ENGAGE

To inform customers of the attributes of our products, including sustainability programs and impacts

HOW WE ENGAGE

Customer survey questionnaires; marketing initiatives (print, digital, tv)

WHAT WE HEARD

Developing sustainability attributes by product categories to communicate to consumers

Investors and Financial Stakeholders

WHY WE ENGAGE

To inform the community of our plans and progress

HOW WE ENGAGE

[CDP questionnaires](#); sustainability results are shared with the Board and with investors through our [Annual Information Forms](#); Annual Sustainability Report; [corporate website](#); investor presentations

WHAT WE HEARD

Setting specific, measurable targets and tracking our progress against those targets is important

Regulators and Governments

WHY WE ENGAGE

To obtain permitting, grants and other funding opportunities, and to meet cap and trade requirements and extended producer responsibility requirements

HOW WE ENGAGE

Industry and trade groups (FCHP, CPP); grants to help fund sustainability investments

WHAT WE HEARD

Collaboration facilitates progress on sustainability across the industry

Environmental Non-Governmental Organizations (ENGOS)

WHY WE ENGAGE

To align our actions with the expectations of respected third-party organizations

HOW WE ENGAGE

FSC®, SFI/PEFC certifications; One Tree Planted and 4ocean sponsorship

WHAT WE HEARD

Third-party organizations play a crucial role in establishing credibility in the sustainability space



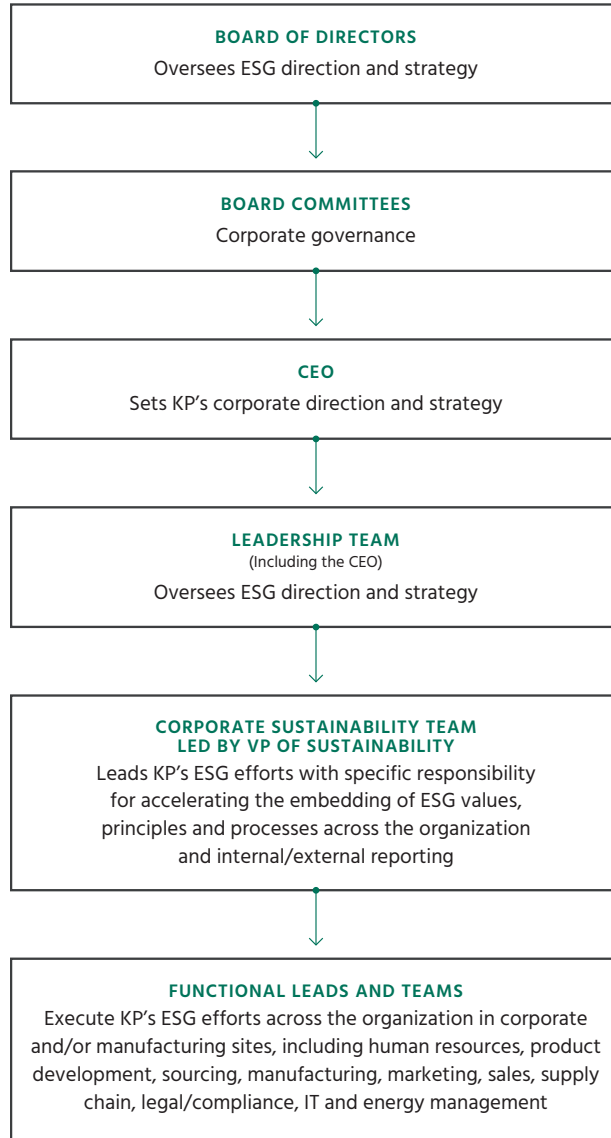


Governance

KP is a private company, with Kruger Inc. as our majority shareholder (87.1%) and the remaining shares (12.9%) held by KP Tissue Inc., a TSX publicly traded corporation, as of January 15, 2024.



ESG Governance



Board of Directors

KP's Board of Directors oversees our environmental, social and governance (ESG) policies and practices, including our strategy, disclosure and ESG risks. Members of the Board's Governance Committee are responsible for reviewing KP's ESG risk assessments and performance against our objectives and providing related reports and recommendations, where appropriate, to the Board. In 2023, the Board approved integrating climate risks and opportunities into its risk oversight responsibilities and began developing a climate mitigation strategy in alignment with the Company's risks.

KP's ten-member Board comprises four external directors – including three independent directors – and six members from parent company Kruger Inc.'s management team, including KP's CEO. Kruger Inc.'s Chair and CEO, Joseph Kruger II, is KP's Board Chair. The Board's other key responsibilities include Board organization, selection, retention and succession, strategic oversight, risk evaluation, financial matters and internal controls, disclosure to shareholders and others, policies and procedures, and monitoring and oversight.

Leadership Team

KP's CEO and Leadership Team are responsible for executing the Company's ESG strategy. KP's Vice President of Sustainability leads the development of the strategy to reduce the Company's environmental footprint supported by cross-functional teams across the organization. The Leadership Team reviews key environmental and social performance progress quarterly. It engages in the development, execution and support of various sustainable development activities by cross-functional teams comprised of corporate and plant employees.

Other members of the Leadership Team include the Chief Financial Officer, Chief Marketing Officer, SVP & GM Canadian Consumer Business, SVP & GM USA Mexico Consumer Business, SVP & GM Away-From-Home, SVP General Counsel & Corporate Affairs, SVP Technology & Supply Chain, SVP Operations, SVP Human Resources, Corporate VP Product Innovation & Quality, VP Information Technology, and VP Sales & Corporate Strategy.



Ethics & Integrity

KP operates under several policies developed by Kruger Inc. and KP and overseen by KP's Leadership Team. These policies are regularly reviewed and updated as necessary. We actively adhere to these policies to ensure we comply with applicable laws and regulations. In terms of environmental regulations, these include, but are not limited to, the Québec Cap-and-Trade System and extended producer responsibility (EPR) recycling stewardship programs run by provincial governments in Canada.

Kruger Inc. developed and released its initial Code of Ethics in 2011. The policy was updated for KP and approved by our Board in November 2023. This policy guides how we conduct our business, providing various rules and guidelines for ethical business practices and procedures, ensuring we comply with all applicable laws and regulations of all countries where we conduct business. The General Counsel & Corporate Secretary is responsible for maintaining and enforcing the policy, which applies to all KP employees, officers and directors. Employees are required to complete annual training on the Code of Ethics.

Our Code of Ethics includes human rights and anti-corruption policies. It reinforces our commitment to diversity, equity & inclusion (DE&I), our employees' health and safety, and reducing our environmental impact. For the reporting period, there have been no incidents of corruption or anti-competitive behaviour. Additionally, each of KP's facilities operates under a proprietary Environmental Management System (EMS).

The Company's progress on our sustainability efforts is published annually on our website, www.krugerproducts.ca/sustainability, along with the following policies:

- [Code of Ethics](#)
- [Environmental Policy](#)
- [Fibre Procurement Policy](#)
- [Supplier Code of Conduct](#)

0
incidents of corruption or
anti-competitive behaviour





Supply Chain Management & Cyber Security

Our Supply Chain

KP strives to enhance our ESG performance throughout our supply chain by providing our suppliers with expected guidelines and principles, which are laid out in our Supplier Code of Conduct. We believe in forming strong, long-term relationships with suppliers who share our values and our commitment to delivering excellence. KP expects all suppliers to maintain high standards of honesty, integrity, and compliance with all national and international rules, laws, and regulations governing environmental and social conduct. We require our pulp suppliers to be third-party certified and to adhere to our Fibre Procurement Policy.

In 2023, we took the first steps towards developing an ESG-based Dashboard for procurement, using the EcoVadis platform, which will allow us to monitor the sustainability performance of our suppliers. EcoVadis is a globally recognized assessment platform that rates business sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. We will begin monitoring in 2024 and, eventually, the EcoVadis ESG scores will help inform our risk levels for all suppliers, including fibre, chemicals, packaging and energy, and help inform areas for collaboration and improvement.

Beginning in May 2024, KP will also submit annual public reports with Canada’s Minister of Public Safety and Emergency Preparedness, documenting our efforts to reduce the risk of forced labour and child labour in our supply chain, as required by Canada’s newly enacted *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, previously Bill S-211. We stand united with the Canadian government in its commitment to fight forced labour and child labour here and around the globe.

Cyber Security & Data Privacy

KP has implemented a comprehensive cyber security strategy to protect our digital assets and data in a time of increasing security threats. Our combined business and Information Technology (IT) teams have spared no effort to assess potential vulnerabilities and mitigate risks to cyber security in our daily operations. Our Cyber Security team collaborates with the wider IT team to respond to unplanned events, while continuing to fully manage our infrastructure, networks, and operational and IT applications. The Company has also invested in state-of-the-art cyber security tools and technologies, such as intrusion detection systems and firewalls, to detect and prevent unauthorized access to its networks. Additionally, we conduct mandatory online training quarterly, which covers all relevant cyber security topics, such as phishing and password protection, and the protection of private information. These efforts have enhanced Kruger Products’ cyber security posture, ensuring the protection of our critical business information and systems.





PILLAR 1

Products Empower

- 22 Our Commitment to Our Customers
- 23 Fibre & Forests
- 25 Packaging: Our Plan for Plastic

“The retail stores we sell our tissue products to have their own sustainability targets, which may not yet be linked with their partners’ targets. Connecting our supply chain objectives to theirs and helping them achieve some of those targets is a tremendous opportunity for Kruger Products and our customers. So, we now include our sustainability efforts and targets in our customer presentations.”

STEEVE LAMONTAGNE,
VICE PRESIDENT & HEAD OF CANADA CONSUMER SALES

100%

third-party certified fibre in our products

89%

of packaging material by weight was fibre-based and fully recyclable



Our Commitment to Our Customers

As a leading North American tissue maker, our greatest opportunity for improving our environmental impact lies in the materials we use to produce and package our products. Deforestation and plastic pollution are two of society’s most pressing environmental problems, and our Reimagine 2030 goals demonstrate our firm commitment to addressing these challenges.

In 2023, we maintained our previously achieved level of excellence regarding sustainable fibre sourcing and responsible forest ecosystem management, using 100% third-party certified fibres in our products. The vast majority, 89%, of our fibre was certified by the Forest Stewardship Council® (FSC®), our preferred certifier.

To date, we have not made the progress we intended towards our plastic packaging reduction goal. From 2020 to 2023, the virgin plastic packaging intensity of our products increased by 8%. While this result is disappointing, we are currently working with our suppliers to reverse this trend, and we remain committed to meeting our 50% reduction target by 2030. In 2024 we will begin to use 25% post-consumer recycled (PCR) plastic in select product packaging and intend to continue to expand the number of products in future years.

Our sustainability-focused Bonterra® brand launch in 2022 continues to see demand from sustainability-minded consumers. Bonterra is made in Canada using 100% recycled fibre and wrapped in plastic-free packaging. Additionally, to achieve carbon-neutral manufacturing for our Bonterra products, we are purchasing verified carbon offsets to match the GHG emissions from the products’ carbon footprint. By including Bonterra in their own sustainability efforts, Canadian consumers receive a quality product while also making a concrete environmental impact with their purchase.

Bonterra products are made with **100%** recycled fibre





Fibre & Forests

Our commitment to sustainable fibre sourcing and responsible forest ecosystem management has long been essential to our sustainability effort. In 2023, we sourced 69% of our fibre from Canada, while the remaining 31% was sourced from Brazil, where certification of our suppliers by the FSC® assures us and our stakeholders that none of our fibre comes from the Amazon rainforest. In 2023, 89% of the fibre procured was certified by the FSC®, an increase from roughly 60% in 2020, while 9% was certified by the Programme for the Endorsement of Forest Certification (PEFC), and 2% was certified by the Sustainable Forestry Initiative (SFI). KP was the first Canadian tissue manufacturer to earn FSC® chain of custody (CoC) certification in 2011, and we earned PEFC and SFI CoC certifications in 2019. Chain of custody certification verifies that materials are managed at every stage of production, from harvest to finished product, and are third-party audited annually. This accountability and transparency are essential to how we do business.

Our third-party forest certification programs are overseen by Preferred by Nature, a certification body that holds, manages and audits our certifications to ensure we comply with the stated standards. Preferred by Nature has historically provided oversight of our FSC® certifications and, beginning in 2023, that role was extended to all our third-party fibre certifications.

Also, in 2023, we achieved a “B” grade on our [CDP Forestry assessment](#) for the second year in a row, along with high marks for traceability and consumption/production data. The “B” grade matches the paper products and packaging sector average and exceeds the overall North American and global averages, which are both “C”. The assessment provides a framework for companies to measure and manage forest-related risks and opportunities, transparently report on progress, and commit to proactively restoring forests and ecosystems.



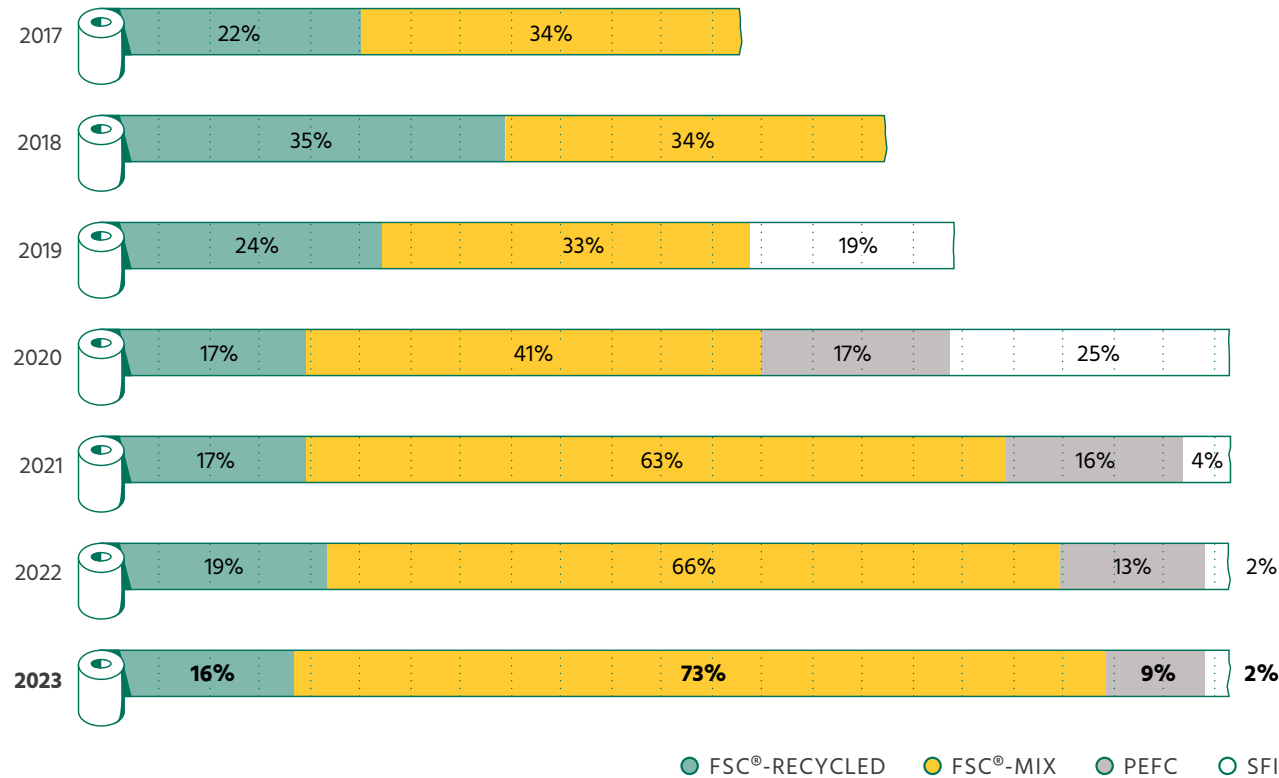
Third-Party Certified Products

Select consumer and commercial products are certified by our industry’s most respected and credible third-party certification systems. Indeed, we offer one of the largest portfolios of third-party certified bathroom tissue, facial tissue, paper towel and napkin products in North America – with 186 products certified by the FSC® and 29 certified by the SFI. Meanwhile, nearly 50 of our Away From Home products are also certified by ECOLOGO, globally recognized as North America’s most respected environmental standard and multi-attribute certification. We value trust and transparency, and we know our stakeholders do too.





Sustainable Fibre Consumed



Forest Stewardship Council®

One of the most highly respected international certifications, FSC®, is our preferred third-party fibre certifier. Over the last decade, we have steadily increased the percentage of our fibre that carries the FSC® certification. In 2023, 89% of our fibre was FSC®-certified, an increase from roughly 60% in 2020. The FSC® CoC certification ensures that our products come from responsibly managed forests and other controlled sources, that they are sourced from certified suppliers and that recycled fibre is verified. FSC® is the only certification supported by major international, national and local/Indigenous organizations, such as Greenpeace, the World Wildlife Foundation, the Sierra Club of Canada, ForestEthics, The Nature Conservancy and the David Suzuki Foundation.



Programme for the Endorsement of Forest Certification

PEFC is a leading, non-profit global alliance of national forest certification systems that promotes sustainable forest management through independent third-party certification. As an umbrella organization, PEFC endorses national forest certification systems developed through multi-stakeholder processes tailored to local priorities and conditions. PEFC fibre inputs contribute to SFI-certified products.



Sustainable Forestry Initiative

The SFI CoC is an accounting system that tracks forest fibre content from harvesting through end-product manufacturing, allowing KP to substantiate to customers that our products are made using certified forest content.





Packaging: Our Plan for Plastic

As a leading consumer packaged goods company, we are responsible for addressing the plastic waste crisis. In 2023, roughly 89% of KP's packaging material by weight was fibre-based and fully recyclable, including our bath tissue and paper towel cores, facial tissue cartons, shipping cases, and select Away From Home commercial products packaging. The remaining 11% – approximately 5,250 MT – was made primarily from low-density polyethylene (LDPE), of which 94% (by weight) was used as poly film packaging for bath tissue and paper towel products, 3% for the poly window opening in facial tissue packaging, and 3% as shrink-wrap film for multiple packs of facial tissue.

One of the primary ways to reduce virgin plastic in our packaging is by integrating post-consumer recycled (PCR) plastic into our packaging. To help create a local, circular supply of recycled poly film, KP intends to send our plastic packaging waste to a Canadian packaging supplier, which would use the waste to produce resin – the base ingredient in all plastic – that KP would ultimately use in our packaging. By finding innovative solutions and collaborating with our partners, we aim to do our part to create a new circular economy for the industry.

OUR PERFORMANCE

Trademark Brand Plastic Packaging

Facial Multipack
Shrink-wrap

3%

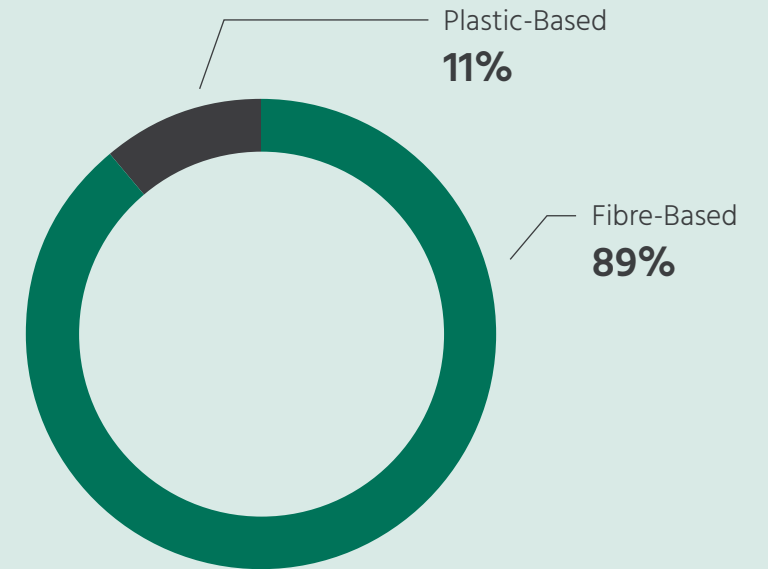
Facial Poly Opening

3%

Tissue/Towel Poly
Wrap and Bags
94%

Total Packaging Weight
2,082 MT

Total Packaging Material Distribution by Type





PILLAR 2

Planet Conscious

- 27 Our Commitment to the Environment
- 28 Climate Change & Emissions
- 32 Water Use & Quality
- 33 Waste Management

“This project wasn’t done for profit or to reduce costs. It was done for the environmental impact and to benefit the community around us. Our community is changing, with more residents living closer to the plant than ever before, and the partnership with Zibi will help us maintain the good relations we’ve always had with the surrounding area.”

MARTIN DUMAIS, CORPORATE MANAGER, ENERGY CONSERVATION

28,000 MT

in GHG savings from projects since 2018

Almost
\$26m

in climate-related investments combined with government grants since 2018



Our Commitment to the Environment

Founded by Joseph Kruger in 1904, Kruger, Inc. is a family business with a history dating back over a century. This longevity is a source of great pride with a multitude of benefits. KP operates facilities ranging from new state-of-the-art manufacturing hubs to 100-year-old plants, which have been central to their particular region's economic development and have deep generational ties with their communities. Each of our ten manufacturing facilities has its own set of opportunities and challenges. As we strive to reach our Reimagine 2030 goals and reduce our environmental footprint, we are seeking ways to capitalize on each plant's unique strengths, while finding creative solutions to address the challenges they face. In this way, we continue to build on our proud legacy.





Climate Change & Emissions

Making meaningful reductions to our GHG emissions has been a top priority for KP since we launched our first sustainability program in 2010. Through 2023, we decreased our Scopes 1 and 2 GHG emissions intensity by 26% compared to our revised 2015 baseline. Since 2018, our climate-related investments combined with government grants total almost \$26 million, resulting in projects that reduced 28,000 MT GHG emissions from our sites.

Our climate-related investments for 2023 included \$3.1 million towards the energy cogeneration project at our Sherbrooke, QC plant, which reduced our emissions by nearly 15,000 MT for the year. We also invested more than \$1.2 million, including roughly \$580,000 in grant money, in energy management improvements at our Crabtree, QC and New Westminster, BC plants, which both achieved ISO 50001 certification in 2023.

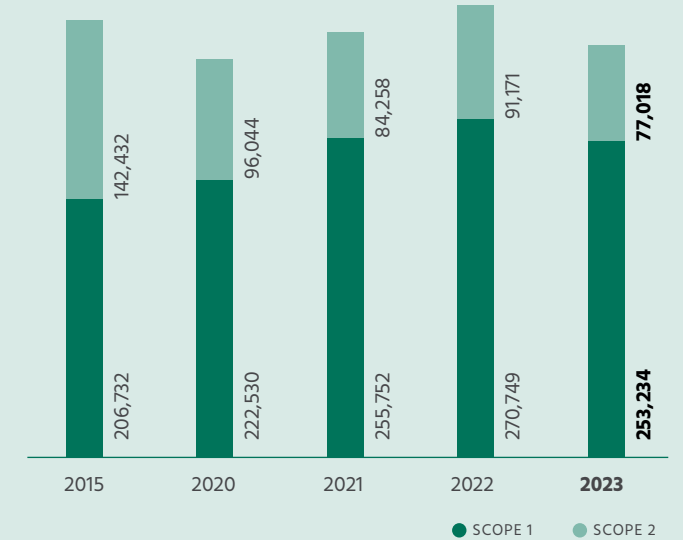
Additionally, we continued our efforts to track and calculate our Scope 3 emissions, which we began in 2022. In 2023, we tracked Scope 3 emissions from 11 sources, including purchased goods and services, all forms of transportation,

and waste. Scope 3 emissions account for roughly 65% of our total emissions. The three categories comprising the largest share of Scope 3 emissions were purchased goods and services at 33%, end-of-life treatment of our sold products at 11%, and transportation and distribution at 31%. Tackling Scope 3 emissions is an enormous task for any company, including KP. By better understanding the various sources of these emissions, we've taken the first steps towards making reductions beyond our current Reimagine 2030 targets and finding viable, sustainable solutions that will allow us to continue to grow as a business while shrinking our environmental footprint. In 2023, we received a "B" rating from CDP for our climate-related disclosures.

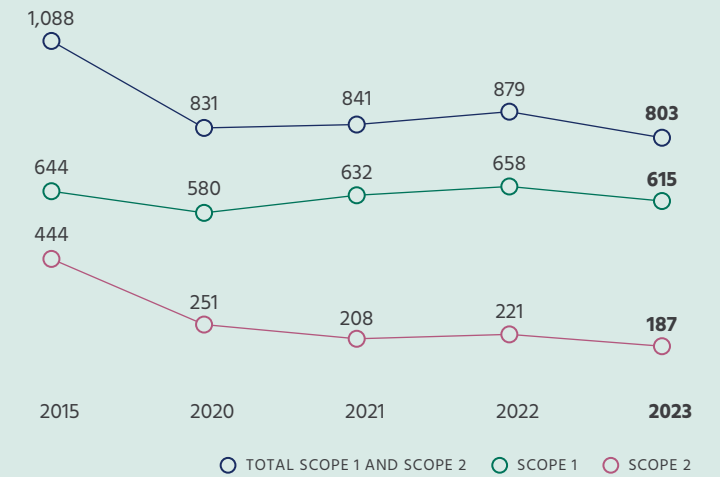
26%
reduction in our intensity-based GHG emissions from 2015 baseline

OUR PERFORMANCE

Absolute GHG Emissions (MT CO₂e)



Intensity-Based GHG Emissions (kg CO₂e/MDMT)¹



¹ MDMT = Machine Dried Metric Tonnes

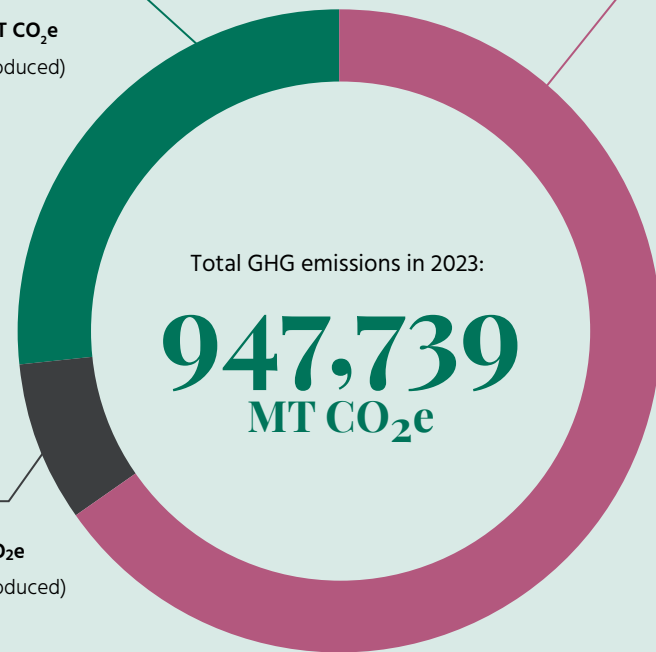


OUR PERFORMANCE

GHG Emissions Breakdown

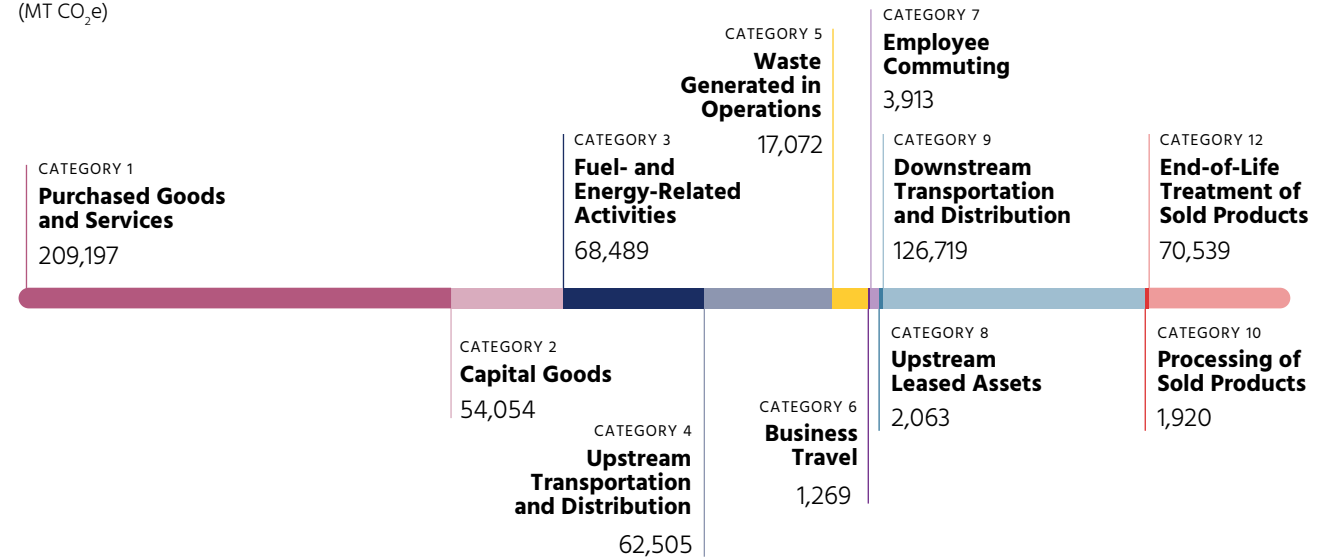
Scope 1: Direct
253,234 MT CO₂e
(615 kg CO₂e/MDMT Produced)

Scope 2: Indirect
77,018 MT CO₂e
(186 kg CO₂e/MDMT Produced)



Scope 3: Indirect Not Owned
617,739 MT CO₂e
(1,501 kg CO₂e/MDMT Produced)

BREAKDOWN OF SCOPE 3:¹
(MT CO₂e)



¹ Reasons for exclusions of immaterial Scope 3 categories are provided on [page 48](#) and Scope 3 calculation methodology is provided on [pages 82-83](#).



Manufacturing

Within our manufacturing operations, our climate change mitigation efforts focus on improving energy efficiency, deploying GHG mitigation technologies and replacing fossil fuel-based energy with renewable sources. Across KP's operations, we are using heat recovery technologies, which reduce our GHG emissions by more than 24,000 MT annually. Furthermore, roughly 4% of the total energy we consume comes from the renewable biomass that helps to power our New Westminster, BC plant. Additionally, 76% of our electricity comes from the electrical grids of Québec, Ontario and British Columbia, which are low carbon emitting thanks to their use of hydroelectric power and other low-carbon generation sources. As we progress towards our Reimagine 2030 goals, we will continue to explore ways to increase our renewable energy use including potentially replacing natural gas with hydro-powered electricity from the grid, biomass and other available low-carbon sources. We are also upgrading the equipment at our older plants with more efficient machinery, and we're expanding our use of climate-friendly technology, such as heat waste recovery systems, which will reduce our GHG emissions even more rapidly.

[SPOTLIGHT]

Energy Efficiency: New Westminster Plant's ISO 50001 Journey

Energy efficiency is a critical part of our Reimagine 2030 strategy, not only because it helps lower our GHG emissions, but because efficiency significantly reduces costs. To ensure our plants have robust, long-term energy management plans, we're investing in ISO 50001 certification, a standard that guides companies in developing an energy management system to monitor and improve their energy use.

In 2023, our New Westminster, BC and Crabtree, QC facilities became ISO 50001 certified, joining our Gatineau, QC plant, which achieved certification in 2019. The 101-year-old New Westminster plant – Western Canada's only tissue paper manufacturing facility – began the process with an energy audit and ISO 50001 gap analysis, which helped determine the steps the facility would take to achieve and maintain the certification. New Westminster's operations and engineering teams then used energy management information system (EMIS) software to help prioritize areas that needed the most improvement. Ultimately, the most meaningful energy savings came from the paper manufacturing process, where measures such as reducing machinery temperatures have made a significant difference.

The \$500,000 invested in New Westminster's certification – subsidized with a \$240,000 grant from BC Hydro – is projected to result in nearly 250 MT of GHG emissions reduction and more than \$200,000 in cost savings annually. Moreover, to maintain ISO 50001 status, the facility must demonstrate yearly energy performance improvements, which means continued energy and cost savings in the future. For example, in 2024, we will install a Yankee Hood on the plant's high-speed drying system, which will improve the system's efficiency and reduce its energy consumption. We expect this improvement will reduce New Westminster's GHG emissions by an additional 2,400 MT annually.

In 2024, we expect our Sherbrooke TAD, QC plant to achieve ISO 50001 certification, with our six other plants following in the coming years, illustrating our continued commitment to take concrete action to reduce our environmental footprint.





[SPOTLIGHT]

Cogeneration at Sherbrooke, QC

The new energy cogeneration system at our Sherbrooke plant performed beyond expectations in 2023, resulting in a nearly 15,000 MT GHG emission reduction, more than the estimated decrease of 14,000 MT GHG annually. The system replaces a portion of the natural gas Sherbrooke uses with steam derived from biomass from a cogeneration facility owned by Kruger Energy. In 2022, we completed construction of the \$8.1 million, kilometre-long pipeline that carries the steam to our Sherbrooke facility, making 2023 the first full year of operations. This partnership with Kruger Energy is an example of the creative ways we're reducing our GHG emissions by capitalizing on the resources available to individual plants.

The state-of-the-art Sherbrooke plant is our newest, most technologically advanced facility. Since its inception in 2018, we've invested nearly \$1 billion to create a premium-quality tissue manufacturing hub in Québec Eastern Townships capital. Our first Sherbrooke plant, completed in 2021, features Canada's most advanced and best-performing Through-Air Drying (TAD) machinery, augmented with artificial intelligence to further assure quality and efficiency. In 2023, we continued work on expanding our Sherbrooke operations, building a second tissue plant that will begin operations in 2024. Representing an investment of \$351.5 million, this plant will be equipped with an advanced model, double-width Light Dry Creped (LDC) tissue machine, which can produce 60,000 MT of premium-quality tissue products annually, double that of a traditional LDC machine. This new machine will be the first KP asset equipped with new vacuum system technology – supported by grants from Hydro-Québec – which uses 45-50% less electricity than traditional LDC vacuum systems. The plant is also designed to use nearly 75% less water than our current LDC assets.

Transportation

As a major tissue supplier in North America, we have manufacturing facilities serving customers across Canada and the U.S. Transporting our products from these facilities to our end customers is an essential part of our business and a significant contributor to our GHG emissions. In 2023, our upstream and downstream transportation and distribution emissions comprised approximately 31% of our total emissions.

Our plan to improve our transportation-related GHG emissions includes increasing the efficiency of our distribution network with less reliance on diesel delivery trucks in favour of electric vehicles (EV). Through a partnership with Kruger Energy, we're slowly expanding our use of EVs, with six electric trucks hitting the road in 2024. We expect these EV trucks to reduce our GHG emissions by nearly 2,600 MT CO₂e annually.

We also continue to improve logistic and shipping efficiencies, with measures such as cube utilization on shipments, and to explore opportunities to increase lower carbon-emitting modes of transportation, such as rail. In 2023, 89% of our inbound pulp used rail as part of its transportation to our manufacturing sites and 3% of our outbound product was shipped by rail rather than road. While we do not own or operate our shipping network, we are responsible for having a sustainable, low-carbon transportation system, and we will continue to expand our use of EVs and other carbon reduction measures in the coming years.



Water Use & Quality

Our facilities rely on the water resources they share with neighbouring communities, and we are committed to ensuring the rivers, streams and lakes near our operations remain healthy, sustainable ecosystems. Over the last eight years, we have made significant progress in reducing the water we use – decreasing our consumption intensity by 29% from 2015 through 2023. We achieved this through process efficiencies and new technologies, such as integrating the most advanced TAD machines in our Sherbrooke, QC and Memphis, TN plants. These machines use significantly less water than conventional tissue manufacturing processes, as will our new state-of-the-art, double-width LDC tissue machine at Sherbrooke. We anticipate that the water consumption intensity of this new LDC technology will be 25% less than that of older LDC machines.

In addition to minimizing our consumption, we return nearly all (96%) of the water we use to the local environment after treatment. We operate water

treatment systems at all our facilities, where we regularly monitor effluent discharges and report our performance to meet regulatory requirements. Indeed, we aim to go above and beyond regulatory compliance. We are watching the progress of proposed changes to Canada’s Federal Pulp and Paper Effluent Regulations, which would set more stringent standards on the level of contaminants allowed in pulp plant wastewater. The revised rules are currently expected to be published in 2025, with enforcement beginning three years later.

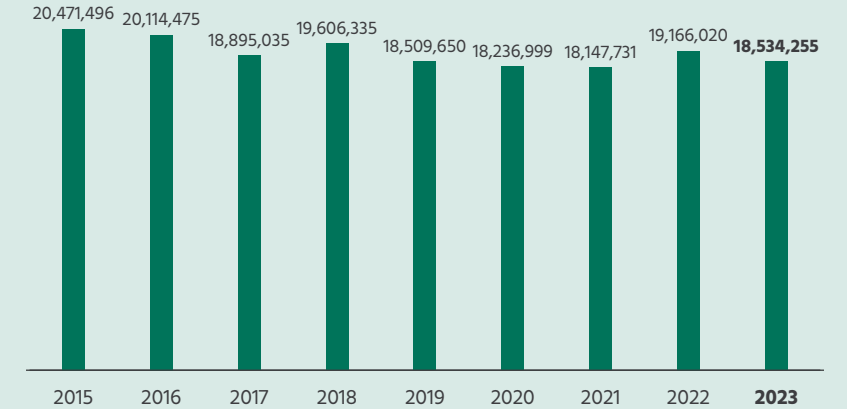
In an example of the unique strengths of our individual manufacturing facilities, our Crabtree, QC plant provides water treatment services for the City of Crabtree and already meets these stricter standards. In the coming years, we will develop improvement plans for each facility to enhance wastewater treatment processes and make necessary equipment upgrades to ensure all our plants meet these new regulatory requirements.



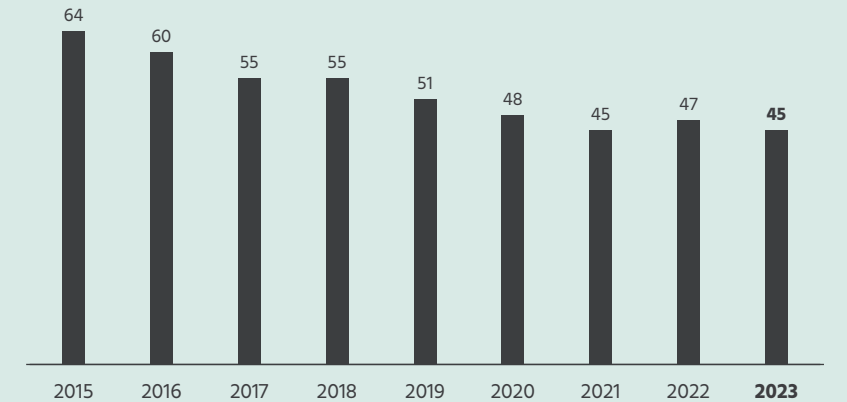
29%
reduction in water consumption intensity from 2015 baseline

OUR PERFORMANCE

Absolute Effluent Hydraulic Flow (m³)



Total Water Effluent Intensity (m³/MDMT)





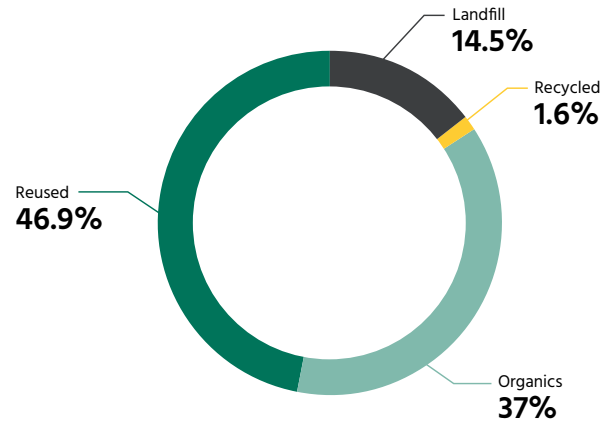
Waste Management

Our circular approach to waste management centres on maximizing waste reduction and the reuse of materials. We recover and reuse nearly all our “broke” waste, the excess pulp and scraps that accumulate during the paper manufacturing and converting processes, which comprises the largest share of our overall waste. In 2023, we reused 85% of our waste rather than sending it to landfill, and we will continue to work to improve our reuse and recycling results. For example, our manufacturing facilities in Crabtree, QC, Gatineau, QC and New Westminster, BC reached agreements to have their brown fibre waste slurry collected for composting and soil amendment in local areas, to be used on local farms beginning in 2024.

We also encourage individual facilities to go beyond their local recycling requirements by partnering with private companies that take harder-to-recycle materials and coming up with creative solutions for manufacturing materials that cannot be reused onsite. In 2023, for example, our New Westminster plant signed an agreement with an existing partner – a private plastic recycling company that handles the facility’s plastic packing waste – to begin a collection of the empty 20-litre plastic containers the plant uses to store various chemicals.

OUR PERFORMANCE

Waste by Type



WASTE MANAGEMENT DIVERSION

WASTE	UNIT	2023
Total Generated	Metric Tonnes	102,700
Recovered or Recycled ¹	Metric Tonnes	87,854
	% of Total	85.5%
To Landfill	Metric Tonnes	14,846
	% of Total	14.5%

¹ Includes organic, recycled and reused materials diverted from landfill.

[SPOTLIGHT]

The Case for Creative Solutions: Heavy-Duty Paper Cores

Our New Westminster, BC plant’s team is battling a particularly tenacious enemy in KP’s war on waste: heavy-duty paper cores. Used to spool up the giant rolls of paper that we convert into our final products, these solid, multi-layered cores are 10 to 12 inches in diameter, eight feet long, and made of a mixture of materials – high-density cardboard, glue and laminate – which makes them difficult to break down and recycle.

Along with KP’s other plants, New Westminster reuses the cores to the extent possible, but damage to the laminated surface during the papermaking process is a common occurrence. Once the laminate is chipped, the core becomes a safety hazard and must be disposed of. Since 2018, when China’s National Sword policy banned the import of 24 scrap materials (including mixed paper and mixed plastics), manufacturers have struggled to come up

with alternatives for hard-to-recycle materials. Heavy-duty paper cores are one of those.

New Westminster is sending the bulk of its damaged paper cores to landfill – and paying a significant amount to dispose of them. The team there has explored numerous circular economy opportunities, attempting to sell the cores to various businesses – from carpet suppliers to companies that make scratching posts for cats. However, appetite has been limited due to quality control and cost concerns. The plant has had more luck giving them away, for example, to a fabric supplier that stores fabric rolls inside the cores.

At KP, we don’t shy away from complex problems. We already have a strong record of keeping waste in the economy and out of the environment, and we’ll continue to strive for improvement, even when it’s difficult.

“We try really hard not to send anything to landfill. We have probably 20 different recycling streams with their own programs. The paper cores are the toughest problem to solve. I think every tissue plant battles with this. We have a problem-solving team chasing down improvement opportunities. It’s not easy, but we’ll continue to work on it.”

CAMERON KIFF, ENVIRONMENT & QUALITY MANAGER, NEW WESTMINSTER, BC PLANT



PILLAR 3

Employee Impact

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“There are families that have a long history at our Crabtree plant. It’s pretty incredible, pretty special. Even their nicknames get passed down, so fourth-generation employees share the same nickname as their great-grandfather.”

PHILIPPE MARTIN,
DIRECTOR ENVIRONMENT, QUALITY & OPEX,
CRABTREE, QC PLANT

60

average training hours per employee in 2023

170,000+

training hours in 2023



Our Commitment to Health & Safety

We are committed to providing our employees with the safest possible work environment. Our robust, company-wide Environmental, Health and Safety (EH&S) standards provide our facilities with policies and practices that minimize risks and ensure a safe work environment.

In 2023, KP achieved a 0.86 Occupational Safety and Health Administration (OSHA) total incident rate (TIR), a 78.5% improvement over our 2015 baseline. We accomplished this by increasing management oversight of health and safety at each manufacturing plant, creating safety committees, and involving all employees to develop a robust safety-first culture. Looking ahead, we aim to achieve a 0.74 TIR by 2025 and we'll continue to focus our efforts in order to achieve this target. This year and every year, we are committed to making KP a place where our employees know that their safety and well-being are our top priorities.

Guided by our corporate safety standards, we aim to:

- Lead by example and have clearly defined roles, responsibilities and expectations for everyone.
- Establish relevant tools and processes to support compliance with regulations and obligations.
- Identify hazards, evaluate risks and put adequate layers of protection in place by using a hierarchy of controls.
- Empower our people to ensure they participate in identifying and implementing proper safety initiatives and control measures.
- Allocate the necessary resources to minimize risk in the workplace.
- Emphasize vigilance and intervention to look out for one another and encourage safe behaviour.
- Improve management practices, set meaningful and achievable targets, communicate expectations, measure progress, and continually improve.

OUR PERFORMANCE

OSHA Total Incident Rate



78.5%

Improvement in our OSHA total incident rate since 2015



Our Commitment to Our Employees

Our people fuel the innovation that drives our business growth and sustainable development progress. And we pride ourselves on cultivating a workplace environment that enables employees to reach their full potential, encourages creative thinking and celebrates diversity of thought. We want every employee to feel inspired and supported in their efforts to achieve their aspirations and make their desired impact. We see greatness in our employees, and we're committed to ensuring KP is a place where they can be their best selves and let their greatness shine.

This commitment to our employees is reflected in our health and safety record, progressive benefits and policies, robust DE&I program, and employee training and development investment. It is also reflected in our low voluntary turnover rate, which, for our salaried employees, was 9% across our operations and 7% for our corporate functions in 2023, and in recognition we have received as an employer. In 2023, KP was noted as one of the Greater Toronto Area's Top Employers for the 11th consecutive year, named one of *Forbes* Canada's Best Employers and received the Women in Governance Parity Certification for the fourth straight year.

We're committed to ensuring KP:

- Nurtures an open, transparent and innovative environment where voices and ideas are heard.
- Strengthens our culture of diversity, equity & inclusion, and fosters a sense of belonging for our employees.
- Grows capabilities and helps our people reach their fullest potential through meaningful experiences, learning development, resources, mentoring and coaching that bring out the greatness in all of us.

2,827

employees in North America

73%

unionized workforce





Talent Attraction & Retention

Diversity, Equity & Inclusion

At KP, we are committed to meeting the needs of our evolving workforce, celebrating differences and working to become stronger together. KP's Diversity, Equity & Inclusion (DE&I) statement, "We See Greatness in You – your differences make us stronger," exemplifies our commitment to ensuring we have diverse teams that reflect the communities, customers and consumers KP is privileged to serve. These are not just words. We genuinely believe the diversity of thought, experiences and talent across our workforce contributes to the high performance of our teams. It also makes KP a great place to work.

“Your contributions are valuable and having a diverse workforce in manufacturing is essential. Embrace your role, be proud of your accomplishments, and work towards creating an inclusive and equitable work environment for everyone.”

LINDA TRUONG,
DIGITAL PRODUCT LEADER, MISSISSAUGA

Empowering Women

At Kruger Products, we #EmbraceEquity. We are committed to promoting diversity and inclusion within our workplace. To celebrate 2023 International Women's Day, our employees attended a session featuring industry leaders who shared their career journeys and personal insights on the benefit of mentorship and networks, the importance of celebrating achievements, and the need to take action – inspiring us all to collectively embrace equity today and every day.

In keeping with our Network's mission, we want to advance women at every level of the Company. Spearheaded by a team of Women's Network members, our 2023 efforts included an organization-wide survey and interviews with women in various roles to gather feedback on critical issues and how the Network can best meet its members' needs. They culminated with the launch of mini women's networks at our manufacturing sites and an onboarding program for new members.

The Network also hosted events over the year, including quarterly "Lunch & Learn" webinars hosted by NextUp, a non-profit dedicated to advancing women in business; quarterly mentoring meetings; and in-person sessions held across the organization.

To acknowledge the contributions of women throughout the Company, the Network introduced the "Fierce Female Spotlight" feature in our company newsletter. The first installment celebrated Bobbie Pine, an E&I technician in the converting department of our Memphis, TN plant. Bobbie began her career with KP more than 20 years ago, roughly 13 years after she became the first woman in Memphis to receive a master electrician licence.

Because women tend to be underrepresented in manufacturing, KP believes intentional efforts such as our Women's Network are crucial to our business's success and improving equity and inclusion across the industry.



WOMEN'S NETWORK VISION

To create a community where women can connect, thrive and grow.

WOMEN'S NETWORK MISSION

To make everyday life more comfortable by advancing how all women work and live.



Training & Development

KP is invested in the growth and development of our employees. To that end, we have built a Talent Management Framework that defines the programs we deliver to support our employees and allows them to reach their full potential. Our learning programs and development offerings aim to strike a balance between what each team member is personally motivated by and needs to work on and what the organization needs from a skills or capabilities perspective.

In April 2023, we introduced a new Employee Development Month, which includes virtual conferences and in-person and virtual workshops led by development planning experts. We also enhanced our KP eLearning platform in 2023, a self-service career and development portal on our employee intranet that offers 24/7 access to more than 1,100 self-directed courses in English and French. These easy-to-use courses vary across many operational and leadership topics, providing a broad selection of options for each employee’s unique development needs. An average of 60 training hours were completed per employee across all functions at the Company in 2023.

In addition to training, we provide varied career experiences at KP that offer additional learning and advancement opportunities. KP’s Leadership Accelerated Management Program (KP LAMP) focuses on developing future leaders and deepening the pipeline of successor talent. Meanwhile, our Women’s Network offers opportunities for professional growth to women across our organization.

At KP, we recognize the potential of our employees, and we will continue to prioritize their development.

Living and Working Well

As a fourth-generation family business, family always comes first at KP. Our salaried employees have access to a variety of family-friendly benefits, such as generous parental leave, summer hours from May to September, and financial support for summer camp enrollment. Our Living and Working Well benefits foster an inclusive and collaborative culture that prioritizes employee well-being and provides them with the flexibility to live a balanced life and do great things. Our hybrid work model, introduced in our Corporate Office in 2022, has been a huge hit with our employees. This flexible blend of in-office and remote work allows us to be our best selves by helping employees manage work-life responsibilities effectively. In 2023, the vast majority of our Corporate Office continued to participate in the program. Prior to the COVID-19 pandemic, 23% of our employees worked remotely 100% of the time. Giving employees the option to work remotely part of the time also results in less commuting and aids in reducing our Scope 3 GHG emissions by approximately 200 MT annually. To support overall health and wellness, we also

provide salaried employees with a Personal Wellness Account – \$300 at the start of each year, which they can use towards various health and wellness initiatives, such as fitness, nutrition, mental health, and sporting activities and equipment. Additionally, they receive free access to Headspace, a wellness app, and Dialogue, an app that provides virtual access to doctors and nurse practitioners.

At KP, we value our employees’ input, and we provide a variety of opportunities for our workforce to stay connected and to engage with the Company leadership and department management. These include in-person and virtual company-wide town hall meetings with the CEO; smaller, in-person town halls with plant leaders; and Breakfast with the CEO introductory meetings for new employees. To enhance our engagement programs, we encourage and request employee feedback through one-on-one meetings, team meetings, annual performance reviews and confidential surveys. We aim to create a space where employees are heard and valued and can influence change.

Transition Assistance

KP’s commitment to our employees’ well-being extends to those times when we have to make difficult decisions. In January 2023, we shut down certain older, inefficient production assets at our Memphis, TN plant, including a Light Dry Creped paper machine and six converting lines, reducing the plant’s papermaking capacity by 25,000 MT. The shutdown, which improved the facility’s operating efficiency and profitability, impacted 165 employees. To help ease their transition, these employees received severance pay and employment transition support.





PILLAR 4

Community Embrace

“At every level of our company, we believe it is essential to be a good citizen, and we work towards that goal through our policies, philanthropy, and activities where our employees volunteer their time to connect with and support our communities – demonstrating that we are also good neighbours.”

DANIEL MORNEAU, GENERAL MANAGER, GATINEAU, QC PLANT

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\$5m+

raised from the Cashmere Collection for the Canadian Cancer Society and the Québec Breast Cancer Foundation since 2004

5m+

single-use plastic water bottles removed from oceans through 4oceans partnership since 2022



Our Commitment to Communities

We take our responsibility to our employees, customers and communities seriously. We value their contributions to our success and work hard to maintain relationships built on mutual trust and respect. With ties to our communities that span more than 100 years, our older manufacturing facilities have made crucial contributions to the long-term economic growth of their regions and employed generations of residents.

They also provide services that help improve the local environment, such as wastewater treatment and renewable energy for heating. At KP, we understand relationships are a two-way street, and we would not be Canada's best-selling tissue maker without the support of our employees and communities.

Moreover, our respect for our stakeholders extends to how we engage and communicate with them. Life isn't always easy, and our customers appreciate honest communication that acknowledges that fact. In 2023, KP launched our new "Love is Messy" multi-brand advertising campaign in Canada, allowing viewers to embrace the ups and downs that come with love. In addition to versions in English and French, the campaign includes multilingual adaptations featuring original Hinglish (a blend of Hindi and English), Cantonese and Mandarin songs, with lyrics crafted to connect with Canada's growing South Asian and Chinese communities.

The "Love is Messy" ad spots are the latest installment of our award-winning "Unapologetically Human" platform, which first aired in 2020. By embracing the messiness of life and communicating honestly with our stakeholders, we illustrate our continued commitment to our vision: to be the most trusted, best-loved tissue company in North America.

"We believe the work we do should reflect and celebrate our country's diversity, and these adaptations are the latest way we're bringing this commitment to life. Canada's population growth is fuelled by immigrants, and we understand the importance of multicultural marketing being at the forefront of campaigns as these consumers are the driving force of growth."

SUSAN IRVING, CHIEF MARKETING OFFICER

[SPOTLIGHT]

How Our Gatineau, QC Plant Keeps a Neighbouring Community Warm

Residents of Zibi, a new 34-acre waterfront community straddling Ontario and Québec, are staying warm in the winter thanks to industrial heat waste from KP's Gatineau plant. Energy recovered from the facility's wastewater provided the bulk of Zibi's winter heating in 2023, the system's first full year of operations. Using KP's heat waste instead of natural gas brought what would have been 724 MT of CO₂e down to 183 MT, thereby avoiding 75% of the CO₂e Zibi's heating system would have emitted.

Sitting on a swath of land just up the river from the plant, Zibi is the first master-planned community in North America to use post-industrial heat waste. It currently consists of 615,000 square feet of residential and office space, with additional buildings under construction. With more than enough capacity to meet the community's heating needs once construction is complete, KP's Gatineau plant will continue providing our neighbours with reliable, low-carbon heating well into the future.





[SPOTLIGHT]

Community Ties Span Generations at Crabtree, QC

Before there was the city of Crabtree, there was a paper mill.

The story begins in 1905, when Edwin Crabtree bought land along Québec's Ouareau River to build a mill he would run with his sons. With the mill at its centre, a small village grew, including the so-called "English Street" (la rue des Anglais), lined with residences for plant managers, a boarding house, a tennis court and an entertainment hall. In time, the mill was modernized, production grew, and in 1930, the workers formed the Syndicat National des Travailleurs de la Pulpe et du Papier (National Union of Pulp and Paper Workers), one of the oldest unions affiliated with the paper and forestry sector.

KP acquired the plant in 1957, beginning our multi-generational relationship with the community, which today is part of the Joliette Regional County Municipality. As Crabtree's only industrial employer – and the second largest in the area after Joliette's Bridgestone plant – our facility employs about 600 people. Many of them are third- or even fourth-generation employees from Crabtree and the surrounding area, but the plant also attracts workers from as far away as Montreal, QC.

In addition to its economic impact, KP's Crabtree facility has provided wastewater treatment for the city and its roughly 4,000 residents since 1991. Because the plant's system treats both municipal and industrial

wastewater, it is subject to regulations governing municipal system discharge of harmful substances into the waterways, in addition to provincial and national regulations governing wastewater from the pulp and paper industry. Currently, the regulations applying to municipal waste are stricter than the national rules for pulp and paper. However, that gap is poised to close under proposed changes to Canada's Pulp and Paper Effluent Regulations. Our Crabtree plant is taking these anticipated changes in stride, as it already performs at or above the level required under the new rules. Additionally, the plant runs a fibre recycling facility, which converts post-consumer recycled material into pulp used in KP products produced at Crabtree, as well as at our Lennoxville, QC and Gatineau, QC facilities.

Crabtree's successful partnership with the city illustrates the collaborative nature of the plant and the Company, as does the plant's achievement of ISO 50001 certification for energy management in 2023. To ensure success, a multi-departmental team from across the plant's operations was involved in the certification process, from shop floor operators to upper management. This type of collaboration with our employees and communities is vital to KP's business success and our progress towards our sustainability goals.





Employee Volunteering and Fundraising

Throughout the year, KP’s manufacturing facilities positively impact their local communities by donating their time and raising funds for more than 50 local organizations. These efforts include annual charity fundraisers and food drives, support for sports teams and individual athletes, and volunteer events, such as blood drives and food preparation.

Some examples include:

In 2023, our Crabtree, QC facility raised nearly \$29,000 for Centraide Lanaudière, a regional mutual aid and community engagement organization. Since it began organizing annual fundraisers for Centraide Lanaudière in 1986, Crabtree has raised more than \$1 million for the organization. The plant also supports various sports teams and associations in the region, through sponsorships, product donations for tournaments and individual scholarships. In 2023, Crabtree provided financial support to two local female athletes: 13-year-old Julianna Larose, the Québec triathlon champion in her age category; and Myriam Robitaille, a member of Canada’s beach volleyball team. Both young women are aspiring Olympians.

Our Gatineau, QC facility continued its annual holiday tradition of partnering with local food banks in 2023. Employee volunteers prepared and delivered holiday food baskets to people in need, while the plant donated \$27,500 in bathroom tissue to two food pantries. Additionally, the facility organized its annual blood drive in partnership with Héma-Québec. Over the last two years, Gatineau employees have made 150 plasma donations to the organization.

Our New Westminster, BC facility also provided a much-needed donation of bathroom tissue to the Central Okanagan Food Bank, for families and frontline workers affected by the Okanagan Wildfires. Nearly 200 homes were lost or damaged by the August wildfires in the Kelowna, BC area, and thousands of people were displaced. The facility also donated 375 cases of bathroom tissue to support the Greater Vancouver Food Bank in May.

Safety Recognition

KP aligns workplace safety with community giving: when one of our manufacturing plants achieves 250,000 consecutive hours of work without a recordable safety incident, KP donates \$2,500 to a charity of the plant’s choosing. In 2023, three of our plants achieved safety milestones, resulting in \$7,500 in donations to local organizations.





Community Partnerships

KP believes we should always be making a difference in the lives of our communities. Through our financial contributions and volunteer efforts, we support organizations at the national and local levels, contributing to the health, well-being and environmental sustainability of communities across Canada and in the U.S. In 2023, we streamlined our community and philanthropic endeavours, creating a three-pillar approach that best aligns KP's giving with our values: healthcare, fitness and sports, and environmental conservation. Our corporate-level philanthropy includes well-established partnerships with organizations such as the Canadian Cancer Society and Ronald McDonald House, our Kruger Big Assist hockey program and many other initiatives.

KP's Big Assist Makes Hockey More Accessible

Our mission to make everyday life more comfortable includes supporting the sports Canadians love. In 2023, our Kruger Big Assist hockey program donated \$200,000 to help make hockey more accessible to Canadian families. Five minor hockey associations from across Canada each received a \$25,000 grant, and one of the five received an additional \$75,000 Grand Prize. Since launching in 2020,

the Kruger Big Assist has donated over \$800,000 to more than 40 hockey communities across the country, helping to make Canada's game more accessible and inclusive. The program was recognized by *Canadian Grocer* in both 2022 and 2023 with a Community Service Impact Award.





Cashmere® Marks 20 Years in the Battle Against Breast Cancer

In October 2023, we celebrated the 20th anniversary of our Cashmere Collection’s support of breast cancer awareness, prevention and treatment. The Cashmere Collection’s award-winning runway show featured garments created with our best-selling Cashmere bathroom tissue by 20 Canadian designers. Since its inception, the Cashmere Collection has raised more than \$5 million for the Canadian Cancer Society (CCS) and the Québec Breast Cancer Foundation (QBCF). The brand also celebrated ten years as a partner of Canada’s largest tennis tournament in 2023, by sponsoring tennis clinics for youth with Tennis Canada. We opened the “Cashmere Tennis Clinic” in both Toronto and Montreal, providing an opportunity for as many as 50 young people in each city to meet and learn from two professional tennis players. Five lucky participants at each clinic also had the opportunity to watch a National Bank Open match, further fostering a new generation’s love of sport.

Bonterra Walks the Sustainability Walk

Our sustainably focused Bonterra® brand strengthened its commitment to ocean plastic removal in 2023, increasing its support of 4ocean, a public benefit corporation committed to ending the ocean plastic crisis. With Bonterra’s help, 4ocean has upped its plastic removal pledge from 10,000 pounds to 100,000 pounds annually – the equivalent of more than nine million plastic water bottles. Since launching in 2022, Bonterra’s partnerships with 4ocean and One Tree Planted have funded the removal of 110,000 pounds of ocean plastic and the planting of over 100,000 trees. Bonterra’s carbon-neutral manufacturing, 100% recycled fibre content and plastic-free packaging represent KP’s 2030 product sustainability goals delivered to the retail shelf. We are proud of what Bonterra has achieved through these partnerships, and we are grateful for the support of Canadians who make this work possible by making Bonterra part of their own sustainability commitments.

National Sponsorships and Partnerships

- **Scotties Tournament of Hearts** sponsor since 1981, supporting women’s curling – the longest sponsorship of women’s amateur athletics in Canada
- **Ronald McDonald House Charities Canada** since 1990
- Sending kids with disabilities to camp through **We Care Canada** since 1999
- Supporting breast cancer research through the **Canadian Cancer Society** since 2005, and the **Québec Breast Cancer Foundation** since 2017
- Official Paper Product Sponsor of the **National Bank Open** presented by Rogers since 2012
- Official Tissue Partner of the **NHL** since 2018
- **Kruger Big Assist** since 2020
- Committing to planting at least 30,000 trees in Canada annually through **One Tree Planted** since 2022
- Committing to removing 100,000 pounds of plastics annually from oceans, rivers and coastlines through **4ocean** since 2022





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Key Performance Indicators: Operations

ENERGY CONSUMPTION	UNIT	2023	2022	2021	2020	2015
Natural Gas	Gigajoules	4,955,742	5,311,348	5,083,660	4,431,956	4,053,601
	% of Total	60%	62%	63%	63%	61%
Grid-Supplied Electricity	Gigajoules	2,755,671	2,818,823	2,724,954	2,311,861	2,187,507
	% of Total	33%	33%	34%	33%	34%
Biomass	Gigajoules	316,941	341,089	334,991	321,023	355,002
	% of Total	4%	4%	4%	4%	5%
Cogeneration	Gigajoules	247,355	76,752	0	0	0
	% of Total	3%	1%	0%	0%	0%
Other (Diesel, Oil, Propane)	Gigajoules	26,552	32,948	32,283	22,517	31,392
	% of Total	>1%	>1%	>1%	>1%	>1%
Total	Gigajoules	8,302,262	8,580,959	8,175,888	7,087,356	6,627,502
	GJ/MDMT Produced	20.17	20.85	20.22	18.48	20.67
Energy from Renewables	% of Total	4%	4%	4%	4%	5%



GREENHOUSE GAS EMISSIONS	UNIT	2023	2022	2021	2020	2015
Absolute CO₂e Scope 1 (Direct)	Metric Tonnes CO ₂ e	253,234	270,749	255,752	222,530	206,732
Intensity CO₂e Scope 1 (Direct)	kg CO ₂ e/MDMT Produced	615	658	632	580	644
Absolute Location-Based CO₂e Scope 2 (Indirect)	Metric Tonnes CO ₂ e	77,018	91,171	84,258	96,044	142,432
Intensity Location-Based CO₂e Scope 2 (Indirect)	kg CO ₂ e/MDMT Produced	187	221	208	251	444
Absolute Total CO₂e Scopes 1+2	Metric Tonnes CO ₂ e	330,252	361,920	340,010	318,574	349,164
Intensity Total CO₂e Scopes 1+2	kg CO ₂ e/MDMT Produced	803	879	841	831	1,088
Absolute Market-Based CO₂e Scope 2 (Indirect)	Metric Tonnes CO ₂ e	49,921	61,652	61,536	53,018	N/A
Absolute Total Scope 3	Metric Tonnes CO ₂ e	617,739	590,283	557,915	—	—
Intensity Scope 3	kg CO ₂ e/MDMT Produced	1,501	1,434	1,380	—	—



SCOPE 3 CATEGORIES*	UNIT	2023	2022	2021	2020	2015
Category 1: Purchased Goods and Services	Metric Tonnes CO ₂ e	209,197	180,622	168,737	—	—
Category 2: Capital Goods	Metric Tonnes CO ₂ e	54,054	31,207	20,672	—	—
Category 3: Fuel- and Energy-Related Activities	Metric Tonnes CO ₂ e	68,489	75,763	74,590	—	—
Category 4: Upstream Transportation and Distribution	Metric Tonnes CO ₂ e	62,505	58,384	55,624	—	—
Category 5: Waste Generated in Operations	Metric Tonnes CO ₂ e	17,072	14,207	13,251	—	—
Category 6: Business Travel	Metric Tonnes CO ₂ e	1,269	801	379	—	—
Category 7: Employee Commuting	Metric Tonnes CO ₂ e	3,913	3,930	3,487	—	—
Category 8: Upstream Leased Assets	Metric Tonnes CO ₂ e	2,063	2,013	1,940	—	—
Category 9: Downstream Transportation and Distribution	Metric Tonnes CO ₂ e	126,719	118,354	116,854	—	—
Category 10: Processing of Sold Products	Metric Tonnes CO ₂ e	1,920	1,489	3,306	—	—
Category 12: End-of-Life Treatment of Sold Products	Metric Tonnes CO ₂ e	70,539	103,473	99,075	—	—

* Reasons for exclusions of immaterial Scope 3 categories: Category 11: Use of sold products - We create paper products for personal use that do not release GHG emissions during their usage phase; Category 13: Downstream leased assets - We do not have leased assets in our value chain; all owned equipment is used for work done on company sites; Category 14: Franchises - We do not own franchises 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); Category 15: Investments - We do not have material investments with third parties. Scope 3 calculation methodology is provided on [pages 82-83](#).



CAC EMISSIONS	UNIT	2023	2022	2021	2020	2015
NO_x	Metric Tonnes	289.9	314.0	290.3	278.5	—
SO_x	Metric Tonnes	40.2	47.3	54.1	64.9	—
TPM²	Metric Tonnes	79.5	87.4	83.7	82.0	—
VOCs³	Metric Tonnes	16.6	18.1	17.0	15.8	—
CO	Metric Tonnes	299.6	325.1	308.2	288.2	—

WATER ⁸	UNIT	2023	2022	2021	2020	2015
Water Withdrawal	m ³	19,286,793	20,573,424	—	—	—
Absolute Effluent Hydraulic Flow	m ³	18,534,255	19,166,020	18,147,731	18,236,999	20,471,496
Water Consumption	m ³	752,538	1,407,404	—	—	—
Intensity Effluent Hydraulic Flow	m ³ /MDMT Produced	45	47	45	48	64

EFFLUENT DISCHARGES ⁸	UNIT	2023	2022	2021	2020	2015
BOD	Metric Tonnes	1,268	650	1,463	1,196	—
Suspended Solids	Metric Tonnes	4,325	2,090	4,573	4,872	—
COD⁴	Metric Tonnes	1,127	1,220	9,153	6,847	—
AOX⁵	Metric Tonnes	9	9	14	6	—
P⁶	Metric Tonnes	5	4	4	0	—



WASTE ¹	UNIT	2023	2022	2021	2020	2015
Generated	Metric Tonnes	102,700	102,209	93,276	57,008	45,390
Recovered	Metric Tonnes	87,854	93,364	84,195	51,737	40,711
	% of Total	85.5%	91.3%	90.3%	91%	90%
To Landfill	Metric Tonnes	14,846	8,845	9,082	5,271	4,679
	% of Total	14.5%	8.7%	9.7%	9%	10%



Key Performance Indicators: Products

FIBRE CONSUMED	UNIT	2023	2022	2021	2020	2015
Purchased Recycled	Air-Dried MT	2,190	2,336	3,501	3,782	6,264
	% of Total	1%	1%	1%	1%	2%
Produced Recycled	Air-Dried MT	63,681	74,113	59,295	60,455	77,066
	% of Total	16%	18%	16%	16%	24%
Purchased Virgin	Air-Dried MT	339,669	328,268	312,357	308,422	236,917
	% of Total	84%	81%	83%	84%	74%
Produced Virgin	Air-Dried MT	—	—	—	—	—
	% of Total	—	—	—	—	—
Total	Air-Dried MT	405,540	404,717	375,153	368,877	320,247
Fibre Per QCs	Lbs/QCs	12.96	13.43	12.66	12.86	—
FSC® Mix Certified	% of Total	73%	66%	63%	41%	33%
FSC® Recycled Certified	% of Total	16%	19%	17%	17%	24%
Non-Controversial Sources	% of Total	11%	15%	20%	42%	43%



CERTIFIED PRODUCTS	UNIT	2023	2022	2021	2020	2015
UL ECOLOGO (UL 175)	No. of Products	49	59	51	56	55
Forest Stewardship Council®	No. of Products	186	158	196	212	126
Sustainable Forestry Initiative	No. of Products	29	19	18	29	—
CERTIFIED PAPERMAKING	UNIT	2023	2022	2021	2020	2015
ISO 9001	% of Total Production	100%	100%	89%	100%	100%
PACKAGING MATERIAL	UNIT	2023	2022	2021	2020	2015
Total Packaging Materials	Metric Tonnes	49,232	48,383	47,331	47,915	—
Total Packaging Per Case	Lbs/QCs	1.57	1.61	1.60	1.67	—
Total Fibre-Based Packaging	% of Total	89.1%	90.0%	90.0%	89.2%	—
Total Branded Plastic Packaging	Metric Tonnes	1,889	1,558	1,628	2,082	—
Plastic Packaging Per Branded Case	Lbs/Branded QCs	0.168	0.150	0.147	0.155	—
PRODUCTION	UNIT	2023	2022	2021	2020	2015
Paper	MDMT	411,502	411,608	404,421	383,477	320,613
Total Finished Cases	QCs (000s)	68,984	66,418	65,327	63,397	—
Branded Finished Cases	QCs (000s)	24,784	22,823	24,411	29,646	—



Key Performance Indicators: Social

HEALTH & SAFETY	UNIT	2023	2022	2021	2020	2015
OSHA	Total Incident Rate	0.86	1.37	1.48	1.67	4.01
Lost Work Days	No. of Days	466	401	986	506	907
Lost Time Case Rate	Per 100 Employees	0.39	0.66	0.98	1.14	—
Fatalities	No. of Employees	0	0	0	0	0

LEADERSHIP DIVERSITY	UNIT	2023	2022	2021	2020	2015
Women in Board Roles	Percentage	25%⁷	25% ⁷	20% ⁷	20%	25%
Women in Senior Leadership Roles	Percentage	15%	20%	20%	22%	10%
Women in Management Roles	Percentage	20%	25%	24%	37%	—

1 Manufacturing operations only. Recovered materials include organics, reused and recycled materials.

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

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

4 Does not include New Westminster, BC plant.

5 Only Gatineau, QC and Crabtree, QC plants included.

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

7 Includes KPT and KPGP Combined Boards.

8 Does not include Scarborough, ON and Trenton, ON.

**SASB Index**

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2023 DISCLOSURE RESPONSE
Pulp & Paper Products (Version 2023-06)					
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (MT) CO ₂ e	RR-PP-110a.1	253,234 MTCO ₂ e
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	N/A	RR-PP-110a.2	2023 Sustainability Report – Climate Change & Emissions, pages 28–31 ; TCFD Index, pages 74–84
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO ₂ (3) Volatile organic compounds (VOCs) (4) Particulate matter (PM) (5) Hazardous air pollutants (HAPs)	Quantitative	Metric tonnes (MT)	RR-PP-120a.1	(1) NO _x – 289.9 MT (2) SO _x – 40.2 MT (3) VOCs – 16.6 MT (4) Total PM – 79.5 MT (5) HAPs – 0 MT We calculate our air emissions using energy consumption data and emission factors provided by the Government of Canada.
	Energy Management	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage from biomass (4) Percentage from other renewable energy (5) Total self-generated energy	Quantitative	Gigajoules (GJ), percentage (%)	RR-PP-130a.1
Water Management	(1) Total water withdrawn (2) Total water consumed; percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	RR-PP-140a.1	(1) Water Withdrawn – 19,286,793 m ³ (2) Water Consumed – 1,118,989 m ³ 0% of water was withdrawn or consumed from locations with high or extremely high baseline water stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RR-PP-140a.2	2023 Sustainability Report – Water Use & Quality, page 32



TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2023 DISCLOSURE RESPONSE
Supply Chain Management	Percentage of wood fibre sourced from: (1) Third-party certified forestlands and percentage to each standard (2) Meeting other fibre sourcing standards and percentage to each standard	Quantitative	Percentage (%) by weight	RR-PP-430a.1	(1) FSC® CoC – 72.4%; PEFC CoC – 9.2%; SFI CoC – 1.6%; FSC® CW – 0.6% (2) FSC® Recycled – 16.2%
	Amount of recycled and recovered fibre procured	Quantitative	Metric tonnes (MT)	RR-PP-430a.2	65,871 MT
Activity Metrics	Pulp production	Quantitative	Air-dried metric tonnes (MT)	RR-PP-000.A	0 MT
	Paper production	Quantitative	Machine Dried Metric Tonnes (MDMT)	RR-PP-000.B	411,520 MDMT ¹
	Total wood fibre sourced Note to RR-PP-000.C – The scope of wood-fibre-based raw materials includes all inputs that are processed to be sold as a finished good, including recycled raw materials, virgin raw materials, and goods that will be consumed directly in the production process, and excluding biomass for energy use.	Quantitative	Metric tonnes (MT)	RR-PP-000.C	405,540 MT

¹ We use Machine Dried Metric Tonnes (MDMT) as the standard unit for finished paper products.



TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2023 DISCLOSURE RESPONSE
Household and Personal Products (Version 2023-12)					
Water Management	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	CG-HP-140a.1	(1) Total water withdrawn: 19,286,793 m ³ (2) Total water consumed: 1,118,989 m ³ 0% of our water is from regions with high or extremely high baseline water stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	CG-HP-140a.2	2023 Sustainability Report – Water Use & Quality, page 32
Product Environmental, Health and Safety Performance	Revenue from products that contain REACH substances of very high concern (SVHC)	Quantitative	Reporting currency	CG-HP-250a.1	Not applicable
	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	Quantitative	Reporting currency	CG-HP-250a.2	Kruger Products proactively gathers chemical composition information for raw materials used in manufacturing for product safety analysis and checks against legally restricted substances relevant to the product form and country of sale to ensure compliance. We ensure our products meet all applicable laws and regulations, including those of the California Safer Consumer Products (SCP) Program. Kruger Products does not manufacture or market any Adopted Priority Products (product-chemical combinations) or identified Pre-regulatory Priority Products subject to the SCP regulations.
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	N/A	CG-HP-250a.3	Suppliers are required to submit an input questionnaire for materials they supply that contain potentially hazardous materials.



TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2023 DISCLOSURE RESPONSE
Packaging Life Cycle Management	(1) Total weight of packaging, (2) Percentage made from recycled and/or renewable materials, and (3) Percentage that is recyclable, reusable and/or compostable	Quantitative	Metric tonnes (MT), Percentage (%)	CG-HP-410a.1	2023 Sustainability Report – Key Performance Indicators, page 52
	Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle	Discussion and Analysis	N/A	CG-HP-410a.2	2023 Sustainability Report – Packaging: Our Plan for Plastic, page 25
Environmental and Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) identity preserved, (b) segregated, (c) mass balance, or (d) book and claim	Quantitative	Metric tonnes (MT), Percentage (%)	CG-HP-430a.1	Not applicable
Activity Metrics	Units of products sold, total weight of products sold	Quantitative	Number, Metric tonnes (MT)	CG-HP-000.A	2023 Sustainability Report – Key Performance Indicators, page 52
	Number of manufacturing facilities	Quantitative	Number	CG-HP-000.B	Kruger Products has nine manufacturing plants. 2023 Sustainability Report – About Us, page 7



GRI Index

Statement of use: Kruger Products Inc. has reported with reference to the GRI Standards for the period 1 January – 31 December 2023.

GRI 1 used: GRI 1: Foundation 2021

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
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The Organization and Its Reporting Practices

2-1	Organizational details	<p>Kruger Products Inc. (Kruger Products) is a private company with Kruger Inc. as our majority shareholder (87.1%) and the remaining shares (12.9%) held by KP Tissue Inc., a TSX publicly traded corporation as of January 15, 2024. We are headquartered in Mississauga, ON, Canada, with operations across Canada and the U.S.</p> <p>2023 Sustainability Report – About Us, page 7; Our Facilities, page 85</p> <p>Kruger Products website – About Us</p>
2-2	Entities included in the organization’s sustainability reporting	Kruger Products Inc. All financial statements are by KP Tissue Inc., which owns a stake in Kruger Products Inc.
2-3	Reporting period, frequency and contact point	The Kruger Products 2023 Sustainability Report covers activities from January 1, 2023 to December 31, 2023. For more information, clarification or to provide any comments, please contact Steven Sage, VP of Sustainability, via email at sustainability@krugerproducts.ca .
2-4	Restatements of information	In 2023, we updated our target baseline year to 2015 for Water and GHG emissions and restated our targets. We also made corrections to our 2022 Water withdrawn and water consumed data. 2022 Scope 3 data under downstream distribution was restated as there was a calculation error discovered.
2-5	External assurance	<p>No external assurance was conducted for the 2023 Sustainability Report.</p> <p>Limited external assurance was performed for our absolute Scopes 1 and 2 emissions by PwC. The limited external assurance report can be found on our website.</p>

Activities and Workers

2-6	Activities, value chain and other business relationships	<p>Kruger Products specializes in manufacturing and packaging bathroom and facial tissues, paper towels, and napkins for the consumer at home and for commercial away-from-home use.</p> <p>Markets served include Canada and the U.S. We source material from Canada, the U.S. and Brazil in accordance with our Supplier Code of Conduct and Code of Ethics.</p> <p>2023 Sustainability Report – About Us, page 7; Our Facilities, page 85</p> <p>Kruger Products Code of Ethics, page 19</p> <p>Kruger Products website – About Us</p>
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GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE						
2-7	Employees	Kruger Products employed 2,827 full-time employees as of December 31, 2023:			Given below is a breakdown of our workforce:			
			Male	Female	Total	Unionized	Non-Unionized	Total
		Canada	1,953	458	2,411	2,053	774	2,827
		U.S.	328	88	416	73%	27%	100%
		Total	2,281	546	2,827			
Percentage	81%	19%	100%					

Governance

2-9	Governance structure and composition	2023 Sustainability Report – Governance, page 18 ; Key Performance Indicators: Social, page 53
2-10	Nomination and selection of the highest governance body	Three-member committee with two independent directors. 2023 Management Information Circular , pages 7–11 KP Tissue Inc. website – Corporate Governance
2-11	Chair of the highest governance body	Kruger Inc.’s Chair and CEO, who is also the majority shareholder, is Kruger Products’ Board Chair.
2-12	Role of the highest governance body in overseeing the management of impacts	Kruger Inc.’s and Kruger Products’ Boards of Directors oversee Kruger Products’ ESG Strategy, disclosure and ESG risks (including risks relating to climate change). The Governance Committees are responsible for reviewing Kruger Products’ ESG risk assessments and performance against objectives and provide related reports and recommendations, where appropriate, to the Boards. 2023 Sustainability Report – Governance, page 18 ; TCFD Index – Governance, page 74
2-13	Delegation of responsibility for managing impacts	Kruger Products’ CEO and Leadership Team have responsibility for the execution of the ESG Strategy. Kruger Products’ Vice President of Sustainability leads the development of the strategy to reduce the Company’s environmental footprint, supported by cross-functional teams across the organization. 2023 Sustainability Report – Governance, page 18 ; TCFD Index – Governance, page 74



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
2-14	Role of the highest governance body in sustainability reporting	KPI's Chief Executive Officer reviews the Annual Sustainability Report to ensure it meets the Board's objectives, including all material topics, and provides input and final approval before the report is released.
2-15	Conflicts of interest	Kruger Products Code of Ethics , page 15
2-16	Communication of critical concerns	2023 Sustainability Report – Our Commitment to Communities, page 40 Kruger Products Code of Ethics , page 8
2-17	Collective knowledge of the highest governance body	The Kruger Products VP of Sustainability presents updates on the Company's performance versus public targets, as well as critical sustainability issues facing the Company, to the Board of Directors and key senior leaders bi-annually. The VP of Sustainability also presents sustainability risks for inclusion in their regular evaluation of Company risks and mitigation activities to the Governance Committee.
2-18	Evaluation of the performance of the highest governance body	2023 Management Information Circular , page 6
2-19	Remuneration policies	2023 Management Information Circular , pages 11–21
2-20	Process to determine remuneration	2023 Management Information Circular , pages 11–21

Strategy, Policies and Practices

2-22	Statement on sustainable development strategy	2023 Sustainability Report – Message from Dino Bianco, page 4 ; Q&A with Steven Sage, pages 5–6 ; Reimagine 2030, pages 9–12
2-23	Policy commitments	2023 Sustainability Report – Reimagine 2030, pages 9–12 ; Ethics & Integrity, page 19 Kruger Products Code of Ethics Kruger Products Supplier Code of Conduct
2-24	Embedding policy commitments	2023 Sustainability Report – Ethics & Integrity, page 19 Kruger Products Code of Ethics Kruger Products Environmental Policy Kruger Products Fibre Procurement Policy Kruger Products Supplier Code of Conduct



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
2-25	Processes to remediate negative impacts	Kruger Products incorporates stakeholder feedback into its strategy, policies and practices. Customer feedback is routinely collected through the website, phone calls, emails and other engagement channels. We also respond to all complaints made through the FSC® Grievance Policy in place. Kruger Products Code of Ethics , pages 7–11
2-26	Mechanisms for seeking advice and raising concerns	Kruger Products’ CEO and Leadership Team have responsibility for the execution of the ESG Strategy. Kruger Products’ Vice President of Sustainability leads the development of the strategy to reduce the Company’s environmental footprint, supported by cross-functional teams across the organization. 2023 Sustainability Report – Governance, page 18 ; TCFD Index – Governance, page 74
2-27	Compliance with laws and regulations	There were no incidents of non-compliance detected in 2023.
2-28	Membership associations	Kruger Products is a signatory to the Canada Plastics Pact, a member of Food, Health & Consumer Products of Canada, and the Forest Stewardship Council® (FSC®).

Stakeholder Engagement

2-29	Approach to stakeholder engagement	Kruger Products engages with stakeholders on an ongoing basis. Engagement ranges from conducting customer and consumer research to engaging in dialogue and developing strategic partnerships with environmental and humanitarian organizations. In addition, we communicate progress to the shareholder and investment communities through our annual financial and customer reporting, investor and shareholder meetings, analyst-sponsored conferences, and the distribution of our sustainability reporting content. Stakeholders have a significant interest and/or impact on areas that are most material to our company. Our key stakeholder groups include investors, non-governmental organizations (NGOs), customers, consumers, employees, potential employees, suppliers and local communities. Engagement includes annual meetings, one-on-one interviews, engagement surveys, education or marketing campaigns, earnings calls or shareholder resolutions, risk assessments and audits, volunteering programs, media relations, and customer questionnaires. 2023 Sustainability Report – Materiality Assessment, page 16
2-30	Collective bargaining agreements	73% of Kruger Products employees are covered by collective bargaining agreements.



GRI 3

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
3-1	Process to determine material topics	2023 Sustainability Report – Materiality Assessment, page 16
3-2	List of material topics	2023 Sustainability Report – Materiality Assessment, page 16

GRI 200

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
204 Procurement Practices		
3-3	Management of material topics	<p>Kruger Products expects suppliers to maintain their FSC® certification, which is aligned with the goals of the Brazilian Forest Code. To ensure suppliers are in good standing with the FSC®, we review all supplier FSC® certifications on a regular basis, to ensure all suppliers’ certifications are valid and in good standing.</p> <p>Kruger Products Fibre Procurement Policy</p> <p>Kruger Products Supplier Code of Conduct</p> <p>CDP Forests response – F6.6a</p> <p>2023 Sustainability Report – Our Supply Chain, page 20</p>

205 Anti-Corruption

3-3	Management of material topics	2023 Sustainability Report – Ethics & Integrity, page 19
205-1	Operations assessed for risks related to corruption	For the reporting period, there have been no incidents of corruption.
205-2	Communication and training about anti-corruption policies and procedures	<p>In 2023, we provided Code of Ethics training to all employees with computer access. As part of the annual Code of Ethics training, employees were required to read, understand and comply with the Code of Ethics, which includes ensuring compliance with all anti-bribery and anti-corruption laws.</p> <p>Kruger Products Code of Ethics, page 12</p>



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
205-3	Confirmed incidents of corruption and actions taken	Kruger had zero confirmed incidents of corruption in 2023.

206 Anti-Competitive Behaviour

3-3	Management of material topics	2023 Sustainability Report – Ethics & Integrity, page 19 Kruger Products Code of Ethics , page 21
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Kruger Products believes that operating with integrity and high ethical standards is crucial to successful business operations. For the reporting period, there have been no incidents of anti-competitive behaviour.

GRI 300

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
301 Materials		
3-3	Management of material topics	2023 Sustainability Report – Products Empower, pages 22–25 Kruger Products Fibre Procurement Policy Kruger Products Environmental Policy Kruger Products Supplier Code of Conduct
301-1	Materials used by weight or volume	In 2023, the weight of materials used was 5,292 MT of plastic and 448,901 MT of pulp and paper-based packaging.
301-2	Recycled input materials used	In 2023, 23.0% recycled input materials were used in the manufacturing process, including fibre and packaging.



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
302 Energy		
3-3	Management of material topics	2023 Sustainability Report – Planet Conscious, pages 27–31
302-1	Energy consumption within the organization	2023 Sustainability Report – Key Performance Indicators: Operations, page 46
302-3	Energy intensity	2023 Sustainability Report – Key Performance Indicators: Operations, page 46
302-4	Reduction of energy consumption	In 2023, multiple projects resulted in reductions in energy consumption. This included certifying our New Westminster, BC and Crabtree, QC sites as ISO 50001, which is expected to reduce over 150,000 GJ of energy per year, and a process automation installation, expected to save over 6,000 GJ per year.
303 Water and Effluents		
3-3	Management of material topics	2023 Sustainability Report – Water Use & Quality, page 32 Kruger Products Environmental Policy
303-1	Interactions with water as a shared resource	2023 Sustainability Report – Water Use & Quality, page 32
303-2	Management of water discharge-related impacts	We comply with all local standards for managing water-related discharges in our operational facilities. 2023 Sustainability Report – Water Use & Quality, page 32
303-3	Water withdrawal	2023 Sustainability Report – Key Performance Indicators: Operations, page 49
303-4	Water discharge	2023 Sustainability Report – Key Performance Indicators: Operations, page 49
303-5	Water consumption	2023 Sustainability Report – Key Performance Indicators: Operations, page 49



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
305 Emissions		
3-3	Management of material topics	Kruger Products calculates its emissions using the GHG Protocol’s operational control approach. Sources for emissions factors include NRCAN and eGRID. The source for GWP rates is the IPCC Sixth Assessment Report. 2023 Sustainability Report – Planet Conscious, pages 27–31
305-1	Direct (Scope 1) GHG emissions	Calculations for direct (Scope 1) GHG emissions include CO ₂ , CH ₄ and N ₂ O. 2023 Sustainability Report – Key Performance Indicators: Operations, page 47
305-2	Energy indirect (Scope 2) GHG emissions	Calculations for energy indirect (Scope 2) GHG emissions include CO ₂ , CH ₄ and N ₂ O. 2023 Sustainability Report – Key Performance Indicators: Operations, page 47
305-3	Other indirect (Scope 3) GHG emissions	Calculations for Scope 3 GHG emissions include CO ₂ , CH ₄ and N ₂ O. 2023 Sustainability Report – Key Performance Indicators: Operations, pages 47–48
305-4	GHG emissions intensity	2023 Sustainability Report – Key Performance Indicators: Operations, page 47
305-5	Reduction of GHG emissions	In 2023, multiple projects resulted in reductions in GHG emissions. This included certifying our New Westminster, BC and Crabtree, QC sites as ISO 50001, which is expected to reduce over 4,500 MT of CO ₂ e per year, and a process automation installation, expected to save over 6 MTCO ₂ e per year.
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions	2023 Sustainability Report – Key Performance Indicators: Operations, page 49



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
306 Waste		
3-3	Management of material topics	2023 Sustainability Report – Waste Management, page 33
306-1	Waste generation and significant waste-related impacts	In 2023, Kruger Products avoided sludge in landfill by reusing it in farmers’ fields and in the cogeneration facility.
306-2	Management of significant waste-related impacts	To prevent waste generation, we reuse sludge, recycle metal and wood, reuse the broke in our manufacturing process, and try to recapture as much as possible. All waste-related data is collected by waste vendors and by the site staff (broke and sludge).
306-3	Waste generated	2023 Sustainability Report – Waste Management, page 33 ; Key Performance Indicators: Operations, page 50
306-4	Waste diverted from disposal	2023 Sustainability Report – Waste Management, page 33 ; Key Performance Indicators: Operations, page 50
306-5	Waste directed to disposal	2023 Sustainability Report – Waste Management, page 33 ; Key Performance Indicators: Operations, page 50
308 Supplier Environmental Assessment		
3-3	Management of material topics	Kruger Products Fibre Procurement Policy Kruger Products Supplier Code of Conduct CDP Forests response We utilize the EcoVadis questionnaire to identify suppliers with higher risk based on environmental disclosure to EcoVadis. Once identified, we work with suppliers in an effort to improve their disclosure and/or lower their potential risk.
308-1	New suppliers that were screened using environmental criteria	All of our suppliers provide certified fibre that is part of the FSC®, PEFC or SFI certification systems 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. In addition to various other criteria for selection, we require all of our pulp suppliers to be third-party certified and to adhere to Kruger Products’ Fibre Procurement Policy and Supplier Code of Conduct . CDP Forests response – F1.5a and F6.4a
308-2	Negative environmental impacts in the supply chain and actions taken	All of our suppliers provide certified fibre that is part of the FSC®, PEFC or SFI certification systems 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. CDP Forests response – F1.5a and F6.4a



GRI 400

GRI DISCLOSURE NUMBER**GRI DISCLOSURE NAME****2023 DISCLOSURE RESPONSE**

401 Employment

3-3 **Management of material topics** 2023 Sustainability Report – Employee Impact, [pages 36–38](#)
 Kruger Products [Code of Ethics](#)

401-1 **New employee hires and employee turnover** In 2023, Kruger Products hired 562 new employees, and total turnover numbered 546. Given below is a breakdown by gender, age, country and region:

		New Employee Hires	Employee Turnover
Total		562	546
Gender	Female	120	124
	Male	442	422
Age	19–25	204	138
	26–35	167	114
	36–45	94	109
	46–55	64	75
	56–65	31	94
	66–70+	2	16
Country	Canada	515	371
	U.S.	47	175



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE	
401-1	New employee hires and employee turnover		
		New Employee Hires	Employee Turnover
	Region		
		AB	0
		BC	53
		MB	1
		NB	0
		NS	0
		ON	149
		QC	312
		U.S.	47
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits that are standard to full-time employees include life insurance, healthcare, disability and invalidity coverage, parental leave and retirement provision. Other benefits include a personal wellness account and accidental death and dismemberment insurance. These benefits apply to any province, state or country where Kruger Products employs people.	
401-3	Parental leave	In 2023, a total of 16 employees took parental leave.	
	Employees entitled to parental leave	Male	2,281
		Female	545
	Employees who took parental leave	Male	10
		Female	6



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE		
401-3	Parental leave	Employees who returned to work after parental leave	Male	10
			Female	4 (2 still on maternity leave)
		Employees who returned to work after parental leave ended (who were still employed 12 months after their return to work)	Male	10
			Female	4 (2 still on maternity leave)
		Return-to-work and retention rates	Male	100%
			Female	100%

402 Labour/Management Relations

3-3	Management of material topics	Most Kruger Products employees are unionized, and relations would be governed by collective agreement. Kruger Products Code of Ethics		
402-1	Minimum notice periods regarding operational changes	At Kruger Products, between two- and four-weeks' notice is provided, on average, to salaried employees and their representatives before the implementation of significant operational changes. The notice period and provisions are specified in collective agreements for organizations with collective bargaining agreements.		

403 Occupational Health and Safety

3-3	Management of material topics	2023 Sustainability Report – Our Commitment to Health & Safety, page 35		
403-1	Occupational health and safety management system	Kruger Products has established an Environmental, Health and Safety (EH&S) Management System that covers full-time employees, temporary employees and contract workers at our manufacturing sites and offices. Our workplace activities include the manufacturing and distribution of consumer-packaged products, the administration of our operations, and the sale and marketing of products to customers. The EH&S Management System requires sites to comply, at a minimum, with local legal and regulatory expectations and established Kruger Products best practices where those may be greater. Our EH&S Management System is structured in alignment with recognized management system standards such as ISO 45000, including but not limited to an EH&S Policy, root cause analysis, job safety risk analysis, corporate guidelines, standardized procedures and systems, risk assessment, regular governance meetings, monitoring, operational control, evaluation of application regulations, legal watches, etc.		



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
403-2	Hazard identification, risk assessment and incident investigation	<p>Kruger Products’ EH&S Management System requires a Risk Inventory to be developed and maintained, including safety hazards/regulatory requirements, associated risks, documented controls following the hierarchy of controls, and an overall risk reduction/improvement plan. The quality of the Risk Inventory and associated components is assessed through a maturity assessment process, in combination with regulatory evaluation and quarterly watches. The outcomes are used to determine the level of risk reduction achieved and the maturity of the risk management process. We expect all employees and temporary and contract workers to speak out and report all workplace injuries, illnesses and hazards. The reporting process typically includes an electronic tool that enables teams to investigate and follow up on reported events. Our employees, temporary workers and contract workers are expected to follow and comply with Kruger Products’ safety procedures and to report and stop any work situations that they believe could cause injury or illness to themselves or others. Incident investigations utilizing a recognized root cause analysis process must be completed for all work-related fatalities, permanent/temporary injuries and illnesses, reportable injuries and illnesses, near misses, and first aid. The outcomes of the investigation are used to develop corrective actions, leveraging the hierarchy of controls to prevent the reoccurrence of similar events – including global actions, when needed, to help avoid similar repeated root causes – and improving the occupational health and safety management system.</p>
403-3	Occupational health services	<p>As part of the corporate EH&S Strategy, our goals, priorities and actions are based on compliance and caring. This includes standards that identify, control, and mitigate risks and standards to ensure a safe work environment, promote the health of our employees and prevent illness. We conduct medical surveillance for employees identified as potentially at risk of exposure to a health hazard, acting in alignment with local legislation and ensuring that controls and mitigation measures are implemented as needed. Employee medical health data is managed and stored in compliance with local laws and Kruger Products’ Privacy Policy. All employees are required to complete an ethics training course on a yearly basis.</p>
403-4	Worker participation, consultation and communication on occupational health and safety	<p>At Kruger Products, we have a combination of trade union and works council agreements that range from local to corporate. EH&S is a common topic in these agreements and is subject to negotiation, consultation or information sharing, depending on the country. Typical subjects in these agreements involve H&S standards, training, PPE, hazard and incident reporting, risk assessment, worker participation, problem solving (Kaizen), and investigations. Trade unions, works councils, employee representatives and other joint committees are also commonly engaged in these programs and audits. The frequency of meetings and employee communications varies by location and agreement and typically includes the organization’s performance on health and safety.</p>
403-5	Worker training on occupational health and safety	<p>Kruger Products’ EH&S Management System requires health and safety awareness training regarding policies, risks, regulatory requirements, employees’ and workers’ roles in contributing to a safe work environment, and the implications of not conforming to safety rules and procedures/practices. Furthermore, our EH&S Management System requires a documented training program that includes a training needs assessment to identify and address key health and safety training required for all employees, temporary workers, contract workers and visitors. Training specific to the employee’s, temporary worker’s and/or contract worker’s duties includes controls for managing health and safety risks, standard operating practices, and emergency response procedures.</p>



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
403-6	Promotion of worker health	<p>We facilitate access to non-occupational medical and healthcare services for our employees. We provide work-life balance programs and benefits to connect employees with the Company values inside and outside of work, including a hybrid working model that includes a mix of in-office and work-from-home days. The Employee & Family Assistance Program through LifeWorks offers free and confidential professional support. Services include but are not limited to improving nutrition, weight management, separation and divorce, childcare services, credit and debt management, and much more. We drive the program all year round, but especially during mental health month in May, and when onboarding staff or managing labour relations challenges. Each year, salaried employees receive \$300 in their Personal Wellness Account to use towards holistic health initiatives, including mood-boosting activities, outdoor sports, gym memberships, hypnotherapy, home gym equipment, smoking cessation treatments, etc. A Dialogue App subscription is made available to all salaried employees. This app connects employees and their immediate family members to live face time with a physician who can provide virtual consultations and prescribe medication. The Headspace App subscription, available for all salaried employees, guides and supports everyday mindfulness and meditation for stress, anxiety, sleep, focus, fitness and more. We also organize monthly social events and catered lunches at the corporate head office to celebrate diversity, equity & inclusion (called Lunch Around the World, where we celebrate and learn about a different culture and its cuisine each month).</p>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>All Kruger Products sites have an EH&S Management System in place, including a risk assessment matrix, regulatory audit and legal watch to capture all applicable changes to investigation procedures, root cause analysis and corrective action, self-evaluation of the H&S maturity, joint committees allowing collaboration of risk identification, contractors management, pre-job safety analysis and, of course, PPE management. Each site has specific procedures and work instructions on critical programs such as LOTO, confined space, working at height, lift truck operation, electrical safety, breaking line, etc. Finally, regular monitoring and audit processes are in place at several levels of the organization to ensure the right governance and tracking of key performance indicators.</p>
403-8	Workers covered by an occupational health and safety management system	<p>Kruger Products' EH&S Management System covers the 2,800 employees on site and in the offices, as well as the contractors present on site. Our EH&S management is audited at each site on several topics, including operational control critical procedures (e.g., LOTO, confined space, working at height, PPE, breaking line, job safety risk analysis, etc.). This audit comprises self-evaluation that all sites conduct, and gaps are addressed via annual plans. Our EH&S Management System is not audited or certified by an external party. Kruger Products sites are not certified in any ISO 45001 (H&S) or ISO 14001 (Environmental) management systems. However, we have a third-party regulatory audit pertaining to the application of EH&S regulations.</p>
403-9	Work-related injuries	<p>In 2023, there were 22 recordable work-related injuries (mostly finger, hand and back injuries) during a total of 5,000,000 hours worked. There were no fatalities as a result of these work-related injuries. High-consequence injury could be related to LOTO, machine guarding, blades and ergonomics for our operations. Risks are determined through risk assessment, applicable regulation, inspection and audit, self-declaration and root cause analysis. Of these risks, machine guarding, blades and ergonomics are the ones that have contributed to injury during the reporting period. Each recordable event, including first aid and near misses, is investigated through a credible root cause analysis process to eliminate hazards and minimize risks using the hierarchy of controls. The TIR and severity rates have been calculated based on 200,000 hours worked. All data has been compiled following international best practices.</p> <p>2023 Sustainability Report – Key Performance Indicators: Social, page 53</p>
403-10	Work-related ill health	<p>There were 22 cases of work-related ill health during the reporting period noted above, with a TIR of 0.86. There were no fatalities among employees for the reporting period. Potential hazards are identified using a systematic risk assessment process and matrix. Each event includes a root cause analysis (RCA) to achieve a better understanding of why it occurred and to help prevent similar events from happening in future. Once the RCA is completed, corrective actions based on the hierarchy of controls are implemented when required.</p>



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
404 Training and Education		
3-3	Management of material topics	2023 Sustainability Report – Employee Impact, pages 36–38
404-1	Average hours of training per year per employee	Our employees average 48 hours of training a year. This includes training on our Code of Ethics, cyber security, diversity, equity & inclusion, health and safety, and role-specific training. The training is completed on various online learning platforms. Gender does not play a factor in the calculation of our training hours.
404-2	Programs for upgrading employee skills and transition assistance programs	We use a platform called Empower for performance management and development planning. Employees are required to create their personal development plan in Empower each year and regularly revisit the plan with their Manager to discuss progress, learning initiatives and opportunities for growth. April is Personal & Career Development Month at Kruger Products. This month includes workshops, one-on-one support with development planning from Human Resources, guest speakers, how-to videos and guided learning sessions, podcasts and book clubs focused on personal growth, etc. Voluntary training is also offered through our learning management platform, Percipio, on various subjects, including understanding the business, data analysis, managing execution, leading people, being authentic and open, teamwork and collaboration, etc. Employees can enroll in courses and receive certificates and badges for completion. We offer a tuition reimbursement program to provide employees with financial support in their studies with recognized and registered colleges, universities and other academic institutions. Employees can apply, and forms are provided to employees and submitted through Human Resources. Reimbursement is paid upon a passing mark through Concur. We partner with Korn Ferry to create specialized education programs for executive learning and training, such as job evaluation training, compensation management, etc. We partner with a third party that is a leader in transition support to provide coaching, post-termination transition plans, career planning, post-retirement career counselling, etc. We also use a Lean Six Sigma training program to grow problem-solving capability within the organization. Thus far, we have certified 65 yellow belts, eight green belts with nine in progress, and one black belt with five in progress.
404-3	Percentage of employees receiving regular performance and career development reviews	100% of all salaried employees, regardless of gender, receive objective-setting coaching at the start of each new year, a mandatory mid-year performance review, and a mandatory year-end performance and development review. This is done through the Empower online platform.



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2023 DISCLOSURE RESPONSE
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405 Diversity and Equal Opportunity

3-3	Management of material topics	2023 Sustainability Report – Employee Impact, pages 36–37								
405-1	Diversity of governance bodies and employees	<p>Please see our response to GRI 2-7 for a breakdown of additional diversity metrics related to our workforce composition.</p> <table border="1"> <thead> <tr> <th>Age Bracket</th> <th>% Employees</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>15%</td> </tr> <tr> <td>30–50</td> <td>55%</td> </tr> <tr> <td>50+</td> <td>30%</td> </tr> </tbody> </table>	Age Bracket	% Employees	Under 30	15%	30–50	55%	50+	30%
Age Bracket	% Employees									
Under 30	15%									
30–50	55%									
50+	30%									

406 Non-discrimination

3-3	Management of material topics	<p>Kruger Products Code of Ethics, page 24</p> <p>2023 Sustainability Report – Ethics & Integrity, page 19</p>
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416 Customer Health and Safety

3-3	Management of material topics	Kruger Products is committed to meeting changing regulatory requirements by using standards like CAL65 and PBA as a guide for what can be in the product. We will continue third-party quality testing of our products to ensure that our products meet the business’ standards and customers’ expectations.
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Governance: Disclose the Organization's Governance Around Climate-Related Risks and Opportunities

a. Describe the board's oversight of climate-related risks and opportunities.

At Kruger Products, climate-related issues are integrated into the following governance mechanisms:

1. Monitoring and overseeing progress against goals and targets for addressing climate-related issues;
2. Monitoring implementation and performance of objectives;
3. Overseeing major capital expenditures, acquisitions and divestitures;
4. Reviewing and guiding business plans;
5. Reviewing and guiding risk management policies;
6. Reviewing and guiding strategy.

The Board has general oversight of the issues and works with the Governance Committee to approve material topics. The Leadership Team at Kruger Products is responsible for any related actions and builds out solutions, which are then approved by the Board. Our 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 requirements, is determined by management, and approved for immediate or future spending. Depending on the cost of the project, approvals may be required by the CEO, CFO, CMO and relevant department's SVP or VP, and any major capital expenditures would require approval by the Board.

2023 Sustainability Report – Governance, [page 18](#)

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Kruger Products' Chief Executive Officer (CEO) and the Vice President (VP) of Sustainability are responsible for assessing and managing climate-related risks and opportunities and reporting to the Board on climate-related issues semi-annually. Our Chief Risk Officer (CRO) is responsible for assessing climate-related risks and opportunities and reports to the Board annually. Our Energy and Procurement Managers manage climate-related risks and opportunities and report to the Board quarterly. The Safety, Health, Environment and Quality Committee at Kruger Products also manages climate-related risks and opportunities and reports to the Board quarterly.

The CEO chairs a Sustainability Committee, which covers areas including manufacturing, sales, marketing, technology, distribution, sustainability, environment, human resources and procurement. The Sustainability Committee develops sustainability targets across various areas, including energy, emissions, water, and health and safety, and monitors plans implemented throughout the organization to achieve these targets. The Sustainability Committee reports annually to the broader Leadership Team and the Board. The VP of Sustainability leads the day-to-day operations, planning and reporting of sustainability initiatives. Climate-related performance to targets is included in the remuneration policies for the Leadership Team, Corporate Sustainability team and Energy team.

2023 Sustainability Report – Governance, [page 18](#)



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Strategy: Disclose the Actual and Potential Impacts of Climate-Related Risks and Opportunities on the Organization’s Businesses, Strategy and Financial Planning Where Such Information Is Material

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

At Kruger Products, the short term is defined as zero to five years, the medium term is five to ten years and the long term is 10 to 30 years. Traditionally, we have focused on the short term for identifying and implementing projects focused on climate change, including energy and water reduction projects and GHG reduction efforts. For large carbon reduction projects, planning on a short-term horizon ensures that we are utilizing the best technologies available, and costing remains as accurate as possible. Our first sustainability program, Sustainability 2015, and its follow-up, Sustainability 2020, followed this timeline.

In 2021, we launched Reimagine 2030, which sets our sustainability targets for 2030 versus our 2009 baseline year. Initiatives over the next ten years will impact the longer horizon. These initiatives require systemic changes to how we operate and will have the greatest potential for improving our footprint significantly. We continuously monitor trends, regulations and technological improvements to help map our long-term vision of how the Company could operate in the long term. 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.

We have identified the following climate-related risks as having the potential to have a substantive financial or strategic impact on our business. For climate-related opportunities, while we have identified areas as having the potential to have financial or strategic impact, we are currently unable to realize them.

Type	Climate-Related Risks/ Opportunities	Risk/Opportunity Identified	Time Horizon
Transition risks	Policy and legal	Carbon pricing mechanisms	Short term
	Market	Fuel and transportation costs	Short term
	Market	Supply chain	Short term
	Market	Certified sustainable materials	Short term
	Policy and legal	Mandates on and regulation of existing products and services	Medium term
Physical risks	Acute	Flood (coastal, fluvial, pluvial, groundwater)	Short term
	Acute	Wildfires	Medium term
	Chronic	Heat stress	Long term



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Type	Climate-Related Risks/ Opportunities	Risk/Opportunity Identified	Time Horizon
Opportunities	Energy source	New technologies	Short term
	Products/services	Plastic packaging	Short term
	Resource efficiency	Fibre and water	Short term

b. Describe the impact of climate-related risks and opportunities on the company’s businesses, strategy and financial planning.

Our strategy has been influenced by climate-related risks and opportunities. We are currently investigating how to develop a transition plan to align with a 1.5°C scenario and are actively investigating how we can develop a roadmap and set of recommendations for the Board to consider.

Risk/Opportunity Identified	Potential Financial Impact	Description of Impact
Risks		
Carbon pricing mechanisms	Increased direct costs	<p>Evolving cap and trade schemes by various provinces (applicable specifically to our British Columbia and Québec paper manufacturing facilities) increase our operating costs. The potential financial impact can vary between \$1.8 million and \$5 million. The lower estimate is based on the projected increase in the Québec cap and trade GHG cost by 2030. It covers two of our facilities (Crabtree and Gatineau) that currently fall under the reporting obligation but excludes our third facility, which will be subject to 2023 reporting, and our facility in British Columbia. The higher estimate includes these facilities at a high level.</p> <p>We have dedicated resources working towards minimizing the impact of carbon pricing through carbon reduction projects. As we expand our operations, we are also evaluating opportunities to include renewable energy solutions as part of our energy profile to reduce energy-related carbon emissions.</p> <p>New opportunities might include solar, wind or biomass projects, etc., depending on location.</p>
Fuel and transportation costs	Increased indirect (operating) costs	<p>Historically, we have seen an increase of approximately 5% to 10% in logistics costs year over year due to supply chain issues, fuel price increases and carrier cost increases. The potential financial impact can vary between \$7 million and \$10 million. In 2023, we accessed two 100% electric semi-trailer trucks to move materials between our warehouses. This could pave the way for reducing our risk of transportation cost increases due to petroleum fuel price increases.</p> <p>2023 Sustainability Report – Transportation, page 31</p>



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Risk/Opportunity Identified	Potential Financial Impact	Description of Impact
Risks		
Supply chain	Decreased revenues due to price increases	We assess the potential risk for primary materials costs to increase based on current and potential world events. Higher tariffs or price increases can impact bottom-line profits, which could be a material issue to investors.
Certified sustainable materials	Decreased revenues due to reduction in demand	Consumers are becoming more concerned about the sustainability of the products they buy. One of the strengths of our brands is that all of the fibre used in the products is certified through FSC®, PEFC or SFI. If the supply of certified sustainable material diminished to the point where we could no longer offer third-party certified products, we may lose more eco-conscious consumers to competing and fully certified brands.
Mandates on and regulation of existing products and services	Increased direct costs	There is a requirement to disclose emissions on-package to increase the visibility of emissions performance on products for consumers, which would require all packaging to be updated. We currently have 150 stock-keeping units (SKUs), and the estimated cost for printing plates and for creative work is ~\$5,000/SKU.
Flood (coastal, fluvial, pluvial, groundwater)	Decreased revenues due to reduced production capacity	All of Kruger Products’ 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. The potential financial impact of this risk varies between \$89 million and \$343 million. 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. 2023 Sustainability Report – Our Facilities, page 85
Wildfires	Increased direct costs	Our business is significantly dependent upon access to pulp to manufacture tissue products, and we are currently sourcing this pulp from the Canadian and Brazilian wood basins. Significant fires could disrupt market pulp supply and increase costs while decreasing the availability of the source material itself.
Heat stress	Increased direct costs	Rising temperatures could potentially affect the fibre supply chain from pulp manufacturers. Higher temperatures could affect tree growth adversely, resulting in less supply closer to manufacturing facilities and higher costs. The impact has yet to be quantified financially, but we would expect to deal with higher costs due to the need to source fibre from alternative suppliers.



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Risk/Opportunity Identified	Potential Financial Impact	Description of Impact
Opportunities		
New technologies	Decreased indirect (operating) costs	In the past, we have installed a biomass energy generation facility that uses otherwise unusable biomass to produce energy. Our latest manufacturing facility will utilize steam from a cogeneration plant operated by our affiliate to reduce carbon emissions. 2023 Sustainability Report – Planet Conscious, pages 27–28
Plastic packaging	Increased revenues through demand for products	Many of our retail customers and consumers demand 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 evaluating alternatives to offset this material, reducing carbon emissions and providing an innovative solution within the North American market. 2023 Sustainability Report – Packaging: Our Plan for Plastic, page 25
Fibre and water	Decreased indirect (operating) costs	The new Sherbrooke, QC facility uses TAD technology that reduces fibre and water usage. 2023 Sustainability Report – Message from Dino Bianco, page 4

c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We have used climate-related scenarios RCP 2.6, 4.5 and 8.5 to determine the business interruption cost to each of our manufacturing and storage facilities and the likelihood of short-term (2030) and long-term (2050) impacts. Climate impacts considered are: extreme precipitation, wind, temperature, drought and sea level rise. Analysis was completed to determine if facilities have actionable climate risks that the Company can address to mitigate impacts for each site, and estimated cost to address the risk by site.



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Risk Management: Disclose How the Organization Identifies, Assesses and Manages Climate-Related Risks

a. Describe the organization’s processes for identifying and assessing climate-related risks.

At Kruger Products, we have a process for identifying, assessing and responding to climate-related risks. Risk management is integrated into a multi-disciplinary company-wide risk management process covering our direct operations. The frequency of assessment is more than once a year and covers short-, medium- and long-term risks.

b. Describe the company’s processes for managing climate-related risks.

Risk/Opportunity Identified	Potential Financial Impact	Description of Impact
Transition risks	Policy and legal risks	<p>Kruger Products understands applicable laws and regulations and has implemented internal policies and procedures to ensure compliance. In addition, a 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. We continually monitor and review emerging and developing regulations to prepare for scenarios where changing regulations may impact our business operations. Regulatory reviews are primarily of Canadian and U.S. law, as these are the countries where we manufacture our products. 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.</p> <p>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 cogeneration power plant operated by our affiliate and a heat recovery mechanism in Québec that is projected to save 22,500 MTCO₂e per year at a projected cost of \$6 million.</p> <p>2023 Sustainability Report – Message from Dino Bianco, page 4</p>
	Technology risks	<p>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 and attend trade shows to learn about emerging technologies and best practices that could help improve our energy efficiency and carbon reduction plans.</p>



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Risk/Opportunity Identified	Potential Financial Impact	Description of Impact
Transition risks	Market risks	<p>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 fulfill 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.</p> <p>Since we exclusively use third-party logistics suppliers to move our goods internally and externally, we focus on three areas to manage risks:</p> <ol style="list-style-type: none"> 1. Increasing cube optimization by loading more product 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.
	Reputation risks	<p>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.</p> <p>2023 Sustainability Report – Reimagine 2030, pages 9–13; Fibre & Forests, pages 23–24; Climate Change & Emissions, pages 28–31</p>



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Risk/Opportunity Identified	Potential Financial Impact	Description of Impact
Physical risks	Acute risks	<p>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.</p> <p>Our facility sites were chosen to minimize the risk of flooding during the purchasing phase. Our manufacturing sites are spread out throughout Canada, with one site in Memphis, TN, the highest producing site, accounting for 22% of production. This means if a worst-case scenario took place at our most active manufacturing site, we would see roughly a 22% reduction in revenue-generating capacity plus cost to rehabilitate the manufacturing operation.</p> <p>2023 Sustainability Report – About Us, page 7</p>
	Chronic risks	<p>We recognize that long-term climate change could directly impact the availability of wood fibre and the stability of manufacturing operations, as well as disrupting 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.</p> <p>As part of our planning to address this risk, we are investing in R&D to research 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.</p>

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.

Sustainability risks are approved for inclusion into the Company’s overall Enterprise Risk Management system by the Board based on the material impact to the business, and once approved the Company develops the current state, risk level impact and speed as well as mitigation strategies the Company could or should be taking to minimize the impact to the business.



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Metrics and Targets: Disclose the Metrics and Targets Used to Assess and Manage Relevant Climate-Related Risks and Opportunities Where Such Information Is Material

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Kruger Products tracks the following metrics to monitor climate-related risks and opportunities:

Category	Metrics
Operations	<ol style="list-style-type: none"> 1. Energy consumption 2. GHG emissions (Scope 1, 2 and 3) 3. Water 4. Waste
Products	<ol style="list-style-type: none"> 5. Fibres consumed 6. Certified products 7. Packaging materials 8. Paper production and converted cases

2023 Sustainability Report – Reimagine 2030, [pages 9–13](#); Key Performance Indicators: Operations, [pages 46–50](#); Key Performance Indicators: Products, [pages 51–52](#)

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

In 2023, total Scope 1 emissions were 253,234 MTCO₂e and Scope 2 emissions were 77,018 MTCO₂e. Total Scope 3 emissions were 616,445 MTCO₂e. This is the second year that we have calculated our Scope 3 emissions, which improved on the data coverage from our initial calculation. Given below is a summary of our Scope 3 emissions calculation methodology:

Scope 3 Category	Calculation Methodology
Purchased goods and services	We collected Scopes 1 and 2 data from 68% of our pulp suppliers via sustainability reports or other public-related disclosures. While we recognize that this category is for all purchased goods, we have only calculated the emissions impact of our pulp, packaging and chemicals, which make up the majority of our product spend. We plan to expand the completeness of this number in the years to come. For our packaging procurement, we utilized the spending method, and the U.S. Environmental Protection Agency (EPA) provided emissions factors for the composition of the materials.
Capital goods	We utilized the spend-based method and EPA-provided emissions factors based on the project type.



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Scope 3 Category	Calculation Methodology
Fuel- and energy-related activities	Based on industry information on activities A, B and C in this category: A. Upstream emissions of purchased fuels B. Upstream emissions of purchased electricity C. Transmission and distributed (T&D) losses
Upstream transportation and distribution	We have accounted for the transportation of raw pulp from our suppliers to our production sites as well as the storage of upstream materials. Transportation emissions were calculated using the World Resources Institute (2015) – GHG Protocol tool for mobile combustion (Version 2.6). Facility emissions were calculated using the U.S. Energy Information Administration (EIA) database, using expected natural gas and electricity consumption based on facility type and size. We then used local emissions factors with the percentage of the facility our products occupy to determine our emissions contributions.
Waste generated in operations	75% of the waste materials are tracked by our waste service companies using the EPA waste type emission factors. The remaining 25% is tracked internally because it is made up of manufacturing end products that are not reused (paper broke).
Business travel	Our travel partner, Concur, provides total business travel emissions by travel mode and the distance our employees travelled in the reporting year.
Employee commuting	Based on a Statistics Canada finding, we used an average distance travelled for each employee to reach each of our operating sites and used the average fuel efficiency for cars using the latest information available from the International Energy Agency (IEA).
Upstream leased assets	We are using actual facility sizes with location-based emission factors but using IEA estimates for electricity and natural gas use based on the facility type and size.
Downstream transportation and distribution	Our finished goods transportation partner has an online dashboard that tracks weight, distance and carbon emissions for each of our trips. We have also accounted for the storage of finished goods. Using the IEA database, we calculated emissions using expected natural gas and electricity consumption based on facility type and size. We then used local emission factors with the percentage of the facility our products occupy to determine our emissions contributions.
Processing of sold products	We are currently using industry averages and plan to improve our reporting accuracy by collecting value chain partner Scopes 1 and 2 data for subsequent reports.
End-of-life treatment of sold products	Suppliers provide us with the weights of packaging material on a yearly basis. Using EPA emissions factors based on weight type, this works out to 22% of the emissions. The other portion of the data is the materials we produced, which are tracked internally. Using the EPA emissions factors for weight type, this works out to 78% of this category's emissions.

2023 Sustainability Report – Key Performance Indicators: Operations, [pages 47–48](#)



TCFD RECOMMENDATIONS

2023 DISCLOSURE RESPONSE

c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We have recast our company-wide target in 2023 to reduce our Scopes 1 and 2 emissions by 35% by 2030 (relative to the 2015 baseline). To achieve this target, we continue to invest in energy efficiency projects, including a biogas generator, heat reclamation and emerging technologies as they become cost effective, and plan to utilize the cogeneration facility operated by our affiliate. This past year, we achieved a 26% reduction from our baseline, which means we are 74% of the way to achieving our target.

In 2021, we set a company-wide intensity target as part of our plastic waste reduction initiative – while the goal is to reduce virgin plastic usage, it will also impact our Scope 3 emissions. This target pertains only to our branded products and their plastic packaging. We plan to achieve this target by using less virgin plastic in our packaging and introducing a percentage of post-consumer recycled plastic as well as using paper packaging. We have not made progress towards our 2030 target, and to date have seen an 8% increase relative to the base year of 2020.

2023 Sustainability Report – Q&A with Steven Sage, [pages 5–6](#); Reimagine 2030, [page 9](#)



Our Facilities

LOCATION	PRIMARY FUNCTION(S)	ANNUAL PAPERMAKING CAPACITY (MT) ¹	PRIMARY FINISHED PRODUCTS PRODUCED	TOTAL NO. OF EMPLOYEES ¹	THIRD-PARTY CERTIFICATIONS
Crabtree, Québec, Canada	<ul style="list-style-type: none"> Papermaking Converting De-inking and Pulping (Recycled) 	91,000	<ul style="list-style-type: none"> Bathroom Tissue Paper Towels 	603	ISO 9001:2015 FSC® CoC SFI/PEFC CoC ECOLOGO GMP CT-PAT
Gatineau, Québec, Canada	<ul style="list-style-type: none"> Papermaking (Laurier) Converting (Richelieu) 	93,000	<ul style="list-style-type: none"> Bathroom Tissue Facial Tissue Paper Napkins Paper Towels 	411	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC ECOLOGO GMP CT-PAT
Lennoxville (Sherbrooke), Québec, Canada	<ul style="list-style-type: none"> Papermaking 	24,000	N/A	48	ISO 9001:2015 FSC® CoC SFI/PEFC CoC ECOLOGO CT-PAT
Memphis, Tennessee, United States of America	<ul style="list-style-type: none"> Papermaking Converting 	95,000	<ul style="list-style-type: none"> Bathroom Tissue Facial Tissue Paper Towels 	389	ISO 9001:2015 FSC® CoC SFI/PEFC CoC GMP
Mississauga, Ontario, Canada²	<ul style="list-style-type: none"> Corporate Head Office 	N/A	N/A	302	FSC® CoC SFI/PEFC CoC UL ECOLOGO
New Westminster, British Columbia, Canada	<ul style="list-style-type: none"> Papermaking Converting 	68,000	<ul style="list-style-type: none"> Bathroom Tissue Facial Tissue 	374	ISO 9001:2015 FSC® CoC SFI/PEFC CoC GMP CT-PAT
Scarborough (Toronto), Ontario, Canada	<ul style="list-style-type: none"> Converting 	N/A	<ul style="list-style-type: none"> Paper Napkins 	137	FSC® CoC UL ECOLOGO ECOLOGO
Sherbrooke, Québec, Canada TAD	<ul style="list-style-type: none"> Papermaking Converting 	70,000	<ul style="list-style-type: none"> Bathroom Tissue Paper Towels 	266	ISO 9001:2015 FSC® CoC UL ECOLOGO GMP
Sherbrooke, Québec, Canada LDC	<ul style="list-style-type: none"> Converting 	N/A	N/A	80	FSC® CoC
Trenton, Ontario, Canada	<ul style="list-style-type: none"> Converting 	N/A	<ul style="list-style-type: none"> Bathroom Tissue Facial Tissue Paper Napkins Paper Towels 	217	FSC® CoC UL ECOLOGO GMP
Totals		441,000		2,827	

¹ As of December 31, 2023.

² Includes sales offices in Bentonville, Arkansas, USA and Laval, Québec, Canada as well as individual home offices across the USA and Canada.

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

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